

Item 1 – Cover Page
GC Advisors LLC (“GC Advisors”)
Form ADV, Part 2A (the “Brochure”)

March 31, 2015

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This Brochure provides information about the qualifications and business practices of GC Advisors. If you have any questions about the contents of this Brochure, please contact us at (312) 205-5050. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. GC Advisors may refer to itself as a “registered investment adviser” or “RIA”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about GC Advisors is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

None.

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IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- ***an offer or agreement to provide advisory services to any person or separately managed account;***
- ***an offer to sell interests (or a solicitation of an offer to purchase interests) in any private fund or other pooled investment vehicle; or***
- ***a complete discussion of the features, risks or conflicts associated with any advisory service, private fund or pooled investment vehicle.***

As required by the Investment Advisers Act of 1940, as amended (the “Advisers Act”), GC Advisors, GC Synexus Advisors, LLC (“GC Synexus”), Golub Capital International Management, LLC (“Golub Capital IM”) and GC Investment Management LLC (“GCIM”) (collectively, “we”, “us” or “our”) provide this Brochure to current and prospective clients. We may also, in our discretion, provide this Brochure to current or prospective investors in a separately managed account, private fund or pooled investment vehicle advised by us, together with other relevant governing documents, such as an offering or private placement memorandum or investment management agreement (“client documents”), prior to, or in connection with, an investment in such account, fund or vehicle. Additionally, this Brochure is available through the SEC’s website.

Although this publicly available Brochure describes investment advisory services and products that we provide, persons who receive this Brochure (whether or not from us) should be aware that it is designed solely to provide information about us as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant client documents. More complete information about each separately managed account, private fund or other pooled investment vehicle is included in the relevant client documents, certain of which may be provided to current and eligible prospective investors only by persons authorized to communicate with current or potential investors by, or on behalf of, us. To the extent that there is any conflict between discussions herein and similar or related discussions in any client documents, the relevant client documents shall govern and control.

No offer or solicitation for an account, fund or vehicle managed by us will be made before the delivery of client documents to a potential investor. You should read the client documents carefully and consult with tax, legal and financial advisors before making any investment decision.

Item 4 – Advisory Business

GC Advisors is a limited liability company organized in September 2008. The principal beneficial owners of GC Advisors are persons and entities associated with Lawrence E. Golub and David B. Golub. Lawrence E. Golub is the Chief Executive Officer of GC Advisors and David B. Golub is the President of GC Advisors.

Golub Capital IM is a limited liability company organized in October 2005. Lawrence E. Golub is the Chief Executive Officer of Golub Capital IM and David B. Golub is the President of Golub Capital IM. Golub Capital IM does not currently anticipate taking additional clients and is relying on the registration provided by GC Advisors.

GC Synexus is a limited liability company organized in January 2011. Lawrence E. Golub is the Chairman of GC Synexus and David B. Golub is the Vice Chairman of GC Synexus and Daniel E. Posner is the President and Chief Investment Officer of GC Synexus. GC Synexus is relying on the registration provided by GC Advisors.

GCIM is a limited liability company organized in October 2010. GCIM is an investment adviser that is independently operated from GC Advisors and the other relying advisers. Pursuant to a contractual arrangement, GCIM receives nondiscretionary subadviser services, fundraising and back office support from GC Advisors and its affiliates. GCIM is relying on the registration provided by GC Advisors.

Firm Overview

We provide investment management services as the adviser to pooled investment vehicles, private investment funds and separately managed accounts (collectively, “clients”). GC Advisors also provides investment advisory and management services to Golub Capital BDC, Inc. (“Golub BDC”) and Golub Capital Investment Corporation (“GCIC” and, collectively with Golub BDC, the “BDCs”), each of which has elected to be regulated as a business development company under the Investment Company Act of 1940 (the “1940 Act”). We operate primarily out of offices in New York and Chicago. We provide tailored investment advisory services to our clients in accordance with each account’s investment objectives, strategies, restrictions and guidelines. Other than for separately managed accounts, we do not tailor our advice to the individualized needs of any particular investor. Each investor in a pooled investment vehicle or private investment fund must consider whether a client meets such investor’s investment objectives and risk tolerances prior to investing. Information about each client is contained in the relevant client documents, which will be available to current and prospective investors only through us or another authorized party.

While we generally have broad investment discretion, examples of the types of instruments in which we may invest include:

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- unitranche, senior and mezzanine loans,
 - broadly syndicated loans,
 - corporate debt securities,
 - collateral loan obligations or CLOs, including the equity tranches of such CLOs,
 - securitization liabilities,
 - swaps, including credit default swaps,
 - interests in other pooled investment vehicles, and
 - public and private equity investments, including in publicly traded securities and operating companies.

Golub Capital

Golub Capital is a U.S.-based firm founded in 1994 with principal offices in New York and Chicago. Golub Capital has three primary business units: direct lending, broadly syndicated loans and opportunistic credit. Golub Capital's direct lending unit focuses on investing in unitranche, senior and mezzanine loans, directly or through a series of CLOs. Golub Capital's broadly syndicated loans unit focuses on investing in larger loans that are generally liquid in the secondary market and also manages or subadvise a series of CLOs. Golub Capital's opportunistic credit unit focuses on investing in other credit opportunities that may arise. In the future, Golub Capital may seek to create other business units on a limited and opportunistic basis.

Employees and Client Assets

As of December 31, 2014, we have approximately 213 employees, of which 193 employees typically work on matters for GC Advisors and Golub Capital IM and of which 9 employees are dedicated to GC Synexus matters. As of December 31, 2014, GCIM had 11 employees.

As of December 31, 2014, GC Advisors managed client assets as an investment adviser in the amount of \$6,798,299,644 and as a nondiscretionary subadviser in the amount of \$13,408,281,442. GCIM managed client assets as an investment adviser in the amount of \$12,900,649,208. GC Synexus managed client assets as an investment adviser in the amount of \$182,691,081. Golub Capital IM managed client assets as an investment adviser in the amount of \$322,572,354. In each case, the amount of client assets managed is guided by the SEC's definition of Regulatory Assets Under Management, which is materially higher than the sum of the advised clients' net asset values. Using our internal methodology, Golub Capital has over \$10 billion of capital under management firmwide, which is a measure of gross assets that includes leverage.

Item 5 – Fees and Compensation

The following discussion represents our basic compensation arrangements. However, fees and other compensation may be negotiable in certain circumstances, and arrangements with any particular client or investor may vary on a case-by-case basis. All investors and clients should review the relevant client documents for complete information on fees and compensation payable to us. Because all of our clients are “qualified purchasers” as defined in the Investment Company Act of 1940 (the “Investment Company Act”), our fee schedule is omitted.

BDCs

The fee for investment advisory and management services provided by GC Advisors to the BDCs consists of two components – a base management fee and an incentive payment. Each of the BDCs offering memoranda contain the calculation and payment method for the investment advisory and management services provided to such BDC. For additional information about the incentive payment, please refer to the section entitled “Performance-Based Fees and Side-By-Side Management”.

Private Investment Funds

The fee for investment advisory and management services that we provide to private investment funds is a base management fee that varies based on the fund. In addition, we receive from some private investment funds a performance payment, an incentive payment or an incentive allocation based on the performance of the fund. We refer to this performance-based compensation as “performance payments”. Client documents describe the calculation and payment method for the investment advisory and management services provided by us to a client. Management fees may be paid quarterly in advance with a true-up at each quarter end or quarterly in arrears. Clients have the right to terminate the advisory or investment management agreements in accordance with the terms of such agreements, but individual investors in private investment funds, by themselves, have no such termination right. Upon termination of an account, any prepaid, unearned fees are refunded, and any earned, unpaid fees become due and payable. Fees are deducted from fund assets and paid, or otherwise allocated, to us in accordance with the terms of the relevant client documents.

We may invest client assets in investment vehicles such as subsidiaries or CLOs for which we and/or our affiliates serve as investment adviser, administrator or provide other services and receive a fee for those services. These investment vehicles may be used for leverage, allocation, tax or other reasons. When we invest client assets in other entities advised by us or our affiliates, we and/or our affiliates make certain adjustments such that the total fee borne by the client does not exceed the amount that would have been paid absent such a structure.

Separately Managed Accounts

The fee for investment advisory and management services provided by us to separately managed accounts generally consists of two components – a base management fee and a performance payment. However, because separately managed accounts are for a single investor, they may contain more customized fee calculations. The calculation and payment method for the investment advisory and management services provided by us to separately managed accounts is described in the investment management agreements with our separately managed account clients. We generally bill our fees quarterly in advance with a true-up at each quarter end or quarterly in arrears. Clients may elect to be billed separately for fees or to authorize a qualified custodian to pay the investment management fees directly from their accounts. Upon termination of an account, any prepaid, unearned fees are refunded, and any earned, unpaid fees become due and payable. We may also provide investment advisory and management services to operating companies sponsored by us. The fee for those services would be negotiated on an arms-length basis with such operating companies.

Deal Fees

In connection with investments made by certain clients, Golub Capital or its affiliates may receive document, commitment, structuring, monitoring, amendment and/or other transaction fees from portfolio investments in which one or more clients may invest or propose to invest. The potential for Golub Capital and its affiliates to receive such economic benefits may create conflicts of interest as we and our affiliates may have economic incentives to invest in portfolio investments that provide such benefits. To mitigate potential conflicts, such benefits received by Golub Capital and its affiliates in connection with their services related to portfolio companies or transactions are generally partially or fully offset against advisory fees payable by the relevant client to us. In the event these benefits are only partially offset against advisory fees payable to Golub Capital and its affiliates, Golub Capital and its affiliates may receive higher total compensation than they would in a compensation structure that does not contain deal-related compensation. Our allocation policy prevents us from allocating investments based on whether a particular client allows Golub Capital or its affiliates to retain deal fees earned in connection with such client's investments.

In some cases, an excess portion of an asset may be held by an affiliate outside the clients for which Golub Capital provides advisory services, and when such excess portion is sold to third parties, Golub Capital may receive a fee. In other cases, an excess portion of an asset may be held by a client before a third party purchases such asset. Golub Capital may be incentivized to find larger deals than its clients would ordinarily want in order to generate such transaction fees. To mitigate these potential conflicts, Golub Capital's clients receive their entire desired allocation prior to another party receiving an allocation of an originated investment.

Subadvisory Fees

GC Advisors also serves as a nondiscretionary subadviser in connection with certain activities of GCIM. GC Advisors is paid an asset-based fee directly by GCIM for GC Advisors' nondiscretionary subadvisory services out of the fees collected by GCIM.

GC Advisors serves as nondiscretionary subadviser in connection with two series of multi-series funds advised by SALI Fund Management, LLC, a third party registered investment adviser. In connection with GC Advisors' nondiscretionary subadvisory services to SALI Fund Management, LLC, it receives a base management fee and an incentive payment.

Other Expenses Associated with Advised Accounts

Our clients (including, indirectly, stockholders in the BDCs or investors in a private investment fund or pooled investment vehicle) bear certain other fees, expenses and costs (in addition to the advisory fees payable to us), which are incidental or related to the maintenance of an account or the buying, selling and holding of investments, and which are not listed above. These fees may include, but are not limited to:

- (1) custodial charges;
- (2) credit support fees;
- (3) brokerage fees;
- (4) shared services fees;
- (5) fees for administrative services provided by third parties and/or affiliated entities;
- (6) commissions and other related transaction costs and expenses, such as deal fees, origination fees, interest expense and deferred sales charges;
- (7) governmental charges, taxes and duties;
- (8) transfer fees, registration fees and other expenses associated with buying, selling or holding investments, such as wire transfer and electronic fund fees;
- (9) insurance costs and expenses related to litigation and indemnification;
- (10) withholding taxes payable and required to be withheld by issuers or their agents;
- (11) fees associated with the offer, sale and purchase of interests in pooled investment vehicles; and
- (12) extraordinary expenses.

For additional information about brokerage and other transaction costs, please refer to the section entitled "Brokerage Practices".

We invest client assets in shares of pooled investment vehicles or affiliated operating companies, including mutual funds, hedge funds, CLOs and exchange-traded funds. As discussed above, a client may incur additional expenses at the investment vehicle level when such investments are made, such as advisory fees and other operating expenses, in addition to the investment management fees paid by the client to us. Purchases and sales of investment vehicle

shares may occur as secondary market transactions for which commissions and other charges or fees may be assessed.

Item 6 – Performance-Based Fees and Side-By-Side Management

As discussed in the section entitled “Fees and Compensation”, we receive allocations or fees based on the investment performance of certain clients. The performance payment may be up to 20% of the appreciation of the fund or account. Our performance-based arrangements are subject to Section 205(a)(1) of the Advisers Act to the extent applicable. The Advisers Act and rules thereunder, including Rule 205-3, may permit us to receive various types of performance payments from certain types of clients, including qualified clients, private investment funds relying on Section 3(c)(7) of the 1940 Act, non-U.S. persons and business development companies. We take steps to ensure that performance-based arrangements comply with applicable law.

Performance-based arrangements may create an incentive for us to recommend investments that are more risky or speculative than those that would be recommended under a different fee arrangement. Performance-based arrangements also create an incentive to favor higher paying accounts over lower paying accounts in the allocation of investment opportunities. Additionally, under a performance-based structure, we may benefit when capital gains are recognized and, because we determine when an investment is sold, we control the timing of the recognition of capital gains. Our performance-based arrangements often contain a hurdle rate, which may create an incentive to invest in assets that would be likely to surpass the hurdle rate. We or our affiliates, or our respective principals or personnel, may also own a portion of funds or accounts that we manage, and may own a portion of operating companies in which we invest or to which we provide investment management services. This may create a similar performance-based incentive to that mentioned above and/or create other potential conflicts of interest.

GC Advisors’ base management fee for advising the BDCs is calculated based on the gross assets of the respective BDC. Therefore, GC Advisors benefits when the BDCs incur debt or use leverage, and GC Advisors controls the amount of debt or leverage used by the BDCs. GC Advisors’ base management fee for advising the BDCs is calculated based on the gross assets of each BDC. We also receive, from certain of our client accounts, a management fee based on gross assets, which gives us similar incentives. Certain client accounts exclude uninvested cash from the management fee calculation. In these cases, we may have an incentive to make investments more quickly than we would be if we were charging a management fee calculated based on the full value of the account, including uninvested cash.

Potential conflicts may arise if we manage accounts that pay performance-based allocations or fees alongside accounts that do not pay based on performance or if we manage accounts that pay performance-based allocations or fees at different rates or subject to certain types of calculation methodologies (*e.g.*, high water mark or hurdle rate). We may have an economic incentive to allocate more favorable investment opportunities to, or otherwise for, an

account that pays us a performance-based component or in which we, or an affiliate, have an ownership or other economic interest.

To address the conflicts of interest associated with the allocation of trading and investment opportunities, we adopted an investment allocation policy and trade allocation procedures that govern the allocation of portfolio transactions and investment opportunities across multiple advisory accounts. This policy requires us to treat each of our advisory clients in a manner consistent with our fiduciary obligations and prohibits us from favoring any particular advisory account because of the ownership or economic interests of us, our affiliates, officers or employees, in such advisory accounts. Our allocation policy seeks to ensure that we allocate investment opportunities across accounts fairly and equitably over time based upon our policies and procedures.

Item 7 – Types of Clients

GC Advisors provides investment advisory and management services to the BDCs, each a business development company, and we provide investment advisory and management services to several private investment funds, separately managed accounts, CLOs and pooled investment vehicles. The terms and conditions of client accounts vary depending on the type of services provided or the type of client, and these terms and conditions may vary from client to client. Furthermore, certain clients, such as private investment funds, generally impose investment minimums for investors in such funds. These investment minimums may be found in the applicable client documents, and we may reduce or waive such investment minimums.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

GC Advisors - Overview

This section only applies to GC Advisors and does not apply to GC Synexus. For purposes of this Section, GCIM and Golub Capital IM has been included within the description of GC Advisors.

In managing discretionary client accounts and providing recommendations to non-discretionary clients, GC Advisors utilizes various investment strategies and methods of analysis, as described below. This section also contains a discussion of the primary risks associated with these investment strategies. However, it is not possible to identify all of the risks associated with investing, and the particular risks applicable to each client account will depend on the nature of the account, its investment strategy or strategies and the types of investments held in the account.

While GC Advisors seeks to manage client accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to mitigate fully all possible risks. Any investment includes the risk of loss and there can be no guarantee that a particular

level of return will be achieved. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential loss.

Clients should be aware that while GC Advisors does not limit its advice to particular types of investments, mandates may be limited to certain types of investments (*e.g.*, corporate debt securities) and may not be diversified. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss. Past performance is not necessarily indicative of future results and all investors should be prepared to lose the value of their investment.

GC Advisors - Methods of Analysis and Investment Strategies

GC Advisors invests for its clients primarily in unitranche, senior, second lien and subordinated debt, broadly syndicated loans and corporate debt securities, CLOs and securitization liabilities, pooled investment vehicles and public and private equity investments.

For the majority of its clients, GC Advisors invests in loans to U.S. middle-market companies. GC Advisors' non-domestic clients typically purchase these loans after they are structured and originated by domestic entities. GC Advisors also invests for some clients in broadly syndicated loans. GC Advisors generally seeks to purchase for its clients carefully selected, well-structured, high-quality performing corporate loans and related investments at discounts to face value and at attractive yields to maturity. GC Advisors also invests in opportunistic credit and securitization liabilities. Investments may be made directly or be made through subsidiary entities or CLOs to efficiently apply leverage to the investments.

GC Advisors' goal is to provide clients with attractive returns with less risk than many corporate fixed income alternatives such as junk bonds and certain unsecured investment grade debt. However, there is no guarantee that GC Advisors will be successful in achieving this goal.

GC Advisors primarily makes its investment strategies available through the clients it advises. The client documents for each client describe in more detail the specific investment strategies, guidelines and risks of those clients.

To evaluate potential investments, GC Advisors uses a combination of analysis, including:

- fundamental analysis of a business's financial statements, health, management, competitive advantages, competitors and markets;
- cyclical analysis of opportunities in a given market based upon fluctuations due to seasonal, financial and economic factors;
- quantitative analysis of the relative risk-return characteristics of investments and a comparison of yields between asset classes and other indicators; and
- the analysis of proprietary and secondary models to evaluate potential investments.

With respect to internal CLOs, GC Advisors' clients generally purchase the lowest tranches of the CLO capital structure, using the CLO structure as an efficient means of obtaining leverage. With respect to externally managed CLOs, GC Advisors seeks to capitalize on market inefficiencies and determine where value lies within and across different asset classes. GC Advisors clients may also sell equity tranches of CLOs, and GC Advisors may manage CLOs for external investors. Based upon a combination of bottom-up analysis of the individual investment and GC Advisors' expectations of future market conditions, GC Advisors seeks to assess the relative risk and reward for each investment. GC Advisors seeks to diversify away the risks of a single company or single industry through prudent portfolio diversification. Additionally, GC Advisors assesses each investment's appropriateness for each client.

GC Advisors - Investment Risks

Potential investors should carefully evaluate the following considerations and other risks before making an investment. Investing involves the potential for loss and not all risks can be mitigated.

Market for Transactions and Financing

Identifying and structuring debt and equity investments involves competition among capital providers and market and transaction uncertainty. GC Advisors may not be able to identify a sufficient number of suitable investment opportunities to satisfy its clients' investment objectives. On occasion, the investment opportunities may be too large to satisfy clients' desired position sizes, and GC Advisors may not be able to locate counterparties to participate in such investment opportunities.

The financial markets have experienced substantial fluctuations in prices and liquidity for leveraged loans in recent years, but the leveraged loan market has shown signs of considerable improvement. Any further disruption in the credit and other financial markets may have substantial negative effects on general economic conditions, the operating performance and the availability of required capital for companies. These conditions may also result in increased default rates and credit downgrades, and affect the liquidity and pricing of the investments made by GC Advisors' clients. When the spreads for credit investments tighten, it may be difficult to locate investments that are desirable for GC Advisors' clients. This difficulty may be especially acute in respect of more liquid credit investments such as broadly syndicated loans.

Risk of Private Debt and Equity Investments

Private investments involve a high degree of financial risk. Investments made by GC Advisors for its clients may not be profitable and substantial losses may occur. Private debt may not be repaid by the borrower, and GC Advisors may not be able to sell or otherwise liquidate client investments at the optimal time, price or at all. Therefore, GC Advisors may not realize its clients' rate of return objectives, and there may not be a return of capital to clients. The debt in

which GC Advisors invests may be subordinate to other creditors' claims, which may impair its overall value.

GC Advisors may also make equity investments in companies on behalf of its clients. Equity investments may be more volatile than debt investments. They may be subject to significant risks, such as the risk of further dilution because of additional equity issuances, the risk that the equity investments will have limited minority protections, and the risk that the company in which GC Advisors' clients hold equity interests may not create a liquidity event for such equity interests.

Middle-Market Companies; Private Equity Sponsors

GC Advisors' clients often invest in U.S. middle-market companies, which may involve a significant number of risks. For example, compared to larger companies, middle-market companies may have shorter operating histories, less predictable operating results and more reliance on a small number of products, managers, clients or individual company risks. In addition, middle-market companies often require additional financing to expand or maintain their competitive position and they may have a more difficult time acquiring additional capital than larger companies.

GC Advisors is highly dependent on relationships with private equity sponsors. If such sponsors find new sources of debt capital that are more advantageous to them, or if we suffer reputational harm such that sponsors do not want to work with us, GC Advisors may have difficulty finding and sourcing new middle market debt investments. Private equity sponsors may experience financial distress, which may be related or unrelated to the portfolio companies in which GC Advisors' clients invest. Once in financial distress, such sponsors may be unable to provide the same level of managerial, operating or financial support to such portfolio companies, resulting in an increased risk of default or inability to repay remaining principal at maturity.

GC Advisors' clients may have exposure to companies controlled by private equity sponsors in which the sponsors have completed one or more dividend recapitalizations, thereby allowing a sponsor to substantially reduce or eliminate their net investment in underlying portfolio companies. These investments may present different investment characteristics than investments where a private equity sponsor retains a significant net contributed capital position in the company. These investments may experience a higher rate of default. Even when a default does not occur, a private equity sponsor may be less willing to provide ongoing financial support to a portfolio company after it has received one or more capital distributions on its investment.

Idiosyncratic Risk

GC Advisors seeks to create diversified portfolios that, over time, should prevent portfolios from being overly exposed to idiosyncratic risk. GC Advisors' underwriting process further seeks to prevent investments with identifiable and significant idiosyncratic risk.

However, diligent underwriting and prudent diversification cannot prevent against all idiosyncratic risk. A portfolio may be adversely affected by exposure to multiple uncorrelated idiosyncratic risks.

Debt – Credit and Interest Rate Risks

Credit risk refers to the likelihood that a borrower will default in the payment of principal and/or interest. Financial strength and solvency of a borrower are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of a loan, and securities and other debt instruments that are rated by rating agencies may be downgraded.

Interest rate risk refers to the risk of market changes in interest rates. Interest rate changes may affect the value of debt. In general, rising interest rates will negatively impact the price of fixed rate debt, and falling interest rates will have a positive effect on price. Adjustable rate debt also reacts to interest rate changes in a similar manner, although generally to a lesser degree. Interest rate sensitivity is generally larger and less predictable in debt with uncertain payment or prepayment schedules.

Debt –Subordinated Debt Risk

GC Advisors' clients may invest in a variety of debt that captures particular layers of a borrower's credit structure, such as "last out" or "second lien" debt, or other subordinated investments that rank below other obligations of the borrower in right of payment. Subordinated investments are subject to greater risk of loss than senior obligations where there are adverse changes to the financial condition of the borrower or a decline in general economic conditions. Subordinated investments may expose a client to particular risks in a distress situation, such as the risk that creditors are not aligned. Holders of subordinated investments generally have less ability to affect the results of a distressed situation than holders of more senior investments.

Debt –Illiquidity and Volatility

The debt that GC Advisors invests in for its clients consists predominantly of loans and notes that are obligations of corporations, partnerships or other entities. This debt often has no, or only a limited, trading market. Although GC Advisors' clients generally hold much of their debt until maturity, the investment in illiquid debt may restrict the ability to dispose of investments in a timely fashion, for a fair price, or at all. If an underlying issuer of debt experiences a credit event, this illiquidity may make it more difficult for GC Advisors' clients to sell such debt, and GC Advisors may be required to pursue a workout or alternate way out of the position.

Debt – Assignments and Participations

GC Advisors also may invest in loans either directly (*e.g.* by purchase from the borrower or by assignment) or indirectly (*e.g.* by way of participation interest). Holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan, such as the additional credit risk of the counterparty, the lack of voting rights and the lack of direct enforcement rights in connection with a loan default.

Investment in Collateralized Loan Obligations

GC Advisors' clients may also invest in CLOs, and many GC Advisors clients hold a majority of their investments indirectly through CLOs. A CLO is typically a bankruptcy-remote securitization entity that owns debt (such as commercial loans) and/or debt-like assets (such as credit default swaps, credit card, auto loan and student loan receivables, bankruptcy claims and investments in other CLOs). Typically, GC Advisors' clients invest in the unrated or most subordinated tranches of CLOs that own middle-market or broadly syndicated loans. However, GC Advisors' clients may sell such tranches to third parties, and if they do, GC Advisors will effectively be managing a third party CLO. GC Advisors may also set up a CLO de novo as a third party CLO. Investors may purchase different tranches of the CLO entity's capital structure, thereby exposing themselves to different risks of principal and interest repayment. Clients invested in CLO securities rely on payments made from the underlying asset pools of the CLOs, and clients invested in CLOs do not have direct claims on the underlying assets of such CLOs. If proceeds of the underlying asset pools are not large enough to provide payments on the securities that GC Advisors' clients invest in, GC Advisors' clients may lose money. In rare occasions, a trustee could remove GC Advisors as the CLO manager. In an event of default, the CLO manager may liquidate the CLO, but if the manager does not, payment on CLO securities may be deferred and the client may be unable to exercise additional remedies under the CLO entity documentation. In addition, the value of the underlying collateral in the asset pools may decrease in value. CLO securities may have a limited or no market, and GC Advisors may not be able to sell such securities at favorable prices, if at all. The more senior CLO tranches are typically rated by independent ratings agencies. The ratings agencies may not provide accurate ratings of the CLO tranches. The CLO tranches may also suffer rating downgrades, which may cause an event of default or otherwise negatively affect the value of CLO securities. Domestic and international regulators have recently increased their focus on CLOs, especially in the area of risk retention, and compliance with these risk retention rules may reduce the return on CLO investments.

Leverage and Subsidiaries

GC Advisors may also invest client assets in a manner that would subject clients to the financial risk of leverage. Portfolio investments financed with leverage may have increased exposure to risks including adverse fluctuations in interest rates, downturns in the economy and the inability to refinance debt as it matures. CLOs also have leverage embedded in their structures, which can affect the risk and return profile of various tranches of such structures.

While leverage presents opportunities for increasing clients' total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of a client's investment would be magnified to the extent the client's account is leveraged. This may result in a substantial loss to client accounts, which would be greater than if leverage had not been employed in managing the account.

In addition, the investment objectives of GC Advisors' clients are dependent on the continued availability of leverage at attractive relative interest rates. If such clients are unable to obtain such leverage or if the interest rates of such leverage are not attractive, such clients could experience diminished returns. GC Advisors' clients may also use short term loans from GC Advisors and its affiliates to ensure timely funding of negotiated investments. In the event that these short term loans were no longer provided, such clients would need to find another short term funding source or initiate capital requests earlier, and returns could be negatively impacted.

Many of the investments made by GC Advisors on behalf of its clients are made through subsidiaries, and new clients often invest in existing subsidiaries. These subsidiaries may be created for leverage, liability, capital diversification, available capital, tax and/or other reasons. Investments made indirectly through subsidiaries carry risks that direct investments do not carry. For example, if a subsidiary experiences financial distress, indirect investments are further in the capital structure from the ultimate asset in a bankruptcy or workout scenario. In addition, subsidiaries may have different durations or no fixed term, or may have other liquidity characteristics that differ from those of a client, which may affect a client's ability to receive capital or income distributions or in-kind distributions.

Multiple Feeder Master Fund Structure

Some of GC Advisors' clients will be primarily invested in a structure that is similar to a master fund, for which numerous GC Advisors clients act as feeders. This structure provides an efficient method for GC Advisors' clients to access a diversified and leveraged preexisting portfolio of investments. An investor in this structure will have exposure to existing investments owned by the structure, including CLO investments and distressed investments, in addition to new investments. A client may own a minority position in this structure, and its relative interest may increase or decrease over time as the ownership position of the structure's other investors changes. To that end, a client's risks and returns may be dependent on investments made in the structure as a result of the capital invested by new feeder clients. Capital is called at the discretion of GC Advisors, and capital for a feeder client may be called before an earlier feeder client's capital is fully or almost fully called. A client's ability to pay distributions to its underlying investors may be affected by the ability of various subsidiaries to sell loans to third parties, deleverage an existing CLO, or create new feeder clients. Similarly, proceeds from a client's investments may be used to pay distributions to an earlier client.

Because the underlying investments held by the structure are illiquid, it may be difficult for the structure to timely meet redemption requests made by a client, which may affect such client's ability to make distributions or wind down a client at the end of its term.

Valuation Policy and Risks

Many of the client assets invested by GC Advisors are in instruments that are not publicly traded. The fair value of instruments that are not publicly traded may not be easy to determine, and GC Advisors values these instruments at fair value in good faith. This valuation reflects significant events that affect the value of the instruments.

GC Advisors' fair value methodology is in accordance with the fair value principles established by the Accounting Standards Codification Topic 820. The firm may use the services of one or more independent service providers to review the valuation of its illiquid investments. The factors that GC Advisors may take into account in determining the fair value of investments generally include, as appropriate,

- a comparison to publicly traded securities, including yield, maturity and measures of credit quality;
- the enterprise value of a portfolio company;
- the nature and realizable value of any collateral;
- the portfolio company's ability to make payments and its earnings and discounted cash flow;
- the markets in which the portfolio company does business; and
- any other relevant factors.

The fair value measurement is the price that would be received for an investment on a current sale and assumes that the transaction to sell an asset occurs in the principal market for the asset or, in the absence of a principal market, the most advantageous market for the asset, which may be a hypothetical market, and excludes transaction costs. When an external event such as a purchase transaction, public offering or later equity sale occurs, GC Advisors will consider the pricing indicated by the external event in determining the fair value of the investment. However, because orderly markets do not and may not ever exist for some investments, GC Advisors' determinations of the fair value of investments may differ from the values that would have been used had a ready market existed for such investments.

Because such valuations, and particularly valuations of private investments and private companies, require judgment, are inherently uncertain, may fluctuate over short periods and may be based on estimates, GC Advisors' determinations of fair value may differ materially from the values that would have been used if an active market for these investments existed. If our determinations regarding the fair value of the investments were materially higher than the values that were ultimately realized upon the sale of such investments, the value of the portfolio investments may be affected. Because GC Advisors' compensation may be based, in part, on valuations of assets and performance, GC Advisors has an incentive to assign valuations that may be higher than could be, or ultimately are, realized upon sale.

Valuation of CLO Investments

GC Advisors' clients invest in securities issued by CLOs and other types of secured financing vehicles. These investments are generally illiquid securities. To value these investments, GC Advisors typically uses valuation software that contains the relevant details of the collateral underlying the securities (principal amount, interest rates, maturity dates, etc). GC Advisors then inputs various assumptions to determine the projected cash flows that GC Advisors' clients will receive from the CLO investment, including assumptions regarding collateral default rate, recovery rate and reinvestment rate. These cash flows are then discounted at an appropriate discount margin as determined by GC Advisors to calculate the estimated fair market value of the investment. Valuing the tranches of securitization vehicles by looking at their underlying collateral is inherently difficult, and the actual value of the cash flows received over the life of the investment may materially differ from GC Advisors' valuation of such investment prior to receipt of such cash flows.

General Economic and Market Conditions

The success of GC Advisors' clients is affected by general economic and market conditions, including, among others, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and trade barriers. These factors may affect the level and volatility of securities prices and the liquidity of investments. Volatility or illiquidity could impair profitability or result in losses. These factors also may affect the availability or cost of leverage, which may result in lower returns.

Global Investments

GC Advisors may invest client assets in the debt, loans or other investments in issuers located outside the United States. In addition to business uncertainties, political, social and economic uncertainty affecting a country or region may affect these investments. Many financial markets are not as developed or as efficient as those in the United States. As a result, the liquidity for these investments may be lower and price volatility may be higher compared with investments in U.S. issuers. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information for such companies. These investments may also result in losses because of exchange rate fluctuations.

GC Synexus - Overview

This section only applies to GC Synexus and does not apply to GC Advisors, GCIM or Golub Capital IM.

In managing discretionary client accounts and providing recommendations to non-discretionary clients, GC Synexus utilizes various investment strategies and methods of analysis, as described below. This section also contains a discussion of the primary risks associated with

these investment strategies. However, it is not possible to identify all of the risks associated with investing, and the particular risks applicable to each client account will depend on the nature of the account, its investment strategy or strategies and the types of investments held in the account.

While GC Synexus seeks to manage client accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to mitigate fully all possible risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential loss.

Clients should be aware that while GC Synexus does not limit its advice to particular types of investments, specific mandates may be limited to certain types of investments (*e.g.*, corporate debt securities) and may not be diversified. Clients are responsible for appropriately diversifying the totality of their assets to guard against the risk of loss. Past performance is not necessarily indicative of future results and all investors should be prepared to lose the value of their investment.

GC Synexus - Methods of Analysis and Investment Strategies

GC Synexus makes its investment strategies available mainly through the funds it advises. There is no guarantee that GC Synexus will be successful in implementing these strategies. These strategies include:

Mispriced Businesses

This strategy seeks to find securities priced significantly above or below their fundamental fair value, with visible catalysts for correction; and also to find relative value discrepancies that are expected to converge.

Event-Driven and Special Situations

This strategy seeks to develop a view on market dislocations caused by credit-relevant corporate actions.

Complex Structures and Securities

This strategy looks at unpacking complex structures and identifying non-obvious sources of value.

Bankruptcies and Reorganizations

This strategy seeks to evaluate securities of bankrupt or near-bankrupt issuers based on understanding of stakeholders' likely tactics in restructuring.

Asset Liquidations

This strategy seeks to capture asymmetric upside in distressed securities that are trading close to liquidation value.

Litigation Analysis

This strategy seeks to develop a detailed understanding of companies' potential legal liabilities and their impact on valuation.

Capital Structure Arbitrage

This strategy seeks to exploit anomalies within an issuer's capital structure.

GC Synexus - Risk Committee

The GC Synexus risk committee oversees the risk associated with GC Synexus' positions. In addition, the risk committee may review other risks that have historically affected many long/short credit managers, such as:

- financing arrangements that may not hold up under stress;
- mitigation of counterparty risks, both with respect to specific positions (e.g., swaps) and overall relationships (e.g., prime brokerage, custody);
- exposure to "crowded trades" and potential mark-to-market spirals;
- exposure to cash-synthetic basis embedded in certain hedging strategies; and
- mismatch between liquidity of investor capital and liquidity of portfolio.

GC Synexus – Other Risk Management

GC Synexus may employ a qualitative and quantitative process to managing risk at the position and portfolio levels, of which position limits and concentration limits are only some examples. Position-level risk analysis considers the investment's forecasted returns under discrete potential scenarios, including various possible tail events. Assumptions may be evaluated for consistency across investment theses, with an eye towards non-obvious potential correlations. In constructing its clients' portfolios, each position may be sized based on a number of factors, including: GC Synexus' level of conviction, pre-existing exposures to similar risk factors and investment themes, overall targeted returns and volatility for the portfolio, and expectations around the current and forward-looking liquidity of the position. Positions are initiated with a targeted entry price, exit price, and risk-return profile, and are continuously monitored for changes to the investment thesis that may warrant re-sizing or re-evaluation of the position. GC Synexus also monitors the operational risks associated with implementing its strategy and oversees front-, middle-, and back-office controls and procedures.

GC Synexus - Investment Risks

Potential investors should carefully evaluate the following considerations and other risks before making an investment. Investing involves the potential for loss and not all risks can be mitigated.

Credit Strategy and Debt Security Trading Risks

Debt obligations are subject to credit risk, which is the risk of an issuer's inability to meet principal and interest payments on the obligations. Debt obligations may be subject to price volatility due to various factors including changes in interest rates, market perception of the creditworthiness of a borrower and general market liquidity.

"High yield" debt obligations are rated in the lower rating categories by the various credit rating agencies because such securities typically exhibit greater risk of loss of principal and interest than higher-rated securities. These securities are generally considered more speculative. The market for lower-rated securities has been thinner and less active historically than the market for higher-rated securities. As a result, the yields and prices of lower-rated securities may tend to fluctuate more than those for higher-rated securities.

Derivatives Trading Risks

Credit derivatives are contracts that transfer price, spread and/or default risks of debt and other instruments from one party to another. The market for credit derivatives can be somewhat illiquid and there are considerable risks that it may be difficult to either buy or sell the contracts as needed or at reasonable prices. Sellers of credit derivatives carry the inherent price, spread and default risks of the debt instruments covered by the derivative instruments. Buyers of credit derivatives carry the risk of non-performance by the seller due to inability to pay. There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the derivative and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk.

Swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, may be subject to counterparty credit risk and settlement default risk. These risks may differ materially from those entailed in exchange-traded transactions that are generally backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. While it is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of GC Synexus' clients, it may not always be possible to achieve this segregation, and there may be risk associated with enforcing rights to the clients' assets in the case of an insolvency of any such custodian or broker.

Equity Trading Risks

Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss. Investments in stocks of small-to medium-sized market capitalization companies involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks and such stocks may be more illiquid than stocks of larger capitalization stocks.

Post-Reorganization Equity Risks

Equity in issuers following their emergence from bankruptcy carries special risks that may not apply to other securities. Post-reorganization equity may be less liquid and more volatile than high yield securities. Post-reorganization equity is typically concentrated in a smaller group of holders, which may result in such holders having a greater impact on trading activity and the issuer's strategy. In addition, following bankruptcy, issuers may be covered by few, if any, analysts, which makes fundamental analysis more important. In addition, financial results from the pre-bankruptcy period may not be a good indicator of post-reorganization financial results, which makes the job of analyzing post-reorganization equity more difficult.

Arbitrage Transaction Risks

Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. If the requisite elements of an arbitrage strategy are not properly analyzed or unexpected events or price movements intervene, losses can occur which can be magnified to the extent a client is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

Distressed Securities Risks

GC Synexus' clients may invest in "distressed" securities, claims and obligations of domestic and foreign entities that are experiencing significant financial or business difficulties. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. State and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims also may adversely affect such investments. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can

frequently lead to unpredicted delays or losses. The market for distressed securities and instruments is generally thinner and less active than other markets, which can adversely affect the prices at which distressed securities can be sold.

Special Situations Risks

GC Synexus' clients may invest in companies involved in acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to GC Synexus' clients of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, GC Synexus' clients may be required to sell their investment at a loss.

Structured Finance Risks

Structured finance securities, such as equipment trust certificates, collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments, may be subject to prepayment risk. In addition, the performance of a structured finance security may be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. Moreover, a rapid change in the rate of defaults may have a material adverse effect on the yield to maturity, and losses on investments in structured products may occur regardless of their ratings.

Synthetic Securities Risks

In addition to credit risks associated with holding non-investment grade loans and high yield debt securities, with respect to synthetic securities, GC Synexus' clients will usually have a contractual relationship only with the counterparty of such synthetic securities, and not the underlying reference party. GC Synexus' clients generally will have no voting rights or set-off rights or rights to directly enforce compliance or set-off by the underlying reference party. In addition, in the event of insolvency of the counterparty, GC Synexus' clients will be treated as a general creditor of the counterparty, and will not have any recourse to the underlying reference party. As a result, concentrations of synthetic securities in any one counterparty subject the notes to an additional degree of risk with respect to defaults by such counterparty as well as by the underlying reference party.

Interest Rate Risks

The prices of investment instruments may be sensitive to interest rate fluctuations. Unexpected fluctuations in interest rates could cause the corresponding pricing of short and long positions to move in directions that were not initially anticipated. In addition, an increase in interest rates generally will increase the interest carrying costs of borrowed investment instruments as well as the cost of leverage. To the extent that interest rate assumptions underlie the thesis of a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose GC Synexus' clients to losses.

Use of Leverage Risks

GC Synexus' clients may use leverage, which results in GC Synexus' clients controlling substantially more assets than they have in equity. The use of leverage exposes GC Synexus' clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had GC Synexus' clients not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds GC Synexus' clients' cost of borrowing such amounts. In the event of a sudden, precipitous drop in value of the GC Synexus' clients' assets, GC Synexus' clients might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying losses.

Short Sale Risks

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on GC Synexus' clients' portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. There is the risk that the securities borrowed by GC Synexus' clients in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein GC Synexus' clients might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Counterparty Risks

Swaps, synthetic or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, are subject to the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk

may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Brokerage and Custodial Risks

There are risks involved in dealing with the custodians or prime brokers who settle trades. There is no guarantee that the prime brokers, or any other custodian or sub-custodian that GC Synexus' clients may use from time to time, will not become bankrupt or insolvent. There is no certainty that, in the event of a failure of a broker-dealer that has custody of GC Synexus' clients' assets, GC Synexus' clients would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Global Risks

Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies, and utilizing options on non-U.S. securities, involves certain considerations not typically associated with investing in securities of the United States government or United States companies. These considerations include: changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

While GC Synexus' clients' assets are denominated in U.S. dollars, the underlying investments of GC Synexus' clients may be denominated in multiple currencies. Accordingly, any hedging of currency exposure that is implemented by GC Synexus' clients will primarily involve hedging back to the U.S. dollar, but in certain circumstances may involve other hedging activities.

Risks Related to Lack of Liquidity of Investment

GC Synexus' clients' assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

Non-Diversification Risks

GC Synexus' clients' portfolios may be relatively concentrated with respect to types of investments, sectors or geographic areas. Accordingly, the investment portfolio of GC Synexus' clients may be subject to more rapid change in value than would be the case if GC Synexus' clients were required to maintain a wider diversification.

Risks Related to Lack of Liquidity of Investment in GC Synexus' clients

Investors in GC Synexus' private investment funds may be subject to significant transfer or withdrawal restrictions. Accordingly, the limited partnership interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time.

Golub Capital - Overview

This section applies to all advisory businesses within Golub Capital.

Risks Related to Multiple Business Lines

Clients of Golub Capital, and investors in any pooled funds or other investment vehicles managed by a Golub Capital entity, should be aware of the potential risk of errors from separate business lines affecting their investments indirectly. While Golub Capital keeps each investment client as a legally distinct entity, the potential risks from a separate business line suffering a material adverse condition could affect the other business lines. These risks could materially affect Golub Capital as a whole, and include, but are not limited to, loss of reputation, loss of management time and focus, regulatory sanctions, and adverse impact to business relationships.

Risks Related to Multiple Clients

While Golub Capital maintains three major business lines, it has and will explore opportunities outside these business lines. Such activity may adversely affect existing clients and pooled investment vehicle and fund investors. These risks include, but are not limited to, loss of management attention and time due to multiple constraints, increased competition of capital allocations, and expansion of potential risks to Golub Capital as a whole outside those previously disclosed.

Risks Related to Information Technology

Golub Capital is heavily reliant on its information technology infrastructure, processes and procedures, and it has devoted significant resources to ensuring it has competitive informational technology systems. Information technology changes rapidly, however, and Golub Capital may not be able to stay ahead of such advances. Moreover, as Golub Capital continues to grow, it may find itself a target of cybersecurity attacks. While steps have been taken to

mitigate the risk of such attacks, no system is fully attack-proof, and a cybersecurity attack may have an impact on Golub Capital and its clients.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have had no legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

Other companies owned directly or indirectly by Lawrence E. Golub and David B. Golub are engaged in the financial services business. In some cases, we have business relationships with related companies that are material to our advisory business or to our clients. We refer to the companies under common control with us as “relevant parties”. These arrangements are described in more detail below and, in some cases, may cause our, or a relevant party’s, interests to diverge from the best interests of a client.

Relevant Pooled Investment Vehicles and Registered Investment Companies

Many of our clients are pooled investment vehicles. We advise various private investment funds and pooled investment vehicles that are relevant parties. Two such pooled investment vehicles advised by GC Advisors are registered business development companies, Golub BDC and GCIC.

We, our affiliates, officers and employees, may also have certain interests in our pooled investment vehicles. We rely on our officers and employees who may also serve as officers, directors and/or general partners of certain investment funds and other investment entities. Certain relevant parties may form similar limited partnerships to those that we currently manage.

Sponsors of Limited Partnerships

A number of entities that serve as general partner to funds advised by us are relevant parties. Other relevant parties may sponsor limited partnerships to which we are or become the investment adviser or subadviser.

Related Operating Companies

We may sponsor related operating companies. In our capacity as investment adviser, we may direct our other accounts to invest in such operating companies. These arrangements may cause conflicts of interest that are different than when we direct our clients to invest in

unaffiliated operating companies. For example, we or our personnel may have additional equity and/or equity incentive considerations in such operating companies. We may also serve as investment adviser to manage the excess cash of such operating companies. These arrangements may cause conflicts of interest that are different than when we manage cash for unrelated clients. For example, we may be incentivized to direct more favorable investments to sponsored operating companies for which we serve as investment adviser than to unrelated clients.

One related financial industry activity that we engage in through domestic entities is the origination of loans. While these loans are typically invested in by our advisory clients, this origination business is somewhat distinct from the advisory business. We have a financial interest in recommending loans originated by us to our advisory clients, and this may cause a conflict of interest.

Recommendations of Other Investment Advisers

We, or our affiliates, may encourage qualified investors with whom we have a pre-existing relationship to invest in other entities managed by us, or our affiliates, or in which we, or our affiliates, have invested or have an ownership or economic interest. We do not currently recommend or select third-party investment advisers for our clients unless relevant parties serve as the subadviser, but we may do so in the future.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

As described in the section entitled “Types of Clients”, we provide investment advisory services to various clients, including the BDCs, private investment funds, pooled investment vehicles and separately managed accounts. We may give advice and take action with respect to any client account we manage, for our own account or for the account of an access person, which may differ from actions taken by us on behalf of other accounts. We are not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that we, or our access persons, may buy or sell for our or their own account or for the accounts of any other client. We, or our access persons, may invest in securities held by accounts that we manage, except to the extent such investments violate our Code of Ethics or applicable law.

From time to time, our access persons or relevant parties may invest or otherwise have an interest in securities owned by or recommended to our clients. Additionally, such persons may invest or otherwise have an interest, directly or indirectly, in the BDCs or other private investment funds, which may invest in securities held in other accounts advised by us. As these situations may involve potential conflicts of interest, we have implemented policies and procedures relating to personal securities transactions, insider trading and side-by-side management, including the Code of Ethics, which are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve such conflicts appropriately if they do arise.

Code of Ethics

We have adopted a Code of Ethics for all supervised persons of the firm describing our standard of business conduct and fiduciary duty to our clients. All supervised persons acknowledge the terms of the Code of Ethics at least annually.

Examples of areas that our Code of Ethics and/or our compliance manual address include:

- employee conduct;
- conflicts of interest;
- gifts;
- outside business activities;
- confidentiality of information;
- insider trading;
- procedures for personal securities transactions of directors, officers and employees; and
- initial public offerings and private offerings.

We will provide a copy of our Code of Ethics to clients or prospective clients upon request. Our contact information appears on the cover page of this Brochure.

Conflicts of Interest – Allocation Policy

Potential conflicts may arise if we manage accounts that make performance payments alongside accounts that do not make performance payments or if we manage accounts that make performance payments at different rates or subject to certain types of calculation methodologies (e.g., high water marks or hurdle rates). We may have an economic incentive to allocate more favorable investment opportunities to, or otherwise for, an account from which we receive a performance payment or in which we, or an affiliate, have an ownership or other economic interest.

To mitigate the conflicts of interest associated with the allocation of trading and investment opportunities, we adopted an investment allocation policy and trade allocation procedures that govern the allocation of portfolio transactions and investment opportunities across multiple advisory accounts. It is our policy to allocate investment opportunities (i) for the benefit of our clients; (ii) in a manner that is, over time, fair and equitable to our clients; and (iii) consistent with applicable laws, rules and regulations that may apply to us based on the nature of our clients. Our accounts may be allocated a percentage of investments sourced by us pursuant to our allocation policy. Our allocation policy also contains provisions intended to comply with the provisions of the Investment Company Act.

Some of the factors that influence a recommended allocation include:

- (1) legal, contractual, or regulatory restrictions or considerations (*e.g.*, Investment Company Act compliance, indenture requirements, tax);
- (2) relative size, cash availability and liquidity requirements of a client;
- (3) supply or demand for an investment at a given price level; and
- (4) investment policies related to, among other things:
 - risk or investment concentration parameters;
 - credit rating, size or cash flows of the obligor;
 - diversification by obligor, geography or industry;
 - minimum or maximum investment size;
 - portfolio duration targets and/or constraints;
 - fixed or floating rate requirements; or
 - yield requirements.

We will not make investment allocation decisions to:

- (1) unduly favor one account at the expense of another, including any proprietary or personal accounts of us or our officers or employees, over time;
- (2) generate higher fees or greater performance compensation;
- (3) develop or enhance a relationship with a client or prospective client;
- (4) compensate a client for past services or benefits rendered to us or to induce future services or benefits to be rendered to us;
- (5) induce customers of a relevant party's financing operation, if such allocations do not also benefit our clients; or
- (6) manage or equalize investment performance among different client accounts.

The allocation policy and related procedures also detail a number of other items, including how investments are exited, how deal expenses are allocated and how allocations may be made where capacity exists for an investment in excess of the capacity required to satisfy the recommended allocation.

Conflicts of Interest – Differing Investment Positions

Our clients generally take directionally similar positions. For example, if one of our clients takes a long position in a particular issuer, it would be atypical for another client to take a short position in that same issuer.

However, pursuant to our allocation policy, it is possible that an account we advise may take an investment position different from a position taken by another account managed by us or a relevant party. For example, a client account managed by us may hold a senior loan in an issuer while a client account advised by us or a relevant party may hold a mezzanine loan in the same issuer. If an issuer in which different accounts hold different types of investments encounters financial problems, decisions over the terms of any workout will raise conflicts of

interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, a senior debt holder may be advantaged by a liquidation of an issuer in which it may be paid in full, whereas a junior debt holder or an equity holder might prefer a reorganization that holds the potential to create more value for such holders. In these situations, positions taken by us may disadvantage one or more accounts.

Where conflicts may occur, in all circumstances, we will act in a manner consistent with our fiduciary duties to all of our clients, without consideration of our interests or the interests of a relevant party.

Conflicts of Interest – Repeat Transactions in the Same Issuer

GC Advisors or an affiliate may act as an underwriter, arranger or placement agent, or otherwise participate in the origination, structuring, negotiation, syndication or offering of loans held by GC Advisors clients. These loans are typically held by multiple clients and are often prepayable at the option of the obligor. GC Advisors clients often have certain protective rights against prepayment such as prepayment or call premiums, and on occasion, GC Advisors may waive these prepayment or call premiums. GC Advisors often has fiduciary duties to multiple holders of such obligations, and it is not always the case that each such holder's interest is aligned with the interests of other holders' respect to waivers of prepayment or call protections. In general, clients who may participate in a refinancing of an obligation would benefit from a waiver, while those that do not participate would generally prefer to apply prepayment premiums and other prepayment protections. Whether or not a client is able to participate in a refinancing depends on a variety of factors that vary based on each client.

When determined to be in the overall best interests of all of its clients, GC Advisors may cause relevant clients to waive prepayment premiums or other similar call premiums in certain circumstances, including when GC Advisors or related entities are involved in the refinancing, restructuring or other modification of such assets. Where one or more clients, when considering only those clients' individual and particular circumstances, do not participate in a related refinancing, GC Advisors faces a potential conflict of interest between its duty to such clients and the interests of other clients that will participate in the refinancing, as well as, in some cases, the interests of GC Advisors or related entities. To mitigate these potential conflicts, GC Advisors may cause a non-participating client to waive prepayment or call protections only where GC Advisors has or will offset any adverse economic effect caused by the waiver of such prepayment premiums or other similar call premiums. GC Advisors does this by waiving management fees or other similar fees or reimbursements that GC Advisors would otherwise be entitled from the non-participating client. As a result of such fee waivers, these clients will be in the same (or better) economic position as they would have been had GC Advisors enforced the prepayment or call protection.

Conflicts of Interest – Principal/Cross Trades and Overlapping Ownership

From time to time, we may invest client assets in investments that are also held by:

- (i) us or our affiliates;
- (ii) other advisory accounts;
- (iii) funds or accounts in which we or our affiliates or our respective officers or employees have an ownership or economic interest; or
- (iv) officers or employees of us or our affiliates.

We may also invest, on behalf of our advisory clients, in the same or different instruments of issuers in which:

- (i) us or our affiliates;
- (ii) other advisory accounts;
- (iii) funds or accounts in which we or our affiliates or our respective officers or employees have an ownership or economic interest; or
- (iv) officers or employees of us or our affiliates have an ownership interest as a holder of the debt, equity or other instruments of the issuer.

We may also invest, on behalf of our advisory clients, in funds advised by us or our affiliates. Our clients frequently engage in cross trades where investments held by one client are purchased or sold to another client. Cross trades are typically done for investment reasons such as asset rebalancing, for tax, legal or regulatory reasons or to maximize leverage.

We may have a conflict of interest in connection with these transactions since investments by our advisory clients may benefit us and our affiliates, officers and employees by potentially increasing the value of the investments held in the issuer. From time to time, our clients may purchase investments from other clients. Any investment by us on behalf of our advisory clients or any related disposition will be consistent with applicable law, our fiduciary obligations to act in the best interests of our advisory clients and such clients' investment objectives.

We may permit certain of our officers and employees to invest in private investment funds advised by us or our affiliates and/or share in the returns or fees received from such funds. When an officer or employee is responsible for both the portfolio management of the private investment fund and other advisory accounts, such person may have a conflict of interest in connection with investment decisions since the person may have an incentive to direct the best investment ideas, or to allocate trades, in favor of the fund in which he or she is invested or otherwise entitled to share in the returns or fees.

In addition to the allocation policy, to address these conflicts of interest, we have adopted a policy governing side-by-side management of private investment funds and other advisory accounts. This policy requires us to treat each of our advisory clients in a manner consistent with

our fiduciary obligations and prohibits us from favoring any particular advisory account because of the ownership or economic interests of us, our affiliates, officers or employees in such advisory accounts.

Our and our affiliates' portfolio managers are often responsible for the day-to-day management of multiple accounts, including the accounts of us and our affiliates. The potential for material conflicts of interest exist whenever a portfolio manager has responsibility for the day-to-day management of multiple advisory accounts. As noted above, these conflicts may be greater if a portfolio manager is also responsible for managing a proprietary account or when we and/or an affiliate have an investment in one or more of such accounts or an interest in the performance of one or more of such accounts through the receipt of a fee.

Certain conflicts of interest may be disclosed in client documents. Some conflicts of interest are particularly acute, and we may seek client consent for transactions of this nature. Client consent may come directly from the client or its investors, or if permitted by the client documents, by an independent investor representative or adviser, independent directors or an independent conflicts committee.

Item 12 – Brokerage Practices

Selection of Broker-Dealers

We generally have the authority to determine, without obtaining specific client consent, which investments clients buy and sell, including the type, amount and price of the investments, the specific brokers used for the trades and the commission rates paid. We are also responsible for the allocation of brokerage commissions. As a general matter, GC Advisors acquires and disposes of many of its clients' investments in privately negotiated transactions that do not require the use of brokers or the payment of third party brokerage commissions.

In executing portfolio transactions and selecting brokers or dealers, we use our best efforts to seek the best overall terms available on behalf of our clients' accounts. In assessing the best overall terms available for any transaction, we consider all factors we deem relevant, including:

- the breadth of the market in the instrument;
- the price of the instrument;
- the financial condition and capability of the broker;
- the reasonableness of the commission or mark-up, both for the specific transaction and on a continuing basis;
- the size of the order;
- difficulty of execution; and
- operational facilities of the broker.

We also determine the reasonableness of commissions and the quality of execution based upon several factors, including:

- access to particular markets or instruments;
- gross compensation paid to the broker-dealer;
- financial strength of the broker-dealer;
- ability to respond to investor or adviser inquiries promptly;
- ability to handle a mix of trades (e.g., block trades and odd lots);
- willingness and the ability of the broker-dealer to execute large or difficult trades for our clients so as to obtain best executions;
- adequacy of the broker-dealer's back office staff to efficiently handle trading activity, especially in volatile or high volume markets;
- statistics on executions and the frequency of trading errors; and
- overall responsiveness of the broker-dealer (e.g., how well the broker-dealer serves us and our clients).

We generally seek reasonably competitive trade execution costs, but will not always pay the lowest spread or commission available. We may also select a broker based upon services provided to us. In return for such services, we may pay a higher commission than other brokers would charge if we determine in good faith that such commission is reasonable in relation to the services provided. We have an incentive to select a broker based on such services instead of selecting a broker to receive the most favorable execution for the client.

We do not currently participate in any soft dollar relationships with other firms for research or any other service.

Aggregation and Allocation of Orders

We may combine broker orders on behalf of an account with orders for other accounts for which we, or our principals, have trading authority, or in which we, or our principals, have an economic interest. When this occurs, we will generally allocate the investments or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. We believe combining orders in this way will be advantageous to all participants over time. However, the average price could be less advantageous to an account than if an account had been the only account effecting the transaction or had completed a transaction before the other participants. Because of our interest in some of the accounts, there may be circumstances in which an account's transactions may not, under certain laws and regulations, be combined with those of some of our and our affiliates' other clients, and an account may obtain less advantageous execution than such other clients. For an additional discussion of our allocation policy, please refer to the section entitled "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading".

Item 13 – Review of Accounts

GC Advisors reviews client accounts on an ongoing basis. These reviews range from supervision of purchases and sales by our Chief Executive Officer, President and our underwriting group to ongoing reviews of client positions by our portfolio valuation group. In addition, investment professionals, our treasury group and the Chief Compliance Officer periodically monitor the adherence of each client's account to such client's investment mandate.

Clients receive written reports as provided for in the relevant client documents. Certain client documents require quarterly and annual financial statements are distributed to such client's investors. With respect to collateralized loan obligations, the independent trustees of the CLO vehicles generally prepare written reports.

With respect to GC Synexus, a risk committee, consisting of certain of GC Synexus' managing members, reviews investments.

Item 14 – Client Referrals and Other Compensation

We, and our affiliates, may enter into written agreements with affiliated and third party solicitors or placement agents to refer potential clients or investors to us as permitted by applicable laws. We, and our affiliates, may occasionally enter into solicitation or placement agent agreements, by which third parties receive fees based on providing client or investor referrals. Under these arrangements, the third party receives fees in part based on the size of the investment made by the referred client or investor. Typically, these arrangements last for a period of time, but fees may be paid to the solicitor or placement agent for a trailing period following termination of the arrangement. In addition, certain counterparties have established platforms to allow their clients and customers to invest in our funds through feeder funds, and these counterparties may receive compensation in connection with such feeder funds.

Item 15 – Custody

Due to certain arrangements, we may be deemed to have "custody", within the meaning of Rule 206(4)-2 under the Advisers Act, of one or more of the private funds or pooled investment vehicles that it advises. To comply with this Rule, we provide each investor in such a private fund or pooled investment vehicle with audited financial statements within 120 days following the fund's or vehicle's fiscal year end. If you have invested in such a fund or vehicle, and have not received timely audited financial statements, please contact us. To the extent that assets are contained in lower tier subsidiaries, these subsidiaries are covered by the audit procedures of the upper tier entities. Our contact information appears on the front page of this Brochure.

Where we may be deemed to have custody over assets in separately managed accounts, we request that a qualified custodian that holds and maintains client assets and sends account statements to such clients at least quarterly. We urge clients to carefully review these statements and compare them to the account statements that we provide.

Item 16 – Investment Discretion

We usually receive and exercise discretionary authority to manage investments on behalf of clients. Such authority is generally conferred through the client documents, and in all cases, we will exercise such discretion in a manner consistent with the stated investment objectives for the particular client account.

When making investments, we observe the investment policies, limitations and restrictions of the clients we advise. For the BDCs, GC Advisors' authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments, limit leverage, prohibit certain joint transactions and favor the holding of investments once made.

All investments, regardless of type, must receive approval of an investment committee or Chief Investment Officer. This process ensures that investments are compliant with the various legal, tax, and other investment policies, limitations and restrictions in effect for each client making an investment.

Item 17 – Voting Client Securities

We vote proxies relating to our clients' portfolio investments in what we perceive to be the best interest of our clients. We review on a case-by-case basis each proposal submitted to a vote to determine its effect on the portfolio investments that our clients hold. In most cases, we will vote in favor of proposals that we believe are likely to increase the value of the portfolio investments that our clients hold. Although we will generally vote against proposals that may have a negative effect on our clients' portfolio investments, we may vote for such a proposal if we have compelling long-term reasons for such vote. We may decline to vote a proxy if we believe that doing so is in the best interest of clients or that the cost of exercising such a vote outweighs the potential benefit to client accounts.

To ensure that our vote is not the product of a conflict of interest, we require that:

- (1) anyone involved in the decision-making process disclose to the Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and

(2) employees involved in the decision-making process or vote administration are generally prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

Where conflicts of interest may be present, we may disclose such conflicts to our clients and may request guidance from our clients on how to vote such proxies. Generally, clients cannot direct us to cast a proxy vote in a particular way.

We will provide a record of how we cast any proxy votes and a copy of our proxy voting policies to clients upon request. Our contact information appears on the cover page of this Brochure.

Item 18 – Financial Information

Not applicable.