

Item 1 – Cover Page
GC Advisors LLC (“GC Advisors”)

Form ADV, Part 2A (the “Brochure”)

September 28, 2017

150 South Wacker Drive, 8th Floor
Chicago, Illinois 60606
(312) 205-5050

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

In the September 28, 2017 Form ADV update, GC Investment Management LLC and GC Synexus Advisors LLC became relying advisers under GC OPAL Advisors LLC's Form ADV. GC Opal Advisors LLC is an affiliated registered investment adviser under common control with GC Advisors. Previously, each of GC Investment Management LLC and GC Synexus Advisors LLC relied on the registration of GC Advisors.

Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business	2
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9 – Disciplinary Information	29
Item 10 – Other Financial Industry Activities and Affiliations	29
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	31
Item 12 – Brokerage Practices	39
Item 13 – Review of Accounts.....	40
Item 14 – Client Referrals and Other Compensation.....	40
Item 15 – Custody.....	41
Item 16 – Investment Discretion.....	41
Item 17 – Voting Client Securities.....	42
Item 18 – Financial Information	42

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 (together with GC Investment Management LLC (“GCIM”), OPAL BSL LLC (Management Series) (“OPAL BSL”), GC Synexus Advisors, LLC (“GC Synexus”) and GC OPAL Advisors LLC (“GC OPAL Advisors”), the “Advisers”, “we”, “us” or “our”) provide versions of 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.

Each of GC OPAL Advisors and GC Advisors is registered as an investment adviser with the SEC. OPAL BSL, GCIM and GC Synexus are relying advisers of GC OPAL Advisors. Each of the Advisers are under common ownership. Although referred to collectively throughout this Brochure as the Advisers, each Adviser is a distinct entity. Where items herein only refer to one Adviser, it is so noted; alternately, disclosure contained in this Brochure applies generally to all of the Advisers.

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

GC OPAL Advisors LLC is a limited liability company organized in July 2017. The beneficial owners of GC OPAL Advisors are persons and entities associated with Lawrence E. Golub and David B. Golub. Lawrence E. Golub is the Chief Executive Officer of GC OPAL Advisors LLC, and David B. Golub is the President of GC OPAL Advisors LLC. GC OPAL Advisors LLC has a separate Form ADV, but is part of a common investment advisory business with GC Advisors.

OPAL BSL LLC (Management Series) is a series of a limited liability company organized in April 2017. The beneficial owners of OPAL BSL are persons and entities associated with Lawrence E. Golub and David B. Golub. Lawrence E. Golub is the Chief Executive Officer of OPAL BSL, and David B. Golub is the President of OPAL BSL. OPAL BSL relies on the registration provided by GC OPAL Advisors.

GCIM is a limited liability company organized in October 2010. The beneficial owners of GCIM are persons and entities associated with Lawrence E. Golub and David B. Golub. Pursuant to a contractual arrangement, GCIM receives nondiscretionary subadviser services, fundraising and back office support from GC Advisors LLC and its affiliates. GCIM relies on the registration provided by GC OPAL Advisors.

GC Synexus is a limited liability company organized in January 2011. The principal owners of GC Synexus are persons and entities associated with Lawrence E. Golub and David B. Golub. GC Synexus relies on the registration provided by GC OPAL Advisors. Subsequent to December 31, 2015, GC Synexus notified investors that the GC Synexus clients are not taking new investments and are being wound down.

Firm Overview

We provide investment management services as the adviser or subadviser 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, Chicago, San Francisco and Charlotte. GCIM provides investment management services to clients and operates primarily out of offices in the U.S. Virgin Islands. 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 that vehicle 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:

- unitranche, senior and mezzanine loans, either directly, or indirectly through collateralized loan obligations or financing securitizations (CLOs) or leveraged subsidiaries, revolvers, swingline facilities, and other related products,
- broadly syndicated loans, either directly, or indirectly through CLOs, warehouse facilities or total return swaps,
- corporate debt securities,
- CLOs, including the junior tranches of such CLOs, for which an affiliate serves as collateral manager,
- securitization liabilities and risk retention vehicles,
- swaps, including credit default swaps,
- interests in other pooled investment vehicles, including those managed by us, 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, Chicago, San Francisco and Charlotte. Golub Capital has two primary business strategies: direct lending and broadly syndicated loans. Golub Capital's direct lending unit focuses on investing in unitranche, senior and mezzanine loans, directly, or indirectly through a series of CLOs and leveraged subsidiaries. Golub Capital's broadly syndicated loans unit focuses on investing in larger loans directly, or indirectly through CLOs, warehouse facilities or total return swaps that are generally liquid in the secondary market and also manages or subadvises a series of CLOs. Golub Capital also has pooled investment funds that focus 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 June 2017, the Advisers had, through services agreements, over 330 employees. As of June 30, 2017, GC Advisors managed client assets as an investment adviser, on a discretionary basis, in the amount of \$14,632,085,996, and as a nondiscretionary subadviser in the amount of \$26,730,307,622. As of June 30, 2017, GC OPAL Advisors managed no assets,

and as of the date hereof, GC Opal Advisors managed \$27,136,610. As of June 30, 2017, GCIM managed client assets as an investment adviser, on a discretionary basis, in the amount of \$26,037,321,033. As of June 30, 2017, OPAL BSL managed no assets. As of June 30, 2017, GC Synexus managed client assets as an investment adviser, on a discretionary basis, in the amount of \$20,663,914. In each case, the amount of client assets listed above 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. Among other reasons, our interpretation of Regulatory Assets Under Management counts individual assets more than once, at different levels of our capital structure. Using our internal methodology, which is a measure of gross assets that includes leverage and uncalled capital, Golub Capital has over \$20 billion of capital under management firmwide. We believe this lower figure provides a better understanding of the relative scope of our investment management activities.

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.

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 business development company's 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 Item 6, "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. For additional information about the performance payments, please refer to Item 6, "performance-Based Fees and Side-By-Side Management". We refer to performance-based compensation, regardless of the form, as "performance payments". Client documents describe the calculation and payment method for the investment advisory and management services provided by us to each 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, generally 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 provide shared investment advisory and management services to multiple affiliated private investment fund clients and, therefore, allocate the expenses for such shared services across the affiliated clients in accordance with the process set forth in our policies. This involves some degree of judgment that could create conflicts of interest. Accordingly, certain fees charged to clients are comprised of allocations of shared services expense. In order to calculate shared expenses, each of our personnel is classified as (i) personnel who perform services allocated to clients, (ii) personnel who perform services that are allocated to us and not allocated to clients, and (iii) personnel who perform both client allocated and non-allocated overhead services. Client allocated services include, but are not limited to, fund accounting, loan operations, treasury services, tax services, operational risk services, investor communications, human resources, technology services and facilities services. Clients are charged 100% for the cost of client allocated personnel, 0% for the cost of non-allocated personnel and the *pro rata* allocated cost of personnel who perform both client allocated and non-allocated overhead services. Based on the category of service provided, allocation of expenses requires judgment to determine whether the expense is to be allocated to us, to our client or split ratably between us and our client. Accordingly, the use of judgment may create a conflict of interest since it is both in our best interest and in our clients' best interest to pay less service expenses. The shared services expense allocation process is detailed more fully in the clients' documents.

We may invest client assets in investment vehicles such as leveraged 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. Typically, when we invest in CLOs, we purchase the junior securities of CLOs we manage ("Golub CLOs"). Investment vehicles such as leveraged subsidiaries and CLOs 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.

We may elect to waive fees from time to time, and such waivers may have a positive, but one-time, effect on returns. We may also charge lower fees on certain assets, such as broadly syndicated loan-related assets, than on other assets, such as middle market loan-related assets. Because not all assets fit precisely into one of the categories, some manager discretion is used in categorizing such assets. We have an incentive to invest in assets that, and categorize assets in categories that, pay higher fees.

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 agreement with each separately managed account client. For additional information about the performance payments, please refer to Item 6, “Performance-Based Fees and Side-By-Side Management”. Separately managed accounts to which we provide shared services will be allocated a portion of shared services expense as described in their respective investment management agreements. 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.

Transaction-Related Fees

In connection with investments made by certain clients, Golub Capital or its affiliates may receive document, commitment, structuring, monitoring, amendment, agent 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 receive higher total compensation than they would in a compensation structure that does not contain deal-related compensation or for which such compensation is fully offset. As such, we have a financial incentive to originate investments other than the incentive associated with a management fee and a performance payment. To partially mitigate this, 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 temporarily held by a non-advisory account, and when such excess portion is sold to third parties, Golub Capital may receive a fee or profit. 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 transaction fees. To partially 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 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 also 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) fees for administrative services provided by third parties and/or affiliated entities;
- (5) commissions and other related transaction costs and expenses, such as deal fees, origination fees, broker dealer fees, interest expense and deferred sales charges;
- (6) governmental charges, taxes and duties;
- (7) transfer fees, registration fees and other expenses associated with buying, selling or holding investments, such as wire transfer and electronic fund fees;
- (8) insurance costs and expenses related to litigation and indemnification;
- (9) withholding taxes payable and required to be withheld by issuers or their agents;
- (10) fees associated with the offer, sale and purchase of interests in pooled investment vehicles; and
- (11) extraordinary expenses.

For additional information about brokerage and other transaction costs, please refer to the Item 12, "Brokerage Practices".

We invest client assets in shares of (or other interests in) 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 Item 5, “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, 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 riskier or more 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. We also receive, from certain of our private investment funds and separately managed 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.

Many of the assets we invest in do not have readily observable values, and we determine the fair value of these investments. 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 the Advisers’ compensation may be based, in part, on valuations of assets and performance, we have an incentive to assign valuations that may be higher than could be, or ultimately are, realized upon sale.

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. These conflicts and certain mitigants are discussed in Item 11, “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading”.

Item 7 – Types of Clients

GC Advisors provides investment advisory and management services to business development companies, and we provide investment advisory and management services to private investment funds, separately managed accounts, CLOs and pooled investment vehicles. Many of our clients invest some or all of their capital in other entities that we manage. 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

Overview

In managing discretionary client accounts and providing recommendations to non-discretionary clients, the Advisers utilize 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 we seek 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 we do not limit our 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.

Methods of Analysis and Investment Strategies

We invest for our 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 our clients, we invest (directly, or indirectly through leveraged subsidiaries or CLOs) in loans to U.S. middle market companies. Investments in CLOs are typically the junior tranches of internally managed CLOs. Our non-domestic clients typically purchase loans after they are structured and originated by domestic entities. We also invest for some clients in broadly syndicated loans (directly, or indirectly through CLOs, warehouse facilities or total return swaps). We generally seek to purchase for our clients carefully selected, well-structured, high-quality performing corporate loans and related investments at discounts to face value and at attractive yields to maturity. We also invest in opportunistic credit and securitization liabilities.

Our 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 we will be successful in achieving this goal.

We primarily make our investment strategies available through the clients we advise. The client documents for each client describe in more detail the specific investment strategies, guidelines and risks of those clients.

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

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. The client documents for each client describe in more detail the specific investment strategies, guidelines and risks of those clients.

Market for Transactions and Financing

Identifying and structuring debt and equity investments involves competition among capital providers and market and transaction uncertainty. There is no guarantee that we will be able to identify a sufficient number of suitable investment opportunities to satisfy our clients' investment objectives, including as may be necessary to effectively structure CLOs. On occasion, the investment opportunities may be too large to satisfy clients' desired position sizes, and we could, in some instances, be unable 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 our clients. From time to time, spreads may also widen. When spreads widen, there is often a lag before increased spreads are seen in loan pricing for middle market loans, and that delay may affect returns.

In the past year, it has become more difficult to locate investments that are desirable for our clients. This difficulty may continue in the near term, and we could decide to make fewer investments in response to these market conditions.

Risk of Private Debt and Equity Investments

Private investments involve a high degree of financial risk. Investments made by us for our clients may not be profitable and substantial losses may occur. Private debt may not be repaid by the borrower, and we may not be able to sell or otherwise liquidate client investments at the optimal time, price or at all. Therefore, we may not realize our clients' rate of return objectives, and there may not be a return of capital to clients. The debt in which we invest may be subordinate to other creditors' claims, which may impair its overall value.

We may also make equity investments in companies on behalf of our 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 our clients hold equity interests may not create a liquidity event for such equity interests.

Middle Market Company Exposure; Private Equity Sponsors

Our clients often invest, directly or indirectly, 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.

We are 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, we 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 our 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.

Our 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

We seek to create diversified portfolios that, over time, should prevent portfolios from being overly exposed to idiosyncratic risk. Our 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. The risk and magnitude of losses associated with defaults may be increased where the instrument is levered, including when held indirectly through a CLO or other subsidiary. Since clients may obtain leverage indirectly through loan securitization using CLOs, the risk return profile of such underlying loans may be altered beneficially or detrimentally since the loans are no longer held directly by the client.

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

Our clients may have levered exposure on a direct or indirect basis to 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, including first loss interests that bear substantial risk. 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. Additionally, loans to companies operating in workout modes or by law are, in certain circumstances, subject to potential liabilities that may exceed the amount of such loan purchased by a client.

Debt – Illiquidity and Volatility

The debt that we invest in for our clients, directly or indirectly, 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 our 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 could make it more difficult for our clients to sell such debt, we may be required to pursue a workout or alternate way out of the position.

Debt – Assignments and Participations

We also may invest, on behalf of our clients, 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. Loans, whether held directly or by way of participation, may be held through a holding company or a vehicle such as a leveraged subsidiary or CLO.

Investment in CLOs

Our clients may also invest in leveraged subsidiaries and CLOs, and many of our clients invest a significant portion of their assets indirectly through leveraged subsidiaries and in CLO junior interests. For more information on the risks involving CLOs, please see the section entitled “*Risks of Investments in CLOs*”. A CLO is typically a bankruptcy-remote securitization entity that owns debt (such as commercial loans) and/or debt-like assets (such as bonds). Typically, our clients invest in the junior, unrated or most subordinated (*i.e.*, first loss) tranches of Golub CLOs that own middle market or broadly syndicated loans. However, our clients may sell such tranches of CLOs to third parties, and if they do, we will effectively be managing a third party CLO. We may also set up a CLO as a third party de novo 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 our clients invest in, our clients may lose money. In rare occasions, a trustee could remove us 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 is likely to be deferred and the client likely will be unable to exercise additional remedies under the CLO entity documentation. In addition, the value of the underlying collateral in the asset pools could decrease in value. CLO securities may have a limited or no market, and we could, at times, be unable 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 could 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.

The Advisers and their affiliates have an incentive to devote resources, time and attention to investments or business lines based on the possibility of earning fees or other benefits associated with such investments or business lines. Specifically, the Advisers or their affiliates generally are incentivized to undertake CLO securitizations in which a third party owns a portion of the junior interests in such CLOs where the Advisers or their affiliates receive management (and other) fees associated with managing such CLOs. Although sales of residual interests in CLOs managed by the Advisers or their affiliates to third parties has been limited to date, such sales may increase, and GC Advisors or its affiliates have an incentive to increase such sales in order to develop a source of revenue from its CLO management activities.

Leverage and Subsidiaries

We invest client assets in a manner that subjects clients to the financial risks of leverage (such as CLOs and other securitizations), although not all assets will necessarily be levered. Portfolio investments financed with or involving 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. A substantial portion of clients' assets may consist of junior interests in CLOs. CLOs 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 uses leverage. Such events may result in a substantial loss to client accounts, which would be greater than if leverage had not been utilized in managing the account.

In addition, the investment objectives of our clients are dependent on the continued availability of leverage at attractive relative interest rates, including, but not limited to, short term loans from the Advisers or their affiliates to the Advisers' clients to ensure timely funding of negotiated investments. 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.

A substantial portion of the investments made by the Advisers on behalf of their clients are made through subsidiaries, and new clients managed by the Advisers often invest in existing subsidiaries. These subsidiaries may be created for leverage; liability management; compliance with Section 15G of the Securities Exchange Act of 1934, as amended by Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "U.S. Risk Retention Rules"), along with similar rules applicable in the EU (the "EU Risk Retention Rules" and, together with the U.S. Risk Retention Rules, the "Risk Retention Rules"); 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, indirect investments are structurally subordinate to direct investments in a bankruptcy or workout scenario. In addition, subsidiaries may have a duration, term or 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. The Advisers and their clients are also dependent on the CLO market for future leverage of its portfolio of subsidiaries. If the CLO market was unavailable for an extended period of time the Advisers' clients could experience diminished returns.

Multiple Feeder Master Fund Structure

Some of our clients will be primarily invested in a structure that is similar to a master fund, for which many of our clients act as feeders. This structure provides an efficient method for our 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 investments experiencing financial distress, in addition to new investments acquired by the clients' subsidiaries. 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 our discretion, 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 we invest consist of instruments that are not publicly traded. The fair value of instruments that are not publicly traded may not be easy to determine (including junior and other interests in CLOs), and we value these instruments at fair value in good faith. Valuations of private investments and private companies require judgment, are inherently uncertain, may fluctuate and may be based on estimates. Our 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 investments were materially higher than the values that were ultimately realized upon the sale of such investments, the returns to the clients would be adversely affected.

Our 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. This valuation reflects significant events that affect the value of the instruments. The factors that we 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, we 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, our 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, our determinations of fair value may differ materially from the values that would have been used if an active market for these investments existed.

Valuation of CLO Investments

Our clients invest substantially in CLO junior interests and other types of secured financing vehicles. However, for purposes of valuing the assets of a holding company, to the extent the CLOs or subsidiaries are consolidated with the holding company, we do not separately value the CLO junior interests held by the holding companies. Instead, in accordance with U.S. GAAP, the underlying loans held by such CLOs (and other subsidiaries) are valued on a consolidated basis. As such, the value of the assets of the holdings companies is determined by valuing the underlying loans held directly and indirectly by the holding companies, including underlying loans held by CLOs and subsidiaries, and subtracting the outstanding debt owed, including debt issued to third parties by CLOs and subsidiaries (which third-party debt may be valued on the basis of the principal balance of such debt or the fair value of the debt, although GC Advisors typically elects to value such debt on a fair value basis). There can be no assurance that the valuation of underlying loans held by such CLOs and subsidiaries will not differ

materially from the fair value of the CLO junior interests or that any such difference will not have a material adverse effect on the client.

General Economic and Market Conditions

The success of our 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 could 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

We 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.

Political Uncertainty

U.S. and non-U.S. markets may experience political uncertainty and/or change that subjects investments to heightened risks. These heightened risks could include, but are not limited to: greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); greater social, economic, and political instability (including the risk of war or terrorist activity); greater governmental involvement in the economy; less governmental supervision and regulation of the securities markets and market participants; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital and on the ability to exchange currencies; inability to purchase and sell investments or otherwise settle security or derivative transactions (*i.e.*, a market freeze); unavailability of currency hedging techniques; and slower clearance. During times of political uncertainty, global markets often become more volatile. There also may be a lower level of monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations may become more limited. Markets experiencing political uncertainty could have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates may have negative effects on such countries' economies and markets. Tax laws may change materially, and any changes in tax laws may have an unpredictable effect on both

clients and investments. There can be no assurance that political changes will not cause clients to suffer losses.

Availability of Financing from the Investment Manager

Clients may rely on loans from us and our affiliates as part of the clients' strategy. Neither we nor any of our affiliates is obligated to extend any such loans to clients, and such loans may not be made available to clients in the same amounts or on the same economic terms as are made available to other funds affiliated with us, or at all. In the event that a client is required to find third party financing in place of or in addition to loans from us and our affiliates, it may be at less favorable economic terms than such loans, which could reduce a client's returns. For a discussion of certain conflicts of interest related to these activities, please refer to Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading".

Illiquidity of Investments

The debt to which a client is primarily exposed through its junior interests in CLOs consists predominantly of loans and notes that are obligations of corporations, partnerships or other entities. This underlying debt often has no, or only a limited, trading market. Although a client will generally indirectly, through its interests in CLOs, maintain leveraged exposure to much of its middle market debt until repayment, the investment in illiquid debt (as well as the terms of the subsidiary or CLO through which the debt is held) may restrict the ability of the CLO to dispose of investments in a timely fashion, for a fair price, or at all. If an underlying issuer of debt experiences an adverse event, this illiquidity may make it more difficult to sell such debt, and the client may be required to pursue a workout or alternate way out of the position. The CLO may have limited control over a workout or alternate means of disposition and the person(s) having such control may have interests that are not aligned with those of the client, even in circumstances where the party exercising such control is GC Advisors or an affiliate.

Investments in Companies in Regulated Industries

Clients (directly, or through a holding company, CLO or other subsidiary) may invest in companies that are subject to governmental and non-governmental regulation, including by federal and state regulators and various self-regulatory organizations. Companies participating in regulated activities may incur significant costs to comply with these laws and regulations. If a company in which a client invests fails to comply with an applicable regulatory regime, it may be subject to fines, injunctions, operating restrictions or criminal prosecution, any of which could materially and adversely affect the value of the client's investment.

Risks of Investments in CLOs

Impact of Securitization on a Client's Interest in Loans

Loans that are held directly by a client or a subsidiary may later be contributed or sold to a CLO in connection with a securitization. Once held by a CLO, the underlying loan is no longer a direct investment and the risk-return profile is altered. In general, rather than holding interests in underlying loans, securitization results in the client holding junior interests in CLOs, with the CLO having legal title to the underlying loans.

Investments in the Form of Highly Subordinated CLO Securities

A substantial portion of clients' investments are made through holding companies or subsidiaries. For purposes of the Risk Retention Rules, principals of GCIM or its affiliates may hold a controlling financial interest or majority stake in these subsidiaries. A client's investments may be comingled with investments from other clients managed by us or our affiliates. In turn, a holding company or subsidiary may make investments primarily in junior interests in CLOs and other securitizations comprised of pools of middle market and broadly syndicated loans. The holding company or subsidiary in this structure typically owns all or a majority of the junior interests of the CLOs and other securitizations it uses to finance its investments in middle market and broadly syndicated loans. Therefore, a substantial portion of many clients' investments (indirectly through holding companies or subsidiaries) will be in the form of highly subordinated CLO securities.

These highly subordinated CLO junior interests or "equity", which occupy a first loss position, may be in the form of subordinated notes, income notes, membership interests, common stock, preference shares or any other type of residual interest issued by the relevant CLO issuer or financing counterparty, which we refer to as the "junior interests". In addition, a client may also, in certain cases, indirectly make investments in certain other junior classes of secured notes of such CLOs. These investments subject a client (indirectly through the relevant holding companies) to further risks, including, among others, credit risk, liquidity risk, interest rate and other market risk, operational risk, structural risk, sponsor risk, and other legal risk. We may make investment decisions with respect to our clients' junior interests in a CLO and other investments held in holding companies or subsidiaries. However, in the case of a CLO, we or an affiliate acting as collateral manager will be required to consider the interests of the CLO issuer and the holders of its securities, whose interests may differ from those of the client holding an indirect interest in the junior interests of the CLO.

Since the CLO securities are held indirectly on a comingled basis through holding companies or subsidiaries, such indirect exposure may magnify the risks of such investments by subjecting clients to further counterparty risk of each of the holding companies or subsidiaries.

Regulatory Risk

The U.S. Risk Retention Rules require a sponsor (or a majority-owned affiliate thereof) of a securitization transaction, such as a CLO, to retain at least 5% of the economic interest in the credit risk of the securitized assets (the "Retention Interests"). As asset manager or sponsor of

the CLOs, we or one of our “majority-owned affiliates” (such as GC OPAL (defined below in Item 10)) expect to retain Retention Interests in Golub CLOs. There has been no explicit guidance regarding how entities may be structured for this purpose and therefore the regulatory environment in which the CLOs intend to operate is highly uncertain. There can be no assurance that applicable governmental authorities will agree that any of the transactions, structures or arrangements entered into by the Advisers, and the manner in which it expects to hold Retention Interests, will satisfy the Risk Retention Rules. If such transactions, structures or arrangements are determined not to comply with the Risk Retention Rules, we could become subject to regulatory action. The impact of the Risk Retention Rules on the securitization market is also unclear and such rules may negatively impact the value of the CLOs and their underlying assets.

Acquisitions of CLO Junior Interests with Various Forms of Non-Cash Consideration

The holding company in which the clients invest will not typically acquire its junior interests in new CLOs in exchange for a cash payment (or, if such cash payment is made, it may be made for a portion of the purchase price only). Rather, CLO junior interests may be acquired in each of the following ways: (i) receiving such CLO junior interests in exchange for equity securities associated with a warehouse or other financing facility of the CLO issuer, which is being paid off with the proceeds of the issuance of the CLO securities, (ii) receiving such CLO junior interests as “in kind” consideration in exchange for underlying loans being contributed (or deemed contributed) by, or transferred at the direction of, the holding company or subsidiary to the CLO issuer, in order to collateralize the CLO transaction or (iii) receiving such CLO junior interests as “in kind” consideration for underlying loans that were either already contributed inside (or deemed contributed) by, or already purchased in part from funds contributed (or deemed contributed) by the holding company or subsidiary to the CLO issuer. The manner in which a holding company will acquire its junior interests in each CLO will be determined in our or our affiliates’ sole discretion based on the facts and circumstances of that particular CLO, and may not be disclosed to the client’s investors in connection with the CLOs.

Transfers between Affiliated CLOs

We or our affiliates may decide in its sole discretion to cause one CLO or other financing transaction in which clients own equity interests to transfer loans to, or acquire loans from, another CLO or financing transaction in which clients own or intend to acquire junior interests (each an “Affiliate Finance Transfer”). Such Affiliate Finance Transfers may be accomplished in a multitude of ways and in a number of different contexts, including to facilitate the completion of a new CLO or other financing transaction (e.g., the redemption, refinancing or replacement of an existing CLO or financing transaction with a new CLO or financing transaction).

For a variety of reasons, including administrative convenience, we or our affiliates may decide in its sole discretion, from time to time, based on factors it deems relevant at the time, to effect these Affiliate Finance Transfers for little or no payment of cash consideration, as transfers of “in kind” and/or as transfers for contributed consideration (or any combination or permutation

thereof). In many cases, such Affiliate Finance Transfers will be effected through the payment or receipt of “in kind” consideration (e.g., the purchase price of the underlying loans transferred is offset or credited against the purchase price of the CLO securities acquired). In certain other cases, any cash payment amounts owed to or among a client and various CLOs and other financing transactions involved in the transaction will be netted against various other amounts so as to eliminate or offset some or all of the need for sending full cash payments back and forth among such parties. In the case of any or all of such Affiliate Finance Transfers, it may be the case that underlying loans are transferred or acquired between and among the parties to such transaction for a cash purchase price that may be more or less than the fair market value of such underlying loans, with the difference in price being documented as, or deemed to be, a capital contribution, cash capital contribution, deemed dividend or any other form of equity capitalization, as applicable.

For a variety of reasons including administrative convenience, we or our affiliates may decide in its sole discretion, from time to time, based on factors it deems relevant at the time to cause the transfer or acquisition of any loans or other assets in to be effected in a multitude of ways depending upon the context. For example, some underlying loans may be transferred directly from one or more parties to such Affiliate Finance Transfers, thereby bypassing one or more intermediate steps or transfers that would technically or otherwise be required. In addition, in certain instances such transfers may be effected through the means of a participation or master participation interest in such underlying loan or portfolio of underlying loans, which interest may be required to be elevated to a full assignment within a specified period of time and expose one of more of the selling parties to the requirement to repurchase or indemnify the buying parties for losses in connection with such failure. Each of such methods of transferring or acquiring underlying loans could expose a client to further risk of loss in connection with these Affiliate Finance Transfers.

The exact payment, transfer or acquisition method employed in any Affiliate Finance Transfer will vary from transaction to transaction and will likely not be explicitly disclosed directly to the clients’ investors on any particular transaction. In some cases, these will involve principal transactions as described in, and subject to the requirements of, Section 206(3) of the Advisers Act. For additional information, please refer to Item 11, “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading”.

CLO Securities and Limited Recourse Obligations

CLO equity and debt securities generally are limited recourse obligations of the issuer thereof, typically an exempted company organized with limited liability under the laws of the Cayman Islands payable solely from the underlying loans of such CLO issuer or proceeds thereof. Moreover, junior interests in a CLO represent economic residual interests in the relevant CLO/CLO issuer only. Junior interests in CLOs are not secured. Consequently, holders of CLO securities must rely solely on distributions on the underlying loans or proceeds thereof for payment in respect thereof. If distributions on such collateral are insufficient to pay required fees and expenses, to make payments on CLO debt securities or to pay dividends or other

distributions on the CLO junior interests, all in accordance with the applicable priority of payments, no other assets of the CLO issuer or any other person will be available for the payment of the deficiency. Once all proceeds of the collateral have been applied, no funds will be available for payment or distributions on the CLO securities. Therefore, whether holders of the CLO securities receive repayment or a return thereon will depend upon the aggregate amount of payments and other distributions paid on the CLO securities prior to any final redemption date and the amount of available funds on the final redemption date available for distribution to holders of the CLO junior interests.

Distributions on CLO Securities Affected by Yield, Maturity, Distributions and other Performance Considerations

The amount of distributions on any CLO securities will be affected by, among other things, the timing of purchases of underlying loans, the rates of repayment of or distributions on the underlying loans, the timing of reinvestment in substitute underlying loans and the interest rates available at the time of reinvestment. The longer the period of time before reinvestment of cash in underlying loans, the greater the adverse impact may be on the aggregate interest collected, thereby lowering yields and otherwise affecting performance of the CLO securities. The amount of distributions on CLO securities may also be affected by rates of delinquencies and defaults on and liquidations of the underlying loans, sales of underlying loans and purchases of underlying loans having different payment characteristics. The yield and other measures of performance may be adversely affected to the extent that the CLO issuer incurs any significant unexpected expenses.

Illiquidity of CLO Securities

There is no established, liquid secondary market for many of the CLO securities (particularly junior interests) that holding companies in which clients invest will acquire, and the lack of such an established, liquid secondary market may have an adverse effect on the market value of such CLO securities and the holding companies' ability to dispose of them. Such illiquidity may adversely affect the price and timing of the liquidation of CLO securities, including the liquidation of CLO securities following the occurrence of an event of default under the indenture or in connection with a redemption of the CLO securities.

Subordination of CLO Junior Interests to all other CLO Securities

Payments of principal of, and interest on, debt issued by CLOs, and dividends and other distributions on junior interests in CLOs, are subject to priority of payments. Junior interests in CLOs are subordinated to the prior payment of all obligations under debt securities. Further, in the event of default under any debt securities issued by a CLO, holders of the CLO's junior interests generally have no right to determine the remedies to be exercised. To the extent that any elimination, deferral or reduction in payments on debt securities occurs, such elimination will be borne first by the CLO junior interests and then by the debt securities in reverse order of seniority. Thus, the greatest risk of loss relating to defaults on the collateral held by CLOs is

borne by the junior interests. To the extent that a default occurs with respect to any collateral and such collateral is sold or otherwise disposed of, it is likely that the proceeds of such sale or other disposition will be less than the unpaid principal and interest on such collateral. Excess funds available for distribution to the owners of the junior interests in a CLO will be reduced by losses occurring on the collateral, and returns on the CLO junior interests will be adversely affected.

CLO Junior Interests Are Susceptible to Complete Loss

Clients' investments will be substantially in CLO junior interests, which are susceptible to losses of up to 100% of such investments, including losses resulting from changes in the financial rating ascribed to, or changes in the market value or fair value of, the underlying assets of the CLO issuers. Clients' investments in CLO junior interests represent highly leveraged investments in the underlying loans held by the CLOs. The fair value of these investments could be significantly affected by, among other things, changes in the financial rating ascribed to the underlying assets of a CLO by financial rating agencies, changes in the market value or fair value of the underlying loans, changes in payments, defaults, recoveries, capital gains and losses, prepayment and the availability, prices and interest rate of underlying assets. Moreover, market developments generally (including, without limitation, deteriorating economic outlook, changes in interest rates, rising defaults and rating agency downgrades) may impact the fair value of an investment and/or its underlying assets. Negative loan ratings migration and/or an increase in the rate of defaults on loans, may also place pressure on the performance of certain of the investments. Lower rated assets exposure over pre-defined limits and/or defaults on underlying loans held in such investments may temporarily or permanently cause cash diversion away from CLO junior interests (the investments) and into the reinvestment of new collateral, and, if significant enough, potential de-leveraging of the CLO. In addition, changes in the market value or fair value of such underlying loans could result in defaults under the terms of the CLO that may in turn reduce or halt the distribution of funds to holders of junior interests in the CLO or trigger a liquidation of such CLO. The leveraged nature of CLO junior interests increases the risk that a change in market conditions or the default of the underlying obligor or issuer of underlying loans could result in significant losses. Accordingly, holders of junior interests in a CLO may not be paid in full and may be subject to substantial losses, including a loss of 100% of clients' investments in them.

Lack of Control over Decisions Relating to the CLO Junior Interests

Through holding companies, many clients expect to invest in majority positions in CLO junior interests, and many CLO transactions permit the holder of a majority or supermajority of the CLO junior interests to direct a redemption, refinancing or repricing of the CLO; however, there can be no assurance that any particular CLO investment made by a holding company will hold such rights or that the holding company will choose to or be able to enforce them. In addition, rights to consent to amendments to the governing documents of CLOs and to remove or replace the collateral manager and enforce other rights and remedies after defaults are frequently shared among, or require the consent of, multiple classes of CLO securities and are frequently

controlled by the more senior classes of CLO securities. Thus, even if a holding company were to hold a majority (or even all) of the junior interests in a given CLO, it still may not be able to enforce such any rights under the CLO's governing documents without the consent of the holders of other CLO securities.

Certain Advisers in their capacity as collateral manager pursuant to the terms of a collateral management agreement executed by each CLO issuer in connection with each CLO, will have the sole right to make asset management decisions, including any in connection with the underlying loans, acting on behalf of and in the interests of the CLO issuer. Any CLO issuer's interests may conflict with those of the clients. Moreover, any decisions to be made by holders of CLO securities under a CLO's governing documents will be made by us, as manager of the holding company, in its sole discretion on behalf of the holding company, and not directly by investors in the client or the investment manager of the client. The collateral manager or the holding company manager may, in accordance with their respective portfolio management practices, agree on behalf of the holding company or a CLO to extend or defer the maturity, or adjust the outstanding balance of any investments, or otherwise amend, modify or waive the terms of any related loan agreement, indenture or other document governing an investment, including the payment terms thereunder. Any amendment, waiver or modification of an investment could postpone the receipt of payments in respect of such investment and/or reduce distributions to investors in clients. Investors in clients are advised that neither the investors nor the client will have any right to compel the holding company manager, the collateral manager or any other party to take or refrain from taking any such actions or decisions, and such actions or decisions may expose a client to losses and conflicts with respect to its investments.

Holding companies and other affiliates of the holding companies will also invest in various other loans, other debt or equity obligations or securities. Such investments may, at times, consist of minority positions in such loans, other debt or equity obligations or securities; therefore, any ability of the holding company manager, the holding company and/or the relevant holding company affiliate, as applicable, to control or otherwise influence the exercise of rights and remedies (as a lender to the underlying obligor) under, and amendments and other modifications to, such loans, other debt or equity obligations or securities may be limited, if not non-existent.

Ratings of Underlying Loans Owned by the CLOs

CLO issuers may acquire interests in underlying loans by way of sale, assignment or participation. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. In the case of the CLOs primarily comprised of middle market loans, a substantial portion or a majority of the underlying loans will typically be originated by our affiliates. In the case of the CLOs comprised primarily of broadly syndicated loans, the underlying loans are typically acquired from unaffiliated third parties.

Typically, the CLOs hold underlying loans consisting primarily of middle market and/or broadly syndicated loans, generally rated below investment grade (or of equivalent credit quality). The lower rating of such loans reflects a greater possibility that adverse changes in the financial condition of an underlying obligor or in general economic conditions or both may impair the ability of the CLO issuer to make payments of principal or interest. Such loans may be regarded as predominately speculative with respect to the continuing ability of the underlying obligor thereof to meet principal and interest payments. Such speculative loans (particularly in the case of middle market loans) may be less liquid and more likely to default than loans of higher credit quality. In addition, a portion (which portion may be significant) of the underlying loans included in the broadly syndicated CLOs are comprised of “cov-lite loans” which contain limited, if any, financial covenants. Ownership of “cov-lite loans” may expose such CLOs to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have such requirements and restrictions. In addition, in the current economic environment, the market prices of “cov-lite loans” may be depressed. As a result, exposure to losses may be significant, which risk is increased by an investment in junior interests in such CLOs.

Indemnification, Asset Transfer and Financing Agreements

Holding companies in which clients invest are and will become party to various indemnity, asset transfer or financing arrangements, including any indemnity and contribution agreement, loan or credit agreement, letter agreement, transfer agreements, assignment agreements, master loan sale or loan sale agreements, purchase and sale or sale and contribution agreements, repurchase agreements, performance guaranty or other indemnification agreement and/or other asset transfer or financing agreements of any nature, including any documents executed in connection therewith, from time to time. These arrangements will contain certain representations, covenants, agreements and indemnity obligations. Should a holding company or any of its affiliates breach any of the provisions or agreements contained therein, it may be required immediately to pay an indemnity, make a contribution or repay borrowings or repurchase assets, in whole or in part, together with any attendant costs, and be subject to various indemnification claims for any losses. If a holding company or any of its affiliates, or the clients, does not have sufficient cash resources or other credit facilities available to make such indemnities or repayments, it may be forced to sell some or all of the assets constituting its investment portfolio. To the extent that any such arrangements are secured by certain assets, a lender may be able to foreclose on and liquidate those assets. Sales of assets in such circumstances may be at prices less than fair value, resulting in insufficient funds to repay in full any outstanding borrowings and therefore not yield excess value for the clients. Moreover, any failure to repay such borrowings or, in certain circumstances, other breaches of covenants under such agreements could result in a client being required to suspend payment of distributions to its investors. In addition, such arrangements may contain cross default provisions such that a default under one particular financing arrangement could automatically trigger defaults under other financing arrangements. Such cross default provisions could therefore magnify the effect of an individual default, and, if such a provision were exercised, result in a substantial loss for a client.

Interest Rate Risks

The underlying loans in a CLO may bear interest at a fixed rate while the CLO securities issued by the CLO issuer holding underlying loans may bear interest at a floating rate (or the reverse may be true). As a result, there could be a floating/fixed rate or basis mismatch between such CLO securities and the underlying loans. In addition, there may be a timing mismatch between the CLO securities and underlying loans that bear interest at a floating rate, as the interest rate on such floating rate underlying loans may adjust more frequently or less frequently, on different dates and based on different indices, than the interest rates on the CLO securities. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability of the CLO issuers thereof to make payments on the CLO securities.

Performance of CLOs Dependent on Collateral Manager

Each CLO issuer will rely on its collateral manager to administer and review the portfolios of underlying loans held by such CLO issuer. Particularly in the case of CLO junior interests, the actions of the collateral manager may significantly affect a client's return on its investment in the CLO. When the collateral manager of a CLO is an affiliate of GC Advisors, investors in the clients must note that, in its role as collateral manager, such affiliate will be acting solely in the best interests of the CLO issuer, without consideration of the interests of the clients or any investor therein.

Although valuations and projections of the collateral manager may take into account certain expected levels of prepayments, underlying loans may be prepaid more quickly than expected. Prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the collateral manager or CLO issuer's control and consequently cannot be accurately predicted. Early prepayments give rise to increased reinvestment risk, as the CLO issuer might realize excess cash from prepayments earlier than expected. If the collateral manager or CLO issuer is unable to reinvest such cash in a new investment with an expected rate of return at least equal to that of the investment repaid, this may reduce the net income and the fair value of any investment in such CLO.

In the event of a bankruptcy or insolvency of an underlying obligor in a CLO in which clients invest, a court or other governmental entity may determine that the claims of the relevant CLO are not valid or not entitled to the treatment the collateral manager (on behalf of the CLO) expected when making its initial decision to invest in the loan to such obligor.

CLO Concentration Risk

The clients' portfolio of CLO investments may consist primarily of investments in junior interests in CLOs that are managed by the collateral manager, and such clients should not expect to make significant investments in CLOs managed by any other asset managers. Although we,

our affiliates and/or holding company managers will monitor the concentration of the clients' exposure to one company that is a borrower on underlying loans, investment, CLO, industry, jurisdiction, region or asset class, concentrations of exposures may arise in the underlying investment portfolio. The risk that payments to investors in a client could be adversely affected to a significant degree by one default or a series of defaults on debt obligations relating to a particular company, investment, CLO, industry, jurisdiction, region, or asset class will increase to the extent that investments are concentrated in that company, investment, CLO, industry, jurisdiction, region, or asset class.

Potential Impact of Inability to Execute Additional CLOs

The inability of a holding company to engage in additional CLOs or securitizations could negatively affect the client's existing investments in such holding company and future prospects. CLOs and other securitizations are an important source of funds that we use to originate and acquire loans. If this important source of funds is not replenished through additional CLOs and securitizations, it would adversely affect our ongoing operations, which may in turn negatively affect a holding company's existing investments in any number of ways and future prospects. In addition, the lack of new loan collateral or the inability to execute future CLOs may impair the ability to refinance or redeem existing CLOs into new CLOs or securitizations on favorable terms and conditions. If a holding company in which a client invests cannot maintain a targeted level of leverage, the client's returns could be reduced. Inability to execute additional CLOs may also have a negative effect on the fair value of a holding company's assets and the market value of the investor's interests therein, including interests that may be held by a client.

GC Synexus

GC Synexus has stopped accepting new investor capital and has commenced an orderly wind down of its clients' operations.

Golub Capital - Overview

This section applies to all advisory businesses within Golub Capital.

Risks Related to Multiple Business Lines

Our clients, and investors in any pooled funds or other investment vehicles managed by us, should be aware of the potential risk of errors from separate business lines affecting their investments indirectly. While we keep 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 our business 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 we maintain two major business lines, we have explored and will continue to 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 our business as a whole outside those previously disclosed. New business lines may also exacerbate existing conflicts of interest and raise new conflicts.

Risks Related to Information Technology

We are heavily reliant on its information technology infrastructure, processes and procedures, and we have devoted significant resources to ensuring it has competitive informational technology systems. Information technology changes rapidly, however, and we may not be able to stay ahead of such advances. Moreover, as we continue to grow, we may find ourselves 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 adverse impact on us and our 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. Our clients may invest in these vehicles. Two such pooled investment vehicles advised by GC Advisors are business development companies, Golub BDC and GCIC.

We, our affiliates, officers and employees, may also have certain interests, including deferred fees, 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. We may also loan money to or advance money to client accounts.

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 or recommend our other accounts to invest in such operating companies. These arrangements may cause conflicts of interest compared to arrangements where we direct our clients to invest in unaffiliated operating companies. This can raise a variety of conflicts of interest. 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 compared to arrangements where 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 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.

We may also originate loans that are larger than the aggregate hold size desired by our advisory clients. This may create conflicts of interest, as we may retain transaction fees in connection with these loans or make money from selling the excess portion of such loans. We have a financial interest in originating large loans and selling the portion of such loans that our advisory clients do not wish to hold. To the extent we are unable to sell these excess portions of loans, one or more clients may hold an allocation of such loans greater than expected or desired, which may increase such clients' risk. There is no guarantee that we will be able to, nor do we have any obligation to, sell these excess portions of loans.

GC OPAL

In connection with leverage obtained through Golub CLOs we manage, we intend to comply with the Risk Retention Rules. For offshore CLOs focused primarily on middle market loans, certain of our affiliates and principals will own 20% of “GC OPAL”, a majority-owned affiliate, which will acquire at least a 5% interest (the “Retention Interest”) in each Golub CLO executed after the effectiveness of the U.S. Risk Retention Rules. As used herein, “GC OPAL” shall refer both to (i) the strategy used to comply with the requirements of the Risk Retention Rules with respect to a number of middle market Golub CLOs and (ii) the entities created to respond to the Risk Retention Rules. For Golub CLOs focused on broadly-syndicated loans (“Golub BSL CLOs”), an Adviser or an affiliate intends to purchase the Retention Interests. We may modify the GC OPAL structure and/or the Golub BSL CLOs strategy for compliance with the Risk Retention Rules at any time.

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 Item 7, “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. Moreover, 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. Additionally, we, our access persons, or relevant parties may make short term loans or advance money to clients to ensure timely funding of negotiated investments. 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 standards of business conduct and the fiduciary duties we and our supervised persons owe 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

As discussed in Item 6, above, 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, including Retention Interests.

To mitigate the conflicts of interest associated with the allocation of trading and investment opportunities, we maintain 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 1940 Act, including an exemptive order granted to us by the SEC, as well as relevant SEC and SEC Staff guidance.

Some of the factors that influence a recommended allocation include:

- (1) legal, contractual, or regulatory restrictions or considerations (*e.g.*, 1940 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 occur, in all circumstances, we will act in a manner that we believe to be 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

We may act as an underwriter, arranger or placement agent, or otherwise participate in the origination, structuring, negotiation, syndication or offering of loans held by our clients. These loans are typically held by multiple clients and are often prepayable at the option of the obligor. Our clients often have certain protective rights against prepayment such as prepayment or call premiums, and on occasion, we may waive these prepayments or call premiums. We often have 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 our clients, we may cause relevant clients to waive prepayment premiums or other similar call premiums in certain circumstances, including when we, or our affiliates, 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, we face a potential conflict of interest between our duty to such clients and the interests of other clients that will participate in the refinancing, as well as, in some cases, our interests or the interests of related entities. To mitigate these potential conflicts, we may cause a non-participating client to waive prepayment or call protections only where we have or will offset any adverse economic effect caused by the waiver of such prepayment premiums or other similar call premiums. We do this by waiving management fees or other similar fees or reimbursements to which we 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 we 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:

- (1) us or our affiliates;
- (2) other advisory accounts;
- (3) funds or accounts in which we or our affiliates or our respective officers or employees have an ownership or economic interest; or
- (4) 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:

- (1) us or our affiliates;
- (2) other advisory accounts;
- (3) funds or accounts in which we or our affiliates or our respective officers or employees have an ownership or economic interest; or
- (4) 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, in particular, principal trades, 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. In situations in which consent is required from a CLO in connection with a principal trade, consent generally will be obtained from the board of directors of the CLO (or contracted professionals or an independent reviewer, as applicable), and not the indirect investors of junior interests of the CLO (including private funds) or the conflicts committee of any indirect investors.

From time to time, one client (or a holding company, CLO or other subsidiary) may purchase investments from or sell investments to another client, including where we or our affiliates have a significant interest (greater than 25%) in one or more parties to the purchase and sale transaction. Any investment on behalf of advisory clients or any related disposition must be consistent with applicable law, relevant contractual requirements and our (and our affiliates') fiduciary obligations to act in the best interests of clients and their investment objectives.

Some conflicts of interest, such as principal trades, are particularly acute, and we may seek independent consent or other conflicts resolution for transactions of this nature. The mechanics for obtaining consent or other conflicts resolution are summarized below with respect to funds and CLOs (as well as a holding company) and are described in more detail in the relevant advisory contract or fund private placement memorandum or other governing documents.

When a client engages in a purchase or sale transaction with us or with another client, holding company or other entity in which we or another relevant party have a significant interest, the transaction will constitute a principal trade under the Advisers Act based on SEC staff guidance; thus, we will be required to disclose the transaction to the relevant client or clients and obtain consent prior to completing the transaction. For certain clients, this requirement will be satisfied by disclosing relevant information about the principal trade to, and seeking the consent of, the client's board of directors or a designated independent party prior to settlement of the

transaction. In determining whether to grant consent, certain clients' boards (or other relevant persons) are expected to contract with other professionals with appropriate expertise to review and provide recommendations as to approval or disapproval. When so doing, the board of directors and any such other persons are bound by law or contract to act in the best interests of the client, but do not have any duty to consider the interests of indirect investors in the CLO or holding company, as applicable. Furthermore, we will not, absent agreement to the contrary, be required to obtain consent or provide notice of such principal trades to any direct or indirect investor in the client that is party to the trade. As a result, we or entities in which we or other relevant parties have a significant interest may buy assets from or sell assets to a CLO or holding company in which a client holds an interest without notice to or consent of any of the client's investors. There is no guarantee that any such trades will not be adverse to the interests of such investors.

Conflicts of Interest – Shared Services Expense

In the operation of our business and the management of our clients' businesses, an inherent conflict arises in connection with shared service expenses. Pursuant to management agreements with our clients, certain overhead and back office expenses, including employee expenses, are allocated to us and certain overhead and back office expenses, including employee expenses, are allocated to our clients. Based on the category of service provided, allocation of the expenses requires judgment to determine whether the expense is to be allocated to us, to our client or split ratably between us and our client. Accordingly, the use of judgment may create a conflict of interest since it is both in our best interest and in our clients' best interest to pay less service expenses. These conflicts are discussed further above in Item 5.

Conflicts of Interest – Loans to Clients

Certain conflicts of interest may arise should we or an affiliate or other relevant party enter into financing arrangements with clients, or make short term loans or otherwise advance money to clients. Such loans or advances shall only be made when such transaction is determined to be in the overall best interests of the client. However, when these arrangements arise, we and/or our affiliates have a conflict of interest between our obligation to act in the best interest of the client and our own best interest. Any loans or advances made to clients will be consistent with applicable law, our fiduciary obligations to act in the best interests of our clients and such clients' investment objectives. In making such loans or advances to clients, we or an affiliate may draw on a third party line of credit, and market interest may be passed to the clients receiving such loans or advances.

Conflicts of Interest – CLO Refinancing

Certain of our clients' assets are invested in CLOs of which we own certain tranches of equity and of which our clients or third parties may own more senior or more junior tranches. Since CLOs have leverage embedded in their structures, these CLOs are subject to the financial risk of leverage, including fluctuations in interest rates and downturns in the economy.

Accordingly, a conflict of interest may arise in the event we refinance any CLOs. A refinancing that benefits the returns of the junior equity tranches of a CLO may adversely affect the returns of the senior equity tranches and vice versa.

Conflicts of Interest – Risk Retention

GC OPAL's organizational, ownership and investment structure involves a number of relationships that give rise to conflicts of interest between clients and the holding companies in which clients invest, on the one hand, and GC Advisors and its affiliates, on the other hand. Furthermore, GC Advisors (or its affiliates) may face conflicts of interest with respect to decisions it makes in managing Golub CLOs in which it or its affiliates are required to hold a Retention Interest, versus certain Golub CLOs that were executed prior to the effectiveness of the Risk Retention Rules and the requirement to hold Retention Interests. Such conflicts may arise in connection with any of the following:

- the types of investments made by Golub CLOs and the timing and method in which investments are exited;
- the timing and amount of distributions to the members of GC OPAL (indirectly through a holding company);
- the purchase by GC OPAL of Retention Interests and/or the investment by GC OPAL in Golub CLOs;
- the reinvestment of returns generated by investments;
- the decision to refinance a Golub CLO and the timing of any such refinancing;
- the assessment of fees and expenses, including incentive fees and performance allocations, to Golub CLOs for which a Retention Interest is held;
- the negotiation of service provider arrangements between GC OPAL and GC Advisors or its affiliates;
- the use of CLO securitizations for obtaining leverage (versus other forms of leverage);
- the transfer of assets from Golub CLOs for which a Retention Interest is held to and from Golub CLOs for which no Retention Interest is held; and
- time and attention given to Golub CLOs for which a Retention Interest is held versus Golub CLOs for which no Retention Interest is held.

There can be no assurance that any such conflicts can always be resolved in a manner that is ultimately beneficial to the clients.

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, we acquire and dispose of many of our 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 formal soft dollar arrangements 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 Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading".

Item 13 – Review of Accounts

We review 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 that quarterly and annual financial statements be distributed to such client's investors. With respect to CLOs, the independent trustees of the CLO vehicles generally prepare written reports.

Item 14 – Client Referrals and Other Compensation

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 we advise. 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. Please contact us promptly if you do not receive such statements.

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. 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.