Golub Capital BDC, Inc.
Form 497
September 11, 2013

This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but the information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 497
File No. 333-174756

Subject to Completion, dated September 11, 2013

PRELIMINARY PROSPECTUS SUPPLEMENT
(to Prospectus dated April 29, 2013)

3,000,000 Shares

GOLUB CAPITAL BDC, INC.

Common Stock
$ per share

We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended. Our investment objective is to provide our stockholders with current income and capital appreciation through debt and minority equity investments in middle-market companies.

GC Advisors LLC serves as our investment adviser. Golub Capital LLC serves as our administrator. GC Advisors LLC and Golub Capital LLC are affiliated with Golub Capital (as defined herein), a leading lender to middle-market companies that has over $8.0 billion of capital under management.

Our common stock is traded on The NASDAQ Global Select Market under the symbol GBDC . Golub Capital Employee Grant Program Rabbi Trust, a trust organized for the purpose of awarding equity incentive compensation to employees of Golub Capital, and GCI Development LLC have indicated their intent to purchase an aggregate of $1,734,000 of shares in this offering at the public offering price per share. In addition, Mr. William M. Webster IV, one of our directors, and certain of his family members have indicated their intent to purchase an aggregate of 40,000 shares in this offering at the public offering price per share. The last reported closing price for our common stock on September 10, 2013 was $17.86 per share. The net asset value of our common stock on June 30, 2013 was $15.12 per share. The offering price per share of our common stock less any underwriting commissions or discounts will not be less than the net asset value per share of our common stock at the time we make this offering.

Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. If our shares trade at a discount to our net asset value, it will likely increase the risk of loss for purchasers in this offering. Investing in our common stock involves a high degree of risk. Before buying any securities, you should read the discussion of the material risks of investing in our common stock, including the risk of leverage, in Risk Factors beginning on page 12 of the accompanying prospectus.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our common stock. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission, or the SEC. We maintain a website at *http://www.golubcapitalbdc.com* and make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available. This information is available free of charge, on or through our website. You may also obtain such information by contacting us at 150 South Wacker Drive, Suite 800, Chicago, Illinois 60606, Attention: Investor Relations, or by calling us collect at (312) 205-5050. The SEC also maintains a website at *http://www.sec.gov* that contains such information.

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

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Sales load (underwriting discounts and commissions)	$	$
Proceeds to us (before expenses)	$	$

In addition, the underwriters may purchase up to an additional 450,000 shares of common stock from us at the public offering price, less the sales load payable by us, to cover overallotments, if any, within 30 days from the date of this prospectus supplement. If the underwriters exercise this option in full, the total sales load paid by us will be $, and total proceeds to us, before expenses, will be $.

The underwriters are offering the common stock as set forth in Underwriting. Delivery of the common stock will be made on or about September , 2013.

Wells Fargo Securities **Morgan Stanley** **UBS Investment Bank**
Keefe, Bruyette & Woods
A Stifel Company
RBC Capital Markets

The date of this prospectus supplement is September , 2013

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We and the underwriters have not authorized any other person to provide you with different information. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement is accurate only as of the date on the front cover of this prospectus supplement and that the information appearing in the accompanying prospectus is accurate only as of the date on its front cover. Our business, financial condition, results of operations, cash flows and prospects may have changed since that date. We will update these documents to reflect material changes only as required by law. We are offering to sell, and seeking offers to buy, securities only in jurisdictions where offers are permitted.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information and disclosure. To the extent the information contained in this prospectus supplement differs from the information contained in the accompanying prospectus, the information in this prospectus supplement will control. You should read this prospectus supplement and the accompanying prospectus together with the additional information described under the headings Risk Factors included in the accompanying prospectus and Available Information included in this prospectus supplement before investing in our common stock.

TABLE OF CONTENTS
PROSPECTUS SUPPLEMENT

PROSPECTUS

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read the more detailed information set forth under Risk Factors included in the accompanying prospectus and the other information included in this prospectus supplement and the accompanying prospectus carefully.

Except as otherwise indicated, the terms:

we, us, our and Golub Capital BDC refer to Golub Capital BDC, Inc., a Delaware corporation, and its consolidated subsidiaries, including the Securitization Issuer and Holdings, and, for the periods prior to consummation of the BDC Conversion (as defined below), Golub Capital BDC LLC, a Delaware limited liability company, and its consolidated subsidiaries;

Holdings refers to Golub Capital BDC 2010-1 Holdings LLC, our direct subsidiary, Securitization Issuer refers to Golub Capital BDC 2010-1 LLC, our indirect subsidiary, and Debt Securitization refers to the $350 million term debt securitization that we completed on July 16, 2010, as amended on February 15, 2013;

GC Advisors refers to GC Advisors LLC, our investment adviser;

Administrator refers to Golub Capital LLC, an affiliate of GC Advisors and our administrator and for periods prior to February 5, 2013, GC Service Company, LLC; and

Golub Capital refers, collectively, to the activities and operations of Golub Capital Incorporated and Golub Capital LLC (formerly Golub Capital Management LLC), which employs all of Golub Capital s investment professionals, as well as GC Advisors, associated investment funds and their respective affiliates.

On April 13, 2010, we converted from a limited liability company into a corporation. In this conversion, Golub Capital BDC, Inc. succeeded to the business of Golub Capital BDC LLC and its consolidated subsidiary, and the members of Golub Capital BDC LLC became stockholders of Golub Capital BDC, Inc. In this prospectus supplement, we refer to such transactions as the BDC Conversion. Prior to the BDC Conversion, Golub Capital BDC LLC held all of the outstanding limited liability company interests in our predecessor, Golub Capital Master Funding LLC, or GCMF.

Golub Capital BDC

We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, or the 1940 Act. In addition, for U.S. federal income tax purposes, we have elected to be treated as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code of 1986, as amended, or the Code. We were formed in November 2009 to continue and expand the business of our predecessor, GCMF, which commenced operations in July 2007, to make investments in senior secured loans, one stop loans (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans), second lien loans and subordinated loans (a loan that ranks senior only to a borrower s equity securities and ranks junior to all of such borrower s other indebtedness to which lenders have agreed to be subordinated in priority of payment) and warrants and equity securities of middle-market companies that are, in most cases, sponsored by private equity firms. In this prospectus, the term middle-market generally refers to companies having earnings before interest, taxes, depreciation and amortization, or EBITDA, of between $5 million and $50 million annually.

Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through debt and minority equity investments. We intend to achieve our investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $8.0 billion of capital under management, (2) selecting investments within our core middle-market company focus, (3) partnering with experienced private equity

S-1

TABLE OF CONTENTS

firms, or sponsors, in many cases with whom we have invested alongside in the past, (4) implementing the disciplined underwriting standards of Golub Capital and (5) drawing upon the aggregate experience and resources of Golub Capital.

As of June 30, 2013, our portfolio at fair value was comprised of 32.6% senior secured loans, 50.3% one stop loans, 10.4% second lien loans, 3.5% subordinated loans and 3.2% equity. As of September 30, 2012, our portfolio at fair value was comprised of 40.7% senior secured loans, 39.5% one stop loans, 6.6% second lien loans, 10.0% subordinated loans and 3.2% equity.

We seek to create a diverse portfolio that includes senior secured, one stop, second lien and subordinated loans and warrants and minority equity securities by primarily investing approximately $5 million to $25 million of capital, on average, in the securities of U.S. middle-market companies. We may also selectively invest more than $25 million in some of our portfolio companies and generally expect that the size of our individual investments will vary proportionately with the size of our capital base.

Our Adviser

Our investment activities are managed by our investment adviser, GC Advisors. GC Advisors is responsible for sourcing potential investments, conducting research and due diligence on prospective investments and equity sponsors, analyzing investment opportunities, structuring our investments and monitoring our investments and portfolio companies on an ongoing basis. GC Advisors was organized in September 2008 and is a registered investment adviser under the Investment Advisers Act of 1940, as amended, or the Advisers Act. Under our amended and restated investment advisory agreement, or the Investment Advisory Agreement, with GC Advisors, we pay GC Advisors a base management fee and an incentive fee for its services. See Management Agreements Management Fee in the accompanying prospectus for a discussion of the base management fee and incentive fee, including the cumulative income incentive fee and the income and capital gains incentive fee, payable by us to GC Advisors. Unlike most closed-end funds whose fees are based on assets net of leverage, our base management fee is based on our average-adjusted gross assets (including assets purchased with borrowed funds and securitization-related assets, leverage, unrealized depreciation or appreciation on derivative instruments and cash collateral on deposit with custodian but adjusted to exclude cash and cash equivalents so that investors do not pay the base management fee on such assets) and, therefore, GC Advisors benefits when we incur debt or use leverage. For purposes of the Investment Advisory Agreement, cash equivalents means U.S. government securities and commercial paper instruments maturing within 270 days of purchase (which is different than the definition under U.S. Generally Accepted Accounting Principles, or GAAP, which defines cash equivalents as U.S. government securities and commercial paper instruments maturing within 90 days of purchase). Additionally, under the incentive fee structure, GC Advisors benefits when capital gains are recognized and, because it determines when a holding is sold, GC Advisors controls the timing of the recognition of capital gains. Our board of directors is charged with protecting our interests by monitoring how GC Advisors addresses these and other conflicts of interest associated with its management services and compensation. While not expected to review or approve each borrowing, our independent directors periodically review GC Advisors services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors consider whether our fees and expenses (including those related to leverage) remain appropriate. See Management Agreements Board Approval of the Investment Advisory Agreement in the accompanying prospectus.

GC Advisors is an affiliate of Golub Capital and has entered into a staffing agreement, or the Staffing Agreement, with Golub Capital Incorporated and Golub Capital LLC. Under the Staffing Agreement, these companies make experienced investment professionals available to GC Advisors and provide access to the senior investment personnel of Golub Capital and its affiliates. The Staffing Agreement provides GC Advisors with access to investment opportunities, which we refer to in the aggregate as deal flow, generated by Golub Capital and its affiliates in the ordinary course of their businesses and commits the members of GC Advisors investment committee to serve in that capacity. As our investment adviser, GC Advisors is obligated to allocate investment opportunities among us and its other clients fairly and equitably over time in accordance with its allocation policy. See Related Party Transactions and Certain Relationships in the accompanying prospectus. However, there can be no assurance that such opportunities will be allocated to us fairly or equitably in the short-term or over time. GC Advisors seeks to capitalize on the significant deal origination,

TABLE OF CONTENTS

credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience of Golub Capital s investment professionals.

Golub Capital LLC, the Administrator, provides the administrative services necessary for us to operate. See Management Agreements Administration Agreement in the accompanying prospectus for a discussion of the fees and expenses we are required to reimburse to the Administrator.

About Golub Capital

Golub Capital, founded in 1994, is a leading lender to middle-market companies with a long track record of investing in one stop and junior capital financings, which is our long-term investment focus. Golub Capital invested more than $4.9 billion in one stop and subordinated transactions across a variety of market environments and industries between 2001 and June 30, 2013.

Golub Capital s middle-market lending group is managed by a four-member senior management team consisting of Lawrence E. Golub, David B. Golub, Andrew H. Steuerman and Gregory W. Cashman. As of June 30, 2013, Golub Capital s 58 investment professionals had an average of over 12 years of investment experience and were supported by 102 administrative and back office personnel that focus on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management.

Market Opportunity

We intend to pursue an investment strategy focused on investing in senior secured, one stop, second lien and subordinated loans of, and warrants and minority equity securities in, U.S. middle-market companies.

Target Market. We believe that small and middle-market companies in the United States with annual revenues between $10 million and $2.5 billion represent a significant growth segment of the U.S. economy and often require substantial capital investments to grow. Middle-market companies have generated a significant number of investment opportunities for investment funds managed or advised by Golub Capital, and we believe that this market segment will continue to produce significant investment opportunities for us.

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

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

Competition from Bank Lenders. We believe that many traditional bank lenders, in recent years, de-emphasized their service and product offerings to middle market businesses in favor of lending to large corporate clients and managing capital market transactions. In addition, many commercial banks face significant balance sheet constraints as they seek to build capital and meet future regulatory capital requirements. These factors may result in opportunities for alternative funding sources to middle market companies and therefore drive increased new investment opportunities for us.

Pricing and Deal Structures. We believe that the disruption and volatility in global credit markets over the last several years and current macroeconomic issues such as a sluggish U.S. economy has reduced access to, and availability of, debt capital to middle-market companies, causing a reduction in competition. We believe these market conditions may continue to create favorable opportunities to invest at attractive risk-adjusted returns.

TABLE OF CONTENTS

Competitive Strengths

Deep, Experienced Management Team. We are managed by GC Advisors, which, as of June 30, 2013, had access through the Staffing Agreement to the resources and expertise of Golub Capital s 160 employees, led by our chairman, Lawrence E. Golub, and our chief executive officer, David B. Golub. As of June 30, 2013, the 58 investment professionals of Golub Capital had an average of over 12 years of investment experience and were supported by 102 administrative and back office personnel that focus on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management. Golub Capital seeks to hire and retain high-quality investment professionals and reward those personnel based on investor returns. In 2012, Golub Capital was awarded the Association for Corporate Growth (ACG) New York Champion s Award for Senior Lender Firm of the Year and Lender Firm of the Year by M&A Advisor. These awards do not constitute an endorsement by such organizations of the securities being offered by this prospectus supplement.

Leading U.S. Debt Platform Provides Access to Proprietary Relationship-Based Deal Flow. GC Advisors gives us access to the deal flow of Golub Capital, one of the leading middle-market lenders in the United States. Golub Capital has been ranked a Top 3 Traditional Middle Market Bookrunner every year from 2008 through the second calendar quarter of 2013 by Thomson Reuters LPC for senior secured loans of up to $100 million for leveraged buyouts (based on number of deals completed). Since its inception, Golub Capital has closed deals with over 150 middle-market sponsors and repeat transactions with over 100 sponsors. We believe that Golub Capital receives relationship-based early looks and last looks at many investment opportunities in the U.S. middle-market market, allowing it to be highly selective in the transactions it pursues.

Disciplined Investment and Underwriting Process. GC Advisors utilizes the established investment process of Golub Capital for reviewing lending opportunities, structuring transactions and monitoring investments. Using its disciplined approach to lending, GC Advisors seeks to minimize credit losses through effective underwriting, comprehensive due diligence investigations, structuring and the implementation of restrictive debt covenants.

Regimented Credit Monitoring. Following each investment, GC Advisors implements a regimented credit monitoring system. This careful approach, which involves ongoing review and analysis by teams of professionals, has enabled us to identify problems early and to assist borrowers before they face difficult liquidity constraints.

Concentrated Middle-Market Focus. Because of our focus on the middle-market, we understand the following general characteristics of middle-market lending:

middle-market companies are generally less leveraged than large companies and, we believe, offer more attractive investment returns in the form of upfront fees, prepayment penalties and higher interest rates;

middle-market issuers are more likely to have simple capital structures;

carefully structured covenant packages enable middle-market lenders to take early action to remediate poor financial performance; and

middle-market lenders can undertake thorough due diligence investigations prior to investment.

Recent Developments

On August 6, 2013, our board of directors declared a quarterly distribution of $0.32 per share payable on September 27, 2013 to holders of record as of September 13, 2013. Purchasers of shares in this offering will not be entitled to this distribution.

Given the unusually high level of originations during the three months ended June 30, 2013, we expect the level of originations for the three months ended September 30, 2013 will decline.

Operating and Regulatory Structure

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

TABLE OF CONTENTS

As a business development company, we are required to comply with certain regulatory requirements. For example, while we are permitted to finance investments using leverage, which may include the issuance of shares of preferred stock, or notes and other borrowings, our ability to use leverage is limited in significant respects. See Regulation in the accompanying prospectus. Any decision on our part to use leverage will depend upon our assessment of the attractiveness of available investment opportunities in relation to the costs and perceived risks of such leverage. Our board of directors determines our leverage policy, including approving in advance the incurrence of material indebtedness and the execution of material contracts, and directs GC Advisors to implement such policies. GC Advisors makes recommendations to our board of directors with respect to such policies. The use of leverage to finance investments creates certain risks and potential conflicts of interest. See Risk Factors Risks Relating to Our Business and Structure There are significant potential conflicts of interest that could affect our investment returns, Risk Factors Risks Relating to Our Business and Structure Our management and incentive fee structure may create incentives for GC Advisors that are not fully aligned with the interests of our stockholders, Risk Factors Risks Relating to Our Business and Structure Regulations governing our operation as a business development company affect our ability to, and the way in which we, raise additional capital. As a business development company, the necessity of raising additional capital exposes us to risks, including the typical risks associated with leverage and Risk Factors Risks Relating to Our Business and Structure We intend to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us in the accompanying prospectus.

Also, as a business development company, we are generally prohibited from acquiring assets other than qualifying assets unless, after giving effect to any acquisition, at least 70% of our total assets are qualifying assets. Qualifying assets generally include securities of eligible portfolio companies, cash, cash equivalents, U.S. government securities and high-quality debt investments maturing in one year or less from the time of investment. Under the rules of the 1940 Act, eligible portfolio companies include (1) private domestic operating companies, (2) public domestic operating companies whose securities are not listed on a national securities exchange (*e.g.*, the New York Stock Exchange, NYSE Amex Equities and The NASDAQ Stock Market) or registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and (3) public domestic operating companies having a market capitalization of less than $250 million. Public domestic operating companies whose securities are quoted on the over-the-counter bulletin board and through Pink Sheets LLC are not listed on a national securities exchange and therefore are eligible portfolio companies. See Regulation in the accompanying prospectus.

Conflicts of Interest

Subject to certain 1940 Act restrictions on co-investments with affiliates, GC Advisors offers us the right to participate in all investment opportunities that it determines are appropriate for us in view of our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other relevant factors. Such offers are subject to the exception that, in accordance with GC Advisors code of ethics and allocation policies, we might not participate in each individual opportunity but will, on an overall basis, be entitled to participate equitably with other entities sponsored or managed by GC Advisors and its affiliates.

To the extent that we compete with entities sponsored or managed by GC Advisors or its affiliates for a particular investment opportunity, GC Advisors will allocate investment opportunities across the entities for which such opportunities are appropriate, consistent with (1) its internal conflict of interest and allocation policies, (2) the requirements of the Advisers Act and (3) certain restrictions under the 1940 Act regarding co-investments with affiliates. GC Advisors allocation policies are intended to ensure that, over time, we may generally share equitably in investment opportunities with other investment funds, accounts or other investment vehicles, together referred to as accounts, sponsored or managed by GC Advisors or its affiliates, particularly those involving a security with limited supply or involving differing classes of securities of the same issuer which may be suitable for us and such other accounts.

GC Advisors and its affiliates have other clients with similar or competing investment objectives, including several private funds that are pursuing an investment strategy similar to ours, some of which are continuing to seek new capital commitments. In serving these clients, GC Advisors may have obligations to other clients or investors in those entities. Our investment objective may overlap with such affiliated accounts.

TABLE OF CONTENTS

GC Advisors allocation procedures are designed to allocate investment opportunities among the accounts sponsored or managed by GC Advisors and its affiliates in a manner that is fair and equitable over time and consistent with its obligations under the Advisers Act and its allocation procedures. GC Advisors has put in place a conflict-resolution policy that addresses the co-investment restrictions set forth under the 1940 Act. See Risk Factors Risks Relating to Our Business and Structure Conflicts related to obligations GC Advisors investment committee, GC Advisors or its affiliates have to other clients in the accompanying prospectus.

GC Advisors seeks to ensure the equitable allocation of investment opportunities when we are able to invest alongside other accounts sponsored or managed by GC Advisors and its affiliates. When we invest alongside such other accounts, such investments are made consistent with GC Advisors allocation policy. Under this allocation policy, GC Advisors will determine separately the amount of any proposed investment to be made by us and similar eligible accounts. We expect that these determinations will be made similarly for other accounts sponsored or managed by GC Advisors and its affiliates. If sufficient securities or loan amounts are available to satisfy our and each such account s proposed investment, the opportunity will be allocated in accordance with GC Advisors pre-transaction determination. Where there is an insufficient amount of an investment opportunity to fully satisfy us and other accounts sponsored or managed by GC Advisors or its affiliates, the allocation policy further provides that allocations among us and such other accounts will generally be made pro rata based on the amount that each such party would have invested if sufficient securities or loan amounts were available. In situations in which co-investment with other entities sponsored or managed by GC Advisors or its affiliates is not permitted or appropriate, such as when, in the absence of exemptive relief described below, we and such other entities would be making different investments in the same issuer, GC Advisors will need to decide whether we or such other entity or entities will proceed with the investment. GC Advisors will make these determinations based on its policies and procedures, which generally require that such opportunities be offered to eligible accounts on a basis that will be fair and equitable over time, including, for example, through random or rotational methods. We and GC Advisors have submitted an exemptive application to the SEC to permit greater flexibility to negotiate the terms of co-investments if our board of directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by GC Advisors or its affiliates in a manner consistent with our investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. See Related Party Transactions and Certain Relationships in the accompanying prospectus.

Additionally, under our incentive fee structure, GC Advisors benefits when we recognize capital gains and, because GC Advisors determines when a holding is sold, GC Advisors controls the timing of the recognition of such capital gains. See Risk Factors Risks Relating to Our Business and Structure Our management and incentive fee structure may create incentives for GC Advisors that are not fully aligned with the interests of our stockholders in the accompanying prospectus. In addition, because the base management fee that we pay to GC Advisors is based on our average adjusted gross assets, including those assets acquired through the use of leverage, GC Advisors has a financial incentive to incur leverage.

Compensation Committee

The members of our compensation committee are John T. Baily, Kenneth F. Bernstein, Anita R. Rosenberg and William M. Webster IV, each of whom meets the independence standards established by the SEC and the Nasdaq Listing Rules. The compensation committee is responsible for determining, or recommending to the board of directors for determination, the compensation, if any, of our chief executive officer and all other executive officers of the Company and for reviewing the reimbursement by us to the Administrator of the compensation of any of our executive officers on an annual basis. The compensation committee also has the authority to engage compensation consultants following consideration of certain factors related to such consultants independence. The compensation committee charter is available on our website at *www.golubcapitalbdc.com*.

Updates to Biographical Information of Independent Directors

In May 2013, Ms. Anita R. Rosenberg became a trustee of Baron Investment Funds Trust.

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Our principal executive offices are located at 150 South Wacker Drive, Suite 800, Chicago, Illinois 60606, and our telephone number is (312) 205-5050. Our corporate website is located at *www.golubcapitalbdc.com*. Information on our website is not incorporated into or a part of this prospectus supplement.

THE OFFERING

Common Stock Offered by Us

3,000,000, excluding 450,000 shares issuable pursuant to the overallotment option granted to the underwriters.

Common Stock to be Outstanding after this Offering

42,791,805, excluding shares issuable pursuant to the overallotment option granted to the underwriters.

Use of Proceeds

We intend to use all or substantially all of the net proceeds to us from the sale of shares of our common stock offered by us to invest in portfolio companies in accordance with our investment objective and strategies and for general corporate purposes. We expect that our new investments will consist primarily of senior secured, one stop, second lien and subordinated loans. We will also pay operating expenses, including management and administrative fees, and may pay other expenses, such as due diligence expenses related to potential new investments, from the net proceeds of this offering. A portion of the net proceeds from this offering is expected to be utilized to capitalize GC SBIC V, L.P., or SBIC V, our newest small business investment company, or SBIC, subsidiary, following which we expect SBIC V to issue debentures guaranteed by the U.S. Small Business Administration, or SBA, and make investments in accordance with our investment strategy. We may also use a portion of the net proceeds from the sale of our common stock to repay amounts outstanding under our senior secured revolving credit facility, or the Credit Facility, which bore an annual interest rate of 2.44% (*i.e.*, one-month London Interbank Offered Rate, or LIBOR, plus 2.25% per annum) on the outstanding balance of $36.8 million as of June 30, 2013 and matures on October 20, 2017, and Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., its affiliate, as lender, collateral agent, account bank and collateral custodian, may receive a part of such proceeds by reason of repayment of certain amounts outstanding under the Credit Facility. A portion of the net proceeds is also expected to be utilized to capitalize Senior Loan Fund LLC, or Senior Loan Fund. See Use of Proceeds in this prospectus supplement for more information.

NASDAQ Global Select Market Symbol

GBDC

Trading at a Discount

Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. We are not generally able to issue and sell our common stock at a price below our net asset value per share unless we have stockholder approval. The risk that our shares may trade at a discount to our net asset value is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our shares will trade above, at or below net asset value. See Risk Factors beginning on page 12 of the accompanying prospectus.

TABLE OF CONTENTS

Risk Factors

An investment in our common stock is subject to risks and involves a heightened risk of total loss of investment. In addition, the companies in which we invest are subject to special risks. See Risk Factors beginning on page 12 of the accompanying prospectus to read about factors you should consider, including the risk of leverage, before investing in our common stock.

Dividend Reinvestment Plan

We have adopted a dividend reinvestment plan for our stockholders, which is an opt out dividend reinvestment plan. Under this plan, if we declare a distribution, cash distributions to our stockholders are automatically reinvested in additional shares of our common stock unless a stockholder specifically opts out of our dividend reinvestment plan. If a stockholder opts out, that stockholder receives cash dividends or other distributions. Stockholders who receive distributions in the form of shares of common stock generally are subject to the same U.S. federal, state and local tax consequences as stockholders who elect to receive their distributions in cash but do not receive any corresponding cash distributions with which to pay any applicable taxes. See Dividend Reinvestment Plan in the accompanying prospectus.

Custodian and Transfer Agent

U.S. Bank National Association serves as our custodian, and American Stock Transfer & Trust Company, LLC serves as our transfer and dividend paying agent and registrar. See Custodian, Transfer and Dividend Paying Agent and Registrar in the accompanying prospectus.

Taxation

We have elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. As a RIC, we generally do not have to pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that we distribute to our stockholders as dividends. To maintain our RIC tax treatment, we must meet specified source-of-income and asset diversification requirements and distribute annually at least 90% of our net ordinary income and net short-term capital gains in excess of realized net long-term capital losses, if any. See Material U.S. Federal Income Tax Considerations in the accompanying prospectus.

TABLE OF CONTENTS

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in shares of our common stock will bear directly or indirectly. However, we caution you that some of the percentages indicated in the table below are estimates and may vary. Actual costs and expenses incurred by investors in shares of our common stock may be greater than the percentage estimates in the table below. The following table excludes one-time fees payable to third parties not affiliated with GC Advisors that were incurred in connection with the Debt Securitization but includes all of the applicable ongoing fees and expenses of the Debt Securitization. Whenever this prospectus supplement contains a reference to fees or expenses paid by us or Golub Capital BDC, or that we will pay fees or expenses, our common stockholders will indirectly bear such fees or expenses.

Stockholder transaction expenses:		
Sales load (as a percentage of offering price)	3.02	%[(1)]
Offering expenses (as a percentage of offering price)	0.56	%[(2)]
Dividend reinvestment plan expenses	0.00	%[(3)]
Total stockholder transaction expenses (as a percentage of offering price)	3.58	%
Annual expenses (as a percentage of net assets attributable to common stock):		
Management fees	1.91	%[(4)]
Incentive fees payable under the Investment Advisory Agreement (20%)	1.71	%[(5)]
Interest payments on borrowed funds	1.82	%[(6)]
Other expenses	0.86	%[(7)]
Total annual expenses	6.30	%[(8)]

(1) The underwriting discounts and commissions with respect to the shares sold in this offering by us, which is a one-time fee, is the only sales load paid in connection with this offering.

(2) Amount reflects estimated offering expenses of approximately $300,000 and is based on 3,000,000 shares offered in this offering by us at the last reported closing price of $17.86 per share of our common stock on September 10, 2013.

(3) The expenses associated with the dividend reinvestment plan are included in Other expenses. See Dividend Reinvestment Plan in the accompanying prospectus.

(4) Our management fee is calculated at an annual rate equal to 1.375% and is based on the average adjusted gross assets (including assets purchased with borrowed funds and securitization-related assets, leverage, unrealized depreciation or appreciation on derivative instruments and cash collateral on deposit with custodian but adjusted to exclude cash and cash equivalents so that investors do not pay the base management fee on such assets), at the end of the two most recently completed calendar quarters and is payable quarterly in arrears. See Management Agreements Management Fee in the accompanying prospectus. The management fee referenced in the table above is based on actual amounts incurred during the three months ended June 30, 2013 by GC Advisors in its capacity as investment adviser to us and collateral manager to the Securitization Issuer, annualized for a full year.

GC Advisors, as collateral manager for the Securitization Issuer under the collateral management agreement, is entitled to receive an annual fee in an amount equal to 0.35% of the adjusted principal balance of the portfolio loans held by the Securitization Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. This fee, which is less than the management fee payable under the Investment Advisory Agreement, is paid directly by the Securitization Issuer to GC Advisors and offset against such management fee. Accordingly, the 1.375% management fee paid by us to GC Advisors under the Investment Advisory Agreement on all of our assets, including those indirectly held through the Securitization Issuer, is reduced, on a dollar-for-dollar basis, by an amount equal to such 0.35% fee paid to GC Advisors by the Securitization Issuer. This fee may be waived by the collateral manager. The collateral management agreement does not include any incentive fee payable to GC Advisors.

For purposes of this table, the SEC requires that the Management fees percentage be calculated as a percentage of net assets attributable to common stock, rather than total assets, including assets that have been funded with borrowed monies because common stockholders bear all of this cost. If the base management fee portion of the Management fees percentage were calculated instead as a percentage of

S-9

TABLE OF CONTENTS

our total assets, our base management fee portion of the Management fees percentage would be approximately 1.23% of total assets. The base management fee in the table above assumes net assets of $686.1 million and leverage of $403.8 million, which reflects our net assets and leverage pro forma as of June 30, 2013 after giving effect to this offering.

(5) The incentive fee referenced in the table above is based on actual amounts incurred during the three months ended June 30, 2013, annualized for a full year. We have structured the calculation of the incentive fee to include a fee limitation such that no incentive fee will be paid to GC Advisors for any quarter if, after such payment, the cumulative incentive fees paid to GC Advisors since the effective date of our election to become a business development company would be greater than 20.0% of our Cumulative Pre-Incentive Fee Net Income (as defined below).

We accomplish this limitation by subjecting each quarterly incentive fee payable under the Income and Capital Gain Incentive Fee Calculation (as defined below) to a cap, or the Incentive Fee Cap. The Incentive Fee Cap in any quarter is equal to the difference between (a) 20.0% of Cumulative Pre-Incentive Fee Net Income and (b) cumulative incentive fees of any kind paid to GC Advisors by Golub Capital BDC since April 13, 2010, the effective date of our election to become a business development company. To the extent the Incentive Fee Cap is zero or a negative value in any quarter, no incentive fee would be payable in that quarter. Cumulative Pre-Incentive Fee Net Income is equal to the sum of (a) Pre-Incentive Fee Net Investment Income (as defined below) for each period since April 13, 2010 and (b) cumulative aggregate realized capital gains, cumulative aggregate realized capital losses, cumulative aggregate unrealized capital depreciation and cumulative aggregate unrealized capital appreciation since April 13, 2010.

Pre-Incentive Fee Net Investment Income means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the calendar quarter (including the base management fee, taxes, any expenses payable under the Investment Advisory Agreement and an administration agreement, or the Administration Agreement, with the Administrator, any expenses of securitizations and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with payment-in-kind, or PIK, interest, preferred stock with PIK dividends and zero coupon securities, accrued income that we have not yet received in cash.

The income and capital gain incentive fee calculation, or the Income and Capital Gain Incentive Fee Calculation, has two parts. The income component is calculated quarterly in arrears based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter.

Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the income component, it is possible that an incentive fee may be calculated under this formula with respect to a period in which we have incurred a loss. For example, if we receive Pre-Incentive Fee Net Investment Income in excess of the hurdle rate (as defined below) for a calendar quarter, the income component will result in a positive value and an incentive fee will be paid unless the payment of such incentive fee would cause us to pay incentive fees on a cumulative basis that exceed 20.0% of our Cumulative Pre-Incentive Fee Net Income.

Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed hurdle rate of 2.0% quarterly. If market interest rates rise, we may be able to invest our funds in debt instruments that provide for a higher return, which would increase our

Pre-Incentive Fee Net Investment Income and make it easier for GC Advisors to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income. Our Pre-Incentive Fee Net Investment Income used to calculate this part of the incentive fee is also included in the amount of our total assets (excluding cash and cash equivalents but including assets purchased with borrowed funds and securitization-related assets, unrealized depreciation or appreciation on derivative instruments and cash collateral on deposit with custodian) used to calculate the 1.375% base management fee.

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

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

The sum of these calculations yields the income incentive fee. This amount is appropriately adjusted for any share issuances or repurchases during the quarter.

The second part of the Income and Capital Gain Incentive Fee Calculation, or the Capital Gain Incentive Fee, equals (a) 20.0% of our Capital Gain Incentive Fee Base (as defined below), if any, calculated in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commencing with the calendar year ending December 31, 2010, less (b) the aggregate amount of any previously paid Capital Gain Incentive Fees. Our Capital Gain Incentive Fee Base equals the sum of (1) our realized capital gains, if any, on a cumulative positive basis from April 13, 2010 through the end of each calendar year, (2) all realized capital losses on a cumulative basis and (3) all unrealized capital depreciation on a cumulative basis.

The cumulative aggregate realized capital losses are calculated as the sum of the amounts by which (a) the net sales price of each investment in our portfolio when sold is less than (b) the accreted or amortized cost base of such investment.

The cumulative aggregate realized capital gains are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in our portfolio when sold and (b) the accreted or amortized cost basis of such investment.

The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in our portfolio as of the applicable Capital Gain Incentive Fee calculation date and (b) the accreted or amortized cost basis of such investment.

As described above, the incentive fee will not be paid at any time where after such payment the cumulative incentive fees paid to date would be greater than 20.0% of the Cumulative Pre-Incentive Net Income since April 13, 2010. We will accrue the Capital Gain Incentive Fee if, on a cumulative basis, the sum of net realized gains/(losses) plus net unrealized appreciation/(depreciation) is positive. The Capital Gain Incentive Fee is calculated on a cumulative basis from the date we elected to become a business development company through the end of each calendar year. For the year ended September 30, 2012, the Capital Gain Incentive Fee was zero. For a more detailed discussion of the calculation of the incentive fee, see Management Agreements Management Fee in the accompanying prospectus.

(6) Interest payments on borrowed funds represents our annualized interest expense as of June 30, 2013 and includes interest payable on the notes issued by the Securitization Issuer. For the three and nine months ended June 30, 2013, the effective annualized average interest rate on our total debt outstanding, which includes all interest and amortization of debt issuance costs on the Debt Securitization, was 2.9% and 3.3%, respectively. Debt issuance costs represent fees and other direct incremental costs incurred in connection with the Debt Securitization. These fees include a structuring and placement fee paid to Wells Fargo Securities, LLC for its services in connection with the initial structuring and subsequent amendment of the Debt Securitization of $1.74 million and $0.75 million, respectively, as well as legal fees, accounting fees, rating agency fees and all other costs associated with the Debt Securitization. We do not currently anticipate issuing debt securities or preferred stock in the next 12 months.

TABLE OF CONTENTS

(7) Includes our overhead expenses, including payments under the Administration Agreement, based on our allocable portion of overhead and other expenses incurred by the Administrator and any acquired fund fees and expenses that are not required to be disclosed separately. See Management Agreements Administration Agreement in the accompanying prospectus. Other expenses are based on actual amounts incurred during the three months ended June 30, 2013, annualized for a full year. Other expenses also includes the ongoing administrative expenses to the trustee, collateral manager, independent accountants, legal counsel, rating agencies and independent managers in connection with developing and maintaining reports and providing required services in connection with the administration of the Debt Securitization. The administrative expenses are paid by the Securitization Issuer on each payment date in two parts: (1) a component that is paid in a priority to other amounts distributed by the Securitization Issuer, subject to a cap equal to the sum of 0.04% per annum on the adjusted principal balance of the portfolio loans and other assets held by the Securitization Issuer on the last day of the collection period relating to such payment date, plus $150,000 per annum, and (2) a component that is paid in a subordinated position relative to other amounts distributed by the Securitization Issuer, equal to any amounts that exceed the aforementioned administrative expense cap.

(8) All of our expenses, including all expenses of the Debt Securitization, are disclosed in the appropriate line items under Annual Expenses (as a percentage of net assets attributable to common stock). Total annual expenses as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage our net assets and increase our total assets. The SEC requires that the Total annual expenses percentage be calculated as a percentage of net assets (defined as total assets less indebtedness and after taking into account any incentive fees payable during the period), rather than the total assets, including assets that have been funded with borrowed monies. The reason for presenting expenses as a percentage of net assets attributable to common stockholders is that our common stockholders bear all of our fees and expenses.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. This example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown. These amounts assume (1) a 3.02% sales load (underwriting discounts and commissions), (2) offering expenses totaling 0.34% and (3) total net annual expenses of 4.37% of net assets attributable to common shares as set forth in the table above (other than performance-based incentive fees). For purposes of this table, we have assumed leverage of $403.8 million, which was our actual leverage as of June 30, 2013.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$ 80	$ 169	$ 259	$ 487

While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. The incentive fee under the Investment Advisory Agreement, which, assuming a 5% annual return, would either not be payable or have an immaterial impact on the expense amounts shown above, is not included in the example. Under our Investment Advisory Agreement, no incentive fee would be payable if we have a 5% annual return. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our expenses, and returns to our investors, would be higher. The example assumes that all dividends and other distributions are reinvested at net asset value. Under certain circumstances, reinvestment of dividends and other distributions under our dividend reinvestment plan may occur at a price per share that differs from net asset value. See Dividend Reinvestment Plan in the accompanying prospectus for more information.

TABLE OF CONTENTS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus supplement and the accompanying prospectus constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this prospectus supplement and the accompanying prospectus involve risks and uncertainties, including statements as to:

our future operating results;

our business prospects and the prospects of our portfolio companies;

the effect of investments that we expect to make;

our contractual arrangements and relationships with third parties;

actual and potential conflicts of interest with GC Advisors and other affiliates of Golub Capital;

the dependence of our future success on the general economy and its effect on the industries in which we invest;

the ability of our portfolio companies to achieve their objectives;

the use of borrowed money to finance a portion of our investments;

the adequacy of our financing sources and working capital;

the timing of cash flows, if any, from the operations of our portfolio companies;

the ability of GC Advisors to locate suitable investments for us and to monitor and administer our investments;

the ability of GC Advisors or its affiliates to attract and retain highly talented professionals;

our ability to qualify and maintain our qualification as a RIC and as a business development company;

the impact on our business of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations issued thereunder; and

the effect of changes to tax legislation and our tax position.

Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words may, might, will, intend, should, could, can, would, expect, believe, estimate, anticipa or similar words. The forward-looking statements contained in this prospectus supplement and the accompanying prospectus involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth as Risk Factors in the accompanying prospectus and elsewhere in this prospectus supplement and the accompanying prospectus.

We have based the forward-looking statements included in this prospectus supplement on information available to us on the date of this prospectus supplement, and we assume no obligation to update any such forward-looking statements. Actual results could differ materially from those anticipated in our forward-looking statements, and future results could differ materially from historical performance. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

You should understand that, under Section 27A(b)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E(b)(2)(B) of the Exchange Act, the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 do not apply to forward-looking statements made in connection with any offering of securities pursuant to this prospectus supplement, the accompanying prospectus or in periodic reports we file under the Exchange Act.

S-13

TABLE OF CONTENTS

USE OF PROCEEDS

We estimate that net proceeds we will receive from the sale of 3,000,000 shares of our common stock in this offering will be approximately $51.7 million (or approximately $59.5 million if the underwriters fully exercise their overallotment option), in each case based on a public offering price of $17.86 per share, which was the last reported closing price of our common stock on September 10, 2013, after deducting the underwriting discounts and commissions payable by us and estimated offering expenses of approximately $300,000 payable by us.

We intend to use all or substantially all of the net proceeds from the sale of our common stock to invest in portfolio companies in accordance with our investment objective and strategies and for general corporate purposes. We expect that our new investments will consist primarily of senior secured, one stop, second lien and subordinated loans. We will also pay operating expenses, including management and administrative fees, and may pay other expenses, such as due diligence expenses relating to potential new investments, from the net proceeds of this offering. A portion of the net proceeds from this offering is expected to be utilized to capitalize SBIC V, our newest SBIC subsidiary, following which we expect SBIC V to issue SBA-guaranteed debentures and make investments in accordance with our investment strategy. We may also use a portion of the net proceeds from the sale of our common stock to repay amounts outstanding under our Credit Facility, which bore an annual interest rate of 2.44% (*i.e.*, one-month LIBOR plus 2.25% per annum) on the outstanding balance of $36.8 million as of June 30, 2013 and matures on October 20, 2017, and Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., its affiliate, as lender, collateral agent, account bank and collateral custodian, may receive a part of such proceeds by reason of repayment of certain amounts outstanding under the Credit Facility. A portion of the net proceeds is also expected to be utilized to capitalize Senior Loan Fund. Senior Loan Fund is an unconsolidated Delaware limited liability company that invests in senior secured loans of middle market companies and is co-managed by us and United Insurance Company of America, or United Insurance.

We anticipate that we will use substantially all of the net proceeds from this offering for the above purposes within approximately six months after the completion of the offering of our securities, depending on the availability of appropriate investment opportunities consistent with our investment objective and market conditions. We cannot assure you that we will achieve our targeted investment pace.

Until such appropriate investment opportunities can be found, we will invest the net proceeds of this offering primarily in cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less from the date of investment. These temporary investments may have lower yields than our other investments and, accordingly, may result in lower distributions, if any, during such period. Our ability to achieve our investment objective may be limited to the extent that the net proceeds from this offering, pending full investment, are held in lower yielding interest-bearing deposits or other short-term instruments. See Regulation Temporary Investments in the accompanying prospectus for additional information about temporary investments we may make while waiting to make longer-term investments in pursuit of our investment objective.

TABLE OF CONTENTS

CAPITALIZATION

The following table sets forth:

- our actual capitalization as of June 30, 2013; and;
- our pro forma capitalization adjusted to give effect to the sale of 3,000,000 shares of common stock by us in this offering based on the last reported closing price of $17.86 per share on September 10, 2013, after deducting the underwriting discounts and commissions and estimated offering expenses of approximately $300,000 payable by us.

	As of June 30, 2013	
	Actual	Pro Forma
	(In thousands, except share and per share data)	
Assets:		
Cash and cash equivalents	$34,625	$86,285
Investment at fair value	967,792	967,792
Other assets	13,340	13,340
Total assets	1,015,757	1,067,417
Liabilities:		
Debt	403,800	403,800
Other liabilities	10,459	10,459
Total liabilities	414,259	414,259
Net assets:		
Common stock, par value $0.001 per share; 100,000,000 shares authorized, 39,791,805 shares issued and outstanding; 44,691,805 shares issued and outstanding, pro forma	40	43
Paid in capital in excess of par	600,352	652,009
Capital distributions in excess of net investment income	(343)	(343)
Net unrealized appreciation on investments and derivative instruments	7,975	7,975
Net realized loss on investments and derivative instruments	(6,526)	(6,526)
Total net assets	601,498	653,158
Net asset value per common share	$15.12	$15.26

TABLE OF CONTENTS

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data of Golub Capital BDC as of and for the fiscal years ended September 30, 2012, 2011, 2010, 2009 and 2008 are derived from our consolidated financial statements that have been audited by McGladrey LLP, independent registered public accounting firm. Golub Capital BDC s consolidated financial statements for the nine-month period ended June 30, 2013 and 2012 are unaudited. However, in the opinion of Golub Capital BDC, all adjustments consisting of normal recurring adjustments, necessary for a fair presentation have been made. Interim results are subject to significant seasonal variations and are not indicative of the results of operations to be expected for a full fiscal year. For periods prior to April 13, 2010, the consolidated financial statements reflect the performance of Golub Capital BDC LLC and its predecessor, GCMF. This financial data should be read in conjunction with our consolidated financial statements and the notes thereto and with Interim Management s Discussion and Analysis of Financial Condition, Results of Operations and Cash Flows in this prospectus supplement and Management s Discussion and Analysis of Financial Condition, Results of Operations and Cash Flows in the accompanying prospectus.

TABLE OF CONTENTS

(1) Includes the financial information of GCMF for the period prior to the BDC Conversion on April 13, 2010.

(2) Per share data are not provided as we did not have shares of common stock outstanding or an equivalent prior to the initial public offering on April 14, 2010.

(3) Weighted average yield on income producing investments is computed by dividing (a) annualized interest income (other than interest income resulting from amortization of fees and discounts) on accruing loans and debt securities by (b) total income producing investments at fair value.

TABLE OF CONTENTS

INTERIM MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS

The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with Selected Consolidated Financial Data and the financial statements and the related notes thereto of us and our predecessor, GCMF, appearing elsewhere in this prospectus supplement and the accompanying prospectus. On April 13, 2010, Golub Capital BDC LLC converted from a Delaware limited liability company into a Delaware corporation and elected to be regulated as a business development company under the 1940 Act. In the BDC Conversion, Golub Capital BDC, Inc. assumed the business activities of Golub Capital BDC LLC and became the sole surviving entity. As a result of the conversion, GCMF became a wholly owned subsidiary of Golub Capital BDC, Inc. At the time of the BDC Conversion, all limited liability company interests were exchanged for 8,984,863 shares of common stock in Golub Capital BDC, Inc. Immediately prior to the BDC Conversion, the limited liability company interests were owned by investment vehicles managed by Golub Capital. For periods prior to April 13, 2010, the consolidated financial statements and related footnotes reflect the performance of Golub Capital BDC LLC and its predecessor, GCMF. The information in this section contains forward-looking statements that involve risks and uncertainties. Please see Risk Factors in the accompanying prospectus and Special Note Regarding Forward-Looking Statements in this prospectus supplement for a discussion of the uncertainties, risks and assumptions associated with these statements.

Overview

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

We were formed in November 2009 to continue and expand the business of our predecessor, GCMF, which commenced operations in July 2007, in making investments in senior secured loans, one stop loans (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans), subordinated loans (a loan that ranks senior only to a borrower s equity securities and ranks junior to all of such borrower s other indebtedness to which lenders have agreed to be subordinated in priority of payment), second lien loans and warrants and equity securities of middle-market companies that are, in most cases, sponsored by private equity firms.

Our shares are currently listed on The NASDAQ Global Select Market under the symbol GBDC .

Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through debt and minority equity investments. We intend to achieve our investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $8.0 billion in capital under management, (2) selecting investments within our core middle-market company focus, (3) partnering with experienced private equity firms, or sponsors, in many cases with whom we have invested alongside in the past, (4) implementing the disciplined underwriting standards of Golub

Capital and (5) drawing upon the aggregate experience and resources of Golub Capital.

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

Under the Investment Advisory Agreement, which was entered into on April 14, 2010 and amended and restated on July 16, 2010, we have agreed to pay GC Advisors an annual base management fee based on our average adjusted gross assets as well as an incentive fee based on our investment performance. Our board of directors reapproved the Investment Advisory Agreement for a one-year term in February 2013. We entered into the Administration Agreement, under which we have agreed to reimburse the Administrator for our allocable portion (subject to the review and approval of our independent directors) of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement.

TABLE OF CONTENTS

We seek to create a diverse portfolio that includes senior secured, one stop, subordinated and second lien loans and warrants and minority equity securities by investing approximately $5 to $25 million of capital, on average, in the securities of middle-market companies. We may also selectively invest more than $25 million in some of our portfolio companies and generally expect that the size of our individual investments will vary proportionately with the size of our capital base.

As of June 30, 2013, our portfolio at fair value was comprised of 32.6% senior secured loans, 50.3% one stop loans, 10.4% second lien loans, 3.5% subordinated loans and 3.2% equity securities. As of September 30, 2012, our portfolio at fair value was comprised of 40.7% senior secured loans, 39.5% one stop loans, 6.6% second lien loans, 10.0% subordinated loans and 3.2% equity.

As of June 30, 2013 and September 30, 2012, we had debt and equity investments in 135 and 121 portfolio companies, respectively. For the three and nine months ended June 30, 2013, our income producing assets had a weighted average annualized interest income (which excludes income resulting from amortization of fees and discounts) yield of 9.2% and 9.4% and a weighted average annualized investment income (which includes interest income and amortization of fees and discounts) yield of 9.9% and 10.5%, respectively. For the three and nine months ended June 30, 2012, our income producing assets had a weighted average annualized interest income (which excludes income resulting from amortization of fees and discounts) yield of 9.3% and 9.4% and a weighted average annualized investment income (which includes interest income and amortization of fees and discounts) yield of 10.0% and 10.3%, respectively.

Revenues: We generate revenue in the form of interest income on debt investments and capital gains and distributions, if any, on portfolio company investments that we originate or acquire. Our debt investments, whether in the form of senior secured, one stop, second lien or subordinated loans, typically have a term of three to seven years and bear interest at a fixed or floating rate. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. The frequency or volume of these repayments fluctuates significantly from period to period. Our portfolio activity also reflects the proceeds of sales of securities. In some cases, our investments provide for deferred interest payments or PIK interest. The principal amount of loans and any accrued but unpaid interest generally become due at the maturity date. In addition, we may generate revenue in the form of commitment, origination, amendment, structuring or due diligence fees, fees for providing managerial assistance and consulting fees. Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income. We record prepayment premiums on loans as interest income. When we receive partial principal payments on a loan in an amount that exceeds its amortized or accreted cost, we record the excess principal payment as interest income. Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

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

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

organizational expenses;

calculating our net asset value (including the cost and expenses of any independent valuation firm);

S-19

TABLE OF CONTENTS

fees and expenses incurred by GC Advisors payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for us and in monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;

interest payable on debt, if any, incurred to finance our investments and expenses related to unsuccessful portfolio acquisition efforts;

offerings of our common stock and other securities;

investment advisory and management fees;

administration fees and expenses, if any, payable under the Administration Agreement (including payments under the Administration Agreement based upon our allocable portion of the Administrator s overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our chief compliance officer, chief financial officer and their respective staffs);

fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with evaluating and making, investments in portfolio companies, including costs associated with meeting financial sponsors;

transfer agent, dividend agent and custodial fees and expenses;

U.S. federal and state registration fees;

all costs of registration and listing our shares on any securities exchange;

U.S. federal, state and local taxes;

independent directors fees and expenses;

costs of preparing and filing reports or other documents required by the SEC or other regulators;

costs of any reports, proxy statements or other notices to stockholders, including printing costs;

costs associated with individual or group stockholders;

costs associated with compliance under the Sarbanes-Oxley Act of 2002;

our allocable portion of any fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;

direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs;

proxy voting expenses; and

all other expenses incurred by us or the Administrator in connection with administering our business.

During periods of asset growth, we expect our general and administrative expenses to be relatively stable or decline as a percentage of total assets and increase during periods of asset declines. Incentive fees, interest expenses and costs relating to future offerings of securities would be additive to the expenses described above.

GC Advisors, as collateral manager for the Securitization Issuer, under the collateral management agreement, is entitled to receive an annual fee in an amount equal to 0.35% of the principal balance of the portfolio loans held by the Securitization Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. This fee, which is less than the management fee payable under the Investment Advisory Agreement, is paid directly by the Securitization Issuer to GC Advisors and offset against such management fee. Accordingly, the 1.375% management fee paid by us to GC Advisors under the Investment Advisory Agreement on all of our assets, including those indirectly held through the Securitization Issuer, is reduced, on a dollar-for-dollar basis, by an amount equal to such 0.35% fee paid to GC Advisors by the Securitization Issuer. The term collection period refers to a quarterly period running from the day after the end of the prior collection period to the fifth business day of the calendar

TABLE OF CONTENTS

month in which a payment date occurs. This fee may be waived by the collateral manager. The collateral management agreement does not include any incentive fee payable to GC Advisors. In addition, the Securitization Issuer paid Wells Fargo Securities, LLC a structuring and placement fee for its services in connection with the initial structuring and subsequent amendment of the Debt Securitization. The Securitization Issuer also agreed to pay ongoing administrative expenses to the trustee, collateral manager, independent accountants, legal counsel, rating agencies and independent managers in connection with developing and maintaining reports and providing required services in connection with the administration of the Debt Securitization. The administrative expenses are paid by the Securitization Issuer on each payment date in two parts: (1) a component that is paid in a priority to other amounts distributed by the Securitization Issuer, subject to an administrative expense cap equal to the sum of 0.04% per annum on the adjusted principal balance of the portfolio loans and other assets held by the Securitization Issuer on the last day of the collection period relating to such payment date, plus $150,000 per annum, and (2) a component that is paid in a subordinated position relative to other amounts distributed by the Securitization Issuer, equal to any amounts that exceed the aforementioned administrative expense cap. We believe that these administrative expenses approximate the amount of ongoing fees and expenses that we would be required to pay in connection with a traditional secured credit facility. Our common stockholders indirectly bear all of these expenses.

Recent Developments

On August 6, 2013, our board of directors declared a quarterly distribution of $0.32 per share payable on September 27, 2013 to holders of record as of September 13, 2013. Purchasers of shares in this offering will not be entitled to this distribution.

Given the unusually high level of originations during the three months ended June 30, 2013, we expect the level of originations for the three months ended September 30, 2013 will decline.

Consolidated Results of Operations

Consolidated operating results for the three and nine months ended June 30, 2013 and 2012 are as follows:

	Three months ended June 30,		Variances	Nine months ended June 30,		Variances
	2013	2012	2013 vs. 2012	2013	2012	2013 vs. 2012
	(In thousands)					
Interest income	$19,548	$13,744	$5,804	$53,026	$37,816	$15,210
Income from amortization of discounts and origination fees	1,639	1,067	572	6,104	3,447	2,657
Dividend income	1,081		1,081	1,827	377	1,450
Total investment income	22,268	14,811	7,457	60,957	41,640	19,317
Total expenses	10,268	8,133	2,135	28,986	21,556	7,430
Net investment income	12,000	6,678	5,322	31,971	20,084	11,887
Net realized (losses) gains on investments and derivative instruments	(77)	1,158	(1,235)	18	(2,786)	2,804
Net change in unrealized appreciation (depreciation) on investments and derivative instruments	734	(2,443)	3,177	2,238	5,716	(3,478)

Net income	$12,657	$5,393	$7,264	$34,227	$23,014	$11,213
Average earning portfolio company investments, at fair value	$866,377	$602,056	$264,321	$759,294	$544,103	$215,191
Average debt outstanding	$403,848	$317,666	$86,182	$372,660	$297,322	$75,338

S-21

TABLE OF CONTENTS

The results of operations for the three and nine months ended June 30, 2013 and 2012 may not be indicative of the results we report in future periods. Net income can vary substantially from period to period for various reasons, including the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, quarterly comparisons of net income may not be meaningful.

Investment Income

Interest income increased by $5.8 million from the three months ended June 30, 2012 to the three months ended June 30, 2013 and was primarily driven by an increase of $264.3 million in the weighted average investment balance as the weighted average annualized interest income yield (which excludes income resulting from amortization of fees and discounts) remained relatively stable at 9.3% for the three months ended June 30, 2012 as compared to 9.2% for the three months ended June 30, 2013.

Interest income increased by $15.2 million from the nine months ended June 30, 2012 to the nine months ended June 30, 2013 and was primarily driven by an increase of $215.2 million in the weighted average investment balance as the weighted average annualized interest income yield (which excludes income resulting from amortization of fees and discounts) remained stable at 9.4% for the nine months ended June 30, 2012 and June 30, 2013.

Income from the accretion of discounts and amortization of premiums increased by $0.6 million from the three months ended June 30, 2012 to the three months ended June 30, 2013. Income from the accretion of discounts and amortization of premiums increased by $2.7 million from the nine months ended June 30, 2012 to the nine months ended June 30, 2013. Income from the accretion of discounts and the amortization of premiums may fluctuate from quarter-to-quarter depending on the average fair value of investments outstanding, the volume of payoffs and the discounts and premiums on the loans at the time of payoffs.

For the three and nine months ended June 30, 2013, we recorded dividend income of $1.1 million and $1.8 million, respectively. For the three and nine months ended June 30, 2012, we recorded dividend income of zero and $0.4 million, respectively.

Annualized interest income yield (which excludes income resulting from amortization of fees and discounts) by security type for the three and nine months ended June 30, 2013 and 2012 was as follows:

	Three months ended June 30,				Nine months ended June 30,			
	2013		2012		2013		2012	
Senior secured	7.6	%	7.3	%	7.0	%	7.4	%
One stop	8.7	%	8.9	%	9.3	%	9.0	%
Second lien(1)	10.5	%	11.5	%	11.0	%	10.4	%
Subordinated debt	13.7	%	13.8	%	13.5	%	13.7	%

(1) Second lien loans include loans structured as first lien last out term loans.

Annualized interest income yield for the total investment portfolio remained fairly stable for the three and nine months ended June 30, 2013 as compared to the three and nine months ended June 30, 2012, with some fluctuations by security type as shown in the table above. However, over the past few quarters, we have seen interest rate compression on new investments, particularly in the senior secured, one stop, and second lien product categories. For additional details on investment yields and asset mix, refer to the Liquidity and Capital Resources Portfolio Composition, Investment Activity and Yield section below.

S-22

TABLE OF CONTENTS

Expenses

The following table summarizes our expenses for the three and nine months ended June 30, 2013 and 2012:

	Three months ended June 30,		Variances	Nine months ended June 30,		Variances
	2013	2012	2013 vs. 2012	2013	2012	2013 vs. 2012
	(In thousands)					
Interest and other debt financing expenses	$2,967	$2,865	$102	$9,254	$7,811	$1,443
Base management fee	3,114	2,220	894	8,268	6,187	2,081
Incentive fee	2,785	1,917	868	7,647	4,261	3,386
Professional fees	534	538	(4)	1,540	1,685	(145)
Administrative service fee	715	489	226	1,873	1,207	666
General and administrative expenses	153	104	49	404	405	(1)
Total expenses	$10,268	$8,133	$2,135	$28,986	$21,556	$7,430

Interest and other debt financing expenses increased by $0.1 million from the three months ended June 30, 2012 to the three months ended June 30, 2013 primarily due to an increase in the weighted average of outstanding borrowings from $317.7 million for the three months ended June 30, 2012 to $403.8 million for the three months ended June 30, 2013, which was partially offset by a decrease in the effective annualized average interest rate on our outstanding debt from 3.6% for the three months ended June 30, 2012 to 2.9% for the three months ended June 30, 2013. This decrease in the effective interest rate was driven by an amendment to our Debt Securitization, which lowered pricing from the three-month LIBOR plus 2.40% to three-month LIBOR plus 1.74%.

Interest and other debt financing expenses increased by $1.4 million from the nine months ended June 30, 2012 to the nine months ended June 30, 2013 primarily due to an increase in the weighted average of outstanding borrowings from $297.3 million for the nine months ended June 30, 2012 to $372.7 million for the nine months ended June 30, 2013, which was partially offset by a decrease in the effective annualized average interest rate on our outstanding debt from 3.5% for the nine months ended June 30, 2012 to 3.3% for the nine months ended June 30, 2013.

The base management fee increased as a result of a sequential increase in average assets from June 30, 2012 to June 30, 2013. The administrative service fee expense increased during this same period due to an increase in costs associated with servicing a growing investment portfolio. In addition, as permitted under the Administration Agreement, beginning January 1, 2012, an allocable portion of the cost of our chief compliance officer and chief financial officer and their respective staffs were charged to us, which also partially related to the increase in the administrative service fee from the nine months ended June 30, 2012 to the nine months ended June 30, 2013. These costs are permitted to be charged under the terms of the Administration Agreement but were previously being waived by the Administrator.

The incentive fee increased by $0.9 million and $3.4 million from the three and nine months ended June 30, 2012 to the three and nine months ended June 30, 2013, respectively, as a result of the increase in pre-incentive fee net investment income. In addition, as further described below, the incentive fee for the nine months ended June 30, 2012 was reduced by $0.6 million as GC Advisors irrevocably waived the incremental portion of the incentive fee attributable from the total return swap, or TRS, interest spread payments.

As described in the Net Realized and Unrealized Gains and Losses section below, we entered into the TRS with

Citibank, N.A., or Citibank, for the purpose of gaining economic exposure to a portfolio of broadly syndicated loans. We subsequently terminated the TRS on April 11, 2012. For the periods ending September 30, 2011 and prior, we had included interest spread payments, which represent the difference between the interest and fees received on the referenced assets underlying the TRS and the interest paid to Citibank on the settled notional value of the TRS, from the TRS in the capital gains component of the incentive fee calculation as this is consistent with GAAP which records such payments in net realized gains/(losses) on derivative instruments in the

S-23

TABLE OF CONTENTS

consolidated statement of operations. However, we changed our methodology during the three months ended December 31, 2011 pursuant to discussions with the staff, or the Staff, of the SEC, resulting in the TRS interest spread payments being included in the income component of the incentive fee calculation.

For the three and nine months ended June 30, 2012, we received interest spread payments of $1.0 million and $2.6 million, respectively. For the three months ended December 31, 2011, including the interest spread payments from the TRS in the income component of the incentive fee calculation caused an increase in the incentive fee by $0.6 million. Upon reviewing the incentive fee calculation and the treatment of the interest spread payments from the TRS, GC Advisors irrevocably waived the incremental portion of the incentive fee attributable from the TRS interest spread payments for the three months ended December 31, 2011. For the three months ended June 30, 2012, the incentive fee was $1.9 million. For the nine months ended June 30, 2012, after taking into account the waiver by GC Advisors, the incentive fee was $4.3 million, rather than $4.9 million.

Golub Capital Incorporated and the Administrator pay for certain expenses incurred by us. These expenses are subsequently reimbursed in cash. Total expenses reimbursed by us to Golub Capital Incorporated and the Administrator for the three and nine months ended June 30, 2013 were zero and $0.3 million, respectively. Total expenses reimbursed by us to Golub Capital Incorporated and the Administrator for the three and nine months ended June 30, 2012 were $0.1 million and $0.3 million, respectively.

As of June 30, 2013 and September 30, 2012, included in accounts payable and accrued expenses were $0.7 million and $40,000, respectively, for accrued expenses paid on behalf of us by Golub Capital Incorporated and the Administrator.

Net Realized and Unrealized Gains and Losses

The following table summarizes our net realized and unrealized gains (losses) for the three and nine months ended June 30, 2013 and 2012:

	Three months ended June 30,		Variances	Nine months ended June 30,		Variances
	2013	2012	2013 vs. 2012	2013	2012	2013 vs. 2012
	(In thousands)					
Net realized (loss) gain on investments	$(77)	$(70)	$(7)	$18	$(5,002)	$5,020
Net realized gain on TRS		2,188	(2,188)		3,779	(3,779)
Net realized (loss) on financial futures contracts		(960)	960		(1,563)	1,563
Net realized (loss) gain	(77)	1,158	(1,235)	18	(2,786)	2,804
Unrealized depreciation on investments	(3,856)	(3,338)	(518)	(10,055)	(9,487)	(568)
Unrealized appeciation on investments	4,590	2,543	2,047	12,293	13,067	(774)
Unrealized appreciation on TRS		(1,405)	1,405		1,919	(1,919)
Unrealized appreciation on financial futures contracts		(243)	243		217	(217)
Net change in unrealized appreciation on investments and derivative instruments	$734	$(2,443)	$3,177	$2,238	$5,716	$(3,478)

During the three months ended June 30, 2013, we had $4.6 million in unrealized appreciation on 42 portfolio company investments, which was partially offset by $3.9 million in unrealized depreciation on 99 portfolio company investments. For the nine months ended June 30, 2013, we had $12.3 million in unrealized appreciation on 77 portfolio company investments, which was partially offset by $10.1 million in unrealized depreciation on 81 portfolio company investments. Unrealized appreciation during the three and nine months ended June 30, 2013 resulted from an increase in fair value primarily due to the rise in market prices and a reversal of prior period unrealized depreciation. Unrealized depreciation during the three and nine months ended June 30, 2013 primarily resulted from the accretion of discounts and negative credit related adjustments that caused a reduction in fair value.

TABLE OF CONTENTS

For the three and nine months ended June 30, 2012, we had net realized losses on investments of $0.1 million and $5.0 million, respectively, primarily as a result of the sale of our investment in two non-accrual portfolio companies. During the three months ended June 30, 2012, we had $3.3 million in unrealized depreciation on 85 portfolio company investments, which was partially offset by $2.5 million in unrealized appreciation on 35 portfolio company investments. For the nine months ended June 30, 2012, we had $13.1 million in unrealized appreciation on 54 portfolio company investments, which was partially offset by $9.5 million in unrealized depreciation on 81 portfolio company investments. Unrealized appreciation during the three and nine months ended June 30, 2012 resulted from an increase in fair value primarily due to the rise in market prices and a reversal of prior period unrealized depreciation. A majority of the unrealized depreciation resulted from negative credit related adjustments in certain of our investments which caused a reduction in fair value.

Termination of the Total Return Swap

On April 11, 2012, we terminated the TRS that we had entered into with Citibank. Cash collateral of $19.9 million that had secured the obligations to Citibank under the TRS was returned to us and was used to fund new middle-market debt and equity investments.

The purpose of entering into the TRS was to gain economic exposure to a portfolio of broadly syndicated loans. Generally, under the terms of a total return swap, one party agrees to make periodic payments to another party based on the change in the market value of the assets referenced by the total return swap, which may include a specified security, basket of securities or securities indices during the specified period, in return for periodic payments based on a fixed or variable interest rate.

The change in the fair value of the TRS was $(1.4) million and $1.9 million for the three and nine months ended June 30, 2012, respectively. Realized gains on the TRS for the three months ended June 30, 2012 were $2.2 million, which consisted of spread interest income of $1.0 million and a realized gain of $1.2 million on the referenced loans. Realized gains on the TRS for the nine months ended June 30, 2012 were $3.8 million, which consisted of spread interest income of $2.6 million and a realized gain of $1.2 million on the referenced loans.

Ten-Year U.S. Treasury Futures Contracts

In September of 2012, we sold our remaining ten-year U.S. Treasury futures contracts. We had entered into the futures contracts to mitigate our exposure to adverse fluctuation in interest rates related to our SBA debentures. The cash collateral underlying the futures contracts has been returned to us.

Based on the daily fluctuation of the fair value of the futures contracts, we recorded an unrealized gain or loss equal to the daily fluctuation in fair value. Upon maturity or settlement of the futures contracts, we realized a gain or loss based on the difference of the fair value of the futures contracts at inception and the fair value of the futures contracts at settlement or maturity.

For the three and nine months ended June 30, 2012, the realized loss on settlement of futures contracts was $1.0 million and $1.6 million, respectively. For the three and nine months ended June 30, 2012, the change in unrealized (depreciation) appreciation related to the futures contracts was $(0.2) million and $0.2 million, respectively.

Liquidity and Capital Resources

As a business development company, we distribute substantially all of our net income to our stockholders and will have an ongoing need to raise additional capital for investment purposes. To fund growth, we have a number of alternatives available to increase capital, including raising equity, increasing debt, including through one or more additional securitization facilities or an amendment to the Debt Securitization, and funding from operational cash flow.

For the nine months ended June 30, 2013, we experienced a net decrease in cash and cash equivalents of $1.0 million. During the same period, we used $257.0 million in operating activities, primarily as a result of fundings of portfolio investments of $554.0 million. This was partially offset by proceeds from principal payments and sales of portfolio investments of $276.5 million and net investment income of $32.0 million. During the same period, cash provided by investment activities of $15.3 million was driven by the change in restricted cash and cash equivalents. Lastly, cash provided by financing activities was $240.7 million, primarily due to borrowings on debt of $304.4 million and proceeds from shares sold in our public offerings of $224.1 million (described below), partially offset by repayments of debt of $252.9 million and distributions paid of $31.3 million.

For the nine months ended June 30, 2012, we experienced a net decrease in cash and cash equivalents of $28.3 million. During the same period, we used $131.6 million in operating activities, primarily as a result of fundings of portfolio investments of $292.9 million. This was partially offset by proceeds from principal payments and sales of portfolio investments of $120.6 million and net investment income of $20.1 million. During the same period, cash used in investment activities of $21.6 million was driven by the change in restricted cash and cash equivalents. Lastly, cash provided by financing activities was $125.0 million, primarily due to borrowings on debt of $154.8 million and proceeds from shares sold in our public offering of $57.2 million (described below), partially offset by repayments of debt of $62.7 million and distributions paid of $21.8 million.

As of June 30, 2013 and September 30, 2012, we had cash and cash equivalents of $12.9 million and $13.9 million, respectively. In addition, we had restricted cash and cash equivalents of $21.7 million and $37.0 million as of June 30, 2013 and September 30, 2012, respectively. Cash and cash equivalents are available to fund new investments, pay operating expenses and pay distributions. As of June 30, 2013, $12.1 million of our restricted cash and cash equivalents could be used to fund new investments that meet the investment guidelines established in the Debt Securitization, which are described in further detail in Note 6 to our consolidated financial statements, and for the payment of interest expense on the notes issued in the Debt Securitization. $4.0 million of such restricted cash and cash equivalents was used to fund investments that meet the guidelines under the Credit Facility as well as for the payment of interest expense and revolving debt of the Credit Facility. The remaining $5.6 million of restricted cash and cash equivalents can be used to fund new investments that meet the regulatory and investment guidelines established by the SBA for our SBICs, which are described in further detail in Note 6 to our consolidated financial statements, and for interest expense and fees on our outstanding SBA debentures.

As of June 30, 2013 and September 30, 2012, we had outstanding commitments to fund investments totaling $73.2 million and $56.5 million, respectively. These amounts may or may not be funded to the borrowing party now or in the future. The unfunded commitments relate to loans with various maturity dates, but the entire amount was eligible for funding to the borrowers as of June 30, 2013 and September 30, 2012, respectively, subject to the terms of each loan s respective credit agreement.

On January 25, 2013, the Credit Facility was amended to, among other things, amend the fee on the unused portion of the Credit Facility to 0.50% for the period from December 13, 2012 through January 28, 2013. From January 28, 2013 through March 8, 2013, we paid a fee of 0.50% per annum on any unused portion of the Credit Facility up to $60.0 million and 2.00% on any unused portion in excess of $60.0 million. From March 8, 2013 and thereafter, we will pay a fee of 0.50% per annum on any unused portion of the Credit Facility up to $40.0 million and 2.00% on any unused portion in excess of $40.0 million. Effective March 8, 2013, we entered into an amendment to the documents governing the Credit Facility to, among other things, decrease the size of the Credit Facility from $150.0 million to $100.0 million. Additionally, we received a one-time interest expense credit of $0.1 million during the three months ended March 31, 2013. As of June 30, 2013 and September 30, 2012, subject to leverage and borrowing base restrictions, we had approximately $63.2 million and $20.2 million, respectively, available for additional borrowings on the Credit Facility.

On February 15, 2013, we amended the Debt Securitization to issue an additional $29.0 million in Class A Notes, $2.0 million in Class B Notes and $19.0 million in Subordinated Notes. The Class A Notes were included in the June 30, 2013 and September 30, 2012 consolidated statements of financial condition as our debt. The Class B Notes and the Subordinated Notes were eliminated in consolidation. As of June 30, 2013 and September 30, 2012, we had outstanding debt under the Debt Securitization of $203.0 million and $174.0 million, respectively.

Under present SBIC regulations, the maximum amount of SBA-guaranteed debentures that may be issued by multiple licensees under common management is $225.0 million and the maximum amount that may be

S-26

TABLE OF CONTENTS

issued by a single SBIC licensee is $150.0 million. As of June 30, 2013, GC SBIC IV, L.P., or SBIC IV, and SBIC V had $146.3 million and $17.8 million of outstanding SBA-guaranteed debentures, respectively, leaving incremental borrowing capacity of $3.7 million and $57.2 million for SBIC IV and SBIC V, respectively, under present SBIC regulations. As of September 30, 2012, SBIC IV had $123.0 million of outstanding SBA-guaranteed debentures.

SBIC IV and SBIC V may each borrow up to two times the amount of its regulatory capital, subject to customary regulatory requirements. As of June 30, 2013, we had committed and funded $75.0 million to SBIC IV and had SBA-guaranteed debentures of $146.3 million outstanding which mature between March 2021 and September 2023. As of June 30, 2013, we had committed $37.5 million and funded $18.8 million to SBIC V and had SBA-guaranteed debentures of $17.8 million outstanding which mature in September 2023.

In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. On September 13, 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage requirement to exclude the SBA debentures from this calculation. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 200%. This provides us with increased investment flexibility but also increases our risks related to leverage. As of June 30, 2013, our asset coverage for borrowed amounts was 349.9% (excluding the SBA debentures).

On January 31, 2012, we priced a public offering of 3,500,000 shares of our common stock at a public offering price of $15.35 per share, raising approximately $53.7 million in gross proceeds. On February 3, 2012, the transaction closed, the shares were issued, and proceeds, net of offering costs but before expenses, of $52.2 million were received. On March 1, 2012, we sold an additional 325,000 shares of our common stock at a public offering price of $15.35 per share pursuant to the underwriters partial exercise of the over-allotment option.

On October 16, 2012, we priced a public offering of 2,600,000 shares of our common stock at a public offering price of $15.58 per share, raising approximately $40.5 million in gross proceeds. On October 19, 2012, the transaction closed, the shares were issued, and proceeds, net of offering costs but before expenses, of $39.4 million were received. On November 14, 2012, we sold an additional 294,120 shares of our common stock at a public offering price of $15.58 per share pursuant to the underwriters partial exercise of the over-allotment option.

On January 15, 2013, we priced a public offering of 4,500,000 shares of our common stock at a public offering price of $15.87 per share, raising approximately $71.4 million in gross proceeds. On January 18, 2013, the transaction closed, the shares were issued, and proceeds, net of offering costs but before expenses, of $69.1 million were received. On February 20, 2013, we sold an additional 622,262 shares of our common stock at a public offering price of $15.87 per share pursuant to the underwriters partial exercise of the over-allotment option.

On May 7, 2013, we priced a public offering of 6,000,000 shares of our common stock at a public offering price of $17.47 per share, raising approximately $104.8 million in gross proceeds. On May 10, 2013, the transaction closed, the shares were issued, and proceeds, net of offering costs but before expenses, of $101.6 million were received.

Although we expect to fund the growth of our investment portfolio through the net proceeds from future securities offerings and through our dividend reinvestment plan as well as future borrowings, to the extent permitted by the 1940 Act, we cannot assure you that our efforts to raise capital will be successful. In addition to capital not being available, it also may not be available on favorable terms.

We believe that our existing cash and cash equivalents and available borrowings as of June 30, 2013 will be sufficient to fund our anticipated requirements through at least June 30, 2014.

Senior Loan Fund

Effective May 31, 2013, we have entered into an agreement to co-manage Senior Loan Fund, an unconsolidated Delaware limited liability company, with United Insurance. Senior Loan Fund will invest

TABLE OF CONTENTS

primarily in senior secured loans of middle market companies and is governed by an investment committee with equal representation from us and United Insurance. All material portfolio company decisions and other decisions must be approved by the investment committee. We expect the average investment size will initially range between $2.0 million and $4.0 million. Senior Loan Fund will be capitalized with subordinated notes and equity capital contributions from United Insurance and us as transactions are completed. United Insurance has committed $12.5 million of subordinated notes to Senior Loan Fund and we have committed $87.5 million of subordinated notes to Senior Loan Fund, none of which was funded as of June 30, 2013. The subordinated notes will bear interest at a rate of three-month LIBOR plus 4.00%. Senior Loan Fund may seek to raise senior debt from a third party when Senior Loan Fund has a sufficiently large and diversified pool of investments. As of June 30, 2013, our investment in Senior Loan Fund totaled zero at cost and at fair value.

Portfolio Composition, Investment Activity and Yield

As of June 30, 2013 and September 30, 2012, we had investments in 135 and 121 portfolio companies, respectively, with a total fair value of $967.8 million and $672.9 million, respectively. The following table shows the asset mix of our new originations for the three and nine months ended June 30, 2013 and 2012:

For the three and nine months ended June 30, 2013, we had approximately $67.5 million and $234.9 million in proceeds from principal payments of portfolio companies, respectively. For the three and nine months ended June 30, 2013, we had sales of securities in three and ten portfolio companies aggregating approximately $25.2 million and $41.6 million, respectively.

For the three and nine months ended June 30, 2012, we had approximately $34.2 million and $114.4 million in proceeds from principal payments of portfolio companies, respectively. For the three and nine months ended June 30, 2012, we had sales of securities in zero and seven portfolio companies aggregating approximately zero and $6.2 million, respectively.

TABLE OF CONTENTS

The following table shows the par, amortized cost and fair value of our portfolio of investments excluding derivative instruments by asset class:

	As of June 30, 2013[1]			As of September 30, 2012[1]		
	Par	Amortized Cost	Fair Value	Par	Amortized Cost	Fair Value
	(In thousands)					
Senior secured:						
Performing	$319,558	$315,144	$314,602	$274,846	$270,209	$272,461
Non-accrual[2]	3,788	3,233	841	5,733	5,527	1,528
One stop:						
Performing	488,737	481,400	487,094	267,393	262,876	265,705
Non-accrual[2]						
Second lien[3]:						
Performing	100,146	98,686	99,983	44,267	42,775	44,108
Non-accrual[3]	425	382		589	573	259
Subordinated debt:						
Performing	33,047	32,693	34,037	65,989	65,005	65,989
Non-accrual[2]	3,145	3,001				