

Golub Capital BDC, Inc.
Form 10-Q
February 06, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

**□ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended December 31, 2013

OR

**□ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 814-00794

Golub Capital BDC, Inc.

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

27-2326940

(I.R.S. Employer Identification No.)

150 South Wacker Drive, Suite 800

Chicago, IL 60606

(Address of principal executive offices)

(312) 205-5050

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

As of February 6, 2014, the Registrant had 43,325,575 shares of common stock, \$0.001 par value, outstanding.

Part I. Financial Information

Item 1. Financial Statements	3
Consolidated Statements of Financial Condition as of December 31, 2013 (unaudited) and September 30, 2013	3
Consolidated Statements of Operations for the three months ended December 31, 2013 (unaudited) and 2012 (unaudited)	4
Consolidated Statements of Changes in Net Assets for the three months ended December 31, 2013 (unaudited) and 2012 (unaudited)	5
Consolidated Statements of Cash Flows for the three months ended December 31, 2013 (unaudited) and 2012 (unaudited)	6
Consolidated Schedules of Investments as of December 31, 2013 (unaudited) and September 30, 2013	7
Notes to Consolidated Financial Statements (unaudited)	21
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	50
Item 3. Quantitative And Qualitative Disclosures About Market Risk	76
Item 4. Controls and Procedures	77
Part II. Other Information	
Item 1. Legal Proceedings	78
Item 1A. Risk Factors	78
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	78
Item 3. Defaults Upon Senior Securities	78
Item 4. Mine Safety Disclosures	78
Item 5. Other Information	78
Item 6. Exhibits	79

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

	December 31, 2013 (unaudited)	September 30, 2013
Assets		
Investments, at fair value		
Non-controlled/non-affiliate company investments	\$ 1,144,290	\$ 1,011,586
Non-controlled affiliate company investments	2,879	8,225
Controlled affiliate company investments	32,750	4,834
Total investments at fair value (cost of \$1,166,589 and \$1,017,961, respectively)	1,179,919	1,024,645
Cash and cash equivalents	31,891	16,309
Restricted cash and cash equivalents	39,792	38,408
Interest receivable	4,178	4,316
Deferred financing costs	8,884	7,742
Other assets	163	236
Total Assets	\$ 1,264,827	\$ 1,091,656
Liabilities		
Debt	\$ 577,200	\$ 412,100
Secured borrowings, at fair value (proceeds of \$14,164 and \$8,683, respectively)	14,366	8,809
Interest payable	3,159	1,277
Management and incentive fees payable	6,751	5,579
Payable for open trades	1,657	3,677
Accounts payable and accrued expenses	1,713	1,978
Total Liabilities	604,846	433,420
Net Assets		
Preferred stock, par value \$0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of December 31, 2013 and September 30, 2013	-	-
Common stock, par value \$0.001 per share, 100,000,000 shares authorized, 43,325,575 and 43,282,932 shares issued and outstanding as of December 31, 2013 and September 30, 2013, respectively	43	43
Paid in capital in excess of par	653,427	652,669
Undistributed net investment income	2,135	2,725
Net unrealized appreciation on investments, derivative instruments and secured borrowings	15,796	9,225
Net realized loss on investments and derivative instruments	(11,420) (6,426

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Total Net Assets	659,981	658,236
Total Liabilities and Total Net Assets	\$ 1,264,827	\$ 1,091,656
Number of common shares outstanding	43,325,575	43,282,932
Net asset value per common share	\$ 15.23	\$ 15.21

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Statements of Operations (unaudited)***(In thousands, except share and per share data)*

	Three months ended December 31,	
	2013	2012
Investment income		
From non-controlled/non-affiliate company investments:		
Interest income	\$ 24,986	\$ 18,176
Dividend income	16	267
Total investment income from non-controlled/non-affiliate company investments	25,002	18,443
From non-controlled affiliate company investments:		
Interest income	396	151
Total investment income from non-controlled affiliate company investments	396	151
From controlled affiliate company investments:		
Interest income	181	-
Total investment income from controlled affiliate company investments	181	-
Total investment income	25,579	18,594
Expenses		
Interest and other debt financing expenses	4,092	2,995
Base management fee	3,824	2,468
Incentive fee	3,032	2,394
Professional fees	658	493
Administrative service fee	582	548
General and administrative expenses	131	118
Total expenses	12,319	9,016
Net investment income	13,260	9,578
Net gain (loss) on investments and secured borrowings		
Net realized gains (losses) on investments:		
Non-controlled/non-affiliate company investments	(4,994) 94
Net realized gains (losses) on investments:	(4,994) 94
Net unrealized appreciation (depreciation) on investments:		
Non-controlled/non-affiliate company investments	6,133	(351)
Non-controlled affiliate company investments	274	(2)
Controlled affiliate company investments	240	-
Net unrealized appreciation (depreciation) on investments	6,647	(353)
Net change in unrealized (appreciation) depreciation on secured borrowings	(76) -

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Net gain (loss) on investments and secured borrowings	1,577	(259)
Net increase in net assets resulting from operations	\$ 14,837	\$ 9,319
Per Common Share Data		
Basic and diluted earnings per common share	\$ 0.34	\$ 0.33
Dividends and distributions declared per common share	\$ 0.32	\$ 0.32
Basic and diluted weighted average common shares outstanding	43,285,250	27,933,613

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Statements of Changes in Net Assets (unaudited)***(In thousands, except share data)*

	Common Stock	Paid in Capital		Capital Distributions and Undistributed Net Investment Income	Net Unrealized Appreciation (Depreciation) on Investments, Derivative Instruments and Secured Borrowings	Net Realized Gain (Loss) on Investments and Derivative Instruments	Total Net Assets
	Shares	Par Amount	in Excess of Par				
Balance at September 30, 2012	25,688,101	\$ 26	\$ 375,563	\$ 347	\$ 5,737	\$ (6,544)	\$ 375,129
Issuance of common stock, net of offering and underwriting costs ⁽¹⁾	2,894,120	3	43,742	-	-	-	43,745
Net increase in net assets resulting from operations	-	-	-	9,578	(353)	94	9,319
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	23,115	-	343	-	-	-	343
Dividends and distributions	-	-	-	(9,146)	-	-	(9,146)
Balance at December 31, 2012	28,605,336	\$ 29	\$ 419,648	\$ 779	\$ 5,384	\$ (6,450)	\$ 419,390
Balance at September 30, 2013	43,282,932	\$ 43	\$ 652,669	\$ 2,725	\$ 9,225	\$ (6,426)	\$ 658,236
Issuance of common stock, net of offering and underwriting costs	-	-	-	-	-	-	-
Net increase in net assets resulting from operations	-	-	-	13,260	6,571	(4,994)	14,837

Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	42,643	-	758	-	-	-	758
Dividends and distributions	-	-	-	(13,850)	-	-	(13,850)
Balance at December 31, 2013	43,325,575	\$ 43	\$ 653,427	\$ 2,135	\$ 15,796	\$ (11,420)	\$ 659,981

⁽¹⁾ On October 16, 2012, Golub Capital BDC, Inc. priced a public offering of 2,600,000 shares of its common stock at a public offering price of \$15.58 per share. On November 14, 2012, Golub Capital BDC, Inc. sold an additional 294,120 shares of its common stock at a public offering price of \$15.58 per share pursuant to the underwriters' partial exercise of the over-allotment option.

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Statements of Cash Flows (unaudited)**

(In thousands)	Three Months Ended December 31,	
	2013	2012
Cash flows from operating activities		
Net increase in net assets resulting from operations	\$ 14,837	\$ 9,319
Adjustments to reconcile net increase in net assets resulting from operations to net cash (used in) provided by operating activities		
Amortization of deferred financing costs	439	366
Accretion of discounts and amortization of premiums	(1,865)	(2,440)
Net realized loss (gain) on investments	4,994	(94)
Net change in unrealized (appreciation) depreciation on investments	(6,647)	353
Net change in unrealized appreciation (depreciation) on secured borrowings	76	-
Proceeds from (fundings of) revolving loans, net	277	(2,828)
Fundings of investments	(256,213)	(235,325)
Proceeds from principal payments and sales of portfolio investments	103,570	145,609
PIK interest	653	(705)
Changes in operating assets and liabilities:		
Interest receivable	138	661
Other assets	73	58
Interest payable	1,882	1,082
Management and incentive fees payable	1,172	579
Payable for investments purchased	(2,020)	10,456
Accounts payable and accrued expenses	(265)	379
Net cash (used in) provided by operating activities	(138,899)	(72,530)
Cash flows from investing activities		
Net change in restricted cash and cash equivalents	(1,384)	(2,190)
Net cash (used in) provided by investing activities	(1,384)	(2,190)
Cash flows from financing activities		
Borrowings on debt	215,350	107,650
Repayments of debt	(50,250)	(59,500)
Capitalized debt financing costs	(1,581)	(841)
Proceeds from secured borrowings	16,448	-
Repayments on secured borrowings	(11,010)	-
Proceeds from shares sold, net of underwriting costs	-	43,825
Offering costs paid	-	(80)
Dividends and distributions paid	(13,092)	(8,805)
Net cash (used in) provided by financing activities	155,865	82,249
Net change in cash and cash equivalents	15,582	7,529
Cash and cash equivalents, beginning of period	16,309	13,891

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Cash and cash equivalents, end of period	\$ 31,891	\$ 21,420
Supplemental information:		
Cash paid during the period for interest	\$ 1,592	\$ 1,547
Dividends and distributions declared during the period	\$ 13,850	\$ 9,146

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments (unaudited)****December 31, 2013***(In thousands)*

	Investment Type	Spread Above Index (1)	Interest Rate ⁽²⁾	Maturity Date	Principal Amount	Cost	Percentage of Net Assets	Fair Value
Investments								
United States								
Debt								
investments								
Aerospace and								
Defense								
ILC Dover, LP	Senior loan	P + 5.00	% 8.25	% 07/2017	\$21	\$15	-	% \$17
ILC Dover, LP	Senior loan	L + 6.00	% 7.29	% 07/2017	4,324	4,263	0.6	4,281
ILC Dover, LP	Senior loan	L + 6.00	% 7.29	% 07/2017	603	598	0.1	597
NTS Technical Systems ⁽⁴⁾	One Stop	L + 5.50	% N/A	(5) 11/2018	-	(19)	-	(9)
NTS Technical Systems	One Stop	L + 5.50	% 6.75	% 11/2018	14,764	14,472	2.2	14,616
NTS Technical Systems ⁽⁴⁾	One Stop	L + 5.50	% N/A	(5) 11/2018	-	(60)	-	(30)
Tresys Technology Holdings, Inc. ⁽⁴⁾	One Stop	L + 6.75	% N/A	(5) 12/2017	-	(8)	-	-
Tresys Technology Holdings, Inc.	One Stop	L + 6.75	% 8.00	% 12/2017	3,950	3,871	0.5	3,476
Whitcraft LLC	Subordinated Debt	N/A	12.00	% 12/2018	1,877	1,854	0.3	1,877
White Oak Technologies, Inc. ⁽⁴⁾	Senior loan	L + 5.00	% N/A	(5) 03/2017	-	(8)	-	-
White Oak Technologies, Inc.*	Senior loan	L + 5.00	% 6.25	% 03/2017	1,808	1,776	0.3	1,808
					27,347	26,754	4.0	26,633
Automobile								

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

ABRA, Inc. ⁽⁸⁾	One Stop	P + 4.75	% 8.00	% 05/2018	934	916	0.1	934
ABRA, Inc. ⁽⁸⁾	One Stop	L + 6.00	% 7.25	% 05/2018	5,092	5,058	0.8	5,092
ABRA, Inc.* ⁽⁸⁾	One Stop	L + 6.00	% 7.25	% 05/2018	26,229	25,976	4.0	26,229
ABRA, Inc. ^{(4),(8)}	One Stop	L + 5.75	% N/A	⁽⁵⁾ 05/2018	-	(84)	-	-
ABRA, Inc.	One Stop	L + 7.75	% 9.00	% 05/2018	4,797	4,721	0.7	4,797
American Driveline Systems, Inc.	Senior loan	L + 5.50	% 7.14	% 01/2016	287	282	-	248
American Driveline Systems, Inc.*	Senior loan	L + 5.50	% 7.00	% 01/2016	2,819	2,783	0.4	2,537
K&N Engineering, Inc. ⁽⁴⁾	Senior loan	L + 4.50	% N/A	⁽⁵⁾ 04/2018	-	(7)	-	-
K&N Engineering, Inc.*	Senior loan	L + 4.50	% 5.75	% 04/2018	3,732	3,683	0.6	3,732
K&N Engineering, Inc.	Senior loan	P + 3.50	% 6.75	% 04/2018	3,529	3,483	0.5	3,529
Take 5 Oil Change, L.L.C.	Senior loan	L + 5.25	% 6.25	% 07/2018	55	52	-	55
Take 5 Oil Change, L.L.C.	Senior loan	L + 5.25	% 6.25	% 07/2018	2,971	2,951	0.5	2,971
					50,445	49,814	7.6	50,124
Banking								
Prommis Fin Co. ⁽³⁾	Senior loan	P + 10.00	% 13.25	% 06/2015	85	84	-	2
Prommis Fin Co.* ⁽³⁾	Senior loan	N/A	2.25% cash/8.25% PIK	06/2015	124	124	-	3
					209	208	-	5
Beverage, Food and Tobacco								
ABP Corporation ⁽⁴⁾	Senior loan	P + 3.50	% N/A	⁽⁵⁾ 06/2016	-	(4)	-	-
ABP Corporation*	Senior loan	L + 4.75	% 6.00	% 06/2016	4,478	4,434	0.7	4,478
American Importing Company, Inc.	One Stop	L + 5.75	% 7.00	% 05/2018	14,769	14,597	2.2	14,769
Ameriquel Group, LLC*	Senior loan	L + 5.00	% 6.50% cash/0.75% PIK	03/2016	1,727	1,703	0.3	1,658
Ameriquel Group, LLC*	Senior loan	L + 7.50	% 9.00% cash/1.25% PIK	03/2016	829	821	0.1	713

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

ARG IH Corporation (Arby's)	Senior loan	L + 4.00	% 5.00	% 11/2020	2,355	2,326	0.4	2,372
Atkins Nutritionals, Inc.*	One Stop	L + 5.00	% 6.25	% 01/2019	22,282	22,052	3.4	22,560
Atkins Nutritionals, Inc.* Candy	One Stop	L + 8.50	% 9.75	% 04/2019	17,270	16,851	2.7	17,637
Intermediate Holdings, Inc. (Ferrara Candy)	Senior loan	L + 6.25	% 7.50	% 06/2018	4,925	4,795	0.7	4,682
Diversified Foodservice Supply, Inc. ⁽⁴⁾	Senior loan	L + 4.75	% N/A	(5) 12/2018	-	(3)	-	(3)
Diversified Foodservice Supply, Inc.*	Senior loan	L + 4.75	% 6.00	% 12/2018	4,476	4,431	0.7	4,431
Firebirds International, LLC ⁽⁴⁾	One Stop	L + 5.75	% N/A	(5) 05/2018	-	(2)	-	-
Firebirds International, LLC*	One Stop	L + 5.75	% 7.00	% 05/2018	907	897	0.1	907
Firebirds International, LLC	One Stop	L + 5.75	% 7.00	% 05/2018	180	176	-	180
Firebirds International, LLC ⁽⁴⁾	One Stop	L + 5.75	% N/A	(5) 05/2018	-	(3)	-	-
First Watch Restaurants, Inc.	One Stop	L + 7.50	% 8.86	% 12/2016	1,068	1,047	0.2	1,068
First Watch Restaurants, Inc.*	One Stop	L + 7.50	% 8.77	% 12/2016	11,356	11,221	1.7	11,356
First Watch Restaurants, Inc.	One Stop	L + 7.50	% 8.75	% 12/2016	417	412	0.1	417
IT'SUGAR LLC	Senior loan	L + 8.50	% 10.00	% 04/2017	4,202	4,146	0.6	4,202
IT'SUGAR LLC	Subordinated Debt	N/A	8.00	% 10/2017	1,707	1,707	0.4	2,458
Julio & Sons Company	One Stop	L + 7.00	% 8.50	% 09/2016	224	216	-	224
Julio & Sons Company*	One Stop	L + 7.00	% 8.50	% 09/2016	7,032	6,993	1.1	7,032
Julio & Sons Company ⁽⁴⁾	One Stop	L + 7.00	% N/A	(5) 09/2016	-	(12)	-	-
Northern Brewer, LLC	One Stop	L + 6.50	% 8.06	% 02/2018	453	442	0.1	453
Northern Brewer, LLC	One Stop	L + 6.50	% 8.00	% 02/2018	6,372	6,240	1.0	6,372
	Senior loan		% 7.25	% 11/2015	65	57	-	65

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Richelieu Foods, Inc.		P + 4.00							
Richelieu Foods, Inc.*	Senior loan	L + 5.00	% 6.75	% 11/2015	1,940	1,913	0.3	1,940	
Smashburger Finance LLC	Senior loan	P + 3.00	% 6.25	% 05/2018	819	810	0.1	819	
Smashburger Finance LLC*	Senior loan	L + 4.25	% 5.50	% 05/2018	6,516	6,471	1.0	6,516	
					116,369	114,734	17.9	117,306	

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments (unaudited) - (Continued)****December 31, 2013***(In thousands)*

	Investment Type	Spread Above Index (1)	Interest Rate(2)	Maturity Date	Principal Amount	Cost	Percentage of Net Assets	Fair Value
Building and Real Estate								
ITEL Laboratories, Inc.(4)	Senior loan	L + 4.75	% N/A	(5) 06/2018	-	(1)	-	-
ITEL Laboratories, Inc.*	Senior loan	L + 4.75	% 6.00	% 06/2018	799	790	0.1	799
					799	789	0.1	799
Cargo Transport								
RP Crown Parent (RedPrairie Corp)*	Senior loan	L + 5.50	% 6.75	% 12/2018	1,985	1,952	0.3	1,998
					1,985	1,952	0.3	1,998
Chemicals, Plastics and Rubber								
Integrated DNA Technologies, Inc.	Subordinated debt	N/A	12.00% cash/2.00% PIK	04/2015	321	319	0.1	321
Integrated DNA Technologies, Inc.	Subordinated debt	N/A	12.00% cash/2.00% PIK	04/2015	905	887	0.1	905
Integrated DNA Technologies, Inc.	Subordinated debt	N/A	12.00% cash/2.00% PIK	04/2015	321	316	-	321
Road Infrastructure Investment, LLC(4)	Senior loan	L + 5.00	% N/A	(5) 03/2017	-	(30)	-	(1)
Road Infrastructure Investment, LLC*	Senior loan	L + 5.00	% 6.25	% 03/2018	4,515	4,472	0.7	4,552
					6,062	5,964	0.9	6,098
Containers, Packaging and Glass								
Fort Dearborn Company*	Senior loan	L + 4.25	% 5.86	% 10/2017	39	39	-	39
	Senior loan		% 5.25	% 10/2017	547	543	0.1	547

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Fort Dearborn Company*		L + 4.25							
Fort Dearborn Company*	Senior loan	L + 4.75	% 6.37	% 10/2018	156	155	-	156	
Fort Dearborn Company*	Senior loan	L + 4.75	% 5.75	% 10/2018	2,197	2,182	0.3	2,197	
Packaging Coordinators, Inc.*	Senior loan	L + 4.25	% 5.51	% 05/2020	6,792	6,754	1.0	6,792	
Packaging Coordinators, Inc.	Second Lien	L + 8.25	% 9.50	% 11/2020	29,098	28,270	4.4	29,098	
Packaging Coordinators, Inc. ⁽⁴⁾	Senior loan	L + 4.25	% N/A	(5) 05/2020	-	-	-	-	
					38,829	37,943	5.8	38,829	
Diversified Conglomerate Manufacturing									
Chase Industries, Inc.*	One Stop	L + 5.00	% 6.82	% 11/2017	13,426	13,249	2.0	13,426	
Metal Spinners, Inc.*	Senior loan	L + 6.50	% 8.00	% 12/2014	1,338	1,323	0.2	1,338	
Metal Spinners, Inc.*	Senior loan	L + 6.50	% 8.00	% 12/2014	2,647	2,619	0.4	2,647	
Onicon Incorporated ⁽⁴⁾	One Stop	L + 6.75	% N/A	(5) 12/2017	-	(13)	-	-	
Onicon Incorporated	One Stop	L + 6.75	% 8.31	% 12/2017	3,583	3,525	0.6	3,583	
Pasternack Enterprises, Inc.*	Senior loan	L + 5.00	% 6.25	% 12/2017	1,167	1,158	0.2	1,167	
Plex Systems, Inc. ⁽⁴⁾	Senior loan	L + 7.50	% N/A	(5) 06/2018	-	(26)	-	-	
Plex Systems, Inc.*	Senior loan	L + 7.50	% 8.75	% 06/2018	13,670	13,375	2.1	13,670	
Sunless Merger Sub, Inc.	Senior loan	P + 4.00	% 7.25	% 07/2016	144	144	-	111	
Sunless Merger Sub, Inc.*	Senior loan	L + 5.25	% 6.51	% 07/2016	1,851	1,846	0.2	1,388	
TIDI Products, LLC ⁽⁴⁾	One Stop	L + 6.50	% N/A	(5) 07/2017	-	(14)	-	-	
TIDI Products, LLC*	One Stop	L + 6.50	% 7.75	% 07/2018	11,168	10,957	1.7	11,168	
Vintage Parts, Inc.*	One Stop	L + 4.50	% 5.75	% 12/2015	4,623	4,576	0.7	4,623	
Vintage Parts, Inc.*	One Stop	L + 4.50	% 5.75	% 12/2015	64	64	-	64	
Vintage Parts, Inc.*	One Stop	L + 4.50	% 5.75	% 12/2015	966	974	0.1	966	
					54,647	53,757	8.2	54,151	
Diversified Conglomerate Service									

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Aderant North America, Inc.*	Senior loan	L + 5.00	% 6.25	% 12/2018	4,495	4,458	0.7	4,495
Agility Recovery Solutions Inc. ⁽⁴⁾	One Stop	L + 7.00	% N/A	(5) 09/2018	-	(7)	-	-
Agility Recovery Solutions Inc.*	One Stop	L + 7.00	% 8.25	% 09/2018	9,349	9,169	1.4	9,349
API Healthcare Corporation*	One Stop	L + 6.25	% 9.93	% 04/2018	33,722	33,468	5.1	33,722
Consona Holdings, Inc. ⁽⁴⁾	Senior loan	L + 5.50	% N/A	(5) 08/2017	-	(2)	-	-
Consona Holdings, Inc.*	Senior loan	L + 5.50	% 6.75	% 08/2018	1,024	996	0.2	1,024
Consona Holdings, Inc.*	Senior loan	L + 6.00	% 7.25	% 08/2018	1,547	1,535	0.2	1,547
Document Technologies, LLC ⁽⁴⁾	Senior loan	L + 4.25	% N/A	(5) 12/2018	-	(12)	-	-
Document Technologies, LLC*	Senior loan	L + 4.25	% 5.50	% 12/2018	6,690	6,629	1.0	6,690
EAG, INC. (Evans Analytical Group)*	Senior loan	L + 4.50	% 6.00	% 07/2017	2,425	2,401	0.4	2,425
HighJump Acquisition LLC	One Stop	L + 7.50	% 8.75	% 07/2016	7,124	7,064	1.1	7,124
Integration Appliance, Inc.	Senior loan	L + 8.25	% 9.50	% 09/2018	719	709	0.1	709
Integration Appliance, Inc.	Senior loan	L + 8.25	% 9.50	% 09/2018	5,396	5,268	0.8	5,315
Marathon Data Operating Co., LLC ⁽⁴⁾	One Stop	L + 6.25	% N/A	(5) 08/2017	-	(8)	-	-
Marathon Data Operating Co., LLC	One Stop	L + 6.25	% 7.50	% 08/2017	4,761	4,674	0.7	4,761
MSC.Software Corporation*	One Stop	L + 6.50	% 8.51	% 11/2017	9,898	9,748	1.5	9,898
Navex Global, Inc. ⁽⁴⁾	One Stop	L + 7.50	% N/A	(5) 12/2016	-	(15)	-	(25)
Navex Global, Inc.*	One Stop	L + 7.50	% 9.00	% 12/2016	17,643	17,370	2.6	17,290
NetSmart Technologies, Inc.	One Stop	L + 6.00	% 8.77	% 12/2017	8,324	8,254	1.3	8,324
NetSmart Technologies, Inc.*	One Stop	L + 6.00	% 8.79	% 12/2017	650	639	0.1	650
PC Helps Support, LLC ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5) 09/2017	-	(2)	-	-
PC Helps Support, LLC	Senior loan	L + 5.25	% 6.52	% 09/2017	1,973	1,951	0.3	1,973
Secure-24, LLC ⁽⁴⁾	One Stop	L + 7.00	% N/A	(5) 08/2017	-	(6)	-	(22)
Secure-24, LLC*	One Stop	L + 7.00	% 8.25	% 08/2017	10,512	10,280	1.5	10,092

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Secure-24, LLC	One Stop	L + 7.00	%	8.25	%	08/2017	1,538	1,513	0.2	1,476
Source Medical Solutions, Inc.	Second Lien	L + 9.50	%	10.75	%	03/2018	9,294	9,114	1.4	9,294
Vericclaim, Inc. ⁽⁴⁾	Senior loan	P + 3.50	%	N/A	(5)	05/2018	-	(3)	-	-
Vericclaim, Inc.	Senior loan	L + 4.75	%	6.00	%	05/2018	6,343	6,311	1.0	6,343
							143,427	141,496	21.6	142,454

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments (unaudited) - (Continued)****December 31, 2013***(In thousands)*

	Investment Type	Spread Above Index (1)	Interest Rate(2)	Maturity Date	Principal Amount	Cost	Percentage of Total Net Assets	Fair Value
Electronics								
BeyondTrust Software, Inc.	One Stop	L + 6.00	% 7.25	% 12/2019	12,014	11,754	1.8	11,840
Ecommerce Industries, Inc.*	One Stop	L + 6.75	% 9.60	% 10/2016	12,345	12,218	1.9	12,345
Rogue Wave Holdings, Inc.*	One Stop	L + 6.50	% 7.50	% 12/2018	10,885	10,750	1.6	10,777
Sloan Company, Inc., The(4)	One Stop	L + 7.50	% N/A	(5) 10/2018	-	(16)	-	(13)
Sloan Company, Inc., The*	One Stop	L + 7.50	% 8.75	% 10/2018	13,277	13,119	2.0	13,144
Sparta Systems, Inc.(4)	Senior loan	L + 5.25	% N/A	(5) 12/2017	-	(6)	-	-
Sparta Systems, Inc.	Senior loan	L + 5.25	% 6.50	% 12/2017	6,359	6,295	1.0	6,359
Syncsort Incorporated(4)	Senior loan	L + 5.50	% N/A	(5) 03/2015	-	(2)	-	-
Syncsort Incorporated*	Senior loan	P + 4.25	% 7.50	% 03/2015	6,271	6,210	1.0	6,271
Systems Maintenance Services Holding, Inc.	Senior loan	L + 4.25	% 5.25	% 10/2019	2,670	2,657	0.4	2,657
Taxware, LLC	Second Lien	L + 8.50	% 9.50	% 10/2019	11,099	10,884	1.7	11,099
Watchfire Enterprises, Inc.	Second Lien	L + 8.00	% 9.00	% 10/2021	9,435	9,253	1.4	9,293
					84,355	83,116	12.8	83,772
Farming and Agriculture								
AGData, L.P.*	One stop	L + 6.00	% 7.25	% 08/2016	3,828	3,792	0.6	3,828
					3,828	3,792	0.6	3,828
Finance								

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Ascensus, Inc.* ⁽⁴⁾	One Stop	L + 4.00	%	N/A	(5)	11/2018	-	(19)	-	(5)
Ascensus, Inc.*	One Stop	L + 4.00	%	5.00	%	12/2019	4,224	4,141	0.6	4,203
Ascensus, Inc.*	One Stop	L + 8.00	%	9.00	%	12/2020	6,337	6,117	1.0	6,242
Pillar Processing LLC*	Senior loan	L + 5.50	%	5.74	%	11/2018	1,194	1,191	0.1	597
Pillar Processing LLC* ⁽³⁾	Senior loan	N/A		14.50	%	05/2019	2,377	2,369	-	-
							14,132	13,799	1.7	11,037
Grocery										
MyWebGrocer, Inc. ⁽⁴⁾	Senior loan	L + 4.75	%	N/A	(5)	05/2018	-	(14)	-	-
MyWebGrocer, Inc.	Senior loan	L + 4.75	%	6.00% cash/4.00% PIK		05/2018	14,271	14,051	2.2	14,271
Teasdale Quality Foods, Inc.*	Senior loan	L + 4.50	%	5.75	%	05/2018	2,793	2,768	0.4	2,793
							17,064	16,805	2.6	17,064
Healthcare, Education and Childcare										
Advanced Pain Management Holdings, Inc. ⁽⁴⁾	Senior loan	L + 5.00	%	N/A	(5)	02/2018	-	(10)	-	-
Advanced Pain Management Holdings, Inc.*	Senior loan	L + 5.00	%	6.25	%	02/2018	7,345	7,284	1.1	7,345
Advanced Pain Management Holdings, Inc. ⁽⁴⁾	Senior loan	L + 5.00	%	N/A	(5)	02/2018	-	(6)	-	-
Avatar International, LLC ⁽⁴⁾	One Stop	L + 7.50	%	N/A	(5)	09/2016	-	(5)	-	(64)
Avatar International, LLC*	One Stop	L + 7.50	%	8.75	%	09/2016	7,603	7,532	1.1	6,995
Avatar International, LLC	One Stop	L + 8.00	%	9.25	%	09/2016	1,640	1,629	0.2	1,525
Certara L.P. ⁽⁴⁾	One Stop	L + 6.25	%	N/A	(5)	12/2018	-	(22)	-	(22)
Certara L.P.*	One Stop	L + 6.25	%	7.25	%	12/2018	17,740	17,520	2.7	17,518
DDC Center Inc.*	One Stop	L + 6.25	%	9.25	%	10/2014	7,849	7,844	1.2	7,849
DDC Center Inc.	One Stop	L + 6.25	%	N/A	(5)	10/2014	-	-	-	-
Delta Educational Systems*	Senior loan	P + 4.75	%	8.00	%	12/2016	1,762	1,736	0.3	1,762
Dialysis Newco, Inc. ⁽⁴⁾	Second Lien	L + 8.50	%	N/A	(5)	02/2021	-	(25)	-	-
			%	9.75	%	02/2021	23,901	23,310	3.6	23,901

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Dialysis Newco, Inc.*	Second Lien	L + 8.50							
Dialysis Newco, Inc.	Senior loan	L + 4.25	% 5.25	% 08/2020	6,330	6,270	1.0	6,345	
Encore Rehabilitation Services, LLC ⁽⁴⁾	One Stop	L + 6.25	% N/A	(5) 06/2017	-	(11)	-	-	
Encore Rehabilitation Services, LLC	One Stop	L + 6.25	% 7.50	% 06/2017	5,066	4,970	0.8	5,066	
G & H Wire Company, Inc. ⁽⁴⁾	Senior loan	L + 5.50	% N/A	(5) 11/2016	-	(8)	-	-	
G & H Wire Company, Inc.*	Senior loan	L + 5.50	% 7.00	% 11/2016	8,497	8,403	1.3	8,497	
Healogics, Inc.*	Second Lien	L + 8.00	% 9.25	% 02/2020	16,454	16,310	2.5	16,824	
Hospitalists Management Group, LLC	Senior loan	P + 4.00	% 7.06	% 05/2017	837	828	0.1	764	
Hospitalists Management Group, LLC	Senior loan	L + 5.00	% 6.50	% 05/2017	3,694	3,634	0.5	3,398	
Hospitalists Management Group, LLC	Senior loan	L + 5.00	% 6.51	% 05/2017	435	430	0.1	400	
IntegraMed America, Inc. ⁽⁴⁾	One Stop	L + 7.25	% N/A	(5) 09/2017	-	(14)	-	-	
IntegraMed America, Inc.*	One Stop	L + 7.25	% 8.50	% 09/2017	14,420	14,177	2.2	14,420	
Maverick Healthcare Group, LLC*	Senior loan	L + 5.50	% 7.25	% 12/2016	2,019	2,003	0.3	2,019	
NeuroTherm, Inc.	Senior loan	L + 5.00	% 6.50	% 02/2016	23	19	-	23	
NeuroTherm, Inc.*	Senior loan	L + 5.00	% 6.50	% 02/2016	1,298	1,286	0.2	1,298	
Northwestern Management Services, LLC*	Senior loan	L + 5.25	% 6.50	% 10/2017	48	35	-	48	
Northwestern Management Services, LLC	Senior loan	L + 5.25	% 6.50	% 10/2017	4,019	3,955	0.6	4,019	
Northwestern Management Services, LLC ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5) 10/2017	-	(4)	-	-	
Pentec Acquisition Sub, Inc. ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5) 05/2017	-	(3)	-	-	
Pentec Acquisition Sub, Inc.*	Senior loan	L + 5.25	% 6.50	% 05/2018	1,868	1,841	0.3	1,868	
Precision Dermatology, Inc. ⁽⁴⁾	One Stop	L + 6.00	% N/A	(5) 09/2018	-	(6)	-	(3)	
	One Stop		% 7.25	% 09/2018	10,042	9,947	1.5	9,991	

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Precision Dermatology, Inc.		L +							
		6.00							
Reliant Pro ReHab, LLC	Senior loan	P + 3.75	% 7.00	% 06/2016	276	270	-	276	
Reliant Pro ReHab, LLC*	Senior loan	L + 4.75	% 6.00	% 06/2016	3,361	3,332	0.5	3,361	
Reliant Pro ReHab, LLC	Senior loan	L + 4.75	% 6.00	% 06/2016	932	927	0.1	932	
Renaissance Pharma (U.S.) Holdings Inc. ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5) 05/2018	-	(4)	-	-	
Renaissance Pharma (U.S.) Holdings Inc.*	Senior loan	L + 5.25	% 6.75	% 05/2018	4,435	4,382	0.7	4,435	
Southern Anesthesia and Surgical ⁽⁴⁾	One Stop	L + 7.00	% N/A	(5) 11/2017	-	(12)	-	-	
Southern Anesthesia and Surgical	One Stop	L + 7.00	% 8.25	% 11/2017	6,186	6,067	0.9	6,186	
Surgical Information Systems, LLC	Senior loan	L + 3.00	% 4.01	% 09/2018	1,704	1,704	0.3	1,704	
WIL Research Company, Inc.*	Senior loan	L + 4.50	% 5.75	% 02/2018	782	774	0.1	770	
Young Innovations, Inc. ⁽⁴⁾	Senior loan	L + 4.50	% N/A	(5) 01/2018	-	(2)	-	-	
Young Innovations, Inc.	Senior loan	L + 4.50	% 5.75	% 01/2019	4,393	4,365	0.7	4,393	
					164,959	162,652	24.9	163,843	

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments (unaudited) - (Continued)****December 31, 2013***(In thousands)*

	Investment Type	Spread Above Index (1)	Interest Rate ⁽²⁾	Maturity Date	Principal Amount	Cost	Percentage of Total Net Assets	Fair Value
Home and Office Furnishings, Housewares, and Durable Consumer								
Plano Molding Company, LLC	Senior loan	L + 4.25	% 5.25	% 10/2018	2,022	2,007	0.3	2,007
WII Components, Inc.*	Senior loan	L + 4.75	% 6.25	% 07/2016	1,616	1,604	0.2	1,616
WII Components, Inc.	Senior loan	P + 3.75	% 7.00	% 07/2016	7	6	-	7
Zenith Products Corporation	One Stop	P + 1.75	% 5.00	% 09/2013	29	29	-	19
Zenith Products Corporation*	One Stop	P + 3.50	% 6.75	% 09/2013	3,684	3,684	0.4	2,395
					7,358	7,330	0.9	6,044
Insurance								
AssuredPartners Capital, Inc.*	Senior loan	L + 4.50	% 5.75	% 12/2018	2,371	2,353	0.4	2,371
AssuredPartners Capital, Inc.	Senior loan	L + 4.75	% 6.00	% 06/2019	172	168	-	172
AssuredPartners Capital, Inc. ⁽⁴⁾	Senior loan	L + 4.75	% N/A	⁽⁵⁾ 12/2019	-	(21)	-	-
Captive Resources Midco, LLC ⁽⁴⁾	Senior loan	L + 5.50	% N/A	⁽⁵⁾ 10/2017	-	(3)	-	-
Captive Resources Midco, LLC*	Senior loan	P + 4.50	% 7.75	% 10/2018	3,543	3,515	0.5	3,543
Evolution1, Inc.*	Senior loan	L + 4.75	% 6.25	% 06/2016	4,549	4,515	0.7	4,549
Evolution1, Inc.	Senior loan	P + 3.75	% 7.00	% 06/2016	56	53	-	56
					10,691	10,580	1.6	10,691
Investment Funds and Vehicles								
			% 4.18	% 05/2020	28,356	28,356	4.2	27,871

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Senior Loan Fund LLC (7)	Investment in SLF	L + 4.00				28,356	28,356	4.2	27,871
Leisure, Amusement, Motion Pictures and Entertainment									
Competitor Group, Inc.	One Stop	P + 6.75	% 9.76	% 11/2018	884	871	0.1	743	
Competitor Group, Inc.*	One Stop	L + 7.75	% 9.00% cash/1.00% PIK	11/2018	12,807	12,624	1.7	11,526	
Octane Fitness, LLC ⁽⁴⁾	One Stop	L + 5.25	% N/A	⁽⁵⁾ 10/2018	-	(4)	-	(4)	
Octane Fitness, LLC	One Stop	L + 5.25	% 6.50	% 10/2018	8,220	8,181	1.2	8,179	
Pride Manufacturing Company, LLC*	Senior loan	L + 6.00	% 7.75	% 11/2015	571	566	0.1	571	
Service Companies, The	Senior loan	L + 6.50	% N/A	⁽⁵⁾ 03/2014	-	-	-	-	
Service Companies, The*	Senior loan	L + 6.50	% 9.00	% 03/2014	6,290	6,282	1.0	6,290	
Starplex Operating, L.L.C.	One Stop	L + 7.50	% 9.00	% 12/2017	1,077	1,061	0.2	1,077	
Starplex Operating, L.L.C.*	One Stop	L + 7.50	% 9.00	% 12/2017	17,388	17,143	2.6	17,388	
Titan Fitness, LLC ⁽⁴⁾	One Stop	L + 6.50	% N/A	⁽⁵⁾ 09/2019	-	(25)	-	(17)	
Titan Fitness, LLC*	One Stop	L + 6.50	% 7.75	% 09/2019	13,706	13,401	2.1	13,569	
Titan Fitness, LLC ⁽⁴⁾	One Stop	L + 6.50	% N/A	⁽⁵⁾ 09/2019	-	(25)	-	(17)	
						60,943	60,075	9.0	59,305
Mining, Steel, Iron and Non-Precious Metals									
Benetech, Inc.*	One Stop	P + 4.75	% 8.00	% 10/2017	201	196	-	201	
Benetech, Inc.*	One Stop	L + 6.00	% 7.25	% 10/2017	5,434	5,413	0.8	5,434	
						5,635	5,609	0.8	5,635
Oil and Gas									
Drilling Info, Inc. ^{(4), (8)}	One Stop	L + 5.00	% N/A	⁽⁵⁾ 06/2018	-	(5)	-	-	
Drilling Info, Inc. ^{(4), (8)}	One Stop	L + 5.00	% 6.00	% 06/2018	408	404	0.1	408	
Drilling Info, Inc. ^{(4), (8)}	One Stop	L + 5.00	% 6.00	% 06/2018	952	943	0.1	952	
						1,360	1,342	0.2	1,360
Personal and Non-Durable Consumer Products									

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Hygenic Corporation, The ⁽⁴⁾	Senior loan	L + 4.50	%	N/A	(5)	10/2017	-	(3)	-	-
Hygenic Corporation, The*	Senior loan	L + 4.50	%	5.75	%	10/2018	3,455	3,417	0.5	3,455
Massage Envy, LLC ⁽⁴⁾	One Stop	L + 7.25	%	N/A	(5)	09/2018	-	(15)	-	-
Massage Envy, LLC	One Stop	L + 7.25	%	8.50	%	09/2018	16,527	16,203	2.5	16,527
Rug Doctor LLC	Senior loan	P + 4.25	%	7.50	%	12/2016	217	205	-	204
Rug Doctor LLC*	Senior loan	L + 5.25	%	6.25	%	12/2016	5,574	5,519	0.9	5,519
Team Technologies Acquisition Company ⁽⁴⁾	Senior loan	L + 4.75	%	N/A	(5)	12/2017	-	(3)	-	-
Team Technologies Acquisition Company	Senior loan	L + 4.75	%	6.00	%	12/2017	3,510	3,483	0.5	3,510
							29,283	28,806	4.4	29,215
Personal, Food and Miscellaneous Services										
Affordable Care Inc. ⁽⁴⁾	Senior loan	L + 4.75	%	N/A	(5)	12/2017	-	(2)	-	-
Affordable Care Inc.	Senior loan	L + 4.75	%	6.00	%	12/2018	3,532	3,503	0.6	3,532
El Pollo Loco Inc	Senior loan	L + 4.25	%	5.25	%	10/2018	5,188	5,138	0.8	5,201
Focus Brands Inc.	Second Lien	L + 9.00	%	10.25	%	08/2018	11,195	11,072	1.7	11,446
National Veterinary Associates, Inc. ⁽⁴⁾	Senior loan	L + 5.00	%	N/A	(5)	12/2017	-	(1)	-	-
National Veterinary Associates, Inc.	Senior loan	L + 5.00	%	6.25	%	12/2017	6,006	5,965	0.9	6,006
National Veterinary Associates, Inc.	Senior loan	L + 5.00	%	6.25	%	12/2017	1,433	1,421	0.2	1,433
PMI Holdings, Inc. ⁽⁴⁾	One Stop	L + 5.75	%	N/A	(5)	10/2018	-	(10)	-	(10)
PMI Holdings, Inc.*	One Stop	L + 5.75	%	6.75	%	10/2018	33,326	33,166	5.0	33,160
Vetcor Merger Sub LLC	One Stop	L + 6.50	%	7.75	%	12/2017	199	192	-	199
Vetcor Merger Sub LLC	One Stop	L + 6.50	%	7.75	%	12/2017	5,914	5,862	0.9	5,914
Vetcor Merger Sub LLC*	One Stop	L + 6.50	%	7.75	%	12/2017	1,343	1,323	0.2	1,343
							68,136	67,629	10.3	68,224

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments (unaudited) - (Continued)

December 31, 2013

(In thousands)

	Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal Amount	Cost	Percentage of Total Net Assets	Fair Value
Printing and Publishing								
Market Track, LLC ⁽⁴⁾	One Stop	L + 6.00	% N/A ⁽⁵⁾	10/2019	-	(21)	-	(22)
Market Track, LLC*	One Stop	L + 6.00	% 7.25 %	10/2019	29,492	29,206	4.4	29,197
Market Track, LLC ⁽⁴⁾	One Stop	L + 6.00	% N/A ⁽⁵⁾	10/2019	-	(20)	-	(22)
					29,492	29,165	4.4	29,153
Retail Stores								
Benihana, Inc. ⁽⁴⁾	One Stop	P + 4.25	% N/A ⁽⁵⁾	07/2018	-	(40)	-	-
Benihana, Inc.*	One Stop	L + 5.50	% 6.75 %	01/2019	14,071	13,665	2.1	14,071
Boot Barn, Inc.*	One Stop	L + 5.75	% 7.00 %	05/2019	24,614	24,282	3.7	24,614
Capital Vision Services, LLC	One Stop	L + 7.25	% 8.50 %	12/2017	323	312	0.1	323
Capital Vision Services, LLC*	One Stop	L + 7.25	% 8.50 %	12/2017	13,324	13,168	2.0	13,324
Capital Vision Services, LLC	One Stop	L + 7.25	% 8.50 %	12/2017	1,244	1,230	0.2	1,244
DTLR, Inc.*	One Stop	L + 8.00	% 11.00 %	12/2015	16,541	16,426	2.5	16,541
Express Oil Change, LLC	Senior loan	L + 4.75	% 6.35 %	12/2017	94	91	-	94
Express Oil Change, LLC*	Senior loan	P + 3.50	% 6.75 %	12/2017	1,795	1,780	0.3	1,795
Express Oil Change, LLC	Senior loan	P + 3.50	% 6.75 %	12/2017	115	111	-	115
Floor & Decor Outlets of America, Inc.*	One Stop	L + 6.50	% 7.75 %	05/2019	11,330	11,204	1.7	11,330

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Marshall Retail Group, LLC, The ⁽⁴⁾	Senior loan	L + 6.50	% N/A	⁽⁵⁾	10/2016	-	(11)) -	-
Marshall Retail Group, LLC, The*	Senior loan	L + 6.50	% 8.00	%	10/2016	9,365	9,251	1.4	9,365
Paper Source, Inc.	One Stop	P + 5.00	% N/A	⁽⁵⁾	09/2018	-	(12)) -	(6)
Paper Source, Inc.*	One Stop	L + 6.25	% 7.25	%	09/2018	12,672	12,553	1.9	12,607
Restaurant Holding Company, LLC	Senior loan	L + 7.50	% 9.00	%	02/2017	9,230	9,114	1.3	8,630
Rubio's Restaurants, Inc*	Senior loan	L + 4.75	% 6.00	%	11/2018	9,447	9,439	1.4	9,447
Sneaker Villa, Inc.	One Stop	P + 7.00	% 11.50	%	12/2017	1,190	1,175	0.2	1,190
Sneaker Villa, Inc.	One Stop	L + 8.50	% 10.00	%	12/2017	4,520	4,430	0.7	4,520
Sneaker Villa, Inc.	One Stop	L + 8.50	% 10.00	%	12/2017	627	619	0.1	627
Specialty Catalog Corp. ⁽⁴⁾	One Stop	L + 6.00	% N/A	⁽⁵⁾	07/2017	-	(6)) -	-
Specialty Catalog Corp.	One Stop	L + 6.00	% 7.50	%	07/2017	4,961	4,914	0.8	4,961
Vision Source L.P. ⁽⁴⁾	One Stop	L + 5.00	% N/A	⁽⁵⁾	04/2016	-	(9)) -	-
Vision Source L.P.*	One Stop	L + 5.00	% 6.00	%	04/2016	19,574	19,425	3.0	19,574
						155,037	153,111	23.4	154,366
Telecommunications									
Arise Virtual Solutions, Inc. ⁽⁴⁾	One Stop	L + 6.00	% N/A	⁽⁵⁾	12/2018	-	(13)) -	(13)
Arise Virtual Solutions, Inc.*	One Stop	L + 6.00	% 7.25	%	12/2018	14,134	13,993	2.1	13,993
Hosting.com Inc.	Senior loan	P + 3.25	% 6.50	%	10/2016	14	12	-	14
Hosting.com Inc.*	Senior loan	L + 4.50	% 5.75	%	10/2016	801	793	0.1	801
ITC Global, Inc. ⁽⁴⁾	One Stop	P + 5.50	% N/A	⁽⁵⁾	07/2018	10	(4)) -	10
ITC Global, Inc.	One Stop	L + 6.75	% 7.75	%	07/2018	8,540	8,454	1.3	8,540
NameMedia, Inc.	Senior loan	L + 6.00	% N/A	⁽⁵⁾	11/2014	-	-	-	-
						23,499	23,235	3.5	23,345
Utilities									
PowerPlan Consultants, Inc. ⁽⁴⁾	Senior loan	L + 4.25	% N/A	⁽⁵⁾	10/2018	-	(2)) -	(1)
PowerPlan Consultants, Inc.*	Senior loan	L + 4.25	% 5.25	%	10/2019	4,207	4,152	0.6	4,165
						4,207	4,150	0.6	4,164
						\$1,148,454	\$1,132,963	172.3 %	\$1,137,314

**Total debt
investments United
States**

**Fair Value as a
percentage of
Principal Amount**

99.0 %

See Notes to Consolidated Financial Statements.

11

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments (unaudited) - (Continued)****December 31, 2013***(In thousands)*

	Investment	Spread	Interest	Maturity	Principal		Percentage	
	Type	Above	Rate ⁽²⁾	Date	Amount/Shares/ Contracts	Cost	of Total	Fair
		Index ⁽¹⁾					Net	Value
							Assets	
Equity investments								
Aerospace and Defense								
NTS Technical Systems	Common stock	N/A	N/A	N/A	1	\$1,352	0.2	% \$1,352
Tresys Technology Holdings, Inc.	Common stock	N/A	N/A	N/A	295	295	-	70
Whitcraft LLC	Common stock	N/A	N/A	N/A	1	670	0.1	489
Whitcraft LLC	Warrant	N/A	N/A	N/A	-	-	-	95
						2,317	0.3	2,006
Automobile								
ABRA, Inc	LLC interest	N/A	N/A	N/A	208	352	0.3	2,176
K&N Engineering, Inc.	Common stock	N/A	N/A	N/A	-	4	-	78
K&N Engineering, Inc.	Preferred stock A	N/A	N/A	N/A	-	26	-	38
K&N Engineering, Inc.	Preferred stock B	N/A	N/A	N/A	-	-	-	10
						382	0.3	2,302
Beverage, Food and Tobacco								
Atkins Nutritionals, Inc.	LLC interest	N/A	N/A	N/A	57	746	0.1	824
First Watch Restaurants, Inc.	Common stock	N/A	N/A	N/A	7	691	0.1	691
Goode Seed Co-Invest, LLC	LLC units	N/A	N/A	N/A	356	356	0.1	411
Julio & Sons Company	LLC interest	N/A	N/A	N/A	521	521	0.1	504
Northern Brewer, LLC	LLC interest	N/A	N/A	N/A	142	315	-	218
Richelieu Foods, Inc.	LP interest	N/A	N/A	N/A	220	220	-	111
						2,849	0.4	2,759
Containers, Packaging and Glass								
Packaging Coordinators, Inc.	LLC interest	N/A	N/A	N/A	48	2,476	0.6	4,007
						2,476	0.6	4,007

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Diversified Conglomerate									
Manufacturing									
Oasis Outsourcing Holdings, Inc.	LLC interest	N/A	N/A	N/A	1,088	1,088	0.3	1,797	
Sunless Merger Sub, Inc.	LP interest	N/A	N/A	N/A	-	160	-	4	
TIDI Products, LLC	LLC interest	N/A	N/A	N/A	315	158	-	235	
						1,406	0.3	2,036	
Diversified Conglomerate									
Service									
Document Technologies, LLC	LLC interest	N/A	N/A	N/A	24	490	0.1	624	
Marathon Data Operating Co., LLC	Common stock	N/A	N/A	N/A	1	264	0.1	293	
Marathon Data Operating Co., LLC	Preferred stock	N/A	N/A	N/A	1	264	-	218	
Navex Global, Inc.	LP interest	N/A	N/A	N/A	-	666	0.1	511	
PC Helps Support, LLC	Common stock	N/A	N/A	N/A	1	7	-	7	
PC Helps Support, LLC	Preferred stock	N/A	N/A	N/A	-	61	-	61	
Secure-24, LLC	LLC Units	N/A	N/A	N/A	263	263	-	141	
						2,015	0.3	1,855	
Grocery									
MyWebGrocer, Inc.	LLC units	N/A	N/A	N/A	1,269	1,269	0.2	1,269	
Healthcare, Education and									
Childcare									
Advanced Pain Management Holdings, Inc.	Common stock	N/A	N/A	N/A	67	67	0.1	743	
Advanced Pain Management Holdings, Inc.	Preferred stock	N/A	N/A	N/A	8	829	0.1	886	
Avatar International, LLC	LP interest	N/A	N/A	N/A	1	695	-	183	
Certara L.P.	LP interest	N/A	N/A	N/A	-	541	0.1	541	
Dialysis Newco, Inc.	LLC interest	N/A	N/A	N/A	871	89	0.2	1,274	
Encore Rehabilitation Services, LLC	LLC interest	N/A	N/A	N/A	270	270	0.1	349	
G & H Wire Company, Inc.	LP interest	N/A	N/A	N/A	-	102	-	118	
Healogics, Inc.	Preferred stock	N/A	N/A	N/A	695	799	0.2	1,057	
Hospitalists Management Group, LLC	Common stock	N/A	N/A	N/A	-	38	-	10	
IntegraMed America, Inc.	Common stock	N/A	N/A	N/A	1	514	0.1	676	
NeuroTherm, Inc.	Common stock	N/A	N/A	N/A	1	569	0.1	876	
Northwestern Management Services, LLC	LLC units	N/A	N/A	N/A	3	3	-	36	
Northwestern Management Services, LLC	LLC units	N/A	N/A	N/A	-	249	0.1	274	
Pentec Acquisition Sub, Inc.	Preferred stock	N/A	N/A	N/A	1	116	-	87	
Reliant Pro ReHab, LLC		N/A	N/A	N/A	2	264	0.1	312	

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

	Preferred stock								
Southern Anesthesia and Surgical	LLC units	N/A	N/A	N/A	487	487	0.1	603	
Surgical Information Systems, LLC	Common stock	N/A	N/A	N/A	4	414	0.1	495	
Young Innovations, Inc.	Preferred stock	N/A	N/A	N/A	-	236	0.1	269	
						6,282	1.5	8,789	
Home and Office Furnishings, Housewares, and Durable Consumer									
Top Knobs USA, Inc.	Common stock	N/A	N/A	N/A	3	35	-	87	
Insurance									
Captive Resources Midco, LLC	LLC units	N/A	N/A	N/A	1	121	-	135	
Investment Funds and Vehicles									
Senior Loan Fund LLC ⁽⁷⁾	LLC interest	N/A	N/A	N/A	4,051	4,051	0.7	4,879	
Leisure, Amusement, Motion Pictures and Entertainment									
Competitor Group, Inc.	LLC interest	N/A	N/A	N/A	708	712	-	150	
LMP TR Holdings, LLC	LLC units	N/A	N/A	N/A	712	712	0.1	712	
Titan Fitness, LLC	LLC units	N/A	N/A	N/A	6	583	0.1	583	
						2,007	0.2	1,445	

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments (unaudited) - (Continued)****December 31, 2013***(In thousands)*

	Investment	Spread	Interest	Maturity	Principal		Percentage	
	Type	Above	Rate ⁽²⁾	Date	Amount/Shares/ Contracts	Cost	of Total	Fair
		Index ⁽¹⁾					Net	Value
							Assets	
Personal and Non-Durable Consumer Products								
Hygenic Corporation, The	LP interest	N/A	N/A	N/A	1	61	-	74
Massage Envy, LLC	LLC interest	N/A	N/A	N/A	749	749	0.1	749
Team Technologies Acquisition Company	Common stock	N/A	N/A	N/A	-	148	-	168
						958	0.1	991
Personal Transportation								
PODS Funding Corp. II	Warrant	N/A	N/A	N/A	271	-	0.1	687
Printing and Publishing								
Market Track, LLC	Preferred stock	N/A	N/A	N/A	-	145	-	166
Market Track, LLC	Common stock	N/A	N/A	N/A	1	145	0.1	174
						290	0.1	340
Retail Stores								
Barcelona Restaurants, LLC ⁽⁶⁾	LP interest	N/A	N/A	N/A	1,996	1,996	0.4	2,879
Benihana, Inc.	LLC interest	N/A	N/A	N/A	43	699	0.1	830
Capital Vision Services, LLC	LLC interest	N/A	N/A	N/A	402	402	0.1	562
Express Oil Change, LLC	LLC interest	N/A	N/A	N/A	81	81	-	66
Paper Source, Inc.	LLC interest	N/A	N/A	N/A	8	1,387	0.2	1,387
Rubio's Restaurants, Inc.	Preferred stock	N/A	N/A	N/A	199	945	0.2	1,442
Sneaker Villa, Inc.	LLC interest	N/A	N/A	N/A	4	411	0.1	509
Vision Source L.P.		N/A	N/A	N/A	9	936	0.2	1,032

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

	Common stock					6,857	1.3	8,707
Telecommunications								
ITC Global, Inc.	Preferred stock	N/A	N/A	N/A	17	311	0.1	311
Total equity investments United States						\$33,626	6.5	% \$42,605
Total United States						\$1,166,589	178.8	% \$1,179,919
Total Investments						\$1,166,589	178.8	% \$1,179,919

*Denotes that all or a portion of the loan secures the notes offered in the Debt Securitization (as defined in Note 7).

The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L") or Prime ("P") and which reset daily, quarterly or semiannually. For each, we have (1) provided the spread over LIBOR or Prime and the weighted average current interest rate in effect at December 31, 2013. Certain investments are subject to a LIBOR or Prime interest rate floor. For fixed rate loans, a spread above a reference rate is not applicable.

(2) For portfolio companies with multiple interest rate contracts, the interest rate shown is a weighted average current interest rate in effect at December 31, 2013.

(3) Loan was on non-accrual status as of December 31, 2013, meaning that the Company has ceased recognizing interest income on the loan.

The negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being (4) valued below par. The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

(5) The entire commitment was unfunded at December 31, 2013. As such, no interest is being earned on this investment.

As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of the portfolio company as it (6) owns five percent or more of the portfolio company's voting securities. See Note 5 in the accompanying notes to the financial statements for transactions during the three months ended December 31, 2013 in which the issuer was an Affiliated Person (but not a portfolio company that the Company is deemed to Control.)

As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and "Control" this (7) portfolio company as we own more than 25% of the portfolio company's outstanding voting securities or have the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Note 5 in the accompanying notes to the consolidated financial statements for transactions during the three months ended December 31, 2013 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control.

The sale of a portion of this loan does not qualify for sale accounting under ASC Topic 860 - Transfers and (8) Servicing, and therefore, the entire One Stop loan asset remains in the Consolidated Schedule of Investments. (See Note 7 in the accompanying notes to the consolidated financial statements.)

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments****September 30, 2013***(In thousands)*

	Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal		Percentage of Net Assets		Fair Value	
					Amount	Cost				
Investments										
Canada										
Debt										
investments										
Leisure, Amusement, Motion Pictures, Entertainment										
Extreme Fitness, Inc. ^{(3) (8)}	Subordinated debt	N/A	12.00% cash/2.50% PIK	11/2015	\$2,842	\$2,810	-	%	\$-	
Total Canada					\$2,842	\$2,810	-	%	\$-	
Fair Value as percentage of Principal Amount										
United States										
Debt										
investments										
Aerospace and Defense										
ILC Dover, LP	Senior loan	L + 6.00	% 7.25	% 07/2017	\$606	\$601	0.1	%	\$594	
ILC Dover, LP	Senior loan	P + 5.00	% 8.25	% 07/2017	148	141	-		139	
ILC Dover, LP	Senior loan	L + 6.00	% 7.25	% 07/2017	4,352	4,286	0.6		4,265	
Tresys Technology	One stop	L + 6.75	% N/A	⁽⁵⁾ 12/2017	-	(8)	-		(34)	

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Holdings, Inc. ⁽⁴⁾									
Tresys Technology Holdings, Inc.	One stop	L + 6.75	% 8.00	%	12/2017	3,975	3,891	0.6	3,776
TurboCombustor Technology Inc.*	Senior loan	L + 4.75	% 5.75	%	12/2017	381	379	0.1	381
TurboCombustor Technology Inc.*	Senior loan	L + 5.00	% 6.00	%	12/2017	895	892	0.1	895
Whitcraft LLC	Subordinated debt	N/A	12.00	%	12/2018	1,877	1,853	0.3	1,877
White Oak Technologies, Inc. ⁽⁴⁾	Senior loan	L + 5.00	% N/A	⁽⁵⁾	03/2017	-	(9)	-	-
White Oak Technologies, Inc.*	Senior loan	L + 5.00	% 6.25	%	03/2017	1,833	1,797	0.3	1,833
						14,067	13,823	2.1	13,726
Automobile									
ABRA, Inc. ⁽⁹⁾	One stop	P + 4.50	% 7.75	%	05/2018	841	821	0.1	841
ABRA, Inc.* ⁽⁹⁾	One stop	L + 5.75	% 7.00	%	05/2018	26,372	26,189	4.0	26,372
ABRA, Inc.* ^{(4),(9)}	One stop	L + 5.75	% N/A	⁽⁵⁾	05/2018	-	(12)	-	-
ABRA, Inc. ^{(4),(9)}	One stop	L + 5.75	% N/A	⁽⁵⁾	05/2018	-	(48)	-	-
American Driveline Systems, Inc.	Senior loan	P + 6.50	% 9.75	%	01/2016	391	386	0.1	352
American Driveline Systems, Inc.*	Senior loan	P + 6.50	% 9.75	%	01/2016	2,826	2,793	0.4	2,543
Express Oil Change, LLC	Senior loan	P + 3.50	% 6.75	%	12/2017	116	112	-	116
Express Oil Change, LLC	Senior loan	P + 3.50	% 6.75	%	12/2017	181	178	-	181
Express Oil Change, LLC*	Senior loan	P + 3.50	% 6.75	%	12/2017	1,818	1,803	0.3	1,818
K&N Engineering, Inc. ⁽⁴⁾	Senior loan	L + 4.50	% N/A	⁽⁵⁾	04/2018	-	(7)	-	-
K&N Engineering, Inc.*	Senior loan	L + 4.50	% 5.75	%	04/2018	7,279	7,179	1.1	7,279
Take 5 Oil Change, L.L.C.	Senior loan	L + 5.25	% 6.25	%	07/2018	118	114	-	114
Take 5 Oil Change, L.L.C.	Senior loan	L + 5.25	% 6.25	%	07/2018	2,978	2,957	0.5	2,956
						42,920	42,465	6.5	42,572

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Banking

Prommis Fin Co.* ⁽³⁾	Senior loan	P + 10.50	%	2.25% cash/11.50% PIK	06/2015	146	145	-	40
Prommis Fin Co.	Senior loan	P + 11.00	%	13.25	06/2015	98	98	-	23
Prommis Fin Co.* ⁽³⁾	Second lien	P + 10.50	%	2.25% cash/11.50% PIK	06/2015	384	382	-	-
Prommis Fin Co.* ⁽³⁾	Subordinated debt	P + 10.50	%	2.25% cash/11.50% PIK	06/2015	192	191	-	-
						820	816	-	63

Beverage, Food and Tobacco

ABP Corporation	Senior loan	P + 3.50	%	7.25	06/2016	63	58	-	63
ABP Corporation*	Senior loan	L + 4.75	%	6.00	06/2016	4,490	4,442	0.7	4,490
American Importing Company, Inc.	One stop	L + 5.75	%	7.00	05/2018	14,806	14,624	2.3	14,806
Ameriquel Group, LLC*	Senior loan	L + 5.00	%	6.50	03/2016	1,727	1,710	0.3	1,658
Ameriquel Group, LLC*	Senior loan	L + 7.50	%	9.00	03/2016	831	823	0.1	731
Atkins Nutritionals, Inc.*	One stop	L + 5.00	%	6.25	01/2019	22,339	22,097	3.4	22,395
Atkins Nutritionals, Inc.*	One stop	L + 8.50	%	9.75	04/2019	17,270	16,830	2.7	17,529
Candy Intermediate Holdings, Inc. (Ferrara Candy)	Senior loan	L + 6.25	%	7.50	06/2018	4,937	4,800	0.7	4,777
Firebirds International, LLC	One stop	L + 5.75	%	7.00	05/2018	83	79	-	79
Firebirds International, LLC ⁽⁴⁾	One stop	L + 5.75	%	N/A	⁽⁵⁾ 05/2018	-	(3)	-	(3)
Firebirds International, LLC ⁽⁴⁾	One stop	L + 5.75	%	N/A	⁽⁵⁾ 05/2018	-	(2)	-	(1)
Firebirds International, LLC*	One stop	L + 5.75	%	7.00	05/2018	912	901	0.1	902
First Watch Restaurants, Inc.	One stop	L + 7.50	%	8.75	12/2016	418	396	0.1	418
	One stop		%	8.75	12/2016	955	933	0.1	955

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

First Watch Restaurants, Inc.		L + 7.50							
First Watch Restaurants, Inc.*	One stop	L + 7.50	% 8.75	%	12/2016	11,385	11,238	1.7	11,385
IT'SUGAR LLC	Subordinated debt	N/A	8.00	%	10/2017	1,707	1,707	0.4	2,697
IT'SUGAR LLC	Senior loan	L + 8.50	% 10.00	%	04/2017	4,213	4,153	0.6	4,213
Julio & Sons Company ⁽⁴⁾	One stop	L + 7.00	% N/A	⁽⁵⁾	09/2014	-	(7)	-	-
Julio & Sons Company*	One stop	L + 7.00	% 8.50	%	09/2016	7,049	7,008	1.1	7,049
Julio & Sons Company ⁽⁴⁾	One stop	L + 7.00	% N/A	⁽⁵⁾	09/2014	-	(9)	-	-
Northern Brewer, LLC	One stop	L + 6.50	% 8.00	%	02/2018	695	683	0.1	695
Northern Brewer, LLC	One stop	L + 6.50	% 8.00	%	02/2018	6,413	6,271	1.0	6,413
Richelieu Foods, Inc.	Senior loan	P + 4.00	% 7.25	%	11/2015	132	123	-	132
Richelieu Foods, Inc.*	Senior loan	L + 5.00	% 6.75	%	11/2015	1,988	1,958	0.3	1,988
Smashburger Finance LLC ⁽⁴⁾	Senior loan	L + 4.25	% N/A	⁽⁵⁾	05/2018	-	(9)	-	(6)
Smashburger Finance LLC*	Senior loan	L + 4.25	% 5.50	%	05/2018	6,532	6,485	1.0	6,500
						108,945	107,289	16.7	109,865

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments - (Continued)****September 30, 2013***(In thousands)*

	Investment	Spread Above	Interest		Maturity	Principal		Percentage	
	Type	Index ⁽¹⁾	Rate ⁽²⁾		Date	Amount	Cost	of Total	Fair
								Net	Value
								Assets	
Building and Real Estate									
ITEL Laboratories, Inc. ⁽⁴⁾	Senior loan	L + 4.75 %	N/A	⁽⁵⁾	06/2018	-	(1)	-	-
ITEL Laboratories, Inc.*	Senior loan	L + 4.75 %	6.00	%	06/2018	801	792	0.1	801
KHKI Acquisition, Inc.	Senior loan	P + 5.00 %	8.50	%	03/2017	2,547	2,547	0.2	1,401
						3,348	3,338	0.3	2,202
Cargo Transport									
RP Crown Parent (RedPrairie Corp)*	Senior loan	L + 5.50 %	6.75	%	12/2018	1,985	1,950	0.3	2,003
						1,985	1,950	0.3	2,003
Chemicals, Plastics and Rubber									
Integrated DNA Technologies, Inc.	Subordinated debt	N/A	12.00% cash/2.00% PIK		04/2015	450	447	0.1	450
Integrated DNA Technologies, Inc.	Subordinated debt	N/A	12.00% cash/2.00% PIK		04/2015	1,267	1,246	0.2	1,267
Integrated DNA Technologies, Inc.	Subordinated debt	N/A	12.00% cash/2.00% PIK		04/2015	450	442	0.1	450
Road Infrastructure Investment, LLC	Senior loan	L + 5.00 %	5.18	%	03/2017	49	17	-	48
Road Infrastructure Investment, LLC*	Senior loan	L + 5.00 %	6.25	%	03/2018	4,515	4,469	0.7	4,557
						6,731	6,621	1.1	6,772

**Containers,
Packaging and
Glass**

Fort Dearborn Company*	Senior loan	L + 4.25 %	5.25	%	10/2017	39	39	-	39
Fort Dearborn Company*	Senior loan	L + 4.75 %	5.75	%	10/2018	156	155	-	156
Fort Dearborn Company*	Senior loan	L + 4.25 %	5.25	%	10/2017	559	555	0.1	559
Fort Dearborn Company*	Senior loan	L + 4.75 %	5.75	%	10/2018	2,202	2,187	0.3	2,202
Packaging Coordinators, Inc.*	Senior loan	L + 4.25 %	5.50	%	05/2020	6,810	6,778	1.0	6,776
Packaging Coordinators, Inc.	Second lien	L + 8.25 %	9.50	%	11/2020	29,098	28,539	4.4	28,807
						38,864	38,253	5.8	38,539

**Diversified
Conglomerate
Manufacturing**

Chase Industries, Inc.*	One stop	L + 5.66 %	6.91	%	11/2017	13,815	13,622	2.1	13,815
Metal Spinners, Inc.*	Senior loan	L + 6.50 %	8.00	%	12/2014	1,352	1,333	0.2	1,352
Metal Spinners, Inc.*	Senior loan	L + 6.50 %	8.00	%	12/2014	2,684	2,649	0.4	2,684
Onicon Incorporated ⁽⁴⁾	One stop	L + 6.75 %	N/A	⁽⁵⁾	12/2017	-	(14)	-	-
Onicon Incorporated	One stop	L + 6.75 %	8.25	%	12/2017	3,606	3,544	0.5	3,606
Pasternack Enterprises, Inc.*	Senior loan	L + 5.00 %	6.25	%	12/2017	1,208	1,198	0.2	1,208
Plex Systems, Inc. ⁽⁴⁾	Senior loan	L + 7.50 %	N/A	⁽⁵⁾	06/2018	-	(26)	-	(26)
Plex Systems, Inc.*	Senior loan	L + 7.50 %	8.75	%	06/2018	13,670	13,375	2.0	13,465
Sunless Merger Sub, Inc.	Senior loan	P + 4.00 %	7.25	%	07/2016	56	55	-	24
Sunless Merger Sub, Inc.*	Senior loan	L + 5.25 %	6.50	%	07/2016	2,171	2,165	0.3	1,910
Tecomet Inc. ⁽⁴⁾	Senior loan	L + 4.50 %	N/A	⁽⁵⁾	12/2016	-	(5)	-	-
Tecomet Inc.*	Senior loan	L + 4.50 %	5.75	%	12/2016	5,610	5,546	0.9	5,610
TIDI Products, LLC ⁽⁴⁾	Senior loan	L + 7.00 %	N/A	⁽⁵⁾	07/2017	-	(10)	-	-
TIDI Products, LLC*	Senior loan	L + 7.00 %	8.25	%	07/2018	8,703	8,552	1.3	8,703
Vintage Parts, Inc.*	One stop	L + 4.50 %	5.75	%	12/2013	4,865	4,836	0.7	4,865
Vintage Parts, Inc.*	One stop	L + 4.50 %	5.75	%	12/2013	68	67	-	68
Vintage Parts, Inc.*	One stop	L + 4.50 %	5.75	%	12/2013	1,016	1,008	0.2	1,016

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

						58,824	57,895	8.8	58,300
Diversified Conglomerate Service									
Aderant North America, Inc.*	Senior loan	L + 5.00 %	6.25	%	12/2018	4,506	4,467	0.7	4,506
Agility Recovery Solutions Inc.(4)	One stop	L + 7.00 %	N/A	(5)	12/2017	-	(7)	-	-
Agility Recovery Solutions Inc.*	One stop	L + 7.00 %	8.25	%	12/2017	9,409	9,221	1.4	9,409
API Healthcare Corporation*	One stop	L + 8.63 %	9.88	%	04/2018	34,156	33,882	5.2	34,156
Consona Holdings, Inc.(4)	Senior loan	L + 5.50 %	N/A	(5)	08/2017	-	(2)	-	-
Consona Holdings, Inc.*	Senior loan	L + 5.50 %	6.75	%	08/2018	1,037	1,008	0.2	1,037
Consona Holdings, Inc.*	Senior loan	L + 6.00 %	7.25	%	08/2018	1,551	1,538	0.2	1,551
Document Technologies, LLC (4)	Senior loan	L + 4.25 %	N/A	(5)	12/2018	-	(13)	-	-
Document Technologies, LLC*	Senior loan	L + 4.25 %	5.50	%	12/2018	6,724	6,659	1.0	6,724
EAG, INC. (Evans Analytical Group)*	Senior loan	L + 4.50 %	6.00	%	07/2017	2,459	2,432	0.4	2,459
HighJump Acquisition LLC	One stop	L + 7.50 %	8.75	%	07/2016	7,142	7,075	1.1	7,142
Integration Appliance, Inc.	Senior loan	P + 7.00 %	10.25	%	09/2018	719	709	0.1	709
Integration Appliance, Inc.	Senior loan	P + 7.00 %	10.25	%	09/2018	5,396	5,261	0.8	5,315
Marathon Data Operating Co., LLC (4)	One stop	L + 6.25 %	N/A	(5)	08/2017	-	(8)	-	-
Marathon Data Operating Co., LLC	One stop	L + 6.25 %	7.50	%	08/2017	4,772	4,679	0.7	4,772
MSC.Software Corporation*	One stop	L + 7.15 %	8.40	%	11/2017	10,028	9,867	1.5	10,028
Navex Global, Inc.(4)	One stop	L + 7.50 %	N/A	(5)	12/2016	-	(16)	-	(25)
Navex Global, Inc.*	One stop	L + 7.50 %	9.00	%	12/2016	17,758	17,460	2.7	17,403
NetSmart Technologies, Inc.	Senior loan	L + 7.50 %	8.75	%	12/2017	654	642	0.1	654
NetSmart Technologies, Inc.*	Senior loan	L + 7.50 %	8.75	%	12/2017	8,377	8,302	1.3	8,377
	Senior loan	L + 5.25 %	N/A	(5)	09/2017	-	(2)	-	-

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

PC Helps Support, LLC ⁽⁴⁾									
PC Helps Support, LLC	Senior loan	L + 5.25 %	6.50	%	09/2017	2,007	1,984	0.3	2,007
Secure-24, LLC ⁽⁴⁾	One stop	L + 7.00 %	N/A	⁽⁵⁾	08/2017	-	(6)	-	-
Secure-24, LLC*	One stop	L + 7.00 %	8.25	%	08/2017	10,539	10,290	1.6	10,539
Secure-24, LLC	One stop	L + 7.00 %	8.25	%	03/2015	1,541	1,520	0.2	1,541
Source Medical Solutions, Inc.	Second lien	L + 9.50 %	10.75	%	03/2018	9,294	9,104	1.4	9,201
Vericclaim, Inc. ⁽⁴⁾	Senior loan	L + 4.75 %	N/A	⁽⁵⁾	05/2018	-	(3)	-	(4)
Vericclaim, Inc.	Senior loan	L + 4.75 %	6.00	%	05/2018	5,822	5,795	0.9	5,793
						143,891	141,838	21.8	143,294

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments - (Continued)****September 30, 2013***(In thousands)*

	Investment	Spread	Interest		Maturity	Principal		Percentage		
	Type	Above	Rate ⁽²⁾		Date	Amount	Cost	of Total	Fair	
		Index ⁽¹⁾						Net	Value	
								Assets		
Electronics										
Ecommerce Industries, Inc. ⁽⁴⁾	One stop	L + 6.75	%	N/A	⁽⁵⁾ 10/2016	-	(20)	-	-	
Ecommerce Industries, Inc.*	One stop	L + 8.39	%	9.64	% 10/2016	12,519	12,378	1.9	12,519	
Entrust, Inc./Entrust Limited*	Second lien	L + 9.50	%	10.75	% 04/2019	5,204	5,159	0.7	5,204	
Entrust, Inc./Entrust Limited*	Second lien	L + 9.50	%	10.75	% 04/2019	11,523	11,424	1.8	11,523	
Rogue Wave Holdings, Inc.*	One stop	L + 9.28	%	10.53	% 11/2017	7,249	7,162	1.1	7,249	
Sparta Systems, Inc. ⁽⁴⁾	Senior loan	L + 5.25	%	N/A	⁽⁵⁾ 12/2017	-	(7)	-	-	
Sparta Systems, Inc.	Senior loan	L + 5.25	%	6.50	% 12/2017	6,375	6,307	1.0	6,375	
Syncsort Incorporated	Senior loan	P + 4.25	%	7.50	% 03/2015	160	158	-	160	
Syncsort Incorporated*	Senior loan	P + 4.25	%	7.50	% 03/2015	6,365	6,291	1.0	6,365	
Time-O-Matic, Inc.	Subordinated debt	N/A		12.00% cash/1.25% PIK	12/2016	11,709	11,576	1.8	11,709	
						61,104	60,428	9.3	61,104	
Farming and Agriculture										
AGData, L.P.	One stop	L + 6.00	%	7.25	% 08/2016	3,837	3,799	0.6	3,837	
Finance										
Ascensus, Inc.*	Senior loan	L + 6.75	%	8.00	% 12/2018	17,958	17,643	2.7	17,958	

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Bonddesk Group LLC*	Senior loan	L + 5.00	%	6.50	%	09/2016	869	864	0.2	869
Pillar Processing LLC*	Senior loan	L + 5.50	%	5.78	%	11/2018	1,604	1,601	0.2	1,524
Pillar Processing LLC*(3)	Senior loan	N/A		14.50	%	05/2019	2,478	2,483	0.1	625
							22,909	22,591	3.2	20,976
Grocery										
MyWebGrocer, Inc.(4)	Senior loan	L + 8.75	%	N/A	(5)	05/2018	-	(15)	-	(16)
MyWebGrocer, Inc.	Senior loan	L + 8.75	%	6.00% cash/4.00% PIK		05/2018	14,271	14,036	2.1	14,128
Teasdale Quality Foods, Inc.*	Senior loan	L + 4.50	%	5.75	%	05/2018	2,800	2,773	0.4	2,772
							17,071	16,794	2.5	16,884
Healthcare, Education and Childcare										
Advanced Pain Management Holdings, Inc.(4)	Senior loan	L + 5.00	%	N/A	(5)	02/2018	-	(7)	-	-
Advanced Pain Management Holdings, Inc.(4)	Senior loan	L + 5.00	%	N/A	(5)	02/2018	-	(10)	-	-
Advanced Pain Management Holdings, Inc.*	Senior loan	L + 5.00	%	6.25	%	02/2018	7,364	7,299	1.1	7,364
Avatar International, LLC	Senior loan	L + 8.00	%	9.25	%	09/2016	1,651	1,638	0.2	1,618
Avatar International, LLC(4)	One stop	L + 7.50	%	N/A	(5)	09/2016	-	(6)	-	(24)
Avatar International, LLC*	One stop	L + 7.50	%	8.75	%	09/2016	7,653	7,575	1.1	7,424
DDC Center Inc.	One stop	L + 6.25	%	N/A	(5)	10/2013	-	-	-	-
DDC Center Inc.*	One stop	L + 6.25	%	9.25	%	10/2014	7,920	7,913	1.2	7,920
Delta Educational Systems*	Senior loan	P + 4.75	%	8.00	%	12/2016	1,806	1,778	0.3	1,806
Dialysis Newco, Inc.	Senior loan	L + 4.25	%	5.25	%	08/2020	6,346	6,283	1.0	6,314
Dialysis Newco, Inc.(4)	Second lien	L + 8.50	%	N/A	(5)	02/2021	-	(25)	-	(22)
Dialysis Newco, Inc.*	Second lien	L + 8.50	%	9.75	%	02/2021	23,901	23,490	3.6	23,543
	One stop		%	N/A	(5)	06/2017	-	(12)	-	-

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Encore Rehabilitation Services, LLC ⁽⁴⁾		L + 6.25							
Encore Rehabilitation Services, LLC	One stop	L + 6.25	% 7.50	% 06/2017	5,099	4,994	0.8	5,099	
G & H Wire Company, Inc. ⁽⁴⁾	Senior loan	L + 5.50	% N/A	(5) 11/2016	-	(9)	-	-	
G & H Wire Company, Inc.*	Senior loan	L + 5.50	% 7.00	% 11/2016	8,555	8,452	1.3	8,555	
Healogics, Inc.*	Second lien	L + 8.00	% 9.25	% 02/2020	16,454	16,304	2.6	16,851	
Hospitalists Management Group, LLC	Senior loan	L + 5.00	% 6.50	% 05/2017	438	433	0.1	403	
Hospitalists Management Group, LLC	Senior loan	P + 4.00	% 7.25	% 05/2017	888	878	0.1	815	
Hospitalists Management Group, LLC	Senior loan	L + 5.00	% 6.50	% 05/2017	3,694	3,629	0.5	3,398	
IntegraMed America, Inc. ⁽⁴⁾	One stop	L + 7.25	% N/A	(5) 09/2017	-	(15)	-	-	
IntegraMed America, Inc.*	One stop	L + 7.25	% 8.50	% 09/2017	14,457	14,196	2.2	14,457	
Maverick Healthcare Group, LLC *	Senior loan	L + 5.50	% 7.25	% 12/2016	2,030	2,011	0.3	2,030	
NeuroTherm, Inc.	Senior loan	P + 4.00	% 7.25	% 02/2016	64	60	-	64	
NeuroTherm, Inc.*	Senior loan	L + 5.00	% 6.50	% 02/2016	1,332	1,318	0.2	1,332	
Northwestern Management Services, LLC ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5) 10/2017	-	(13)	-	-	
Northwestern Management Services, LLC ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5) 10/2017	-	(5)	-	-	
Northwestern Management Services, LLC*	Senior loan	L + 5.25	% 6.50	% 10/2017	4,031	3,963	0.6	4,031	
Pentec Acquisition Sub, Inc. ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5) 05/2017	-	(3)	-	(6)	
Pentec Acquisition Sub, Inc.*	Senior loan	L + 5.25	% 6.50	% 05/2018	1,895	1,865	0.3	1,819	
Precision Dermatology, Inc. ⁽⁴⁾	Senior loan	L + 6.00	% N/A	(5) 09/2018	-	(9)	-	(4)	
Precision Dermatology, Inc.	Senior loan	L + 6.00	% 7.25	% 09/2018	11,086	10,977	1.7	11,031	
	Senior loan		% 6.00	% 06/2016	949	943	0.1	949	

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Reliant Pro ReHab, LLC		L + 4.75							
Reliant Pro ReHab, LLC	Senior loan	P + 3.75	% 7.00	%	06/2016	185	179	-	185
Reliant Pro ReHab, LLC*	Senior loan	L + 4.75	% 6.00	%	06/2016	3,409	3,376	0.5	3,409
Renaissance Pharma (U.S.) Holdings Inc. ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5)	05/2018	-	(4)	-	-
Renaissance Pharma (U.S.) Holdings Inc.*	Senior loan	L + 5.25	% 6.75	%	05/2018	4,493	4,436	0.7	4,493
Southern Anesthesia and Surgical ⁽⁴⁾	One stop	L + 7.00	% N/A	(5)	11/2017	-	(13)	-	-
Southern Anesthesia and Surgical	One stop	L + 7.00	% 8.25	%	11/2017	6,217	6,090	0.9	6,217
Surgical Information Systems, LLC	Second lien	L + 3.00	% 4.00	%	09/2018	1,714	1,714	0.3	1,714
WIL Research Company, Inc.*	Senior loan	L + 4.50	% 5.75	%	02/2018	784	775	0.1	776
Young Innovations, Inc. ⁽⁴⁾	Senior loan	L + 4.50	% N/A	(5)	01/2018	-	(2)	-	-
Young Innovations, Inc.	Senior loan	L + 4.50	% 5.75	%	01/2019	4,594	4,564	0.7	4,594
						149,009	147,000	22.5	148,155

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments - (Continued)****September 30, 2013***(In thousands)*

	Investment	Spread	Interest		Maturity	Principal		Percentage	
	Type	Above	Rate ⁽²⁾		Date	Amount	Cost	of Total	Fair
		Index ⁽¹⁾						Net	Value
								Assets	
Home and Office Furnishings, Housewares, and Durable Consumer									
WII Components, Inc.	Senior loan	P + 3.75	% 7.00	%	07/2016	26	25	-	26
WII Components, Inc.*	Senior loan	L + 4.75	% 6.25	%	07/2016	1,639	1,626	0.3	1,639
Zenith Products Corporation	One stop	P + 1.75	% 5.00	%	09/2013	29	29	-	24
Zenith Products Corporation*	One stop	P + 3.50	% 6.75	%	09/2013	3,684	3,684	0.4	2,947
						5,378	5,364	0.7	4,636
Insurance									
AssuredPartners Capital, Inc. ⁽⁴⁾	Senior loan	L + 4.75	% N/A	(5)	06/2019	-	(4)	-	-
AssuredPartners Capital, Inc. ⁽⁴⁾	Senior loan	L + 4.75	% N/A	(5)	12/2019	-	(22)	-	-
AssuredPartners Capital, Inc.*	Senior loan	L + 4.50	% 5.75	%	12/2018	2,377	2,358	0.4	2,377
Captive Resources Midco, LLC ⁽⁴⁾	Senior loan	L + 5.50	% N/A	(5)	10/2017	-	(3)	-	-
Captive Resources Midco, LLC*	Senior loan	L + 5.50	% 6.75	%	10/2018	3,552	3,522	0.5	3,552
Evolution1, Inc. ⁽⁴⁾	Senior loan	L + 4.75	% N/A	(5)	06/2016	-	(14)	-	-
Evolution1, Inc.	Senior loan	P + 3.75	% 7.00	%	06/2016	89	86	-	89
Evolution1, Inc.*	Senior loan	L + 4.75	% 6.25	%	06/2016	4,561	4,523	0.7	4,561
						10,579	10,446	1.6	10,579
Investment Funds and Vehicles									

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Senior Loan Fund LLC (7)	Senior loan	L + 4.00	% 4.20	% 05/2020	4,140	4,140	0.6	4,066
					4,140	4,140	0.6	4,066
Leisure, Amusement, Motion Pictures and Entertainment								
Competitor Group, Inc. ⁽⁴⁾	One stop	L + 7.75	% N/A	(5) 11/2018	-	(44)	-	-
Competitor Group, Inc.	One stop	P + 6.75	% 10.00	% 11/2018	884	871	0.1	796
Competitor Group, Inc.*	One stop	L + 8.75	% 7.75% cash/1.00% PIK	11/2018	12,774	12,581	1.8	11,496
Octane Fitness, LLC*	One stop	L + 5.50	% 7.00	% 12/2015	4,675	4,590	0.7	4,675
Pride Manufacturing Company, LLC*	Senior loan	L + 6.00	% 7.75	% 11/2015	591	586	0.1	591
Service Companies, The	Senior loan	P + 5.25	% 10.25	% 03/2014	155	155	-	155
Service Companies, The*	Senior loan	L + 6.50	% 9.00	% 03/2014	6,354	6,336	1.0	6,354
Starplex Operating, L.L.C.	One stop	L + 7.50	% 9.00	% 12/2017	958	940	0.1	958
Starplex Operating, L.L.C.*	One stop	L + 7.50	% 9.00	% 12/2017	17,432	17,171	2.6	17,432
Titan Fitness, LLC ⁽⁴⁾	One stop	L + 6.50	% N/A	(5) 09/2019	-	(26)	-	(26)
Titan Fitness, LLC	One stop	P + 5.25	% 8.50	% 09/2019	687	661	0.1	661
Titan Fitness, LLC	One stop	P + 5.25	% 8.50	% 09/2019	13,740	13,421	2.1	13,533
					58,250	57,242	8.6	56,625
Mining, Steel, Iron and Non-Precious Metals								
Benetech, Inc. ⁽⁴⁾	One stop	L + 6.00	% N/A	(5) 10/2017	-	(5)	-	-
Benetech, Inc.*	One stop	L + 6.00	% 7.25	% 10/2017	5,506	5,484	0.8	5,506
					5,506	5,479	0.8	5,506
Oil and Gas								
Drilling Info, Inc. ⁽⁴⁾	One stop	L + 5.50	% N/A	(5) 06/2018	-	(1)	-	(1)
Drilling Info, Inc.	One stop	L + 5.50	% 6.75	% 06/2018	1,368	1,355	0.2	1,354
Drilling Info, Inc. ⁽⁴⁾	One stop	L + 5.50	% N/A	(5) 06/2018	-	(5)	-	(5)
					1,368	1,349	0.2	1,348
Personal and Non-Durable Consumer Products								

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Hygenic Corporation, The ⁽⁴⁾	Senior loan	L + 4.50	%	N/A	(5)	10/2017	-	(3)	-	-
Hygenic Corporation, The*	Senior loan	L + 4.50	%	5.75	%	10/2018	3,534	3,492	0.6	3,534
Massage Envy, LLC ⁽⁴⁾	One stop	L + 7.25	%	N/A	(5)	09/2018	-	(15)	-	-
Massage Envy, LLC	One stop	L + 7.25	%	8.50	%	09/2018	16,634	16,291	2.5	16,634
Team Technologies Acquisition Company ⁽⁴⁾	Senior loan	L + 4.75	%	N/A	(5)	12/2017	-	(4)	-	-
Team Technologies Acquisition Company	Senior loan	L + 4.75	%	6.00	%	12/2017	3,519	3,490	0.6	3,519
							23,687	23,251	3.7	23,687

Personal, Food and Miscellaneous Services

Affordable Care Inc. ⁽⁴⁾	Senior loan	L + 4.75	%	N/A	(5)	12/2017	-	(2)	-	-
Affordable Care Inc.	Senior loan	L + 4.75	%	6.00	%	12/2018	3,541	3,510	0.5	3,541
Automatic Bar Controls, Inc. ⁽⁴⁾	Senior loan	L + 5.75	%	N/A	(5)	03/2016	-	(1)	-	-
Automatic Bar Controls, Inc.*	Senior loan	L + 5.50	%	7.00	%	03/2016	904	897	0.1	904
Focus Brands Inc.	Second lien	L + 9.00	%	10.25	%	08/2018	11,195	11,076	1.7	11,418
National Veterinary Associates, Inc.	Senior loan	L + 5.00	%	6.25	%	12/2017	955	943	0.2	955
National Veterinary Associates, Inc. ⁽⁴⁾	Senior loan	L + 5.00	%	N/A	(5)	12/2017	-	(1)	-	-
National Veterinary Associates, Inc.	Senior loan	L + 5.00	%	6.25	%	12/2017	6,006	5,963	0.9	6,006
PMI Holdings, Inc. ⁽⁴⁾	Senior loan	L + 4.75	%	N/A	(5)	06/2017	-	(2)	-	-
PMI Holdings, Inc.	Senior loan	L + 4.75	%	5.75	%	06/2017	2,629	2,609	0.4	2,629
Vetcor Merger Sub LLC	Senior loan	L + 6.50	%	7.75	%	12/2017	377	356	0.1	377
Vetcor Merger Sub LLC	Senior loan	L + 6.50	%	7.75	%	12/2017	520	513	0.1	520
Vetcor Merger Sub LLC*	Senior loan	L + 6.50	%	7.75	%	12/2017	5,938	5,881	0.9	5,938
							32,065	31,742	4.9	32,288

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments - (Continued)****September 30, 2013***(In thousands)*

	Investment	Spread	Interest		Maturity	Principal		Percentage	
	Type	Above	Rate ⁽²⁾		Date	Amount	Cost	of	Fair
		Index ⁽¹⁾						Total	Value
								Net	
								Assets	
Personal									
Transportation									
PODS Funding Corp. II	Subordinated debt	N/A	21.00	%	11/2017	702	702	0.1	702
PODS Funding Corp. II	Subordinated debt	N/A	21.00	%	11/2017	3,400	3,400	0.5	3,400
PODS Funding Corp. II	Subordinated debt	N/A	10.50% cash/5.00% PIK		05/2017	1,217	1,267	0.2	1,278
PODS Funding Corp. II	Subordinated debt	N/A	10.50% cash/5.00% PIK		05/2017	4,829	4,980	0.8	5,070
PODS Funding Corp. II	Senior loan	L + 6.00	% 7.25	%	11/2016	691	678	0.1	691
PODS Funding Corp. II*	Senior loan	L + 6.00	% 7.25	%	11/2016	6,091	5,978	0.9	6,091
						16,930	17,005	2.6	17,232
Printing and Publishing									
Market Track, LLC ⁽⁴⁾	Senior loan	L + 6.11	% N/A	(5)	08/2018	-	(5)	-	-
Market Track, LLC*	Senior loan	L + 6.11	% 7.36	%	08/2018	3,114	3,076	0.5	3,114
Market Track, LLC ⁽⁴⁾	Senior loan	L + 7.65	% N/A	(5)	08/2018	-	(3)	-	-
						3,114	3,068	0.5	3,114
Retail Stores									
Barcelona Restaurants, LLC ⁽⁴⁾⁽⁶⁾	One stop	L + 8.25	% N/A	(5)	03/2017	-	(4)	-	-
Barcelona Restaurants, LLC* ⁽⁶⁾	One stop	L + 8.25	% 9.50	%	03/2017	5,707	5,623	0.9	5,707
Benihana, Inc. ⁽⁴⁾	One stop	L + 5.50	% N/A	(5)	07/2018	-	(42)	-	-

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Benihana, Inc.*	One stop	L + 5.50	% 6.75	%	01/2019	14,106	13,679	2.1	14,106
Boot Barn, Inc.*	One stop	L + 5.75	% 7.00	%	05/2019	24,677	24,327	3.7	24,430
Capital Vision Services, LLC ⁽⁴⁾	One stop	L + 7.25	% N/A	(5)	12/2017	-	(16)	-	-
Capital Vision Services, LLC	One stop	P + 6.25	% 9.50	%	12/2017	323	311	0.1	323
Capital Vision Services, LLC*	One stop	L + 7.25	% 8.50	%	12/2017	13,358	13,190	2.0	13,358
DTLR, Inc.*	One stop	L + 8.00	% 11.00	%	12/2015	16,757	16,625	2.6	16,757
Floor & Decor Outlets of America, Inc.*	One stop	L + 6.50	% 7.75	%	05/2019	11,358	11,226	1.7	11,216
Marshall Retail Group, LLC, The ⁽⁴⁾	Senior loan	L + 6.50	% N/A	(5)	10/2016	-	(11)	-	-
Marshall Retail Group, LLC, The*	Senior loan	L + 6.50	% 8.00	%	10/2016	9,495	9,370	1.4	9,495
Paper Source, Inc.	One stop	L + 6.25	% 7.25	%	09/2018	169	157	-	157
Paper Source, Inc.*	One stop	L + 6.25	% 7.25	%	09/2018	12,703	12,562	1.9	12,576
Restaurant Holding Company, LLC	Senior loan	L + 7.50	% 9.00	%	02/2017	9,274	9,149	1.4	9,298
Rubio's Restaurants, Inc.*	One stop	L + 7.25	% 8.75% cash/0.25% PIK		06/2015	7,695	7,637	1.2	7,695
Sneaker Villa, Inc.	One stop	L + 8.50	% 10.00	%	12/2017	626	619	0.1	626
Sneaker Villa, Inc.	One stop	P + 7.00	% 11.50	%	12/2017	752	736	0.1	752
Sneaker Villa, Inc.	One stop	L + 8.50	% 10.00	%	12/2017	4,549	4,453	0.7	4,549
Specialty Catalog Corp. ⁽⁴⁾	One stop	L + 6.00	% N/A	(5)	07/2017	-	(6)	-	-
Specialty Catalog Corp.	One stop	L + 6.00	% 7.50	%	07/2017	5,187	5,134	0.8	5,187
Vision Source L.P.	One stop	P + 5.50	% 8.75	%	04/2016	129	123	-	129
Vision Source L.P.*	One stop	L + 6.75	% 8.00	%	04/2016	11,703	11,580	1.8	11,703
						148,568	146,422	22.5	148,064
Telecommunications									
Hosting.com Inc.	Senior loan	P + 3.25	% 6.50	%	10/2016	20	19	-	20
Hosting.com Inc.*	Senior loan	L + 4.50	% 5.75	%	10/2016	812	802	0.1	812
ITC Global, Inc. ⁽⁴⁾	One stop	P + 5.50	% 8.75	%	07/2018	10	(5)	-	(4)
ITC Global, Inc.	One stop		% 7.75	%	07/2018	8,605	8,513	1.3	8,519

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

		L + 6.75							
NameMedia, Inc.	Senior loan	L + 6.00	% N/A	(5)	11/2014	-	-	-	-
NameMedia, Inc.	Senior loan	P + 5.00	% 8.25	%	11/2014	1,170	1,162	0.2	1,170
						10,617	10,491	1.6	10,517
Utilities									
PowerPlan Consultants, Inc. ⁽⁴⁾	Senior loan	L + 5.25	% N/A	(5)	03/2017	-	(1)	-	-
PowerPlan Consultants, Inc.*	Senior loan	L + 5.25	% 6.75	%	03/2018	4,218	4,171	0.6	4,218
						4,218	4,170	0.6	4,218

**Total debt
investments United
States**

\$998,745 \$985,069 150.4% \$990,172

**Fair Value as a
percentage of
Principal Amount**

99.1 %

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments - (Continued)****September 30, 2013***(In thousands)*

	Investment	Spread Above	Interest	Maturity	Principal Amount/Shares/ Contracts	Cost	Percentage of Total Net Assets	Fair Value
	Type	Index ⁽¹⁾	Rate ⁽²⁾	Date				
Equity investments								
Aerospace and Defense								
Tresys Technology Holdings, Inc.	Common stock	N/A	N/A	N/A	295	\$295	0.1 %	\$232
Whitcraft LLC	Common stock	N/A	N/A	N/A	1	670	0.1	626
Whitcraft LLC	Warrant	N/A	N/A	N/A	-	-	-	122
						965	0.2	980
Automobile								
ABRA, Inc	LLC interest	N/A	N/A	N/A	208	1,471	0.5	3,000
Express Oil Change, LLC	LLC interest	N/A	N/A	N/A	81	81	-	66
K&N Engineering, Inc.	Common stock	N/A	N/A	N/A	-	4	-	57
K&N Engineering, Inc.	Preferred stock A	N/A	N/A	N/A	-	26	-	34
K&N Engineering, Inc.	Preferred stock B	N/A	N/A	N/A	-	-	-	7
						1,582	0.5	3,164
Banking								
Prommis Solutions Inc.*	Preferred LLC interest	N/A	N/A	N/A	1	472	-	-
						472	-	-
Beverage, Food and Tobacco								
Atkins Nutritionals, Inc.	LLC interest	N/A	N/A	N/A	57	746	0.1	824
First Watch Restaurants, Inc.	Common stock	N/A	N/A	N/A	7	691	0.1	691
Goode Seed Co-Invest, LLC	LLC units	N/A	N/A	N/A	356	356	0.1	411
Julio & Sons Company	LLC interest	N/A	N/A	N/A	521	521	0.1	555
Northern Brewer, LLC	LLC interest	N/A	N/A	N/A	142	315	-	271
Richelieu Foods, Inc.	LP interest	N/A	N/A	N/A	220	220	-	138
						2,849	0.4	2,890
Containers, Packaging and Glass								
Packaging Coordinators, Inc.	LLC interest	N/A	N/A	N/A	48	2,476	0.4	2,476
						2,476	0.4	2,476

**Diversified Conglomerate
Manufacturing**

Oasis Outsourcing Holdings, Inc.	LLC interest	N/A	N/A	N/A	1,088	1,088	0.3	1,797
Sunless Merger Sub, Inc.	LP interest	N/A	N/A	N/A	-	148	-	23
TIDI Products, LLC	LLC interest	N/A	N/A	N/A	315	315	0.1	368
						1,551	0.4	2,188

**Diversified Conglomerate
Service**

Document Technologies, LLC	LLC interest	N/A	N/A	N/A	24	490	0.1	624
Marathon Data Operating Co., LLC	Common stock	N/A	N/A	N/A	1	264	-	264
Marathon Data Operating Co., LLC	Preferred stock	N/A	N/A	N/A	1	264	-	264
Navex Global, Inc.	LP interest	N/A	N/A	N/A	-	666	0.1	386
PC Helps Support, LLC	Common stock	N/A	N/A	N/A	1	7	-	7
PC Helps Support, LLC	Preferred stock	N/A	N/A	N/A	-	61	-	61
Secure-24, LLC	LLC Units	N/A	N/A	N/A	263	263	-	263
						2,015	0.2	1,869

Grocery

MyWebGrocer, Inc.	LLC units	N/A	N/A	N/A	1,269	1,269	0.2	1,269
-------------------	-----------	-----	-----	-----	-------	-------	-----	-------

**Healthcare, Education and
Childcare**

Advanced Pain Management Holdings, Inc.	Common stock	N/A	N/A	N/A	67	67	0.1	675
Advanced Pain Management Holdings, Inc.	Preferred stock	N/A	N/A	N/A	13	829	0.2	869
Avatar International, LLC	LP interest	N/A	N/A	N/A	1	695	0.1	350
Dialysis Newco, Inc.	LLC interest	N/A	N/A	N/A	871	124	0.1	765
Encore Rehabilitation Services, LLC	LLC interest	N/A	N/A	N/A	270	271	0.1	349
G & H Wire Company, Inc.	LP interest	N/A	N/A	N/A	-	103	-	103
Hospitalists Management Group, LLC	Common stock	N/A	N/A	N/A	-	38	-	13
IntegraMed America, Inc.	Common stock	N/A	N/A	N/A	1	514	0.1	665
National Healing Corporation	Preferred stock	N/A	N/A	N/A	695	799	0.1	812
NeuroTherm, Inc.	Common stock	N/A	N/A	N/A	1	569	0.1	731
Northwestern Management Services, LLC	LLC units	N/A	N/A	N/A	3	3	-	8
Northwestern Management Services, LLC	LLC units	N/A	N/A	N/A	-	249	-	259
Pentec Acquisition Sub, Inc.	Preferred stock	N/A	N/A	N/A	1	116	-	62
Reliant Pro ReHab, LLC	Preferred stock	N/A	N/A	N/A	2	264	-	278
Southern Anesthesia and Surgical	LLC units	N/A	N/A	N/A	487	487	0.1	603
Surgical Information Systems, LLC	Common stock	N/A	N/A	N/A	4	414	0.1	495
Young Innovations, Inc.	Preferred stock	N/A	N/A	N/A	-	236	-	236
						5,778	1.1	7,273

**Home and Office
Furnishings, Housewares,
and Durable Consumer**

Top Knobs USA, Inc.	Common stock	N/A	N/A	N/A	3	73	-	110
---------------------	--------------	-----	-----	-----	---	----	---	-----

**Investment Funds and
Vehicles**

Senior Loan Fund LLC ⁽⁷⁾	LLC interest	N/A	N/A	N/A	591	591	0.1	768
-------------------------------------	--------------	-----	-----	-----	-----	-----	-----	-----

Insurance

Captive Resources Midco, LLC	LLC units	N/A	N/A	N/A	1	121	-	135
------------------------------	-----------	-----	-----	-----	---	-----	---	-----

**Leisure, Amusement, Motion
Pictures
and Entertainment**

Competitor Group, Inc.	LLC interest	N/A	N/A	N/A	711	711	0.1	393
LMP TR Holdings, LLC	LLC units	N/A	N/A	N/A	712	712	0.1	712
Titan Fitness, LLC	LLC units	N/A	N/A	N/A	6	582	0.1	582
						2,005	0.3	1,687

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments - (Continued)****September 30, 2013***(In thousands)*

	Investment	Spread Above	Interest	Maturity	Principal Amount/Shares/ Contracts	Cost	Percentage of Total Net Assets	Fair Value
	Type	Index ⁽¹⁾	Rate ⁽²⁾	Date				
Personal and Non-Durable Consumer Products								
Hygenic Corporation, The	LP interest	N/A	N/A	N/A	1	61	-	61
Massage Envy, LLC	LLC interest	N/A	N/A	N/A	749	749	0.1	749
Team Technologies Acquisition Company	Common stock	N/A	N/A	N/A	-	148	-	148
						958	0.1	958
Personal Transportation								
PODS Funding Corp. II	Warrant	N/A	N/A	N/A	271	-	-	256
Printing and Publishing								
Market Track, LLC	Preferred stock	N/A	N/A	N/A	-	145	-	180
Market Track, LLC	Common stock	N/A	N/A	N/A	1	145	-	162
						290	-	342
Retail Stores								
Barcelona Restaurants, LLC ⁽⁶⁾	LP interest	N/A	N/A	N/A	1,996	1,996	0.4	2,518
Benihana, Inc.	LLC interest	N/A	N/A	N/A	43	699	0.1	830
Capital Vision Services, LLC	LLC interest	N/A	N/A	N/A	402	402	0.1	473
Paper Source, Inc.	LLC interest	N/A	N/A	N/A	8	1,387	0.2	1,387
Rubio's Restaurants, Inc.	Preferred stock	N/A	N/A	N/A	199	945	0.2	1,178
Sneaker Villa, Inc.	LLC interest	N/A	N/A	N/A	4	411	0.1	462
Vision Source L.P.		N/A	N/A	N/A	9	936	0.1	949

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

	Common stock					6,776	1.2	7,797
Telecommunications								
ITC Global, Inc.	Preferred stock	N/A	N/A	N/A	17	311	0.1	311
Total equity investments United States						\$30,082	5.2	% \$34,473
Total United States						\$1,015,151	155.6	% \$1,024,645
Total Investments						\$1,017,961	155.6	% \$1,024,645

- * Denotes that all or a portion of the loan secures the notes offered in the Debt Securitization (as defined in Note 7).
- (1) The majority of the investments bear interest at a rate that may be determined by reference to LIBOR or Prime and which reset daily, quarterly or semiannually. For each, we have provided the spread over LIBOR or Prime and the weighted average current interest rate in effect at September 30, 2013. Certain investments are subject to a LIBOR or Prime interest rate floor. For fixed rate loans, a spread above a reference rate is not applicable.
- (2) For portfolio companies with multiple interest rate contracts, the interest rate shown is a weighted average current interest rate in effect at September 30, 2013.
- (3) Loan was on non-accrual status as of September 30, 2013, meaning that the Company has ceased recognizing interest income on the loan.
- (4) The negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par. The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.
- (5) The entire commitment was unfunded at September 30, 2013. As such, no interest is being earned on this investment.
- (6) As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of the portfolio company as it owns five percent or more of the portfolio company's voting securities. See Note 5 in the accompanying notes to the financial statements for transactions during the year ended September 30, 2013 in which the issuer was an Affiliated Person (but not a portfolio company that the Company is deemed to Control.)
- (7) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and "Control" this portfolio company as we own more than 25% of the portfolio company's outstanding voting securities or have the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Note 5 in the accompanying notes to the consolidated financial statements for transactions during the year ended September 30, 2013 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control.
- (8) Non-U.S. company or principal place of business outside the U.S. and as a result is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (9) The sale of a portion of this loan does not qualify for sale accounting under ASC Topic 860 - Transfers and Servicing, and therefore, the entire One Stop loan asset remains in the Consolidated Schedule of Investments. (See Note 7 in the accompanying notes to the consolidated financial statements.)

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(In thousands, except shares and per share data)

Note 1.

Organization

Golub Capital BDC, Inc. (“GBDC” and, collectively with its subsidiaries, the “Company”) is an externally managed, closed-end, non-diversified management investment company. GBDC has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). In addition, for U.S. federal income tax purposes, GBDC has elected to be treated as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

The Company’s investment strategy is to invest in senior secured, one stop (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans), second lien and subordinated (a loan that ranks senior only to a borrower’s equity securities and ranks junior to all of such borrower’s other indebtedness in priority of payment) loans, warrants and equity securities to middle market companies that are, in most cases, sponsored by private equity investors. The Company has entered into an investment advisory agreement (the “Investment Advisory Agreement”) with GC Advisors LLC (the “Investment Adviser”), under which the Investment Adviser manages the day-to-day operations of, and provides investment advisory services to, the Company. Under an administration agreement (the “Administration Agreement”) the Company is provided with certain services by an administrator (the “Administrator”), which is currently Golub Capital LLC.

Note 2.

Significant Accounting Policies and Recent Accounting Updates

Basis of presentation: The accompanying interim consolidated financial statements of the Company and related financial information have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6 or 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements. In the opinion of management, the consolidated financial statements reflect all adjustments and reclassifications consisting solely of normal accruals that are necessary for the fair presentation of financial results as of and for the periods presented. All intercompany balances and transactions have been eliminated. Certain prior period amounts have been reclassified to conform to the current period presentation.

Fair value of financial instruments: The Company applies fair value to all of its financial instruments in accordance with Accounting Standards Codification (“ASC”) Topic 820 — *Fair Value Measurements and Disclosures* (“ASC Topic

820”). ASC Topic 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements. In accordance with ASC Topic 820, the Company has categorized its financial instruments carried at fair value, based on the priority of the valuation technique, into a three-level fair value hierarchy. Fair value is a market-based measure considered from the perspective of the market participant who holds the financial instrument rather than an entity specific measure. Therefore, when market assumptions are not readily available, the Company’s own assumptions are set to reflect those that management believes market participants would use in pricing the financial instrument at the measurement date.

The availability of observable inputs can vary depending on the financial instrument and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new, whether the product is traded on an active exchange or in the secondary market and the current market conditions. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for financial instruments classified as Level 3.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(In thousands, except shares and per share data)

Any changes to the valuation methodology are reviewed by management and the Company's board of directors (the "Board") to confirm that the changes are appropriate. As markets change, new products develop and the pricing for products becomes more or less transparent, the Company will continue to refine its valuation methodologies. See further description of fair value methodology in Note 6.

Use of estimates: The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation: As permitted under Regulation S-X and ASC Topic 946 – *Financial Services – Investment Companies*, the Company will generally not consolidate its investment in a company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the results of the Company's wholly-owned subsidiaries in its consolidated financial statements. The Company does not consolidate its noncontrolling interest in Senior Loan Fund LLC ("SLF"). See further description of the Company's investment in SLF in Note 4.

Assets related to transactions that do not meet ASC Topic 860 — *Transfers and Servicing* ("ASC Topic 860") requirements for accounting sale treatment are reflected in the Company's consolidated statements of financial condition as investments. Those assets are owned by special purpose entities, including Golub Capital BDC 2010-1 LLC (the "Issuer"), Golub Capital BDC Funding LLC ("Funding") and Golub Capital BDC Revolver Funding, LLC ("Revolver Funding"), that are consolidated in the Company's financial statements. The creditors of the special purpose entities have received security interests in such assets and such assets are not intended to be available to the creditors of GBDC (or any affiliate of GBDC).

Cash and cash equivalents: Cash and cash equivalents are highly liquid investments with an original maturity of three months or less at the date of acquisition. The Company deposits its cash in financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Restricted cash and cash equivalents: Restricted cash and cash equivalents include amounts that are collected and are held by trustees who have been appointed as custodians of the assets securing certain of the Company's financing transactions. Restricted cash is held by the trustees for payment of interest expense and principal on the outstanding borrowings or reinvestment into new assets. In addition, restricted cash and cash equivalents include amounts held within the Company's small business investment companies ("SBICs"). This amount is generally restricted to the originations of new loans from the SBICs and the payment of U.S. Small Business Administration ("SBA") debentures and related interest expense.

Revenue recognition:

Investments and related investment income: Interest income is accrued based upon the outstanding principal amount and contractual interest terms of debt investments. In addition, the Company 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 the Company accretes or amortizes such amounts over the life of the loan as interest income. All other income is recorded into income when earned. The Company records prepayment premiums on loans as interest income when received. For the three months ended December 31, 2013 and 2012, interest income included \$1,000 and \$487 of prepayment premiums. When the Company receives principal payments on a loan in an amount that exceeds the loan's accreted or amortized cost, it records the excess principal payment as interest income. For the three months ended December 31, 2013 and 2012, interest income included \$1,908 and \$2,440, respectively, of accretion of discounts.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(In thousands, except shares and per share data)

As of December 31, 2013 and September 30, 2013, the Company had interest receivable of \$4,178 and \$4,316, respectively. For the three months ended December 31, 2013 and 2012, the Company earned interest of \$25,563 and \$18,327, respectively. For the three months ended December 31, 2013 and 2012, the Company received interest in cash, which excludes income from amortization of loan origination fees, original issue discount and market discount or premium, in the amounts of \$25,130 and \$16,306, respectively. For the three months ended December 31, 2013 and 2012, the Company received loan origination fees of \$2,982 and \$3,734 respectively. These loan origination fees are capitalized and amortized over the life of the loan as interest income.

For investments with contractual payment-in-kind (“PIK”) interest, which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, the Company will not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not collectible. For the three months ended December 31, 2013 and 2012, the Company recorded PIK income of \$413 and \$574, respectively, and received PIK payments in cash of \$1,750 and \$332, respectively.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Distributions received from limited liability company (“LLC”) and limited partnership (“LP”) investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment. For the three months ended December 31, 2013 and 2012, the Company recorded dividend income of \$16 and \$267, respectively. For the three months ended December 31, 2013 and 2012, the Company received return of capital distributions of \$1,350 and \$50, respectively.

Investment transactions are accounted for on a trade-date basis. Realized gains or losses on investments are measured by the difference between the net proceeds from the disposition and the cost basis of investment, without regard to unrealized gains or losses previously recognized. The Company reports current period changes in fair value of investments that are measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments in the consolidated statements of operations.

Non-accrual loans: A loan may be left on accrual status during the period the Company is pursuing repayment of the loan. Management reviews all loans that become 90 days or more past due on principal and interest, or when there is reasonable doubt that principal or interest will be collected, for possible placement on non-accrual status. When a loan is placed on non-accrual status, unpaid interest credited to income is reversed. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. The total fair value of non-accrual loans was \$5 and \$665 as of December 31, 2013 and September 30, 2013, respectively.

Partial loan sales: The Company follows the guidance in ASC Topic 860 when accounting for loan participations and other partial loan sales. Such guidance requires a participation or other partial loan sale to meet the definition of a "participating interest", as defined in the guidance, in order for sale treatment to be allowed. Participations or other partial loan sales which do not meet the definition of a participating interest remain on the Company's consolidated statements of financial condition and the proceeds are recorded as a secured borrowing until the definition is met. Secured borrowings are carried at fair value to correspond with the related investments, which are carried at fair value. See Note 7 for additional information.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(In thousands, except shares and per share data)

Income taxes: The Company has elected to be treated as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. In order to qualify as a RIC, among other things, the Company is required to meet certain source of income and asset diversification requirements and timely distribute to its stockholders at least 90% of investment company taxable income, as defined by the Code, for each year. The Company has made, and intends to continue to make, the requisite distributions to its stockholders, which will generally relieve the Company from U.S. federal income taxes with respect to all income distributed to its stockholders.

Depending on the level of taxable income earned in a tax year, the Company may choose to retain taxable income in excess of current year dividend distributions, and would distribute such taxable income in the next tax year. The Company would then pay a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income, determined on a calendar basis, could exceed estimated current calendar year dividend distributions, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. For the three months ended December 31, 2013 and 2012, no amount was recorded for U.S. federal excise tax.

The Company accounts for income taxes in conformity with ASC Topic 740 — *Income Taxes* (“ASC Topic 740”). ASC Topic 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements. ASC Topic 740 requires the evaluation of tax positions taken in the course of preparing the Company’s tax returns to determine whether the tax positions are “more-likely-than-not” to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. It is the Company’s policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. There were no material uncertain income tax positions through December 31, 2013. The 2010 through 2013 tax years remain subject to examination by U.S. federal and most state tax authorities.

Dividends and distributions: Dividends and distributions to common stockholders are recorded on the record date. The amount to be paid out as a dividend or distribution is determined by the Board each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are distributed at least annually, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan (“DRIP”) that provides for reinvestment of any distributions the Company declares in cash on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, if the Board authorizes and the Company declares a cash distribution, then stockholders who have not “opted out” of the DRIP will have their cash distribution automatically reinvested in additional shares of the Company’s common stock, rather than receiving the cash dividend. The Company may use newly issued shares under the guidelines of the DRIP (if the Company’s shares are trading at a premium to net asset value), or the Company may purchase shares in the open market in connection with the obligations under the plan. In particular, if the Company’s shares are trading at a significant discount to net asset value and the Company is otherwise permitted under applicable law to purchase such shares, the Company intends to purchase shares in the open market in connection with any obligations under the DRIP.

In the event the market price per share of the Company’s common stock on the date of a distribution exceeds the most recently computed net asset value per share of the common stock, the Company will issue shares of common stock to participants in the DRIP at the greater of the most recently computed net asset value per share of common stock or 95% of the current market price per share of common stock (or such lesser discount to the current market price per share that still exceeds the most recently computed net asset value per share of common stock).

Golub Capital BDC, Inc. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(In thousands, except shares and per share data)

Deferred financing costs: Deferred financing costs represent fees and other direct incremental costs incurred in connection with the Company's borrowings. As of December 31, 2013 and September 30, 2013, the Company had deferred financing costs of \$8,884 and \$7,742, respectively. These amounts are amortized and included in interest expense in the consolidated statements of operations over the estimated average life of the borrowings. Amortization expense for the three months ended December 31, 2013, and 2012 was \$439 and \$366, respectively.

Deferred offering costs: Deferred offering costs consist of fees paid in relation to legal, accounting, regulatory and printing work completed in preparation of equity offerings. Deferred offering costs are charged against the proceeds from equity offerings when received. There were no deferred offering costs as of December 31, 2013 and September 30, 2013.

Recent accounting pronouncements: In June 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-08, *Financial Services – Investment Companies (Topic 946): Amendments to the Scope, Measurement and Disclosure Requirements* ("ASU 2013-08"), containing new guidance on assessing whether an entity is an investment company, requiring non-controlling ownership interests in investment companies to be measured at fair value and requiring certain additional disclosures. This guidance is effective for annual and interim periods beginning on or after December 15, 2013. The Company does not expect ASU 2013-08 to have a material impact on the Company's consolidated financial position or disclosures.

Note 3.

Related Party Transactions

Investment Advisory Agreement: On April 14, 2010, GBDC entered into the Investment Advisory Agreement with the Investment Adviser, under which the Investment Adviser manages the day-to-day operations of, and provides investment advisory services to, GBDC. The Board most recently reapproved the Investment Advisory Agreement in February 2014. The Investment Adviser is a registered investment adviser with the Securities and Exchange Commission (the "SEC"). The Investment Adviser receives fees for providing services, consisting of two components, a base management fee and an Incentive Fee (as defined below).

The base management fee is calculated at an annual rate equal to 1.375% of average adjusted gross assets at the end of the two most recently completed calendar quarters (including assets purchased with borrowed funds and securitization-related assets, leverage, unrealized depreciation or appreciation on derivative instruments and cash

collateral on deposit with custodian but adjusted to exclude cash and cash equivalents so that investors do not pay the base management fee on such assets) and is payable quarterly in arrears. Additionally, the Investment Adviser is voluntarily excluding assets funded with secured borrowing proceeds from the management fee. The base management fee is adjusted, based on the actual number of days elapsed relative to the total number of days in such calendar quarter, for any share issuances or repurchases during such calendar quarter. For purposes of the Investment Advisory Agreement, cash equivalents means U.S. government securities and commercial paper instruments maturing within 270 days of purchase (which is different than the GAAP definition, which defines cash equivalents as U.S. government securities and commercial paper instruments maturing within 90 days of purchase). To the extent that the Investment Adviser or any of its affiliates provides investment advisory, collateral management or other similar services to a subsidiary of the Company, the base management fee will be reduced by an amount equal to the product of (1) the total fees paid to the Investment Adviser by such subsidiary for such services and (2) the percentage of such subsidiary's total equity, including membership interests and any class of notes not exclusively held by one or more third parties, that is owned, directly or indirectly, by the Company.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(In thousands, except shares and per share data)

The Company has structured the calculation of the Incentive Fee to include a fee limitation such that an Incentive Fee for any quarter can only be paid to the Investment Adviser if, after such payment, the cumulative Incentive Fees paid to the Investment Adviser since April 13, 2010, the effective date of the Company's election to become a BDC, would be less than or equal to 20.0% of the Company's Cumulative Pre-Incentive Fee Net Income (as defined below).

The Company accomplishes this limitation by subjecting each quarterly Incentive Fee payable under the Income and Capital Gain Incentive Fee Calculation (as defined below) to a cap (the "Incentive Fee Cap"). The Incentive Fee Cap in any quarter is equal to the difference between (a) 20.0% of Cumulative Pre-Incentive Fee Net Income and (b) cumulative Incentive Fees of any kind paid to the Investment Adviser by GBDC since April 13, 2010. To the extent the Incentive Fee Cap is zero or a negative value in any quarter, no Incentive Fee would be payable in that quarter. "Cumulative Pre-Incentive Fee Net Income" is equal to the sum of (a) Pre-Incentive Fee Net Investment Income (as defined below) for each period since April 13, 2010 and (b) cumulative aggregate realized capital gains, cumulative aggregate realized capital losses, cumulative aggregate unrealized capital depreciation and cumulative aggregate unrealized capital appreciation since April 13, 2010.

"Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the calendar quarter (including the base management fee, taxes, any expenses payable under the Investment Advisory Agreement and the Administration Agreement 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 PIK interest, preferred stock with PIK dividends and zero coupon securities, accrued income that the Company has not yet received in cash.

Incentive Fees are calculated and payable quarterly in arrears (or, upon termination of the Investment Advisory Agreement, as of the termination date).

The income and capital gains incentive fee calculation (the "Income and Capital Gain Incentive Fee Calculation") has two parts, the income component (the "Income Incentive Fee") and the capital gains component (the "Capital Gain Incentive Fee" and, together with the Income Incentive Fee, the "Incentive Fee"). The Income Incentive Fee is calculated quarterly in arrears based on the Company's Pre-Incentive Fee Net Investment Income for the immediately preceding

calendar quarter.

For the three months ended December 31, 2013 and 2012, the Income Incentive Fee incurred was \$3,032 and \$2,394, respectively.

26

Golub Capital BDC, Inc. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(In thousands, except shares and per share data)

Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the Income Incentive Fee, it is possible that an Incentive Fee may be calculated under this formula with respect to a period in which the Company has incurred a loss. For example, if the Company receives Pre-Incentive Fee Net Investment Income in excess of the hurdle rate (as defined below) for a calendar quarter, the Income Incentive Fee will result in a positive value and an Incentive Fee will be paid unless the payment of such Incentive Fee would cause the Company to pay Incentive Fees on a cumulative basis that exceed 20.0% of Cumulative Pre-Incentive Fee Net Investment Income. Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the Company's net assets (defined as total assets less indebtedness and before taking into account any Incentive Fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed "hurdle rate" of 2.0% quarterly. If market interest rates rise, the Company may be able to invest funds in debt instruments that provide for a higher return, which would increase Pre-Incentive Fee Net Investment Income and make it easier for the Investment Adviser to surpass the fixed hurdle rate and receive an Incentive Fee based on such net investment income.

The Company's Pre-Incentive Fee Net Investment Income used to calculate this part of the Incentive Fee is also included in the amount of its total assets (excluding cash and cash equivalents but including assets purchased with borrowed funds and securitization-related assets, unrealized depreciation or appreciation on derivative instruments and cash collateral on deposit with custodian) used to calculate the 1.375% base management fee annual rate.

The Company calculates the Income Incentive Fee with respect to its Pre-Incentive Fee Net Investment Income quarterly, in arrears, as follows:

·Zero in any calendar quarter in which the Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate; 100% of the Company's Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.5% in any calendar quarter. This portion of the Company's Pre-Incentive Fee Net Investment Income (which exceeds the hurdle rate but is less than 2.5%) is referred to as the "catch-up" provision. The catch-up is meant to provide the Investment Adviser with 20.0% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply if this net investment income exceeds 2.5% in any calendar quarter; and 20.0% of the amount of the Company's Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter.

The sum of these calculations yields the “Income Incentive Fee”. This amount is appropriately adjusted for any share issuances or repurchases during the quarter.

The Capital Gain Incentive Fee equals (a) 20.0% of the Company’s Capital Gain Incentive Fee Base (as defined below), if any, calculated in arrears as of the end of each calendar year (or, upon termination of the Investment Advisory Agreement, as of the termination date), which commenced with the calendar year ending December 31, 2010, less (b) the aggregate amount of any previously paid Capital Gain Incentive Fees. The Company’s “Capital Gain Incentive Fee Base” equals the sum of (1) realized capital gains, if any, on a cumulative positive basis from the date the Company elected to become a BDC through the end of each calendar year, (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 the Company’s portfolio when sold is less than (b) the accreted or amortized cost basis of such investment.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Unaudited Consolidated Financial Statements

(In thousands, except shares and per share data)

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

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

The Company accrues 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 April 13, 2010 through the end of each calendar year. For the three months ended December 31, 2013 and 2012, the Capital Gain Incentive Fee was zero.

The sum of the Income Incentive Fee and the Capital Gain Incentive Fee is the "Incentive Fee."

As described above, the Incentive Fee will not be paid at any time if, after such payment, the cumulative Incentive Fees paid to date would be greater than 20.0% of the Company's Cumulative Pre-Incentive Fee Net Investment Income since the effective date of the Company's election to be treated as a BDC. Such amount, less any Incentive Fees previously paid, is referred to as the "Incentive Fee Cap." If, for any relevant period, the Incentive Fee Cap calculation results in the Company paying less than the amount of the Incentive Fee calculated above, then the difference between the Incentive Fee and the Incentive Fee Cap will not be paid by GBDC and will not be received by the Investment Adviser as an Incentive Fee either at the end of such relevant period or at the end of any future period.

Administration Agreement: Under the Administration Agreement, the Administrator furnishes GBDC with office facilities and equipment, provides GBDC with clerical, bookkeeping and record keeping services at such facilities and provides GBDC with other administrative services as the Administrator, subject to review by the Board, determines necessary to conduct the Company's day-to-day operations. GBDC reimburses the Administrator the allocable portion (subject to the review and approval of the Board) of overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, fees and expenses associated with performing compliance functions and GBDC's allocable portion of the cost of its chief financial officer and chief compliance officer and their respective staffs. The Board reviews such expenses to determine that these expenses are reasonable and comparable to administrative services charged by unaffiliated third party asset managers. Under the Administration Agreement, the Administrator also provides, on the Company's behalf, significant managerial assistance to those portfolio companies to which the Company is required to provide such assistance and will be paid

an additional amount based on the cost of the services provided, not to exceed the amount the Company receives from such portfolio companies.

Included in accounts payable and accrued expenses is \$582 and \$752 as of December 31, 2013 and September 30, 2013, respectively, for accrued allocated shared services under the Administration Agreement. The administrative service fee expense under the Administration Agreement for the three months ended December 31, 2013 and 2012 was \$582 and \$548, respectively.

Golub Capital BDC, Inc. and Subsidiaries**Notes to Unaudited Consolidated Financial Statements**

(In thousands, except shares and per share data)

Other related party transactions: The Administrator pays for certain unaffiliated third-party expenses incurred by the Company. Such expenses include postage, printing, office supplies and rating agency fees. These expenses are not marked-up and represent the same amount the Company would have paid had the Company paid the expenses directly. These expenses are subsequently reimbursed in cash.

Total expenses reimbursed to the Administrator during the three months ended December 31, 2013 and 2012 were \$323 and \$0, respectively.

As of December 31, 2013 and September 30, 2013, included in accounts payable and accrued expenses were \$324 and \$323, respectively, for accrued expenses paid on behalf of the Company by the Administrator.

Note 4. Investments

Investments consisted of the following:

	December 31, 2013			September 30, 2013		
	Par	Cost	Fair Value	Par	Cost	Fair Value
Senior secured	\$296,322	\$292,890	\$290,646	\$301,613	\$297,808	\$296,158
One stop	708,169	698,446	701,960	558,140	549,855	554,523
Second lien	110,476	108,188	110,955	113,098	111,701	112,873
Subordinated debt	5,131	5,083	5,882	24,596	24,375	22,552
Investment in SLF ^{(1), (3)}	28,356	28,356	27,871	4,140	4,140	4,066
Investment in SLF ^{(2), (3)}	N/A	4,051	4,879	N/A	591	768
Equity	N/A	29,575	37,726	N/A	29,491	33,705
Total	\$1,148,454	\$1,166,589	\$1,179,919	\$1,001,587	\$1,017,961	\$1,024,645

(1) Amount presented represents the Company's investment in SLF subordinated notes.

(2) Amount presented represents the Company's investment in SLF LLC equity interests.

SLF's proceeds from the subordinated notes and LLC equity interests invested in SLF were utilized by SLF to (3) invest in secured debt securities including traditional senior debt and any related revolving credit facility or similar facility.

Golub Capital BDC, Inc. and Subsidiaries**Notes to Unaudited Consolidated Financial Statements**

(In thousands, except shares and per share data)

The Company has invested in portfolio companies located in the United States and in Canada. The following tables, which exclude derivative instruments, show the portfolio composition by geographic region at cost and fair value as a percentage of total investments in portfolio companies. The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio company's business.

	December 31, 2013		September 30, 2013	
Cost:				
United States				
Mid-Atlantic	\$ 165,335	14.2 %	\$ 119,950	11.8 %
Midwest	329,965	28.3	298,567	29.3
West	240,893	20.6	172,066	16.9
Southeast	258,398	22.1	261,948	25.7
Southwest	106,000	9.1	94,301	9.3
Northeast	65,998	5.7	68,319	6.7
Canada	-	-	2,810	0.3
Total	\$ 1,166,589	100.0 %	\$ 1,017,961	100.0 %
Fair Value:				
United States				
Mid-Atlantic	\$ 161,727	13.7 %	\$ 118,237	11.6 %
Midwest	336,875	28.6	302,154	29.5
West	241,469	20.5	172,168	16.8
Southeast	264,769	22.4	266,831	26.0
Southwest	107,299	9.1	95,608	9.3
Northeast	67,780	5.7	69,647	6.8
Canada	-	-	-	-
Total	\$ 1,179,919	100.0 %	\$ 1,024,645	100.0 %

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

The industry compositions of the portfolio at cost and fair value were as follows:

	December 31, 2013		September 30, 2013	
Cost:				
Aerospace and Defense	\$29,071	2.5 %	\$14,789	1.5 %
Automobile	50,196	4.3	44,048	4.4
Banking	208	-	1,288	0.2
Beverage, Food and Tobacco	117,583	10.1	110,138	10.8
Buildings and Real Estate	789	0.1	3,338	0.3
Cargo Transport	1,952	0.2	1,950	0.2
Chemicals, Plastics and Rubber	5,964	0.5	6,622	0.7
Containers, Packaging and Glass	40,419	3.5	40,729	4.0
Diversified Conglomerate Manufacturing	55,163	4.7	59,445	5.8
Diversified Conglomerate Service	143,511	12.3	143,850	14.1
Electronics	83,116	7.1	60,428	5.9
Farming and Agriculture	3,792	0.3	3,798	0.4
Finance	13,799	1.2	22,591	2.2
Grocery	18,074	1.5	18,063	1.8
Healthcare, Education and Childcare	168,934	14.5	152,778	15.0
Home and Office Furnishings, Housewares and Durable Consumer	7,365	0.6	5,437	0.5
Insurance	10,701	0.9	10,568	1.0
Investment Funds and Vehicles	32,407	2.8	4,731	0.5
Leisure, Amusement, Motion Pictures and Entertainment	62,082	5.3	62,057	6.1
Mining, Steel, Iron and Non-Precious Metals	5,609	0.5	5,479	0.5
Oil and Gas	1,342	0.1	1,349	0.1
Personal and Non-Durable Consumer Products	29,764	2.6	24,208	2.4
Personal, Food and Miscellaneous Services	67,629	5.8	31,742	3.1
Personal Transportation	-	-	17,006	1.7
Printing and Publishing	29,455	2.5	3,359	0.3
Retail Stores	159,968	13.7	153,198	15.0
Telecommunications	23,546	2.0	10,802	1.1
Utilities	4,150	0.4	4,170	0.4
Total	\$1,166,589	100.0 %	\$1,017,961	100.0 %

	December 31, 2013		September 30, 2013	
Fair Value:				
Aerospace and Defense	\$28,639	2.4 %	\$14,707	1.4 %
Automobile	52,426	4.4	45,737	4.4
Banking	5	-	62	-
Beverage, Food and Tobacco	120,065	10.2	112,755	11.0

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Buildings and Real Estate	799	0.1	2,202	0.2
Cargo Transport	1,998	0.2	2,003	0.2
Chemicals, Plastics and Rubber	6,098	0.5	6,772	0.7
Containers, Packaging and Glass	42,836	3.6	41,015	4.0
Diversified Conglomerate Manufacturing	56,187	4.8	60,488	5.9
Diversified Conglomerate Service	144,309	12.2	145,162	14.2
Electronics	83,772	7.1	61,103	6.0
Farming and Agriculture	3,828	0.3	3,838	0.4
Finance	11,037	0.9	20,976	2.0
Grocery	18,333	1.6	18,154	1.8
Healthcare, Education and Childcare	172,632	14.6	155,426	15.2
Home and Office Furnishings, Housewares and Durable Consumer	6,131	0.5	4,746	0.5
Insurance	10,826	0.9	10,713	1.0
Investment Funds and Vehicles	32,750	2.8	4,834	0.5
Leisure, Amusement, Motion Pictures and Entertainment	60,750	5.1	58,314	5.7
Mining, Steel, Iron and Non-Precious Metals	5,635	0.5	5,506	0.5
Oil and Gas	1,360	0.1	1,348	0.1
Personal and Non-Durable Consumer Products	30,206	2.6	24,646	2.4
Personal, Food and Miscellaneous Services	68,224	5.8	32,288	3.2
Personal Transportation	687	0.1	17,488	1.7
Printing and Publishing	29,493	2.5	3,456	0.3
Retail Stores	163,073	13.8	155,860	15.2
Telecommunications	23,656	2.0	10,828	1.1
Utilities	4,164	0.4	4,218	0.4
Total	\$1,179,919	100.0%	\$1,024,645	100.0%

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

Senior Loan Fund:

Effective May 31, 2013, the Company entered an agreement to co-invest with United Insurance Company of America (“United Insurance”) through SLF, an unconsolidated Delaware LLC, whose purpose is to primarily invest in senior secured loans of middle market companies. SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF must be approved by the SLF investment committee consisting of representatives of the Company and United Insurance (with approval from a representative of each required). SLF is capitalized with subordinated notes and LLC interest subscriptions from the Company and United Insurance. The Company has committed to fund \$87,500 of subordinated notes and United Insurance has committed to fund \$12,500 of subordinated notes.

As of December 31, 2013 and September 30, 2013, SLF had commitments from the Company and United Insurance of \$100,000 of subordinated notes, respectively, of which approximately \$32,407 and \$4,732 in aggregate principal amount was funded at December 31, 2013 and September 30, 2013, respectively. As of December 31, 2013 and September 30, 2013, the Company’s investment in SLF consisted of subordinated notes of \$28,356 and \$4,140, respectively, and LLC interests of \$4,051 and \$592, respectively. As of December 31, 2013 and September 30, 2013, United Insurance’s investment in SLF consisted of subordinated notes of \$4,051 and \$592, respectively, and LLC interests of \$579 and \$84, respectively. As of December 31, 2013, the Company and United Insurance owned 87.5% and 12.5%, respectively, of both the outstanding subordinated notes and LLC interests.

As of December 31, 2013 and September 30, 2013, SLF had total assets at fair value of \$37,663 and \$13,821, respectively. As of December 31, 2013, SLF’s portfolio was comprised of 13 first lien senior secured loans and six revolving credit loans to U.S. middle market companies and none of these loans was on non-accrual status. As of September 30, 2013, SLF’s portfolio was comprised of six first lien senior secured loans and three revolving credit loans to U.S. middle market companies and none of these loans was on non-accrual status. The portfolio companies in SLF are in industries similar to those in which the Company may invest directly.

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

Below is a summary of SLF's portfolio, followed by a listing of the individual loans in SLF's portfolio as of December 31, 2013 and September 30, 2013:

	As of December 31, 2013	As of September 30, 2013	
Senior secured loans ⁽¹⁾	\$ 36,690	\$ 13,677	
Weighted average current interest rate on senior secured loans ⁽²⁾	5.7	% 5.9	%
Number of borrowers in SLF	11	4	
Largest loan to a single borrower ⁽¹⁾	\$ 8,291	\$ 8,313	
Total of five largest loans to borrowers ⁽¹⁾	\$ 24,775	\$ 13,620	

(1) At principal amount.

(2) Computed as the (a) annual stated interest rate on accruing senior secured loans, divided by (b) total senior secured loans at principal amount.

SLF Loan Portfolio as of December 31, 2013

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate ⁽¹⁾	Principal Amount
ARG IH Corporation ⁽²⁾	Beverage, Food and Tobacco	Senior Loan	11/2020	5.0 %	\$2,167
Brasa (Holdings) Inc.	Personal, Food and Miscellaneous Services	Senior Loan	07/2019	5.8	8,291
Diversified Foodservice Supply, Inc. ⁽²⁾	Beverage, Food and Tobacco	Senior Loan	12/2018	6.0	4,120
Diversified Foodservice Supply, Inc. ⁽²⁾	Beverage, Food and Tobacco	Senior Loan	12/2018	N/A ⁽³⁾	-
El Pollo Loco Inc ⁽²⁾	Personal, Food and Miscellaneous Services	Senior Loan	10/2018	5.3	4,776
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior Loan	11/2018	5.8	2,073
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior Loan	11/2018	N/A ⁽³⁾	-

Edgar Filing: Golub Capital BDC, Inc. - Form 10-Q

Plano Molding Company, LLC ⁽²⁾	Home and Office Furnishings, Housewares, and Durable Consumer	Senior Loan	10/2018	5.3	1,862
Rug Doctor LLC ⁽²⁾	Personal and Non Durable Consumer Products	Senior Loan	12/2016	6.3	5,130
Rug Doctor LLC ⁽²⁾	Personal and Non Durable Consumer Products	Senior Loan	12/2016	7.5	200
SoftWriters, Inc.	Diversified/Conglomerate Service	Senior Loan	09/2018	5.3	1,578
SoftWriters, Inc.	Diversified/Conglomerate Service	Senior Loan	09/2018	N/A ⁽³⁾	-
SoftWriters, Inc.	Diversified/Conglomerate Service	Senior Loan	09/2018	N/A ⁽³⁾	-
Systems Maintenance Services Holding, Inc. ⁽²⁾	Electronics	Senior Loan	10/2019	5.3	2,458
Take 5 Oil Change, L.L.C. ⁽²⁾	Automobile	Senior Loan	07/2018	6.3	1,441
Take 5 Oil Change, L.L.C. ⁽²⁾	Automobile	Senior Loan	07/2018	6.3	27
U.S. Water Services, Inc.	Utilities	Senior Loan	08/2018	5.5	2,218
U.S. Water Services, Inc.	Utilities	Senior Loan	08/2018	5.5	166
U.S. Water Services, Inc.	Utilities	Senior Loan	08/2018	6.5	183
					\$36,690

(1) Represents the weighted average annual current interest rate as of December 31, 2013. All interest rates are payable in cash.

(2) The Company also holds a portion of the first lien senior secured loan in this portfolio company.

(3) The entire commitment was unfunded at December 31, 2013. As such, no interest is being earned on this investment.

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

SLF Loan Portfolio as of September 30, 2013

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate ⁽¹⁾	Principal Amount
Brasa (Holdings) Inc.	Personal, Food and Miscellaneous Services	Senior Loan	07/2019	5.8 %	\$ 8,313
SoftWriters, Inc.	Diversified/Conglomerate Service	Senior Loan	09/2018	6.5	1,578
SoftWriters, Inc.	Diversified/Conglomerate Service	Senior Loan	09/2018	N/A ⁽²⁾	-
SoftWriters, Inc.	Diversified/Conglomerate Service	Senior Loan	09/2018	N/A ⁽²⁾	-
Take 5 Oil Change, L.L.C. ⁽³⁾	Automobile	Senior Loan	07/2018	6.3	1,445
Take 5 Oil Change, L.L.C. ⁽³⁾	Automobile	Senior Loan	07/2018	6.3	57
U.S. Water Services, Inc.	Utilities	Senior Loan	08/2018	5.5	2,218
U.S. Water Services, Inc.	Utilities	Senior Loan	08/2018	5.5	66
U.S. Water Services, Inc.	Utilities	Senior Loan	08/2018	N/A ⁽²⁾	-
					\$ 13,677

(1) Represents the weighted average annual current interest rate as of September 30, 2013. All interest rates are payable in cash.

(2) The entire commitment was unfunded at September 30, 2013. As such, no interest is being earned on this investment.

(3) The Company also holds a portion of the first lien senior secured loan in this portfolio company.

The amortized cost and fair value of the subordinated notes held by the Company was \$28,356 and \$27,871, respectively, as of December 31, 2013, and \$4,140 and \$4,066, respectively, as of September 30, 2013. The subordinated notes pay a weighted average interest rate of three month LIBOR plus 4.0% and also entitle the holders thereof to receive a portion of the excess cash flow from the underlying loan portfolio. This may result in a return to the holders of the subordinated notes that is greater than both the contractual coupon on the subordinated notes as well as the weighted average current interest rate on SLF's portfolio of 5.7% and 5.9% at December 31, 2013 and September 30, 2013, respectively. For the three months ended December 31, 2013, the Company earned interest income of \$181 on the subordinated notes. The Company did not hold any subordinated notes during the three months ended December 31, 2012, as SLF did not commence operations until May 2013.

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

Below is certain summarized financial information for SLF as of December 31, 2013 and September 30, 2013 and for the three months ended December 31, 2013 and 2012:

	As of December 31, 2013	As of September 30, 2013
Selected Balance Sheet Information, at fair value		
Investments in loans receivable, net of discount for loan origination fees	\$ 36,626	\$ 13,666
Cash and other assets	1,037	155
Total assets	\$ 37,663	\$ 13,821
Payable for open trades	\$ -	\$ 8,259
Other liabilities	234	37
Total liabilities	234	8,296
Subordinated notes and members' equity	37,429	5,525
Total liabilities and members' capital	\$ 37,663	\$ 13,821

	Three months ended December 31, 2013	2012	
Selected Statement of Operations Information:			
Total revenues	\$ 333	NA	(1)
Total expenses	\$ 231	NA	(1)
Net change in unrealized appreciation on investments and subordinated notes	\$ 642	NA	(1)
Net increase in net assets	\$ 744	NA	(1)

(1) SLF did not commence operations until May 2013.

Note 5. Transactions with Affiliated Companies

An affiliated company is a company in which the Company has an ownership of 5% or more of its voting securities. A controlled affiliate is a company in which the Company owns more than 25% of its voting securities. Transactions related to our investments with both controlled and non-controlled affiliates for the three months ended December 31, 2013 were as follows:

Portfolio	Fair value at	Purchases	Redemptions	Sales	Discount	Net realized	Net unrealized	Fair value at
-----------	---------------	-----------	-------------	-------	----------	--------------	----------------	---------------