

Golub Capital BDC, Inc.
Form 10-Q
August 08, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 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 August 8, 2013, the Registrant had 39,791,805 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 June 30, 2013 (unaudited) and September 30, 2012	3
Consolidated Statements of Operations for the three and nine months ended June 30, 2013 (unaudited) and 2012 (unaudited)	4
Consolidated Statements of Changes in Net Assets for the three and nine months ended June 30, 2013 (unaudited) and 2012 (unaudited)	5
Consolidated Statements of Cash Flows for the nine months ended June 30, 2013 (unaudited) and 2012 (unaudited)	6
Consolidated Schedules of Investments as of June 30, 2013 (unaudited) and September 30, 2012	7
Notes to Consolidated Financial Statements (unaudited)	20
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	42
Item 3. Quantitative And Qualitative Disclosures About Market Risk	62
Item 4. Controls and Procedures	63

Part II. Other Information

Item 1. Legal Proceedings	64
Item 1A. Risk Factors	64
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	64
Item 3. Defaults Upon Senior Securities	64
Item 4. Mine Safety Disclosures	64
Item 5. Other Information	64
Item 6. Exhibits	65

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

	June 30, 2013 (unaudited)	September 30, 2012
Assets		
Investments, at fair value (cost of \$962,485 and \$669,841, respectively)	\$ 967,792	\$ 672,910
Cash and cash equivalents	12,936	13,891
Restricted cash and cash equivalents	21,689	37,036
Interest receivable	5,520	3,906
Deferred financing costs	7,372	5,898
Other assets	448	455
Total Assets	\$ 1,015,757	\$ 734,096
Liabilities		
Debt	403,800	\$ 352,300
Interest payable	2,426	1,391
Management and incentive fees payable	5,808	4,203
Accounts payable and accrued expenses	2,225	1,073
Total Liabilities	414,259	358,967
Net Assets		
Preferred stock, par value \$0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of June 30, 2013 and September 30, 2012	-	-
Common stock, par value \$0.001 per share, 100,000,000 shares authorized, 39,791,805 and 25,688,101 shares issued and outstanding as of June 30, 2013 and September 30, 2012, respectively	40	26
Paid in capital in excess of par	600,352	375,563
Capital distributions in excess of net investment income	(343) 347
Net unrealized appreciation on investments and derivative instruments	7,975	5,737
Net realized loss on investments and derivative instruments	(6,526) (6,544
Total Net Assets	601,498	375,129
Total Liabilities and Total Net Assets	\$ 1,015,757	\$ 734,096
Number of common shares outstanding	39,791,805	25,688,101
Net asset value per common share	\$ 15.12	\$ 14.60

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 June 30,		Nine months ended June 30,		
	2013	2012	2013	2012	
Investment income					
Interest income	\$21,187	\$14,811	\$59,130	\$41,263	
Dividend income	1,081	-	1,827	377	
Total investment income	22,268	14,811	60,957	41,640	
Expenses					
Interest and other debt financing expenses	2,967	2,865	9,254	7,811	
Base management fee	3,114	2,220	8,268	6,187	
Incentive fee	2,785	1,917	7,647	4,261	
Professional fees	534	538	1,540	1,685	
Administrative service fee	715	489	1,873	1,207	
General and administrative expenses	153	104	404	405	
Total expenses	10,268	8,133	28,986	21,556	
Net investment income	12,000	6,678	31,971	20,084	
Net gain on investments					
Net realized (loss) gain on investments	(77) (70) 18	(5,002)
Net realized gain on derivative instruments	-	1,228	-	2,216	
Net change in unrealized appreciation (depreciation) on investments	734	(795) 2,238	3,580	
Net change in unrealized (depreciation) appreciation on derivative instruments	-	(1,648) -	2,136	
Net gain (loss) on investments	657	(1,285) 2,256	2,930	
Net increase in net assets resulting from operations	\$12,657	\$5,393	\$34,227	\$23,014	
Per Common Share Data					
Basic and diluted earnings per common share	\$0.34	\$0.21	\$1.05	\$0.97	
Dividends and distributions declared per common share	\$0.32	\$0.32	\$0.96	\$0.96	
Basic and diluted weighted average common shares outstanding	37,118,379	25,639,680	32,511,415	23,803,762	

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	Net Unrealized Appreciation (Depreciation) on Investments and Derivative Instruments	Net Realized Gain (Loss) on Investments and Derivative Instruments	Total Net Assets
	Shares	Par Amount	in Excess of Par	in Excess of Net Investment Income			
Balance at September 30, 2011	21,733,903	\$ 22	\$ 318,302	\$ (398)	\$ (1,519)	\$ 142	\$ 316,549
Issuance of common stock, net of offering and underwriting costs ⁽¹⁾	3,825,000	4	56,463	-	-	-	56,467
Net increase (decrease) in net assets resulting from operations	-	-	-	20,084	5,716	(2,786)	23,014
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	104,106	-	1,527	-	-	-	1,527
Dividends and distributions	-	-	-	(23,346)	-	-	(23,346)
Balance at June 30, 2012	25,663,009	\$ 26	\$ 376,292	\$ (3,660)	\$ 4,197	\$ (2,644)	\$ 374,211
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 ⁽²⁾	14,016,382	14	223,404	-	-	-	223,418
Net increase in net assets resulting from	-	-	-	31,971	2,238	18	34,227

operations							
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	87,322	-	1,385	-	-	-	1,385
Dividends and distributions	-	-	-	(32,661)	-	-	(32,661)
Balance at June 30, 2013	39,791,805	\$ 40	\$ 600,352	\$ (343)	\$ 7,975	\$ (6,526)	\$ 601,498

(1) On January 31, 2012, Golub Capital BDC, Inc. priced a public offering of 3,500,000 shares of its common stock at a public offering price of \$15.35 per share. On March 1, 2012, Golub Capital BDC, Inc. sold an additional 325,000 shares of its common stock at a public offering price of \$15.35 per share pursuant to the underwriters' partial exercise of the over-allotment option.

(2) 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. On January 15, 2013, Golub Capital BDC, Inc. priced a public offering of 4,500,000 shares of its common stock at a public offering price of \$15.87 per share. On February 20, 2013, Golub Capital BDC, Inc. sold an additional 622,262 shares of its common stock at a public offering price of \$15.87 per share pursuant to the underwriters' partial exercise of the over-allotment option. On May 7, 2013, Golub Capital BDC, Inc. priced a public offering of 6,000,000 shares of its common stock at a public offering price of \$17.47 per share.

See Notes to Consolidated Financial Statements.

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

	Nine Months Ended June 30,	
	2013	2012
Cash flows from operating activities		
Net increase in net assets resulting from operations	\$ 34,227	\$ 23,014
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities		
Amortization of deferred financing costs	1,444	1,072
Accretion of discounts and amortization of premiums	(6,104)	(3,447)
Net realized (gain) loss on investments	(18)	5,002
Net realized gain on derivative instruments	-	(2,216)
Net change in unrealized appreciation on investments	(2,238)	(3,580)
Net change in unrealized appreciation on derivative instruments	-	(2,136)
Fundings of revolving loans, net	(8,155)	(1,687)
Fundings of investments	(554,022)	(292,943)
Proceeds from principal payments and sales of portfolio investments	276,506	120,602
Proceeds from derivative instruments	-	2,216
Payment-in-kind ("PIK") interest	(851)	(751)
Changes in operating assets and liabilities:		
Interest receivable	(1,614)	(830)
Cash collateral on deposit with custodian	-	19,875
Other assets	7	131
Interest payable	1,035	1,203
Management and incentive fees payable	1,605	2,462
Accounts payable and accrued expenses	1,152	420
Net cash used in operating activities	(257,026)	(131,593)
Cash flows from investing activities		
Net change in restricted cash and cash equivalents	15,347	(21,643)
Net cash provided by (used in) investing activities	15,347	(21,643)
Cash flows from financing activities		
Borrowings on debt	304,350	154,817
Repayments of debt	(252,850)	(62,700)
Capitalized debt financing costs	(2,918)	(1,810)
Proceeds from shares sold, net of underwriting costs	224,065	57,164
Offering costs paid	(647)	(696)
Dividends and distributions paid	(31,276)	(21,819)
Net cash provided by financing activities	240,724	124,956
Net change in cash and cash equivalents	(955)	(28,280)

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

Cash and cash equivalents, beginning of period	13,891	46,350
Cash and cash equivalents, end of period	\$ 12,936	\$ 18,070
Supplemental information:		
Cash paid during the period for interest	\$ 6,775	\$ 5,537
Dividends and distributions declared during the period	\$ 32,661	\$ 23,346

See Notes to Consolidated Financial Statements.

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

Investment Type	Spread Above Index ⁽¹⁾	Interest Rate ⁽²⁾	Maturity Date	Principal		Percentage of Net Assets	F V
				Amount	Cost		
Investments							
Canada							
Debt							
investments							
Leisure, Amusement, Motion Pictures, Entertainment							
Extreme Fitness, Inc. ⁽³⁾	Subordinated Debt	N/A	12.00% cash/2.50% PIK	11/2015	\$2,932	\$2,810	- % \$
Total Canada					\$2,932	\$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	\$608	\$604	0.1 % \$
ILC Dover, LP	Senior Loan	P + 6.00 %	8.25	% 07/2017	34	27	-
ILC Dover, LP	Senior Loan	L + 6.00 %	7.25	% 07/2017	4,366	4,295	0.7
Tresys Technology Holdings, Inc. ⁽⁴⁾	One Stop	L + 6.75 %	N/A	(5) 12/2017	-	(9)	-
Tresys Technology Holdings, Inc.	One Stop	L + 6.75 %	8.00	% 12/2017	4,000	3,910	0.7

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

TurboCombustor Technology Inc.*	Senior Loan	L + 4.75 %	5.75	%	12/2017	383	383	0.1
TurboCombustor Technology Inc.*	Senior Loan	L + 5.00 %	6.00	%	12/2017	898	895	0.1
Whitcraft LLC	Subordinated Debt	N/A	12.00	%	12/2018	1,877	1,851	0.3
White Oak Technologies, Inc.	Senior Loan	L + 5.00 %	6.25	%	03/2017	53	45	-
White Oak Technologies, Inc.*	Senior Loan	L + 5.00 %	6.25	%	03/2017	1,857	1,826	0.3
						14,076	13,827	2.3
Automobile								
ABRA, Inc. ⁽⁴⁾	One Stop	L + 5.75 %	N/A	(5)	05/2018	-	(63)	-
ABRA, Inc.	One Stop	P + 5.75 %	7.75	%	05/2018	1,962	1,941	0.3
ABRA, Inc.*	One Stop	L + 5.75 %	7.00	%	05/2018	26,438	26,245	4.4
American Driveline Systems, Inc.	Senior Loan	P + 7.50 %	9.75	%	01/2016	391	386	0.1
American Driveline Systems, Inc.*	Senior Loan	P + 7.50 %	9.75	%	01/2016	2,840	2,803	0.4
Express Oil Change, LLC	Senior Loan	P + 4.75 %	6.75	%	12/2017	119	115	-
Express Oil Change, LLC	Senior Loan	L + 4.75 %	6.00	%	12/2017	181	178	-
Express Oil Change, LLC*	Senior Loan	P + 4.75 %	6.75	%	12/2017	1,865	1,849	0.3
K&N Engineering, Inc. ⁽⁴⁾	Senior Loan	P + 4.50 %	N/A	(5)	04/2018	-	(8)	-
K&N Engineering, Inc.*	Senior Loan	L + 4.50 %	5.75	%	04/2018	7,297	7,191	1.2
						41,093	40,637	6.7
Banking								
Prommis Fin Co.* ⁽³⁾	Senior Loan	P + 10.50 %	2.25% cash/11.50% PIK		06/2015	212	191	-
Prommis Fin Co.	Senior Loan	P + 11.00 %	13.25	%	06/2015	126	125	-
Prommis Fin Co.* ⁽³⁾	Second Lien	P + 10.50 %	2.25% cash/11.50% PIK		06/2015	425	382	-
Prommis Fin Co.* ⁽³⁾	Subordinated Debt	P + 10.50 %	2.25% cash/11.50% PIK		06/2015	213	191	-
						976	889	-
Beverage, Food and Tobacco								
ABP Corporation	Senior Loan	P + 3.50 %	7.25	%	06/2016	63	58	-
	Senior Loan	L + 4.75 %	6.00	%	06/2016	4,501	4,450	0.7

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

ABP Corporation*									
American Importing Company, Inc.	One Stop	L + 5.75 %	7.00	%	05/2018	14,843	14,651	2.4	
Ameriqua Group, LLC*	Senior Loan	L + 5.00 %	6.50	%	03/2016	1,727	1,708	0.3	
Ameriqua Group, LLC	Senior Loan	L + 7.50 %	9.00	%	03/2016	833	824	0.1	
Atkins Nutritionals, Inc.*	One Stop	L + 5.00 %	6.25	%	01/2019	22,395	22,141	3.7	
Atkins Nutritionals, Inc.	One Stop	L + 8.50 %	9.75	%	04/2019	17,270	16,810	2.9	
Candy Intermediate Holdings, Inc.	Senior Loan	L + 6.25 %	7.50	%	06/2018	4,950	4,806	0.8	
Firebirds International, LLC ⁽⁴⁾	One Stop	L + 5.75 %	N/A	(5)	05/2018	-	(7)	-	
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	912	900	0.1	
First Watch Restaurants, Inc.	One Stop	L + 7.50 %	8.75	%	12/2016	420	396	0.1	
First Watch Restaurants, Inc.	One Stop	L + 7.50 %	8.75	%	12/2016	618	594	0.1	
First Watch Restaurants, Inc.*	One Stop	P + 7.50 %	9.75	%	12/2016	11,443	11,284	1.9	
IT'SUGAR LLC	Subordinated Debt	N/A	8.00	%	10/2017	1,707	1,707	0.4	
IT'SUGAR LLC	Senior Loan	L + 8.50 %	10.00	%	04/2017	4,223	4,159	0.7	
Julio & Sons Company ⁽⁴⁾	One Stop	L + 5.50 %	N/A	(5)	09/2014	-	(9)	-	
Julio & Sons Company*	One Stop	L + 5.50 %	7.00	%	09/2016	7,067	7,022	1.2	
Julio & Sons Company ⁽⁴⁾	One Stop	L + 5.50 %	N/A	(5)	09/2016	-	(10)	-	
Northern Brewer, LLC	One Stop	P + 6.50 %	8.50	%	02/2018	332	320	0.1	
Northern Brewer, LLC	One Stop	L + 6.50 %	8.00	%	02/2018	6,494	6,343	1.1	
Richelieu Foods, Inc.	Senior Loan	P + 5.00 %	7.25	%	11/2015	108	100	-	
Richelieu Foods, Inc.*	Senior Loan	L + 5.00 %	6.75	%	11/2015	1,988	1,962	0.3	
Smashburger Finance LLC ⁽⁴⁾	Senior Loan	L + 4.25 %	N/A	(5)	05/2018	-	(6)	-	

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

Smashburger Finance LLC*	Senior Loan	L + 4.25 % 5.50	% 05/2018	3,274	3,250	0.5
				105,168	103,451	17.4

See Notes to Consolidated Financial Statements.

7

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments (unaudited) - (Continued)

June 30, 2013

(In thousands)

	Investment	Spread Above	Interest	Maturity	Principal		Percentage of Total	Fair
	Type	Index ⁽¹⁾	Rate ⁽²⁾	Date	Amount	Cost	Net Assets	Value
Building and Real Estate								
ASP PDM Acquisition Co. LLC ^{*(3)}	Senior Loan	P + 7.25	% 10.50	% 12/2013	451	443	-	180
Global Claims Services, Inc. ⁽⁴⁾	Senior Loan	L + 4.75	% N/A	⁽⁵⁾ 06/2018	-	(1)	-	-
Global Claims Services, Inc.*	Senior Loan	L + 4.75	% 6.00	% 06/2018	803	793	0.1	803
KHKI Acquisition, Inc.	Senior Loan	P + 5.00	% 8.50	% 03/2017	2,573	2,573	0.2	1,4
Tecta America Corp.	Senior Loan	P + 5.75	% 9.00	% 06/2013	141	141	-	141
Tecta America Corp.	Senior Loan	P + 5.75	% 9.00	% 03/2014	3,779	3,779	0.4	2,20
					7,747	7,728	0.7	4,80
Cargo Transport								
RP Crown Parent*	Senior Loan	L + 5.50	% 6.75	% 12/2018	1,990	1,953	0.3	2,00
RP Crown Parent	Second Lien	L + 10.00	% 11.25	% 12/2019	7,500	7,360	1.3	7,7
					9,490	9,313	1.6	9,7
Chemicals, Plastics and Rubber								
Integrated DNA Technologies, Inc	Subordinated Debt	N/A	12.00% cash/2.00% PIK	04/2015	2,167	2,131	0.4	2,10
Road Infrastructure Investment, LLC	Senior Loan	L + 5.00	% 5.28	% 03/2017	316	282	0.1	313
	Senior Loan	L + 5.00	% 6.25	% 03/2018	4,515	4,467	0.8	4,5

Road Infrastructure Investment, LLC*							6,998	6,880	1.3	7,000
Containers, Packaging and Glass										
Fort Dearborn Company*	Senior Loan	L + 4.25 %	5.25	%	10/2017	48	48	-	48	
Fort Dearborn Company*	Senior Loan	L + 4.75 %	5.75	%	10/2018	191	189	-	191	
Fort Dearborn Company*	Senior Loan	L + 4.25 %	5.25	%	10/2017	570	566	0.1	570	
Fort Dearborn Company*	Senior Loan	L + 4.75 %	5.75	%	10/2018	2,208	2,192	0.4	2,208	
John Henry Holdings Inc.	Second Lien	L + 9.00 %	10.25	%	05/2019	1,175	1,148	0.2	1,175	
Packaging Coordinators, Inc.*	Senior Loan	L + 4.25 %	5.50	%	05/2020	6,810	6,776	1.1	6,776	
Packaging Coordinators, Inc.	Second Lien	L + 8.25 %	9.50	%	11/2020	29,098	28,520	4.8	28,520	
						40,100	39,439	6.6	39,439	
Diversified Conglomerate Manufacturing										
Chase Industries, Inc.*	One Stop	L + 6.19 %	6.75	%	11/2017	11,572	11,387	1.9	11,387	
Metal Spinners, Inc.*	Senior Loan	L + 6.50 %	8.00	%	12/2014	1,367	1,343	0.2	1,367	
Metal Spinners, Inc.*	Senior Loan	L + 6.50 %	8.00	%	12/2014	2,721	2,678	0.5	2,721	
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	3,652	3,586	0.6	3,652	
Pasternack Enterprises, Inc.*	Senior Loan	L + 5.00 %	6.25	%	12/2017	1,231	1,221	0.2	1,231	
Plex Systems, Inc. ⁽⁴⁾	Senior Loan	L + 7.50 %	N/A	(5)	06/2018	-	(26)	-	(26)	
Plex Systems, Inc.*	Senior Loan	P + 6.25 %	9.50	%	06/2018	13,670	13,375	2.2	13,670	
Sunless Merger Sub, Inc.	Senior Loan	P + 4.00 %	7.25	%	07/2016	68	67	-	47	
Sunless Merger Sub, Inc.*	Senior Loan	L + 5.25 %	6.50	%	07/2016	2,201	2,194	0.3	2,000	
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	5,667	5,597	0.9	5,667	

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

TIDI Products, LLC ⁽⁴⁾	Senior Loan	L + 7.00 %	N/A	(5)	07/2017	-	(11)	-	-
TIDI Products, LLC*	Senior Loan	L + 7.00 %	8.25	%	07/2018	8,726	8,565	1.5	8,726
Vintage Parts, Inc.*	One Stop	L + 5.50 %	5.78	%	12/2013	5,069	5,063	0.8	5,069
Vintage Parts, Inc.*	One Stop	L + 6.00 %	8.50	%	12/2013	70	70	-	70
Vintage Parts, Inc.*	One Stop	L + 8.00 %	9.75	%	12/2013	1,059	1,053	0.2	1,059
						57,073	56,143	9.3	56,143
Diversified Conglomerate Service									
Aderant North America, Inc.*	Senior Loan	L + 5.00 %	6.25	%	12/2018	4,518	4,477	0.8	4,518
Agility Recovery Solutions Inc. ⁽⁴⁾	One Stop	L + 6.75 %	N/A	(5)	12/2017	-	(6)	-	-
Agility Recovery Solutions Inc.*	One Stop	L + 6.75 %	8.00	%	12/2017	5,998	5,869	1.0	5,998
API Healthcare Corporation*	One Stop	L + 8.60 %	9.85	%	04/2018	34,587	34,296	5.7	34,587
Consona Holdings, Inc. ⁽⁴⁾	Senior Loan	L + 5.50 %	N/A	(5)	08/2017	-	(3)	-	-
Consona Holdings, Inc.*	Senior Loan	L + 5.50 %	6.75	%	08/2018	1,051	1,020	0.2	1,051
Consona Holdings, Inc.*	Senior Loan	L + 6.00 %	7.25	%	08/2018	1,555	1,542	0.3	1,555
Document Technologies, LLC ⁽⁴⁾	Senior Loan	L + 4.25 %	N/A	(5)	12/2018	-	(14)	-	-
Document Technologies, LLC*	Senior Loan	L + 4.25 %	5.50	%	12/2018	6,758	6,688	1.1	6,758
EAG, Inc.*	Senior Loan	P + 3.50 %	6.75	%	07/2017	2,527	2,497	0.4	2,527
HighJump Acquisition LLC	One Stop	L + 8.50 %	9.75	%	07/2016	5,340	5,290	0.9	5,340
Marathon Data Operating Co., LLC ⁽⁴⁾	One Stop	L + 6.25 %	N/A	(5)	08/2017	-	(9)	-	-
Marathon Data Operating Co., LLC	One Stop	L + 6.25 %	7.50	%	08/2017	4,784	4,684	0.8	4,784
MSC Software Corporation*	One Stop	L + 6.50 %	7.75	%	11/2017	10,158	9,986	1.7	10,158
Navex Global, Inc. ⁽⁴⁾	One Stop	L + 7.50 %	N/A	(5)	12/2016	-	(18)	-	-
Navex Global, Inc.*	One Stop	L + 7.50 %	9.00	%	12/2016	17,873	17,551	3.0	17,873

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

NetSmart Technologies, Inc.	Senior Loan	L + 7.53 %	7.53	%	12/2017	662	650	0.1	662
NetSmart Technologies, Inc.*	Senior Loan	L + 7.82 %	7.82	%	12/2017	8,484	8,403	1.4	8,484
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 %	6.50	%	09/2017	2,020	1,995	0.3	2,020
Secure-24, LLC ⁽⁴⁾	One Stop	L + 7.00 %	N/A	(5)	08/2017	-	(7)	-	-
Secure-24, LLC*	One Stop	L + 7.00 %	8.25	%	08/2017	10,592	10,326	1.8	10,592
Secure-24, LLC	One Stop	L + 7.00 %	8.25	%	03/2015	552	527	0.1	552
Source Medical Solutions, Inc.	Second Lien	L + 9.50 %	10.75	%	03/2018	9,294	9,093	1.5	9,294
Vericlam, Inc. ⁽⁴⁾	Senior Loan	L + 4.75 %	N/A	(5)	05/2018	-	(4)	-	(4)
Vericlam, Inc.	Senior Loan	L + 4.75 %	6.00	%	05/2018	5,837	5,808	1.0	5,837
						132,590	130,639	22.1	132,590

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries**Consolidated Schedule of Investments (unaudited) - (Continued)****June 30, 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								
Ecommerce Industries, Inc. ⁽⁴⁾	One Stop	L + 6.75 %	N/A	(5) 10/2016	-	(22)	-	-
Ecommerce Industries, Inc.*	One Stop	L + 8.36 %	8.36	% 10/2016	12,692	12,538	2.1	12,692
Entrust, Inc./Entrust Limited*	Second Lien	L + 9.50 %	10.75	% 04/2019	5,204	5,157	0.9	5,204
Entrust, Inc./Entrust Limited*	Second Lien	L + 9.50 %	10.75	% 04/2019	11,523	11,419	1.9	11,523
Rogue Wave Holdings, Inc.*	One Stop	L + 9.45 %	9.45	% 11/2017	6,149	6,081	1.0	6,149
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	6,804	6,727	1.1	6,804
Syncsort Incorporated ⁽⁴⁾	Senior Loan	L + 5.50 %	N/A	(5) 03/2015	-	(3)	-	-
Syncsort Incorporated*	Senior Loan	P + 4.25 %	7.50	% 03/2015	6,023	5,944	1.0	6,023
Time-O-Matic, Inc.	Subordinated Debt	N/A	12.00% cash/1.25% PIK	12/2016	11,671	11,527	1.9	11,671
					60,066	59,361	9.9	60,066
Farming and Agriculture								
AGData, L.P.	One Stop	L + 5.75 %	7.25	% 08/2016	2,618	2,595	0.4	2,618
Finance								
Ascensus, Inc.*	Senior Loan	L + 6.75 %	8.00	% 12/2018	18,003	17,673	3.0	18,003
	Senior Loan	L + 5.00 %	6.50	% 09/2016	895	889	0.1	895

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

Bonddesk Group LLC*										
Pillar Processing LLC*	Senior Loan	L + 5.50 %	5.78	%	11/2018	1,633	1,630	0.2	1,470	
Pillar Processing LLC*(3)	Senior Loan	N/A	14.50	%	05/2019	3,125	2,599	0.1	625	
						23,656	22,791	3.4	20,993	
Grocery										
MyWebGrocer, Inc.(4)	Senior Loan	L + 8.75 %	N/A	(5)	05/2018	-	(16)	-	(16	
MyWebGrocer, Inc.	Senior Loan	L + 8.75 %	6.00% cash/4.00% PIK		05/2018	14,271	14,021	2.3	14,129	
						14,271	14,005	2.3	14,113	
Healthcare, Education and Childcare										
Advanced Pain Management Holdings, Inc.(4)	Senior Loan	L + 5.00 %	N/A	(5)	02/2018	-	(7)	-	(8	
Advanced Pain Management Holdings, Inc.(4)	Senior Loan	L + 5.00 %	N/A	(5)	02/2018	-	(11)	-	(12	
Advanced Pain Management Holdings, Inc.*	Senior Loan	L + 5.00 %	6.25	%	02/2018	7,382	7,313	1.2	7,308	
Avatar International, LLC	Senior Loan	L + 8.00 %	9.25	%	09/2016	1,662	1,648	0.3	1,662	
Avatar International, LLC(4)	One Stop	L + 7.50 %	N/A	(5)	09/2016	-	(6)	-	-	
Avatar International, LLC*	One Stop	L + 7.50 %	8.75	%	09/2016	7,704	7,618	1.3	7,704	
Campus Management Acquisition Corp.	Second Lien	L + 9.07 %	9.07	%	09/2015	4,973	4,928	0.7	4,376	
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	7,991	7,983	1.3	7,991	
Delta Educational Systems*	Senior Loan	P + 4.75 %	8.00	%	12/2016	2,116	2,085	0.3	2,010	
	Subordinated Debt	N/A	11.00% cash/2.00% PIK		09/2018	8,928	8,827	1.5	8,928	

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

Dialysis Newco, Inc. Encore Rehabilitation Services, LLC ⁽⁴⁾	One Stop	L + 6.25 %	N/A	(5)	06/2017	-	(13)	-	-
Encore Rehabilitation Services, LLC	One Stop	L + 6.25 %	7.50	%	06/2017	5,131	5,019	0.9	5,131
G & H Wire Company, Inc. ⁽⁴⁾	Senior Loan	L + 5.50 %	N/A	(5)	11/2016	-	(10)	-	-
G & H Wire Company, Inc.*	Senior Loan	L + 5.50 %	7.00	%	11/2016	8,670	8,556	1.4	8,670
Healogics, Inc.*	Second Lien	L + 8.00 %	9.25	%	02/2020	16,454	16,298	2.8	16,783
Hospitalists Management Group, LLC	Senior Loan	L + 4.75 %	6.25	%	05/2017	441	436	0.1	397
Hospitalists Management Group, LLC	Senior Loan	L + 4.75 %	6.25	%	05/2017	815	807	0.1	724
Hospitalists Management Group, LLC	Senior Loan	L + 4.75 %	6.25	%	05/2017	3,694	3,635	0.6	3,324
IntegraMed America, Inc. ⁽⁴⁾	One Stop	L + 7.25 %	N/A	(5)	09/2017	-	(16)	-	-
IntegraMed America, Inc.*	One Stop	L + 7.25 %	8.50	%	09/2017	14,494	14,216	2.4	14,494
Maverick Healthcare Group, LLC *	Senior Loan	L + 5.50 %	7.25	%	12/2016	2,040	2,020	0.3	2,040
NeuroTherm, Inc.	Senior Loan	L + 5.00 %	6.50	%	02/2016	160	156	-	160
NeuroTherm, Inc.*	Senior Loan	L + 5.00 %	6.50	%	02/2016	1,366	1,350	0.2	1,366
Northwestern Management Services, LLC ⁽⁴⁾	Senior Loan	L + 5.50 %	N/A	(5)	10/2017	-	(5)	-	-
Northwestern Management Services, LLC ⁽⁴⁾	Senior Loan	L + 5.50 %	N/A	(5)	10/2017	-	(5)	-	-
Northwestern Management Services, LLC*	Senior Loan	L + 5.50 %	6.75	%	10/2017	3,054	3,021	0.5	3,054
Pentec Acquisition Sub, Inc. ⁽⁴⁾	Senior Loan	L + 5.25 %	N/A	(5)	05/2017	-	(3)	-	(24

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

Pentec Acquisition Sub, Inc.*	Senior Loan	L + 5.25 %	6.50	%	05/2018	1,921	1,890	0.3	1,690
PhysioTherapy Associates Holdings, Inc.*	Senior Loan	L + 4.75 %	8.00	%	04/2018	572	563	0.1	552
Reliant Pro ReHab, LLC	Senior Loan	L + 4.75 %	6.00	%	06/2016	966	959	0.2	966
Reliant Pro ReHab, LLC	Senior Loan	P + 3.75 %	7.00	%	06/2016	571	565	0.1	571
Reliant Pro ReHab, LLC*	Senior Loan	L + 4.75 %	6.00	%	06/2016	3,457	3,421	0.6	3,457
Renaissance Pharma (U.S.) Holdings Inc.	Senior Loan	P + 4.25 %	7.50	%	05/2018	85	81	-	85
Renaissance Pharma (U.S.) Holdings Inc.*	Senior Loan	L + 5.25 %	6.75	%	05/2018	4,608	4,547	0.8	4,608
Southern Anesthesia and Surgical ⁽⁴⁾	One Stop	L + 7.00 %	N/A	(5)	11/2017	-	(14)	-	-
Southern Anesthesia and Surgical	One Stop	L + 7.00 %	8.25	%	11/2017	6,280	6,144	1.0	6,280
Information Systems, LLC	Second Lien	L + 8.28 %	8.28	%	12/2015	3,730	3,693	0.6	3,730
WIL Research Company, Inc.*	Senior Loan	L + 4.50 %	5.75	%	02/2018	786	777	0.1	788
Young Innovations, Inc. ⁽⁴⁾	Senior Loan	L + 4.50 %	N/A	(5)	01/2018	-	(3)	-	-
Young Innovations, Inc.	Senior Loan	L + 4.50 %	5.75	%	01/2019	4,773	4,739	0.8	4,773
						124,824	123,202	20.5	123,57

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments (unaudited) - (Continued)

June 30, 2013

(In thousands)

	Investment	Spread	Interest	Maturity	Principal		Percentage	
	Type	Index ⁽¹⁾	Rate ⁽²⁾	Date	Amount	Cost	of Total	Fair
							Net	Value
							Assets	
Home and Office Furnishings, Housewares, and Durable Consumer								
WII Components, Inc.	Senior Loan	P + 3.75	% 7.00	% 07/2016	20	19	-	20
WII Components, Inc.*	Senior Loan	L + 4.75	% 6.25	% 07/2016	1,662	1,647	0.3	1,662
Zenith Products Corporation*	One Stop	L + 5.75	% 5.75	% 09/2013	3,289	3,279	0.4	2,631
					4,971	4,945	0.7	4,313
Insurance								
AssuredPartners Capital, Inc. ⁽⁴⁾	Senior Loan	L + 4.75	% N/A	⁽⁵⁾ 06/2019	-	(27)	-	-
AssuredPartners Capital, Inc.*	Senior Loan	L + 4.50	% 5.75	% 06/2019	2,382	2,363	0.4	2,382
Captive Resources Midco, LLC ⁽⁴⁾	Senior Loan	L + 5.50	% N/A	⁽⁵⁾ 10/2017	-	(4)	-	-
Captive Resources Midco, LLC*	Senior Loan	L + 5.50	% 6.75	% 10/2018	3,561	3,529	0.6	3,561
Evolution1, Inc. ⁽⁴⁾	Senior Loan	L + 4.75	% N/A	⁽⁵⁾ 06/2016	-	(15)	-	-
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	4,584	4,543	0.8	4,584
					10,616	10,475	1.8	10,616
Leisure, Amusement, Motion Pictures and Entertainment								
Competitor Group, Inc. ⁽⁴⁾	One Stop	L + 7.75	% N/A	⁽⁵⁾ 11/2018	-	(47)	-	-
Competitor Group, Inc.	One Stop	L + 7.75	% 9.00	% 11/2018	884	870	0.1	884
Competitor Group, Inc.*	One Stop	L + 7.75	% 9.00	% 11/2018	12,806	12,604	2.1	12,806
Octane Fitness, LLC*	One Stop	L + 5.50	% 7.00	% 12/2015	4675	4581	0.8	4675
Pride Manufacturing Company, LLC*	Senior Loan	L + 6.00	% 7.75	% 11/2015	635	629	0.1	635
Service Companies, The *	Senior Loan	L + 6.50	% 9.00	% 03/2014	6,420	6,392	1.1	6,420
	One Stop	L + 7.50	% 9.00	% 12/2017	1,185	1,159	0.2	1,185

Starplex Operating, L.L.C.										
Starplex Operating, L.L.C.*	One Stop	L + 7.50	%	9.00	%	12/2017	17,476	17,198	2.9	17,476
							44,081	43,386	7.3	44,081
Mining, Steel, Iron and Non-Precious Metals										
Benetech, Inc. ⁽⁴⁾	One Stop	P + 4.75	%	8.00	%	10/2017	195	190	-	195
Benetech, Inc.*	One Stop	L + 6.00	%	7.25	%	10/2017	5,579	5,554	0.9	5,579
							5,774	5,744	0.9	5,774
Oil and Gas										
Drilling Info, Inc. ⁽⁴⁾	One Stop	L + 5.50	%	N/A	(5)	06/2018	-	(1)	-	(1)
Drilling Info, Inc.	One Stop	P + 4.25	%	7.50	%	06/2018	1,377	1,363	0.2	1,363
Drilling Info, Inc. ⁽⁴⁾	One Stop	L + 5.50	%	N/A	(5)	06/2018	-	(5)	-	(5)
							1,377	1,357	0.2	1,357
Personal and Non-Durable Consumer Products										
Hygenic Corporation, The ⁽⁴⁾	Senior Loan	L + 4.50	%	N/A	(5)	10/2017	-	(4)	-	-
Hygenic Corporation, The*	Senior Loan	L + 4.50	%	5.75	%	10/2018	3,328	3,284	0.6	3,328
Massage Envy, LLC ⁽⁴⁾	One Stop	L + 7.25	%	N/A	(5)	09/2018	-	(16)	-	-
Massage Envy, LLC	One Stop	L + 7.25	%	8.50	%	09/2018	16,741	16,378	2.8	16,741
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	3,528	3,497	0.6	3,528
							23,597	23,135	4.0	23,597
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	3,550	3,518	0.6	3,550
Automatic Bar Controls, Inc.	Senior Loan	P + 4.50	%	7.75	%	03/2016	22	21	-	22
Automatic Bar Controls, Inc.*	Senior Loan	L + 5.75	%	7.25	%	03/2016	917	909	0.2	917
Brasa (Holdings) Inc.*	Senior Loan	L + 6.25	%	7.50	%	07/2019	5,088	4,955	0.8	5,088
Focus Brands Inc.	Second Lien	L + 9.00	%	10.25	%	08/2018	11,195	11,070	1.9	11,390
National Veterinary Associates, Inc.	Senior Loan	L + 5.00	%	6.25	%	12/2017	621	608	0.1	621
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	6,037	5,990	1.0	6,037
PMI Holdings, Inc.	Senior Loan	L + 4.75	%	5.75	%	06/2017	72	69	-	72
PMI Holdings, Inc.	Senior Loan	L + 4.75	%	5.75	%	06/2017	2,642	2,621	0.4	2,642
Vetcor Merger Sub LLC ⁽⁴⁾	Senior Loan	L + 6.50	%	N/A	(5)	12/2017	-	(23)	-	-
Vetcor Merger Sub LLC	Senior Loan	L + 6.50	%	7.75	%	12/2017	286	279	-	286
Vetcor Merger Sub LLC*	Senior Loan	L + 6.50	%	7.75	%	12/2017	5,960	5,900	1.0	5,960

36,390	35,914	6.0	36,585
--------	--------	-----	--------

See Notes to Consolidated Financial Statements.

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

	Investment	Spread Above	Interest	Maturity	Principal		Percentage	Fair
	Type	Index ⁽¹⁾	Rate ⁽²⁾	Date	Amount	Cost	of Total Net Assets	Value
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	0.6	3,400
PODS Funding Corp. II	Subordinated Debt	N/A	10.50% cash/5.00% PIK	05/2017	456	451	0.1	456
PODS Funding Corp. II	Subordinated Debt	N/A	10.50% cash/5.00% PIK	05/2017	2,139	2,097	0.4	2,139
PODS Funding Corp. II	Senior Loan	L + 6.00	% 7.25	% 11/2016	724	709	0.1	724
PODS Funding Corp. II*	Senior Loan	L + 6.00	% 7.25	% 11/2016	6,383	6,254	1.1	6,383
					13,804	13,613	2.4	13,804
Printing and Publishing								
Digital Technology International, LLC.	One Stop	P + 6.00	% 9.25	% 09/2016	928	922	0.2	928
Digital Technology International, LLC.	One Stop	L + 7.25	% 8.75	% 09/2016	6,235	6,153	1.0	6,235
Market Track, LLC ⁽⁴⁾	Senior Loan	L + 6.11	% N/A	(5) 08/2018	-	(5) -	-	-

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

Market Track, LLC*	Senior Loan	L + 6.11	% 7.36	% 08/2018	3,122	3,082	0.5	3,122
Market Track, LLC ⁽⁴⁾	Senior Loan	L + 7.65	% N/A	(5) 08/2018	-	(4)	-	-
					10,285	10,148	1.7	10,285
Retail Stores								
Barcelona Restaurants, LLC ⁽⁴⁾⁽⁶⁾	One Stop	L + 8.25	% N/A	(5)				