UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2024

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: 814-00704

GLADSTONE INVESTMENT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**83-0423116**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1521 WESTBRANCH DRIVE, SUITE 100 **MCLEAN, VA**	**22102**
(Address of principal executive offices)	(Zip Code)

(703) 287-5800
(Registrant’s telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.001 par value per share	GAIN	The Nasdaq Stock Market LLC
5.00% Notes due 2026	GAINN	The Nasdaq Stock Market LLC
4.875% Notes due 2028	GAINZ	The Nasdaq Stock Market LLC
8.00% Notes due 2028	GAINL	The Nasdaq Stock Market LLC

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 x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

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

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	o
Emerging growth company	o		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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

The number of shares of the issuer’s Common Stock, $0.001 par value per share, outstanding as of November 6, 2024 was 36,688,667.

GLADSTONE INVESTMENT CORPORATION
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

		September 30, 2024	March 31, 2024
SETS			
estments at fair value			
Non-Control/Non-Affiliate investments (Cost of **$561,778** and $544,799, respectively)	**$**	**627,249**	622,233
Affiliate investments (Cost of **$260,960** and $292,082, respectively)		**225,497**	295,366
Control investments (Cost of **$17,409** and $17,409, respectively)		**570**	2,905
sh and cash equivalents		**2,025**	2,460
stricted cash and cash equivalents		**649**	760
erest receivable		**6,907**	7,627
e from administrative agent		**2,556**	3,427
ferred financing costs, net		**1,359**	1,643
ier assets, net		**1,977**	1,662
TAL ASSETS	**$**	**868,789**	938,083
ABILITIES			
rrowings:			
Line of credit at fair value (Cost of **$8,900** and $67,000, respectively)	**$**	**8,900**	67,000
Notes payable, net		**332,135**	331,345
Total borrowings		**341,035**	398,345
counts payable and accrued expenses		**1,772**	732
erest payable		**3,241**	3,465
s due to Adviser[(A)]		**37,460**	41,344
due to Administrator[(A)]		**566**	727
stributions payable		**25,682**	—
ier liabilities		**649**	759
TAL LIABILITIES	**$**	**410,405**	445,372
mmitments and contingencies[(B)]			
T ASSETS	**$**	**458,375**	492,711
ALYSIS OF NET ASSETS			
Common stock, $0.001 par value per share, **100,000,000** shares authorized, **36,688,667** and 36,688,667 shares issued and outstanding, respectively	**$**	**37**	37
pital in excess of par value		**443,900**	444,706
mulative net unrealized appreciation of investments		**13,160**	66,214
erdistributed net investment income		**(16,660)**	(19,562)
cumulated net realized gain in excess of distributions		**17,938**	1,316
Total distributable earnings		**14,438**	47,968
TAL NET ASSETS	**$**	**458,375**	492,711
T ASSET VALUE PER SHARE	**$**	**12.49**	13.43

(A) Refer to Note 4 — *Related Party Transactions* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
(B) Refer to Note 9 — *Commitments and Contingencies* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
INVESTMENT INCOME				
Interest income				
Non-Control/Non-Affiliate investments	**$ 15,105**	$ 13,626	**$ 29,647**	$ 26,116
Affiliate investments	**5,834**	6,318	**11,874**	11,934
Cash and cash equivalents	**57**	333	**100**	620
Total interest income	**20,996**	20,277	**41,621**	38,670
Dividend income				
Non-Control/Non-Affiliate investments	**1,419**	—	**1,419**	—
Affiliate investments	**—**	—	**—**	1,907
Total dividend income	**1,419**	—	**1,419**	1,907
Success fee income				
Non-Control/Non-Affiliate investments	**—**	—	**1,553**	—
Affiliate investments	**150**	—	**150**	—
Total success fee income	**150**	—	**1,703**	—
Total investment income	**$ 22,565**	$ 20,277	**$ 44,743**	$ 40,577
EXPENSES				
Base management fee[(A)]	**$ 4,447**	$ 4,341	**$ 9,065**	$ 8,272
Loan servicing fee[(A)]	**2,194**	2,325	**4,416**	4,497
Incentive fee[(A)]	**2,232**	11,540	**(1,556)**	13,734
Administration fee[(A)]	**567**	334	**1,073**	856
Interest expense on borrowings	**6,399**	6,104	**12,879**	11,078
Amortization of deferred financing costs and discounts	**629**	574	**1,260**	1,119
Professional fees	**481**	335	**811**	619
Other general and administrative expenses	**1,188**	828	**2,802**	1,513
Expenses before credits from Adviser	**18,137**	26,381	**30,750**	41,688
Credits to base management fee – loan servicing fee [(A)]	**(2,194)**	(2,325)	**(4,416)**	(4,497)
Credits to fees from Adviser - other [(A)]	**(669)**	(2,049)	**(1,296)**	(3,324)
Total expenses, net of credits to fees	**15,274**	22,007	**25,038**	33,867
NET INVESTMENT INCOME (LOSS)	**$ 7,291**	$ (1,730)	**$ 19,705**	$ 6,710
REALIZED AND UNREALIZED GAIN (LOSS)				
Net realized gain:				
Non-Control/Non-Affiliate investments	**$ 19**	$ 289	**$ 21**	$ 289
Affiliate investments	**42,284**	—	**42,284**	273
Control investments	**—**	—	**—**	882
Total net realized gain	**42,303**	289	**42,305**	1,444
Net unrealized (depreciation) appreciation:				
Non-Control/Non-Affiliate investments	**464**	46,367	**(11,970)**	49,795
Affiliate investments	**(33,684)**	2,378	**(38,749)**	(1,777)
Control investments	**(892)**	—	**(2,335)**	(93)
Other	**—**	52	**—**	63
Total net unrealized (depreciation) appreciation	**(34,112)**	48,797	**(53,054)**	47,988
Net realized and unrealized gain (loss)	**8,191**	49,086	**(10,749)**	49,432
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	**$ 15,482**	$ 47,356	**$ 8,956**	$ 56,142
BASIC AND DILUTED PER COMMON SHARE:				
Net investment income (loss)	**$ 0.20**	$ (0.05)	**$ 0.54**	$ 0.20
Net increase in net assets resulting from operations	**$ 0.42**	$ 1.40	**$ 0.24**	$ 1.67
WEIGHTED-AVERAGE SHARES OF COMMON STOCK OUTSTANDING:				
Basic and diluted	**36,688,667**	33,817,214	**36,688,667**	33,704,976

(A) Refer to Note 4 — *Related Party Transactions* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(IN THOUSANDS)
(UNAUDITED)

	2024	2023
NET ASSETS, MARCH 31	**$ 492,711**	$ 439,742
OPERATIONS		
Net investment income	**12,414**	8,440
Net realized gain on investments	**2**	1,155
Net unrealized depreciation of investments	**(18,942)**	(820)
Net unrealized depreciation of other	**—**	11
Net (decrease) increase in net assets from operations	**(6,526)**	8,786
DISTRIBUTIONS[(A)]		
Distributions to common stockholders from net investment income (**$0.24** and $0.21 per share, respectively)	**(8,805)**	(7,069)
Distributions to common stockholders from net realized gains (**$0.00** and $0.15 per share, respectively)	**—**	(5,024)
Net decrease in net assets from distributions	**(8,805)**	(12,093)
CAPITAL ACTIVITY		
Issuance of common stock	**—**	—
Discounts, commissions, and offering costs for issuance of common stock	**—**	—
Net increase in net assets from capital activity	**—**	—
NET DECREASE IN NET ASSETS	**(15,331)**	(3,307)
NET ASSETS, JUNE 30	**$ 477,380**	$ 436,435
OPERATIONS		
Net investment income (loss)	**$ 7,291**	$ (1,730)
Net realized gain on investments	**42,303**	289
Net unrealized (depreciation) appreciation of investments	**(34,112)**	48,745
Net unrealized depreciation of other	**—**	52
Net increase in net assets from operations	**15,482**	47,356
DISTRIBUTIONS[(A)]		
Distributions to common stockholders from net investment income (**$0.24** and $0.20 per share, respectively)	**(8,805)**	(6,665)
Distributions to common stockholders from net realized gains (**$0.70** and $0.16 per share, respectively)[(B)]	**(25,682)**	(5,519)
Net decrease in net assets from distributions	**(34,487)**	(12,184)
CAPITAL ACTIVITY		
Issuance of common stock	**—**	4,121
Discounts, commissions, and offering costs for issuance of common stock	**—**	(62)
Net increase in net assets from capital activity	**—**	4,059
NET (DECREASE) INCREASE IN NET ASSETS	**(19,005)**	39,231
NET ASSETS, SEPTEMBER 30	**$ 458,375**	$ 475,666

(A) Refer to Note 8 — *Distributions to Common Stockholders* in the accompanying *Notes to Consolidated Financial Statements* for additional information.
(B) Includes $0.70 per common share of distributions declared and unpaid as of September 30, 2024, as such distribution was a supplemental distribution declared on September 17, 2024 with a record date of October 4, 2024 and a pay date of October 15, 2024.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Six Months Ended September 30,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	**$ 8,956**	$ 56,142
Adjustments to reconcile net increase in net assets resulting from operations to net cash (used in) provided by operating activities:		
Purchase of investments	**(20,098)**	(114,788)
Principal repayments of investments	**28,000**	—
Net proceeds from the sale and recapitalization of investments	**48,546**	1,775
Net realized gain on investments	**(42,305)**	(1,444)
Net unrealized depreciation (appreciation) of investments	**53,054**	(47,925)
Net unrealized appreciation of other	**—**	(63)
Amortization of deferred financing costs and discounts	**1,260**	1,119
Bad debt expense, net of recoveries	**1,045**	(111)
Changes in assets and liabilities:		
Increase in interest receivable	**(109)**	(1,996)
Decrease in due from administrative agent	**871**	787
Increase in other assets, net	**(290)**	(6)
Increase in accounts payable and accrued expenses	**1,040**	593
(Decrease) increase in interest payable	**(224)**	1,182
(Decrease) increase in fees due to Adviser [(A)]	**(3,991)**	8,264
Decrease in fee due to Administrator [(A)]	**(161)**	(327)
(Decrease) increase in other liabilities	**(110)**	213
Net cash provided by (used in) operating activities	**75,484**	(96,585)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	**—**	4,121
Discounts, commissions, and offering costs for issuance of common stock	**—**	(46)
Proceeds from line of credit	**47,800**	127,000
Repayments on line of credit	**(105,900)**	(82,900)
Proceeds from issuance of notes payable	**—**	74,750
Deferred financing and offering costs	**(320)**	(2,729)
Distributions paid to common stockholders	**(17,610)**	(24,277)
Net cash (used in) provided by financing activities	**(76,030)**	95,919
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS	**(546)**	(666)
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS, BEGINNING OF PERIOD	**3,220**	3,248
CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND RESTRICTED CASH EQUIVALENTS, END OF PERIOD	**$ 2,674**	$ 2,582
CASH PAID FOR INTEREST	**$ 12,442**	$ 9,232
NON-CASH FINANCING ACTIVITY:		
Distributions payable	**$ 25,682**	$ —

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GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2024
(DOLLAR AMOUNTS IN THOUSANDS)
(UNAUDITED)

Company and Investment(A)(B)(D)(E)	Principal/Shares/ Units(F)(H)	Cost	Fair Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS(L) – 136.8%			
Secured First Lien Debt – 70.4%			
Buildings and Real Estate – 8.3%			
Dema/Mai Holdings, Inc. – Term Debt (SOFR+11.0%, 15.8% Cash, Due 7/2027)(J)	$ 38,250	**$ 38,250**	**$ 38,250**
Diversified/Conglomerate Manufacturing – 1.1%			
Phoenix Door Systems, Inc. – Line of Credit, $200 available (SOFR+7.0%, 11.8% Cash (0.3% Unused Fee), Due 9/2026)(J)	2,750	2,750	2,750
Phoenix Door Systems, Inc. – Term Debt (SOFR+11.0%, 15.8% Cash, Due 9/2026)(J)	3,200	3,200	2,234
		5,950	**4,984**
Diversified/Conglomerate Services – 14.1%			
Horizon Facilities Services, Inc. – Term Debt (SOFR+7.5%, 12.3% Cash, Due 6/2026)(J)	57,700	57,700	39,536
Mason West, LLC – Term Debt (SOFR+10.0%, 14.8% Cash, Due 7/2025)(J)	25,250	25,250	25,250
		82,950	**64,786**
Healthcare, Education, and Childcare – 4.4%			
Educators Resource, Inc. – Term Debt (SOFR+10.5%, 15.3% Cash, Due 3/2025)(J)	20,000	**20,000**	**20,000**
Home and Office Furnishings, Housewares, and Durable Consumer Products – 8.1%			
Brunswick Bowling Products, Inc. – Term Debt (SOFR+10.0%, 14.8% Cash, Due 1/2026)(J)	17,700	17,700	17,700
Brunswick Bowling Products, Inc. – Term Debt (SOFR+10.0%, 14.8% Cash, Due 1/2026)(J)	6,850	6,850	6,850
Ginsey Home Solutions, Inc. – Term Debt (SOFR+10.0%, 14.8% Cash, Due 11/2025)(J)	12,200	12,200	12,200
		36,750	**36,750**
Hotels, Motels, Inns, and Gaming – 17.8%			
Nocturne Luxury Villas, Inc. – Line of Credit, $4,000 available (SOFR+8.0%, 12.8% Cash, Due 6/2025)(J)	2,000	2,000	2,000
Nocturne Luxury Villas, Inc. – Term Debt (SOFR+10.5%, 14.5% Cash, Due 6/2026)(J)(O)	79,600	79,600	79,600
		81,600	**81,600**
Leisure, Amusement, Motion Pictures, and Entertainment – 6.1%			
Schylling, Inc. – Term Debt (SOFR+11.0%, 15.8% Cash, Due 9/2027)(J)	27,981	**27,981**	**27,981**
Oil and Gas – 7.6%			
The E3 Company, LLC – Line of Credit, $1,000 available (SOFR+5.5%, 10.3% Cash, Due 2/2025)(J)	1,000	1,000	1,000
The E3 Company, LLC – Term Debt (SOFR+9.0%, 13.8% Cash, Due 9/2028)(J)	33,750	33,750	33,750
		34,750	**34,750**
Printing and Publishing – 2.9%			
Home Concepts Acquisition, Inc. – Line of Credit, $500 available (SOFR+6.0%, 10.8% Cash, Due 11/2024)(J)	1,500	1,500	1,500
Home Concepts Acquisition, Inc. – Term Debt (SOFR+9.0%, 13.8% Cash, Due 5/2028)(J)	12,000	12,000	12,000
		13,500	**13,500**
Total Secured First Lien Debt		**$ 341,731**	**$ 322,601**
Secured Second Lien Debt – 20.2%			
Aerospace and Defense – 5.6%			
Galaxy Technologies Holdings, Inc. – Term Debt (SOFR+4.1%, 8.9% Cash, Due 10/2026)(J)	$ 6,900	$ 6,900	$ 6,900
Galaxy Technologies Holdings, Inc. – Term Debt (SOFR+7.0%, 11.8% Cash, Due 10/2026)(J)	18,796	18,796	18,796
		25,696	**25,696**
Cargo Transport – 2.7%			
Diligent Delivery Systems – Term Debt (SOFR+9.0%, 13.8% Cash, Due 10/2024)(G)(I)	13,000	**13,000**	**12,408**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2024
(DOLLAR AMOUNTS IN THOUSANDS)
(UNAUDITED)

Company and Investment[(A)(B)(D)(E)]	Principal/Shares/ Units[(F)(H)]			Cost		Fair Value
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic) – 11.9%						
SFEG Holdings, Inc. – Term Debt (SOFR+7.0%, 12.5% Cash, Due 10/2028)[(J)]	54,644			54,644		54,644
Total Secured Second Lien Debt			$	**93,340**	$	**92,748**
Preferred Equity – 36.6%						
Buildings and Real Estate – 5.1%						
Dema/Mai Holdings, Inc. - Preferred Stock[(C)(J)]	21,000		$	**21,000**	$	**23,499**
Diversified/Conglomerate Services – 2.4%						
Horizon Facilities Services, Inc. – Preferred Stock[(C)(J)]	10,080			—		—
Mason West, LLC – Preferred Stock[(C)(J)]	11,206			11,206		11,145
				11,206		**11,145**
Healthcare, Education, and Childcare – 6.6%						
Educators Resource, Inc. – Preferred Stock[(C)(J)]	8,560			**8,560**		**30,140**
Home and Office Furnishings, Housewares, and Durable Consumer Products –10.9%						
Brunswick Bowling Products, Inc. – Preferred Stock[(C)(J)]	6,653			6,653		46,594
Ginsey Home Solutions, Inc. – Preferred Stock[(C)(J)]	19,280			9,583		3,277
				16,236		**49,871**
Hotels, Motels, Inns, and Gaming – 3.8%						
Nocturne Luxury Villas, Inc. – Preferred Stock[(C)(J)]	6,600			**6,600**		**17,252**
Leisure, Amusement, Motion Pictures, and Entertainment – 3.1%						
Schylling, Inc. – Preferred Stock[(C)(J)]	4,000			**4,000**		**14,400**
Oil and Gas – 4.7%						
The E3 Company, LLC – Preferred Stock[(C)(J)]	11,233			**11,233**		**21,629**
Printing and Publishing – 0.0%						
Home Concepts Acquisition, Inc. – Preferred Stock[(C)(J)]	3,275			**3,275**		**—**
Total Preferred Equity			$	**82,110**	$	**167,936**
Common Equity/Equivalents – 9.6%						
Aerospace and Defense – 1.3%						
Galaxy Technologies Holdings, Inc. – Common Stock[(C)(J)]	16,957		$	**11,513**	$	**6,125**
Cargo Transport – 0.0%						
Diligent Delivery Systems – Common Stock Warrants[(C)(J)]	8	%		**500**		**—**
Diversified/Conglomerate Manufacturing – 0.0%						
Phoenix Door Systems, Inc. – Common Stock[(C)(J)]	4,221			**1,830**		**—**
Home and Office Furnishings, Housewares, and Durable Consumer Products –0.0%						
Ginsey Home Solutions, Inc. – Common Stock[(C)(J)]	63,747			**8**		**—**
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic) – 8.3%						
SFEG Holdings, Inc. – Common Stock[(C)(J)]	18,721			**30,746**		**37,830**
Total Common Equity/Equivalents			$	**44,597**	$	**43,955**
Total Non-Control/Non-Affiliate Investments			$	**561,778**	$	**627,240**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2024
(DOLLAR AMOUNTS IN THOUSANDS)
(UNAUDITED)

Company and Investment(A)(B)(D)(E)	Principal/Shares/ Units(F)(H)	Cost	Fair Value
AFFILIATE INVESTMENTS(M) – 49.3%			
Secured First Lien Debt – 32.0%			
Diversified/Conglomerate Services – 17.1%			
ImageWorks Display and Marketing Group, Inc. – Term Debt (SOFR+11.0%, 15.8% Cash, Due 11/2025)(J)	22,000	22,000	22,000
J.R. Hobbs Co. - Atlanta, LLC – Line of Credit, $0 available (SOFR+6.0%, 10.8% Cash, Due 6/2025)(G)(J)	5,000	5,000	2,818
J.R. Hobbs Co. - Atlanta, LLC - Term Debt (SOFR+6.0%, 10.8% Cash, Due 6/2025)(G)(J)	16,500	16,500	9,298
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+10.3%, 15.1% Cash, Due 6/2025)(G)(J)	26,000	26,000	14,651
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+6.0%, 10.8% Cash, Due 6/2025)(G)(J)	2,438	2,438	1,375
The Maids International, LLC – Term Debt (SOFR+10.5%, 15.3% Cash, Due 3/2025)(J)	28,560	28,560	28,560
		100,498	**78,702**
Home and Office Furnishings, Housewares, and Durable Consumer Products – 9.4%			
Old World Christmas, Inc. – Term Debt (SOFR+9.5%, 14.3% Cash, Due 12/2025)(J)	43,000	**43,000**	**43,000**
Mining, Steel, Iron and Non-Precious Metals – 4.0%			
UPB Acquisition, Inc. – Term Debt (SOFR+10.0%, 14.8% Cash, Due 7/2026)(J)	18,250	**18,250**	**18,250**
Telecommunications – 1.5%			
B+T Group Acquisition, Inc.(K) – Line of Credit, $0 available (SOFR+2.0%, 7.0% Cash, Due 12/2026)(G)(J)	3,080	3,080	3,080
B+T Group Acquisition, Inc.(K) – Line of Credit, $297 available (SOFR+2.0%, 7.0% Cash, Due 6/2025)(G)(J)	753	753	753
B+T Group Acquisition, Inc.(K) – Term Debt (SOFR+2.0%, 7.0% Cash, Due 12/2026)(G)(J)	14,000	14,000	2,524
		17,833	**6,357**
Total Secured First Lien Debt		**$ 179,581**	**$ 146,309**
Secured Second Lien Debt – 4.1%			
Chemicals, Plastics, and Rubber – 4.1%			
PSI Molded Plastics, Inc. – Term Debt (SOFR+5.5%, 10.3% Cash, Due 1/2026)(J)	$ 26,618	**$ 26,618**	**$ 18,596**
Total Secured Second Lien Debt		**$ 26,618**	**$ 18,596**
Preferred Equity – 13.2%			
Chemicals, Plastics, and Rubber – 0.0%			
PSI Molded Plastics, Inc. – Preferred Stock(C)(J)	158,598	**$ 19,730**	**$ —**
Diversified/Conglomerate Services – 2.2%			
ImageWorks Display and Marketing Group, Inc. – Preferred Stock(C)(J)	67,490	6,749	3,269
J.R. Hobbs Co. – Atlanta, LLC – Preferred Stock(C)(J)	10,920	10,920	—
The Maids International, LLC – Preferred Stock(C)(J)	6,640	6,640	6,677
		24,309	**9,946**
Home and Office Furnishings, Housewares, and Durable Consumer Products – 7.7%			
Old World Christmas, Inc. – Preferred Stock(C)(J)	6,180	—	**35,373**
Mining, Steel, Iron and Non-Precious Metals – 3.3%			
UPB Acquisition, Inc. - Preferred Stock(C)(J)	6,000	**6,000**	**15,273**
Telecommunications – 0.0%			
B+T Group Acquisition, Inc.(K) – Preferred Stock(C)(J)	14,304	**4,722**	—
Total Preferred Equity		**$ 54,761**	**$ 60,592**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)
SEPTEMBER 30, 2024
(DOLLAR AMOUNTS IN THOUSANDS)
(UNAUDITED)

Company and Investment(A)(B)(D)(E)	Principal/Shares/ Units(F)(H)	Cost	Fair Value
Common Equity/Equivalents – 0.0%			
Telecommunications – 0.0%			
B+T Group Acquisition, Inc.(K) – Common Stock Warrants(C)(J)	3.5 %	—	—
Total Common Equity/Equivalents		$ —	$ —
Total Affiliate Investments		$ 260,960	$ 225,497
CONTROL INVESTMENTS(N) – 0.1%			
Secured First Lien Debt –0.1%			
Diversified/Conglomerate Manufacturing – 0.1%			
Edge Adhesives Holdings, Inc.(K) – Term Debt (SOFR+5.5%, 10.3% Cash, Due 8/2026)(G)(J)	9,210	$ 9,210	$ 570
Total Secured First Lien Debt		$ 9,210	$ 570
Preferred Equity – 0.0%			
Diversified/Conglomerate Manufacturing – 0.0%			
Edge Adhesives Holdings, Inc.(K) – Preferred Stock(C)(J)	8,199	$ 8,199	$ —
Total Preferred Equity		$ 8,199	$ —
Total Control Investments		$ 17,409	$ 570
TOTAL INVESTMENTS –186.2%		$ 840,147	$ 853,307

(A) Certain of the securities listed are issued by affiliate(s) of the indicated portfolio company. The majority of the securities listed, totaling $ 648.0 million at fair value, are pledged as collateral to our revolving line of credit, as described further in Note 5—*Borrowings* in the accompanying *Notes to Consolidated Financial Statements*. Additionally, under Section 55 of the Investment Company Act of 1940, as amended (the "1940 Act"), we may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets.

(B) Unless indicated otherwise, all cash interest rates are indexed to 30 day Secured Overnight Financing Rate ("SOFR"), which was 4.8% as of September 30, 2024. If applicable, paid-in-kind interest rates are noted separately from the cash interest rate. Certain securities are subject to an interest rate floor. The cash interest rate is the greater of the floor or the reference rate plus a spread. Due dates represent the contractual maturity date.

(C) Security is non-income producing.

(D) Category percentages represent the fair value of each category and subcategory as a percentage of net assets as of September 30, 2024.

(E) Unless indicated otherwise, all of our investments are valued using Level 3 inputs within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures" ("ASC 820") fair value hierarchy. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

(F) Where applicable, aggregates all shares of a class of stock owned without regard to specific series owned within such class (some series of which may or may not be voting shares) or aggregates all warrants to purchase shares of a class of stock owned without regard to specific series of such class of stock such warrants allow us to purchase.

(G) Debt security is on non-accrual status.

(H) Represents the principal balance, presented in thousands, for debt investments and the number of shares/units held for equity investments. Warrants are represented as a percentage of ownership, as applicable.

(I) Fair value was based on an internal yield analysis or on estimates of value submitted by a third-party valuation firm. Refer to Note 3— *Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

(J) Fair value was based on the total enterprise value of the portfolio company, which is generally allocated to the portfolio company's securities in order of their relative priority in the capital structure. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

(K) One of our affiliated funds, Gladstone Capital Corporation, co-invested with us in this portfolio company pursuant to an exemptive order granted by the U.S. Securities and Exchange Commission.

(L) Non-Control/Non-Affiliate investments, as defined by the 1940 Act, are those that are neither Control nor Affiliate investments and in which we own less than 5.0% of the issued and outstanding voting securities.

(M) Affiliate investments, as defined by the 1940 Act, are those that are not Control investments and in which we own, with the power to vote, between and inclusive of 5.0% and 25.0% of the issued and outstanding voting securities.

(N) Control investments, as defined by the 1940 Act, are those where we have the power to exercise a controlling influence over the management or policies of the portfolio company, which may include owning, with the power to vote, more than 25.0% of the issued and outstanding voting securities.

(O) Debt security is subject to an interest rate ceiling.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment(A)(B)(D)(E)	Principal/Shares/ Units(F)(H)	Cost	Fair Value
NON-CONTROL/NON-AFFILIATE INVESTMENTS(L) – 126.3%			
Secured First Lien Debt – 65.9%			
Buildings and Real Estate – 7.8%			
Dema/Mai Holdings, Inc. – Term Debt (SOFR+11.0%, 16.3% Cash, Due 7/2027)(J)	$ 38,250	**$ 38,250**	**$ 38,250**
Diversified/Conglomerate Manufacturing – 1.1%			
Phoenix Door Systems, Inc. – Line of Credit, $0 available (SOFR+7.0%, 12.3% Cash (0.3% Unused Fee), Due 9/2026)(J)	2,750	2,750	2,750
Phoenix Door Systems, Inc. – Term Debt (SOFR+11.0%, 16.3% Cash, Due 9/2026)(J)	3,200	3,200	2,817
		5,950	**5,567**
Diversified/Conglomerate Services – 16.8%			
Horizon Facilities Services, Inc. – Term Debt (SOFR+7.5%, 12.8% Cash, Due 6/2026)(J)	57,700	57,700	57,700
Mason West, LLC – Term Debt (SOFR+10.0%, 15.3% Cash, Due 7/2025)(J)	25,250	25,250	25,250
		82,950	**82,950**
Healthcare, Education, and Childcare – 4.1%			
Educators Resource, Inc. – Term Debt (SOFR+10.5%, 15.8% Cash, Due 3/2025)(J)	20,000	**20,000**	**20,000**
Home and Office Furnishings, Housewares, and Durable Consumer Products – 7.5%			
Brunswick Bowling Products, Inc. – Term Debt (SOFR+10.0%, 15.3% Cash, Due 1/2026)(J)	17,700	17,700	17,700
Brunswick Bowling Products, Inc. – Term Debt (SOFR+10.0%, 15.3% Cash, Due 1/2026)(J)	6,850	6,850	6,850
Ginsey Home Solutions, Inc. – Term Debt (SOFR+10.0%, 15.3% Cash, Due 11/2025)(J)	12,200	12,200	12,200
		36,750	**36,750**
Hotels, Motels, Inns, and Gaming – 13.2%			
Nocturne Luxury Villas, Inc. – Line of Credit, $0 available (SOFR+8.0%, 13.3% Cash, Due 6/2025)(J)	4,000	4,000	4,000
Nocturne Luxury Villas, Inc. – Term Debt (SOFR+10.5%, 14.5% Cash, Due 6/2026)(J)(P)	61,100	61,100	61,100
		65,100	**65,100**
Leisure, Amusement, Motion Pictures, and Entertainment – 5.7%			
Schylling, Inc. – Term Debt (SOFR+11.0%, 16.3% Cash, Due 5/2025)(J)	27,981	**27,981**	**27,981**
Oil and Gas – 7.1%			
The E3 Company, LLC – Line of Credit, $1,000 available (SOFR+5.5%, 10.8% Cash, Due 2/2025)(J)	1,000	1,000	1,000
The E3 Company, LLC – Term Debt (SOFR+9.0%, 14.3%Cash, Due 9/2028)(J)	33,750	33,750	33,750
		34,750	**34,750**
Printing and Publishing – 2.6%			
Home Concepts Acquisition, Inc. – Line of Credit, $1,000 available (SOFR+6.0%, 11.3% Cash, Due 11/2024)(J)	1,000	1,000	1,000
Home Concepts Acquisition, Inc. – Term Debt (SOFR+9.0%, 14.3% Cash, Due 5/2028)(J)	12,000	12,000	12,000
		13,000	**13,000**
Total Secured First Lien Debt		**$ 324,731**	**$ 324,348**
Secured Second Lien Debt – 18.9%			
Aerospace and Defense – 5.2%			
Galaxy Technologies Holdings, Inc. – Term Debt (SOFR+4.1%, 9.4% Cash, Due 10/2026)(J)	$ 6,900	$ 6,900	$ 6,900
Galaxy Technologies Holdings, Inc. – Term Debt (SOFR+7.0%, 12.3% Cash, Due 10/2026)(J)	18,796	18,796	18,796
		25,696	**25,696**
Cargo Transport – 2.6%			
Diligent Delivery Systems – Term Debt (SOFR+9.0%, 14.3% Cash, Due 9/2024)(Q)	13,000	**13,000**	**13,000**
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic) – 11.1%			
SFEG Holdings, Inc. – Term Debt (SOFR+7.0%, 12.5% Cash, Due 10/2028)(J)	54,644	**54,644**	**54,644**
Total Secured Second Lien Debt		**$ 93,340**	**$ 93,340**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment(A)(B)(D)(E)	Principal/Shares/ Units(F)(H)	Cost	Fair Value
Preferred Equity – 33.0%			
Buildings and Real Estate – 4.5%			
Dema/Mai Holdings, Inc. – Preferred Stock(C)(J)	21,000	**$ 21,000**	**$ 22,181**
Diversified/Conglomerate Services – 4.0%			
Horizon Facilities Services, Inc. – Preferred Stock(C)(J)	10,080	—	—
Mason West, LLC – Preferred Stock(C)(J)	11,206	11,206	19,759
		11,206	**19,759**
Healthcare, Education, and Childcare – 6.0%			
Educators Resource, Inc. – Preferred Stock(C)(J)	8,560	**8,560**	**29,638**
Home and Office Furnishings, Housewares, and Durable Consumer Products –10.1%			
Brunswick Bowling Products, Inc. – Preferred Stock(C)(J)	6,653	6,653	48,759
Ginsey Home Solutions, Inc. – Preferred Stock(C)(J)	19,280	9,583	891
		16,236	**49,650**
Hotels, Motels, Inns, and Gaming – 2.5%			
Nocturne Luxury Villas, Inc. – Preferred Stock(C)(J)	6,600	**6,600**	**12,266**
Leisure, Amusement, Motion Pictures, and Entertainment – 2.3%			
Schylling, Inc. – Preferred Stock(C)(J)	4,000	**4,000**	**11,369**
Oil and Gas – 3.3%			
The E3 Company, LLC – Preferred Stock(C)(J)	11,233	**11,233**	**16,421**
Printing and Publishing – 0.3%			
Home Concepts Acquisition, Inc. – Preferred Stock(C)(J)	3,275	**3,275**	**1,238**
Total Preferred Equity		**$ 82,110**	**$ 162,522**
Common Equity/Equivalents – 8.5%			
Aerospace and Defense – 0.7%			
Galaxy Technologies Holdings, Inc. – Common Stock(C)(J)	16,957	**$ 11,513**	**$ 3,368**
Cargo Transport – 0.1%			
Diligent Delivery Systems – Common Stock Warrants(C)(Q)	8 %	**500**	**500**
Diversified/Conglomerate Manufacturing– 0.0%			
Phoenix Door Systems, Inc. – Common Stock(C)(J)	4,221	**1,830**	**—**
Home and Office Furnishings, Housewares, and Durable Consumer Products –0.0%			
Ginsey Home Solutions, Inc. – Common Stock(C)(J)	63,747	**8**	**—**
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic) – 7.7%			
SFEG Holdings, Inc. – Common Stock(C)(J)	18,721	**30,746**	**38,137**
Personal and Non-Durable Consumer Products (Manufacturing Only) –0.0%			
Funko Acquisition Holdings, LLC(K) – Common Units(C)(O)	4,239	**21**	**18**
Total Common Equity/Equivalents		**$ 44,618**	**$ 42,023**
Total Non-Control/Non-Affiliate Investments		**$ 544,799**	**$ 622,233**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment[(A)(B)(D)(E)]	Principal/Shares/ Units[(F)(H)]	Cost	Fair Value
AFFILIATE INVESTMENTS[(M)] – 59.9%			
Secured First Lien Debt –30.0%			
Diversified/Conglomerate Services – 15.7%			
ImageWorks Display and Marketing Group, Inc. – Term Debt (SOFR+11.0%, 16.3% Cash, Due 11/2025)[(J)]	$ 22,000	$ 22,000	$ 22,000
J.R. Hobbs Co. - Atlanta, LLC – Line of Credit, $0 available (SOFR+6.0%, 11.3% Cash, Due 6/2025)[(G)(J)]	5,000	5,000	2,682
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+6.0%, 11.3% Cash, Due 6/2025)[(G)(J)]	16,500	16,500	8,852
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+10.3%, 15.6% Cash, Due 6/2025)[(G)(J)]	26,000	26,000	13,949
J.R. Hobbs Co. - Atlanta, LLC – Term Debt (SOFR+6.0%, 11.3% Cash, Due 6/2025)[(G)(J)]	2,438	2,438	1,308
The Maids International, LLC – Term Debt (SOFR+10.5%, 15.8% Cash, Due 3/2025)[(J)]	28,560	28,560	28,560
		100,498	**77,351**
Home and Office Furnishings, Housewares, and Durable Consumer Products –8.7%			
Old World Christmas, Inc. – Term Debt (SOFR+9.5%, 14.8% Cash, Due 12/2025)[(J)]	43,000	**43,000**	**43,000**
Mining, Steel, Iron and Non-Precious Metals Total –3.7%			
Utah Pacific Bridge & Steel, Ltd. – Term Debt (SOFR+10.0%, 15.3% Cash, Due 7/2026)[(J)]	18,250	**18,250**	**18,250**
Telecommunications – 1.9%			
B+T Group Acquisition, Inc.[(K)] – Line of Credit, $0 available (SOFR+2.0%, 7.3% Cash, Due 12/2026)[(J)]	3,080	3,080	3,080
B+T Group Acquisition, Inc.(K) – Line of Credit, $394 available (SOFR+2.0%, 7.3% Cash, Due 6/2025)(J)	656	656	656
B+T Group Acquisition, Inc.[(K)] – Term Debt (SOFR+2.0%, 7.3% Cash, Due 12/2026)[(J)]	14,000	14,000	5,266
		17,736	**9,002**
Total Secured First Lien Debt		**$ 179,484**	**$ 147,603**
Secured Second Lien Debt –9.2%			
Chemicals, Plastics, and Rubber – 4.1%			
PSI Molded Plastics, Inc. – Term Debt (SOFR+5.5%, 10.8% Cash, Due 1/2026)[(J)]	$ 26,618	**$ 26,618**	**$ 20,363**
Diversified/Conglomerate Services – 5.1%			
Nth Degree Investment Group, LLC – Term Debt (SOFR+8.5%, 13.8% Cash, Due 6/2029)[(J)]	25,000	**25,000**	**25,000**
Total Secured Second Lien Debt		**$ 51,618**	**$ 45,363**
Preferred Equity – 10.3%			
Chemicals, Plastics, and Rubber – 0.0%			
PSI Molded Plastics, Inc. – Preferred Stock[(C)(J)]	158,598	**$ 19,730**	**$ —**
Diversified/Conglomerate Services – 1.6%			
ImageWorks Display and Marketing Group, Inc. – Preferred Stock[(C)(J)]	67,490	6,749	2,607
J.R. Hobbs Co. – Atlanta, LLC – Preferred Stock[(C)(J)]	10,920	10,920	—
The Maids International, LLC – Preferred Stock[(C)(J)]	6,640	6,640	5,426
		24,309	**8,033**
Home and Office Furnishings, Housewares, and Durable Consumer Products –6.2%			
Old World Christmas, Inc. – Preferred Stock[(C)(J)]	6,180	—	**30,638**
Mining, Steel, Iron and Non-Precious Metals – 2.5%			
Utah Pacific Bridge & Steel, Ltd. - Preferred Stock[(C)(J)]	6,000	**6,000**	**12,287**
Telecommunications – 0.0%			
B+T Group Acquisition, Inc.[(K)] – Preferred Stock[(C)(J)]	14,304	**4,722**	—
Total Preferred Equity		**$ 54,761**	**$ 50,958**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

Company and Investment[(A)(B)(D)(E)]	Principal/Shares/ Units[(F)(H)]	Cost	Fair Value
Common Equity/Equivalents – 10.4%			
Diversified/Conglomerate Services – 10.4%			
Nth Degree Investment Group, LLC – Common Stock[(C)(J)]	17,216,976	$ 6,219	$ 51,442
Telecommunications – 0.0%			
B+T Group Acquisition, Inc.[(K)] – Common Stock Warrants[(C)(J)]	3.5 %	—	—
Total Common Equity/Equivalents		**$ 6,219**	**$ 51,442**
Total Affiliate Investments		**$ 292,082**	**$ 295,366**
CONTROL INVESTMENTS[(N)] – 0.6%:			
Secured First Lien Debt –0.6%			
Diversified/Conglomerate Manufacturing – 0.6%			
Edge Adhesives Holdings, Inc.[(K)] – Term Debt (SOFR+5.5%, 10.8% Cash, Due 8/2024)[(G)(J)]	$ 9,210	**$ 9,210**	**$ 2,905**
Total Secured First Lien Debt		**$ 9,210**	**$ 2,905**
Preferred Equity – 0.0%			
Diversified/Conglomerate Manufacturing – 0.0%			
Edge Adhesives Holdings, Inc.[(K)] – Preferred Stock[(C)(J)]	8,199	**$ 8,199**	**$ —**
Total Preferred Equity		**$ 8,199**	**$ —**
Total Control Investments		**$ 17,409**	**$ 2,905**
TOTAL INVESTMENTS – 186.8%[(R)]		**$ 854,290**	**$ 920,504**

(A) Certain of the securities listed are issued by affiliate(s) of the indicated portfolio company. The majority of the securities listed, totaling $ 717.3 million at fair value, are pledged as collateral to our revolving line of credit, as described further in Note 5—*Borrowings* in the accompanying *Notes to Consolidated Financial Statements*. Additionally, under Section 55 of the 1940 Act, we may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets. As of March 31, 2024, our investment in Funko Acquisition Holdings, LLC ("Funko") was considered a non-qualifying asset under Section 55 of the 1940 Act and represented less than 0.1% of total investments, at fair value.

(B) Unless indicated otherwise, all cash interest rates are indexed to 30-day SOFR, which was 5.3% as of March 31, 2024. If applicable, paid-in-kind interest rates are noted separately from the cash interest rate. Certain securities are subject to an interest rate floor. The cash interest rate is the greater of the floor or reference rate plus a spread. Due dates represent the contractual maturity date.

(C) Security is non-income producing.

(D) Category percentages represent the fair value of each category and subcategory as a percentage of net assets as of March 31, 2024.

(E) Unless indicated otherwise, all of our investments are valued using Level 3 inputs within the FASB ASC 820 fair value hierarchy. Refer to Note 3— *Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

(F) Where applicable, aggregates all shares of a class of stock owned without regard to specific series owned within such class (some series of which may or may not be voting shares) or aggregates all warrants to purchase shares of a class of stock owned without regard to specific series of such class of stock such warrants allow us to purchase.

(G) Debt security is on non-accrual status.

(H) Represents the principal balance, presented in thousands, for debt investments and the number of shares/units held for equity investments. Warrants are represented as a percentage of ownership, as applicable.

(I) Fair value was based on internal yield analysis or on estimates of value submitted by a third-party valuation firm. Refer to Note 3— *Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

(J) Fair value was based on the total enterprise value of the portfolio company, which is generally allocated to the portfolio company's securities in order of their relative priority in the capital structure. Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
MARCH 31, 2024
(DOLLAR AMOUNTS IN THOUSANDS)

(K) One of our affiliated funds, Gladstone Capital Corporation, co-invested with us in this portfolio company pursuant to an exemptive order granted by the U.S. Securities and Exchange Commission.

(L) Non-Control/Non-Affiliate investments, as defined by the 1940 Act, are those that are neither Control nor Affiliate investments and in which we own less than 5.0% of the issued and outstanding voting securities.

(M) Affiliate investments, as defined by the 1940 Act, are those that are not Control investments and in which we own, with the power to vote, between and inclusive of 5.0% and 25.0% of the issued and outstanding voting securities.

(N) Control investments, as defined by the 1940 Act, are those where we have the power to exercise a controlling influence over the management or policies of the portfolio company, which may include owning, with the power to vote, more than 25.0% of the issued and outstanding voting securities.

(O) Our investment in Funko was valued using Level 2 inputs within the ASC 820 fair value hierarchy. Our common units in Funko are convertible into class A common stock in Funko, Inc. upon meeting certain requirements. Fair value was based on the closing market price of shares of Funko, Inc. as of the reporting date, less a discount for lack of marketability. Funko, Inc. is traded on the Nasdaq Global Select Market under the trading symbol “FNKO.” Refer to Note 3—*Investments* in the accompanying *Notes to Consolidated Financial Statements* for additional information.

(P) Debt security is subject to an interest rate ceiling.

(Q) Fair value was based on the expected exit or payoff amount, where such event has occurred or is expected to occur imminently.

(R) Cumulative gross unrealized appreciation for federal income tax purposes is $180.5 million; cumulative gross unrealized depreciation for federal income tax purposes is $ 115.8 million. Cumulative net unrealized appreciation is $64.7 million, based on a tax cost of $ 855.8 million.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

GLADSTONE INVESTMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA AND AS OTHERWISE INDICATED)
(UNAUDITED)

NOTE 1. ORGANIZATION

Gladstone Investment Corporation ("Gladstone Investment") was incorporated under the General Corporation Law of the State of Delaware on February 18, 2005, and completed an initial public offering on June 22, 2005. The terms "the Company," "we," "our" and "us" all refer to Gladstone Investment and its consolidated subsidiaries. We are an externally advised, closed-end, non-diversified management investment company that has elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"), and are applying the guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, *"Financial Services-Investment Companies"* ("ASC 946"). In addition, we have elected to be treated for U.S. federal income tax purposes as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"). We were established for the purpose of investing in debt and equity securities of established private businesses in the United States ("U.S."). Debt investments primarily take the form of two types of loans: secured first lien loans and secured second lien loans. Equity investments primarily take the form of preferred or common equity (or warrants or options to acquire the foregoing), often in connection with buyouts and other recapitalizations. Our investment objectives are to: (i) achieve and grow current income by investing in debt securities of established businesses that we believe will provide stable earnings and cash flow to pay expenses, make principal and interest payments on our outstanding indebtedness and make distributions to stockholders that grow over time, and (ii) provide our stockholders with long-term capital appreciation in the value of our assets by investing in equity securities of established businesses, generally in combination with the aforementioned debt securities, that we believe can grow over time to permit us to sell our equity investments for capital gains. We intend that our investment portfolio over time will consist of approximately 75.0% in debt investments and 25.0% in equity investments, at cost. As of September 30, 2024, our investment portfolio was comprised of 77.4% in debt investments and 22.6% in equity investments, at cost.

Gladstone Business Investment, LLC ("Business Investment"), a wholly-owned subsidiary of ours, was established on August 11, 2006 for the sole purpose of holding certain investments pledged as collateral under our line of credit. The financial statements of Business Investment are consolidated with those of Gladstone Investment.

We are externally managed by Gladstone Management Corporation (the "Adviser"), an affiliate of ours and a U.S. Securities and Exchange Commission ("SEC") registered investment adviser, pursuant to an investment advisory and management agreement (the "Advisory Agreement"). Administrative services are provided by Gladstone Administration, LLC (the "Administrator"), an affiliate of ours and the Adviser, pursuant to an administration agreement (the "Administration Agreement"). Refer to Note 4 — *Related Party Transactions* for more information regarding these arrangements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unaudited Interim Financial Statements and Basis of Presentation

We prepare our interim financial statements in accordance with accounting principles generally accepted in the U.S. ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6, 10 and 12 of SEC Regulation S-X. Accordingly, we have not included in this quarterly report all of the information and notes required by GAAP for annual financial statements. The accompanying *Consolidated Financial Statements* include our accounts and those of our wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated. In accordance with Article 6 of Regulation S-X, we do not consolidate portfolio company investments. Under the investment company rules and regulations pursuant to the American Institute of Certified Public Accountants Audit and Accounting Guide for Investment Companies, codified in ASC 946, we are precluded from consolidating any entity other than another investment company, except that ASC 946 provides for the consolidation of a controlled operating company that provides substantially all of its services to the investment company or its consolidated subsidiaries. In our opinion, all adjustments, consisting solely of normal recurring accruals, necessary for the fair statement of financial statements for the interim periods have been included. The results of operations for the three and six months ended September 30, 2024 are not necessarily indicative of results that ultimately may be achieved for the fiscal year ending March 31, 2025 or any future interim period. The interim financial statements and notes thereto should be read in conjunction with the financial statements and notes thereto included in our annual report on Form 10-K for the fiscal year ended March 31, 2024, as filed with the SEC on May 8, 2024.

Use of Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the amounts reported in our accompanying *Consolidated Financial Statements* and these *Notes to Consolidated Financial Statements.* Actual results may differ from those estimates.

Investment Valuation Policy

Accounting Recognition

We record our investments at fair value in accordance with the FASB ASC Topic 820, "*Fair Value Measurements and Disclosures*" ("ASC 820") and the 1940 Act. Investment transactions are recorded on the trade date. Realized gains or losses are generally measured by the difference between the net proceeds from the repayment or sale and the cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized, and include investments charged off during the period, net of recoveries. Unrealized appreciation or depreciation primarily reflects the change in investment fair values, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Board Responsibility

Our board of directors (the "Board of Directors") has approved investment valuation policies and procedures pursuant to Rule 2a-5 under the 1940 Act (the "Policy") and, in July 2022, designated the Adviser to serve as the Board of Directors' valuation designee ("Valuation Designee") under the 1940 Act.

In accordance with the 1940 Act, our Board of Directors has the ultimate responsibility for reviewing the good faith fair value determination of our investments for which market quotations are not readily available based on our Policy and for overseeing the Valuation Designee. Such review and oversight includes receiving written fair value determinations and supporting materials provided by the Valuation Designee, in coordination with the Administrator and with the oversight by the Company's chief valuation officer (collectively, the "Valuation Team"). The Valuation Committee of our Board of Directors (comprised entirely of independent directors) meets to review the valuation determinations and supporting materials, discusses the information provided by the Valuation Team, determines whether the Valuation Team has followed the Policy, and reviews other facts and circumstances, including current valuation risks, conflicts of interest, material valuation matters, appropriateness of valuation methodologies, back-testing results, price challenges/overrides, and ongoing monitoring and oversight of pricing services. After the Valuation Committee concludes its meeting, it and the chief valuation officer, representing the Valuation Designee, present the Valuation Committee's findings on the Valuation Designee's determinations to the entire Board of Directors so that the full Board of Directors may review the Valuation Designee's determined fair values of such investments in accordance with the Policy.

There is no single standard for determining fair value (especially for privately-held businesses), as fair value depends upon the specific facts and circumstances of each individual investment. In determining the fair value of our investments, the Valuation Team, led by the chief valuation officer, uses the Policy, and each quarter the Valuation Committee and Board of Directors review the Policy to determine if changes thereto are advisable and whether the Valuation Team has applied the Policy consistently.

Use of Third-Party Valuation Firms

The Valuation Team engages third-party valuation firms to provide independent assessments of fair value of certain of our investments.

A third-party valuation firm generally provides estimates of fair value on our debt investments. The Valuation Team generally assigns the third-party valuation firm's estimates of fair value to our debt investments where we do not have the ability to effectuate a sale of the applicable portfolio company. The Valuation Team corroborates the third-party valuation firm's estimates of fair value using one or more of the valuation techniques discussed below. The Valuation Team's estimate of value on a specific debt investment may significantly differ from the third-party valuation firm's. When this occurs, our Valuation Committee and Board of Directors review whether the Valuation Team has followed the Policy and the Valuation Committee reviews whether the Valuation Designee's determined fair value is reasonable in light of the Policy and other relevant facts and circumstances.

We may engage other independent valuation firms to provide earnings multiple ranges, as well as other information, and evaluate such information for incorporation into the total enterprise value ("TEV") of certain of our investments. Generally, at least once per year, we engage an independent valuation firm to value or review the valuation of each of our significant equity investments, which includes providing the information noted above. The Valuation Team evaluates such information for incorporation into our TEV, including review of all inputs provided by the independent valuation firm. The Valuation Team then presents a determination to our Valuation Committee as to the fair value. Our Valuation Committee reviews the determined fair value and whether it is reasonable in light of the Policy and other relevant facts and circumstances.

Valuation Techniques

In accordance with ASC 820, the Valuation Team uses the following techniques when valuing our investment portfolio:

- *Total Enterprise Value* — In determining the fair value using a TEV, the Valuation Team first calculates the TEV of the portfolio company by incorporating some or all of the following factors: the portfolio company's ability to make payments and other specific portfolio company attributes; the earnings of the portfolio company (the trailing or projected twelve month revenue or earnings before interest, taxes, depreciation and amortization ("EBITDA")); EBITDA multiples obtained from our indexing methodology whereby the original transaction EBITDA multiple at the time of our closing is indexed to a general subset of comparable disclosed transactions and EBITDA multiples from recent sales to third parties of similar securities in similar industries; a comparison to publicly traded securities in similar industries; and other pertinent factors. The Valuation Team generally reviews industry statistics and may use outside experts when gathering this information. Once the TEV is determined for a portfolio company, the Valuation Team generally allocates the TEV to the portfolio company's securities based on the facts and circumstances of the securities, which typically results in the allocation of fair value to securities based on the order of their relative priority in the capital structure. Generally, the Valuation Team uses TEV to value our equity investments and, in the circumstances where we have the ability to effectuate a sale of a portfolio company, our debt investments. When there is equity value or sufficient TEV to cover the principal balance of our debt securities, the fair value of our senior secured debt generally equals or approximates cost.

  TEV is primarily calculated using EBITDA and EBITDA multiples; however, TEV may also be calculated using revenue and revenue multiples or a discounted cash flow ("DCF") analysis whereby future expected cash flows of the portfolio company are discounted to determine a net present value using estimated risk-adjusted discount rates, which incorporate adjustments for nonperformance and liquidity risks.

- *Yield Analysis* — The Valuation Team generally determines the fair value of our debt investments for which we do not have the ability to effectuate a sale of the applicable portfolio company using the yield analysis, which includes a DCF calculation and assumptions that the Valuation Team believes market participants would use, including: estimated remaining life, current market yield, current leverage, and interest rate spreads. This technique develops a modified discount rate that incorporates risk premiums including, among other things, increased probability of default, increased loss upon default, and increased liquidity risk. Generally, the Valuation Team uses the yield analysis to corroborate both estimates of value provided by a third-party valuation firm and market quotes.

- *Market Quotes* — For our investments for which a limited market exists, we generally base fair value on readily available and reliable market quotations, which are corroborated by the Valuation Team (generally by using the yield analysis described above). In addition, the Valuation Team assesses trading activity for similar investments and evaluates variances in quotations and other market insights to determine if any available quoted prices are reliable. Typically, the Valuation Team uses the lower indicative bid price in the bid-to-ask price range obtained from the respective originating syndication agent's trading desk on or near the valuation date. The Valuation Team may take further steps to consider additional information to validate that price in accordance with the Policy. For securities that are publicly traded, we generally base fair value on the closing market price of the securities we hold as of the reporting date. For restricted securities that are publicly traded, we generally base fair value on the closing market price of the securities we hold as of the reporting date less a discount for the restriction, which includes consideration of the nature and term to expiration of the restriction and the lack of marketability of the security.

- *Investments in Funds* — For equity investments in other funds for which we cannot effectuate a sale of the fund, the Valuation Team generally determines the fair value of our invested capital at the net asset value ("NAV") provided by the fund. Any invested capital that is not yet reflected in the NAV provided by the fund is valued at par value. The Valuation Team may also determine fair value of our investments in other investment funds based on the capital accounts of the underlying entity.

In addition to the valuation techniques listed above, the Valuation Team may also consider other factors when determining the fair value of our investments, including: the nature and realizable value of the collateral, including external parties' guaranties, any relevant offers or letters of intent to acquire the portfolio company, timing of expected loan repayments, and the markets in which the portfolio company operates.

Fair value measurements of our investments may involve subjective judgments and estimates and, due to the uncertainty inherent in valuing these securities, the determinations of fair value may fluctuate from period to period and may differ materially from the values that could be obtained if a ready market for these securities existed. Our NAV could be materially affected if the determinations regarding the fair value of our investments are materially different from the values that we ultimately realize upon our disposal of such securities. Additionally, changes in the market environment and other events that may occur over the life of the investment may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which it is recorded.

Refer to Note 3 — *Investments* for additional information regarding fair value measurements and our application of ASC 820.

Revenue Recognition

Interest Income Recognition

Interest income, adjusted for amortization of premiums, amendment fees and acquisition costs and the accretion of discounts, is recorded on the accrual basis to the extent that such amounts are expected to be collected. Generally, when a loan becomes 90 days or more past due, or if our qualitative assessment indicates that the debtor is unable to service its debt or other obligations, we will place the loan on non-accrual status and cease recognizing interest income on that loan until the borrower has demonstrated the ability and intent to pay contractual amounts due. However, we remain contractually entitled to this interest. Interest payments received on non-accrual loans may be recognized as income or applied to the cost basis, depending upon management's judgment. Generally, non-accrual loans are restored to accrual status when past-due principal and interest are paid and, in management's judgment, are likely to remain current, or, due to a restructuring, the interest income is deemed to be collectible. As of September 30, 2024, our loans to B+T Group Acquisition, Inc., Diligent Delivery Systems, Edge Adhesives Holdings, Inc. ("Edge"), and J.R. Hobbs Co. – Atlanta, LLC ("J.R. Hobbs") were on non-accrual status, with an aggregate debt cost basis of $90.0 million, or 13.8% of the cost basis of all debt investments in our portfolio, and an aggregate fair value of $47.5 million, or 8.2% of the fair value of all debt investments in our portfolio. As of March 31, 2024, our loans to Edge and J.R. Hobbs were on non-accrual status, with an aggregate debt cost basis of $59.1 million, or 9.0% of the cost basis of all debt investments in our portfolio, and an aggregate fair value of $29.7 million, or 4.8% of the fair value of all debt investments in our portfolio.

Paid-in-kind ("PIK") interest, computed at the contractual rate specified in the loan agreement, is added to the principal balance of the loan and recorded as interest income. Thus, the actual collection of PIK income may be deferred until the time of debt principal repayment. As of September 30, 2024 and March 31, 2024, we did not have any loans with a PIK interest component.

Success Fee Income Recognition

We record success fees as income when earned, which often occurs upon receipt of cash. Success fees are generally contractually due upon a change of control in a portfolio company, typically resulting from an exit or sale, and are non-recurring.

Dividend Income Recognition

We accrue dividend income on preferred and common equity securities to the extent that such amounts are expected to be collected and if we have the option to collect such amounts in cash or other consideration.

Related Party Fees

We are party to the Advisory Agreement with the Adviser, which is indirectly owned and controlled by our chairman and chief executive officer. In accordance with the Advisory Agreement, we pay the Adviser fees as compensation for its services, consisting of a base management fee and an incentive fee. Additionally, we pay the Adviser a loan servicing fee as compensation for its services as servicer under the terms of the Fifth Amended and Restated Credit Agreement dated April 30, 2013, as amended from time to time (the "Credit Facility").

We are also party to the Administration Agreement with the Administrator, which is indirectly owned and controlled by our chairman and chief executive officer, whereby we pay separately for administrative services.

Refer to Note 4 — *Related Party Transactions* for additional information regarding these related party fees and agreements.

NOTE 3. INVESTMENTS

Fair Value

In accordance with ASC 820, the fair value of our investments is determined to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between willing market participants on the measurement date. This fair value definition focuses on exit price in the principal, or most advantageous, market and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs. ASC 820 also establishes the following three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of a financial instrument as of the measurement date.

- *Level 1* — inputs to the valuation methodology are quoted prices (unadjusted) for identical financial instruments in active markets;

- *Level 2* — inputs to the valuation methodology include quoted prices for similar financial instruments in active or inactive markets, and inputs that are observable for the financial instrument, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists, or instances where prices vary substantially over time or among brokered market makers; and

- *Level 3* — inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs are those inputs that reflect assumptions that market participants would use when pricing the financial instrument and can include the Valuation Team's assumptions based upon the best available information.

When a determination is made to classify our investments within Level 3 of the valuation hierarchy, such determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, Level 3 financial instruments typically include, in addition to the unobservable, or Level 3, inputs, observable inputs (or components that are actively quoted and can be validated to external sources). The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

As of September 30, 2024, all of our investments were valued using Level 3 inputs within the ASC 820 fair value hierarchy. As of March 31, 2024, all of our investments were valued using Level 3 inputs within the ASC 820 fair value hierarchy, except for our investment in Funko, which was valued using Level 2 inputs.

We transfer investments in and out of Level 1, 2 and 3 of the valuation hierarchy as of the beginning balance sheet date, based on changes in the use of observable and unobservable inputs utilized to perform the valuation for the period. There were no transfers in or out of Level 1, 2 and 3 during the three and six months ended September 30, 2024 and 2023, respectively.

As of September 30, 2024 and March 31, 2024, our investments, by security type, at fair value were categorized as follows within the ASC 820 fair value hierarchy:

		Fair Value Measurements		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of September 30, 2024:				
Secured first lien debt	$ 469,480	$ —	$ —	$ 469,480
Secured second lien debt	111,344	—	—	111,344
Preferred equity	228,528	—	—	228,528
Common equity/equivalents	43,955	—	—	43,955
Total Investments as of September 30, 2024	**$ 853,307**	**$ —**	**$ —**	**$ 853,307**

		Fair Value Measurements		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of March 31, 2024:				
Secured first lien debt	$ 474,856	$ —	$ —	$ 474,856
Secured second lien debt	138,703	—	—	138,703
Preferred equity	213,480	—	—	213,480
Common equity/equivalents	93,465	—	18 (A)	93,447
Total Investments as of March 31, 2024	$ 920,504	$ —	$ 18	$ 920,486

(A) Fair value was determined based on the closing market price of shares of Funko, Inc. (our units in Funko could be converted into common shares of Funko, Inc.) at the reporting date less a discount for lack of marketability, as our investment was subject to certain restrictions.

The following table presents our investments, valued using Level 3 inputs within the ASC 820 fair value hierarchy, and carried at fair value as of September 30, 2024 and March 31, 2024, by caption on our accompanying *Consolidated Statements of Assets and Liabilities,* and by security type:

	Total Recurring Fair Value Measurements Reported in *Consolidated Statements of Assets and Liabilities* Valued Using Level 3 Inputs	
	September 30, 2024	**March 31, 2024**
Non-Control/Non-Affiliate Investments		
Secured first lien debt	**$ 322,601**	$ 324,348
Secured second lien debt	**92,748**	93,340
Preferred equity	**167,936**	162,522
Common equity/equivalents[(A)]	**43,955**	42,005
Total Non-Control/Non-Affiliate Investments	**627,240**	622,215
Affiliate Investments		
Secured first lien debt	**146,309**	147,603
Secured second lien debt	**18,596**	45,363
Preferred equity	**60,592**	50,958
Common equity/equivalents	**—**	51,442
Total Affiliate Investments	**225,497**	295,366
Control Investments		
Secured first lien debt	**570**	2,905
Secured second lien debt	**—**	—
Preferred equity	**—**	—
Common equity/equivalents	**—**	—
Total Control Investments	**570**	2,905
Total investments at fair value using Level 3 inputs	**$ 853,307**	$ 920,486

(A) Excludes our investment in Funko as of March 31, 2024 with a fair value of $18 thousand, which was valued using Level 2 inputs.

In accordance with ASC 820, the following table provides quantitative information about our investments valued using Level 3 fair value measurements as of September 30, 2024 and March 31, 2024. The table below is not intended to be all-inclusive, but rather provides information on the significant Level 3 inputs as they relate to our fair value measurements. The weighted-average calculations in the table below are based on the principal balances for all debt-related calculations and on the cost basis for all equity-related calculations for the particular input.

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value as of		Valuation Technique/ Methodology	Unobservable Input	Range / Weighted-Average as of	
	September 30, 2024	**March 31, 2024**			**September 30, 2024**	**March 31, 2024**
Secured first lien debt	**$ 469,480**	$ 474,856	TEV	EBITDA multiple	**4.3x – 8.1x / 6.4x**	4.2x – 8.8x / 6.4x
				EBITDA	**$1,010 – $22,396 / $11,317**	$1,091 – $23,547 / $10,509
				Revenue multiple	**0.2x – 0.6x / 0.4x**	0.3x – 0.6x / 0.4x
				Revenue	**$6,336 – $95,392 / $67,530**	$31,586 – $93,916 / $77,580
Secured second lien debt	**98,936**	113,703	TEV	EBITDA multiple	**5.2x – 7.0x / 6.4x**	5.1x – 15.0x / 7.0x
				EBITDA	**$5,363 – $21,194 / $14,203**	$5,648 – $23,003 / $14,192
	12,408	25,000	Yield Analysis	Discount Rate	**16.9% – 16.9% / 16.9%**	13.8% – 13.8% / 13.8%
Preferred equity	**228,528**	213,480	TEV	EBITDA multiple	**4.3x – 8.1x / 6.1x**	4.2x – 8.8x / 6.1x
				EBITDA	**$2,198 – $22,396 / $10,053**	$1,091 – $23,547 / $9,502
				Revenue multiple	**0.2x – 0.6x / 0.3x**	0.3x – 0.6x / 0.4x
				Revenue	**$6,336 – $95,392 / $50,054**	$31,586 – $93,916 / $75,099
Common equity/ equivalents[(A)]	**43,955**	93,447	TEV	EBITDA multiple	**5.1x – 7.6x / 6.4x**	5.0x – 15.0x / 6.4x
				EBITDA	**$1,010 – $21,194 / $16,912**	$1,154 – $63,269 / $23,615
Total	**$ 853,307**	$ 920,486				

(A) Fair value as of March 31, 2024 excludes our investment in Funko with a fair value of $18 thousand, which was valued using Level 2 inputs.

Fair value measurements can be sensitive to changes in one or more of the valuation inputs. Changes in discount rates, EBITDA or EBITDA multiples (or revenue or revenue multiples), each in isolation, may change the fair value of certain of our investments. Generally, an increase/(decrease) in discount rates or a (decrease)/increase in EBITDA or EBITDA multiples (or revenue or revenue multiples) may result in a (decrease)/increase in the fair value of certain of our investments.

Changes in Level 3 Fair Value Measurements of Investments

The following tables provide our portfolio's changes in fair value, broken out by security type, during the three and six months ended September 30, 2024 and 2023 for all investments for which the Adviser determines fair value using unobservable (Level 3) inputs.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Secured First Lien Debt	Secured Second Lien Debt	Preferred Equity	Common Equity/ Equivalents	Total
Three Months ended September 30, 2024:					
Fair value as of June 30, 2024	**$ 463,219**	**$ 137,827**	**$ 212,591**	**$ 85,501**	**$ 899,138**
Total gain (loss):					
Net realized gain (loss)(A)	—	—	—	42,284	42,284
Net unrealized appreciation (depreciation)(B)	(13,239)	(1,483)	15,937	2,701	3,916
Reversal of previously recorded (appreciation) depreciation upon realization(B)	—	—	—	(38,028)	(38,028)
New investments, repayments and settlements(C):					
Issuances / originations	19,500	—	—	—	19,500
Settlements / repayments	—	(25,000)	—	—	(25,000)
Sales	—	—	—	(48,503)	(48,503)
Transfers	—	—	—	—	—
Fair value as of September 30, 2024	**$ 469,480**	**$ 111,344**	**$ 228,528**	**$ 43,955**	**$ 853,307**

	Secured First Lien Debt	Secured Second Lien Debt	Preferred Equity	Common Equity/ Equivalents	Total
Six Months Ended September 30, 2024					
Fair value as of March 31, 2024	**$ 474,856**	**$ 138,703**	**$ 213,480**	**$ 93,447**	**$ 920,486**
Total gain (loss):					
Net realized gain (loss)(A)	—	—	—	42,284	42,284
Net unrealized appreciation (depreciation)(B)	(22,474)	(2,359)	15,048	(5,245)	(15,030)
Reversal of previously recorded (appreciation) depreciation upon realization(B)	—	—	—	(38,028)	(38,028)
New investments, repayments and settlements(C):					
Issuances / originations	20,098	—	—	—	20,098
Settlements / repayments	(3,000)	(25,000)	—	—	(28,000)
Sales	—	—	—	(48,503)	(48,503)
Transfers	—	—	—	—	—
Fair value as of September 30, 2024	**$ 469,480**	**$ 111,344**	**$ 228,528**	**$ 43,955**	**$ 853,307**

	Secured First Lien Debt		Secured Second Lien Debt		Preferred Equity		Common Equity/ Equivalents		Total
Three Months ended September 30, 2023:									
Fair value as of June 30, 2023	$	**452,215**	$	**104,794**	$	**214,258**	$	**28,780**	$	**800,047**
Total gain (loss):										
Net realized gain (loss)[(A)]		—		—		—		—		—
Net unrealized appreciation (depreciation)[(B)]		889		(2,047)		41,925		7,987		48,754
Reversal of previously recorded (appreciation) depreciation upon realization[(B)]		—		—		—		—		—
New investments, repayments and settlements[(C)]:										
Issuances / originations		55,400		—		11,413		—		66,813
Settlements / repayments		—		—		—		—		—
Sales		—		—		—		—		—
Transfers		—		—		—		—		—
Fair value as of September 30, 2023	$	**508,504**	$	**102,747**	$	**267,596**	$	**36,767**	$	**915,614**

		Secured First Lien Debt		Secured Second Lien Debt		Preferred Equity		Common Equity/ Equivalents		Total
Six Months Ended September 30, 2023:										
Fair value as of March 31, 2023	$	**437,517**	$	**75,734**	$	**222,585**	$	**17,680**	$	**753,516**
Total gain (loss):										
Net realized gain (loss)[(A)]		—		—		273		882		1,155
Net unrealized appreciation (depreciation)[(B)]		887		2,013		30,323		14,800		48,023
Reversal of previously recorded (appreciation) depreciation upon realization[(B)]		—		—		—		(93)		(93)
New investments, repayments and settlements[(C)]:										
Issuances / originations		70,100		25,000		14,688		5,000		114,788
Settlements / repayments		—		—		—		—		—
Sales[(D)]		—		—		(273)		(1,502)		(1,775)
Transfers		—		—		—		—		—
Fair value as of September 30, 2023	$	**508,504**	$	**102,747**	$	**267,596**	$	**36,767**	$	**915,614**

(A) Included in net realized gain (loss) on investments on our accompanying *Consolidated Statements of Operations* for the respective three and six months ended September 30, 2024 and 2023.

(B) Included in net unrealized appreciation (depreciation) of investments on our accompanying *Consolidated Statements of Operations* for the respective three and six months ended September 30, 2024 and 2023.

(C) Includes increases in the cost basis of investments resulting from new portfolio investments, the amortization of discounts and other non-cash disbursements to portfolio companies, as well as decreases in the cost basis of investments resulting from principal repayments or sales, the amortization of premiums and acquisition costs, and other cost-basis adjustments.

(D) The six months ended September 30, 2023 includes $0.3 million of proceeds from the recapitalization of Old World Christmas, Inc. ("Old World").

Investment Activity

During the six months ended September 30, 2024, the following significant transactions occurred:

- In May 2024, our remaining shares in Funko were sold representing an exit of our investment in Funko, and resulting in a return of our equity cost basis of $21 thousand and a realized gain of $2 thousand.

- In July 2024, we invested an additional $18.5 million through secured first lien debt in Nocturne Luxury Villas, Inc. ("Nocturne") to fund an add-on acquisition.
- In September 2024, we exited our investment in Nth Degree Investment Group, LLC, which resulted in success fee income of $0.1 million, a realized gain on our preferred equity of $42.3 million and the repayment of our debt investment of $25.0 million.

Investment Concentrations

As of September 30, 2024, our investment portfolio consisted of investments in 22 portfolio companies located in 18 states across 15 different industries with an aggregate fair value of $853.3 million. Our investments in Nocturne, SFEG Holdings, Inc., Old World, Brunswick Bowling Products, Inc. and Dema/Mai Holdings, Inc. represented our five largest portfolio investments at fair value and collectively comprised $402.6 million, or 47.2%, of our total investment portfolio at fair value as of September 30, 2024.

The following table summarizes our investments by security type as of September 30, 2024 and March 31, 2024:

	September 30, 2024				March 31, 2024			
	Cost		Fair Value		Cost		Fair Value	
Secured first lien debt	**$ 530,522**	**63.1 %**	**$ 469,480**	**55.0 %**	$ 513,425	60.1 %	$ 474,856	51.6 %
Secured second lien debt	**119,958**	**14.3 %**	**111,344**	**13.0 %**	144,958	16.9 %	138,703	15.0 %
Total debt	**650,480**	**77.4 %**	**580,824**	**68.0 %**	658,383	77.0 %	613,559	66.6 %
Preferred equity	**145,070**	**17.3 %**	**228,528**	**26.8 %**	145,070	17.0 %	213,480	23.2 %
Common equity/equivalents	**44,597**	**5.3 %**	**43,955**	**5.2 %**	50,837	6.0 %	93,465	10.2 %
Total equity/equivalents	**189,667**	**22.6 %**	**272,483**	**32.0 %**	195,907	23.0 %	306,945	33.4 %
Total investments	**$ 840,147**	**100.0 %**	**$ 853,307**	**100.0 %**	$ 854,290	100.0 %	$ 920,504	100.0 %

Investments at fair value consisted of the following industry classifications as of September 30, 2024 and March 31, 2024:

	September 30, 2024		March 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
Home and Office Furnishings, Housewares, and Durable Consumer Products	**$ 164,994**	**19.3 %**	$ 160,038	17.3 %
Diversified/Conglomerate Services	**164,579**	**19.3 %**	264,535	28.7 %
Hotels, Motels, Inns, and Gaming	**98,852**	**11.6 %**	77,366	8.4 %
Machinery (Non-Agriculture, Non-Construction, and Non-Electronic)	**92,474**	**10.8 %**	92,781	10.1 %
Buildings and Real Estate	**61,749**	**7.2 %**	60,431	6.6 %
Oil and Gas	**56,379**	**6.6 %**	51,171	5.6 %
Healthcare, Education, and Childcare	**50,140**	**5.9 %**	49,638	5.4 %
Leisure, Amusement, Motion Pictures, and Entertainment	**42,381**	**5.0 %**	39,350	4.3 %
Mining, Steel, Iron and Non-Precious Metals	**33,523**	**3.9 %**	30,537	3.3 %
Aerospace and Defense	**31,821**	**3.7 %**	29,064	3.2 %
Chemicals, Plastics, and Rubber	**18,596**	**2.2 %**	20,363	2.2 %
Printing and Publishing	**13,500**	**1.6 %**	14,238	1.5 %
Cargo Transport	**12,408**	**1.5 %**	13,500	1.5 %
Telecommunications	**6,357**	**0.7 %**	9,002	1.0 %
Other < 2.0%	**5,554**	**0.7 %**	8,490	0.9 %
Total investments	**$ 853,307**	**100.0 %**	$ 920,504	100.0 %

Investments at fair value were included in the following geographic regions of the U.S. as of September 30, 2024 and March 31, 2024:

	September 30, 2024		March 31, 2024	
Location	**Fair Value**	**Percentage of Total Investments**	**Fair Value**	**Percentage of Total Investments**
South	**$ 271,739**	**31.8 %**	$ 346,838	37.7 %
West	**223,539**	**26.2 %**	223,871	24.3 %
Northeast	**214,844**	**25.2 %**	207,870	22.6 %
Midwest	**143,185**	**16.8 %**	141,925	15.4 %
Total investments	**$ 853,307**	**100.0 %**	$ 920,504	100.0 %

The geographic region indicates the location of the headquarters for our portfolio companies. A portfolio company may have additional business locations in other geographic regions.

Investment Principal Repayments

The following table summarizes the contractual principal repayment and maturity of our investment portfolio by fiscal year, assuming no voluntary prepayments, as of September 30, 2024:

	Amount
For the remaining six months ending March 31, 2025	$ 64,060
For the fiscal years ending March 31:	
2026	206,310
2027	213,485
2028	66,231
2029	100,394
Thereafter	—
Total contractual repayments	**$ 650,480**
Investments in equity securities	189,667
Total cost basis of investments held as of September 30, 2024:	**$ 840,147**

Receivables from Portfolio Companies

Receivables from portfolio companies represent non-recurring costs that we incurred on behalf of portfolio companies. Such receivables, net of any allowance for uncollectible receivables, are included in Other assets, net on our accompanying *Consolidated Statements of Assets and Liabilities*. We generally maintain an allowance for uncollectible receivables from portfolio companies when the receivable balance becomes 90 days or more past due or if it is determined, based upon management's judgment, that the portfolio company is unable to pay its obligations. We write off accounts receivable when we have exhausted collection efforts and have deemed the receivables uncollectible. As of September 30, 2024 and March 31, 2024, we had gross receivables from portfolio companies of $2.1 million and $2.2 million, respectively. As of September 30, 2024 and March 31, 2024, the allowance for uncollectible receivables was $1.6 million and $1.4 million, respectively.

NOTE 4. RELATED PARTY TRANSACTIONS

Transactions with the Adviser

We pay the Adviser certain fees as compensation for its services under the Advisory Agreement, consisting of a base management fee and an incentive fee and a loan servicing fee for the Adviser's role as servicer pursuant to the Credit Facility, all as described below. On July 9, 2024, our Board of Directors, including a majority of the directors who are not parties to the Advisory Agreement or interested persons of either party, approved the annual renewal of the Advisory Agreement through August 31, 2025.

Two of our executive officers, David Gladstone (our chairman and chief executive officer) and Terry Lee Brubaker (our chief operating officer) serve as directors and executive officers of the Adviser, which is 100% indirectly owned and controlled by Mr. Gladstone. David Dullum (our president) is also the executive vice president of private equity (buyouts) of the Adviser. Michael LiCalsi, our general counsel and secretary (who also serves as the Administrator's president, general counsel and secretary), is also the executive vice president of administration, general counsel, and secretary of our Adviser.

The following table summarizes the base management fees, loan servicing fees, incentive fees, and associated non-contractual, unconditional, and irrevocable credits reflected in our accompanying *Consolidated Statements of Operations*:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Average total assets subject to base management fee[(A)]	**$ 889,400**	$ 868,200	**$ 906,500**	$ 827,200
Multiplied by prorated annual base management fee of 2.0%	**0.5 %**	0.5 %	**1.0 %**	1.0 %
Base management fee[(B)]	**4,447**	4,341	**9,065**	8,272
Credits to fees from Adviser - other[(B)]	**(669)**	(2,049)	**(1,296)**	(3,324)
Net base management fee	**$ 3,778**	$ 2,292	**$ 7,769**	$ 4,948
Loan servicing fee[(B)]	**2,194**	2,325	**4,416**	4,497
Credits to base management fee - loan servicing fee[(B)]	**(2,194)**	(2,325)	**(4,416)**	(4,497)
Net loan servicing fee	**$ —**	$ —	**$ —**	$ —
Incentive fee – income-based	**$ 594**	$ 1,733	**$ 594**	$ 3,860
Incentive fee – capital gains-based[(C)]	**1,638**	9,807	**(2,150)**	9,874
Total incentive fee[(B)]	**$ 2,232**	$ 11,540	**$ (1,556)**	$ 13,734
Credits to fees from Adviser - other[(B)]	**—**	—	**—**	—
Net total incentive fee	**$ 2,232**	$ 11,540	**$ (1,556)**	$ 13,734

(A) Average total assets subject to the base management fee is defined in the Advisory Agreement as total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective periods and adjusted appropriately for any share issuances or repurchases during the periods.

(B) Reflected as a line item on our accompanying *Consolidated Statements of Operations*.

(C) The capital gains-based incentive fees are recorded in accordance with GAAP and do not necessarily reflect amounts contractually due under the terms of the Advisory Agreement.

Base Management Fee

The base management fee is payable quarterly to the Adviser pursuant to our Advisory Agreement and is assessed at an annual rate of2.0%, computed on the basis of the value of our average gross assets at the end of the two most recently completed quarters (inclusive of the current quarter), which are total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective period and adjusted appropriately for any share issuances or repurchases during the period.

Additionally, pursuant to the requirements of the 1940 Act, the Adviser makes available significant managerial assistance to our portfolio companies. The Adviser may also provide other services to our portfolio companies under certain agreements and may receive fees for services other than managerial assistance. Such services may include: (i) assistance obtaining, sourcing or structuring credit facilities, long term loans or additional equity from unaffiliated third parties; (ii) negotiating important contractual financial relationships; (iii) consulting services regarding restructuring of the portfolio company and financial modeling as it relates to raising additional debt and equity capital from unaffiliated third parties; and (iv) taking a primary role in interviewing, vetting and negotiating employment contracts with candidates in connection with adding and retaining key portfolio company management team members. The Adviser non-contractually, unconditionally, and irrevocably credits 100% of any fees received for such services against the base management fee that we would otherwise be required to pay to the Adviser; however, pursuant to the terms of the Advisory Agreement, a small percentage of certain of such fees was retained by the Adviser in the form of reimbursement, at cost, for tasks completed by personnel of the Adviser, primarily related to the valuation of portfolio companies. For the three and six months ended September 30, 2024, these credits totaled $77 thousand and $152 thousand, respectively. For the three and six months ended September 30, 2023, these credits totaled $83 thousand and $158 thousand, respectively.

Loan Servicing Fee

The Adviser also services the loans held by our wholly-owned subsidiary, Business Investment (the borrower under the Credit Facility), in return for which the Adviser receives a 2.0% annual fee based on the monthly aggregate outstanding balance of loans pledged under the Credit Facility. Since Business Investment is a consolidated subsidiary of ours, coupled with the fact that the total base management fee paid to the Adviser pursuant to the Advisory Agreement cannot exceed 2.0% of total assets (less any uninvested cash or cash equivalents resulting from borrowings) during any given calendar year, we treat payment of the loan servicing fee pursuant to the Credit Facility as a pre-payment of the base management fee under the Advisory Agreement. Accordingly, these loan servicing fees are 100% non-contractually, unconditionally, and irrevocably credited back to us by the Adviser.

Incentive Fee

The incentive fee payable to the Adviser under our Advisory Agreement consists of two parts: an income-based incentive fee and a capital gains-based incentive fee.

The income-based incentive fee rewards the Adviser if our quarterly net investment income (before giving effect to any incentive fee) exceeds 1.75% of our net assets, which we define as total assets less indebtedness and before taking into account any incentive fees payable or contractually due but not payable during the period, at the end of the immediately preceding calendar quarter, adjusted appropriately for any share issuances or repurchases during the period (the “Hurdle Rate”). The income-based incentive fee with respect to our pre-incentive fee net investment income is payable quarterly to the Adviser and is computed as follows:

- No incentive fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed the Hurdle Rate;

- 100.0% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the Hurdle Rate but is less than 2.1875% of our net assets, adjusted appropriately for any share issuances or repurchases during the period, in any calendar quarter; and

- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.1875% of our net assets, adjusted appropriately for any share issuances or repurchases during the period, in any calendar quarter.

The second part of the incentive fee is a capital gains-based incentive fee that is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Advisory Agreement, as of the termination date), and equals 20.0% of our realized capital gains, less any realized capital losses and unrealized depreciation, calculated as of the end of the preceding calendar year. The capital gains-based incentive fee payable to the Adviser is calculated based on (i) cumulative aggregate realized capital gains since our inception, less (ii) cumulative aggregate realized capital losses since our inception, less (iii) the entire portfolio’s aggregate unrealized capital depreciation, if any, as of the date of the calculation. If this number is positive at the applicable calculation date, then the capital gains-based incentive fee for such year equals 20.0% of such amount, less the aggregate amount of any capital gains-based incentive fees paid in respect of our portfolio in all prior years. For calculation purposes, cumulative aggregate realized capital gains, if any, equals the sum of the excess between the net sales price of each investment, when sold, and the original cost of such investment since our inception. Cumulative aggregate realized capital losses equals the sum of the deficit between the net sales price of each investment, when sold, and the original cost of such investment since our inception. The entire portfolio’s aggregate unrealized capital depreciation, if any, equals the sum of the deficit between the fair value of each investment security as of the applicable calculation date and the original cost of such investment security. As of and for the six months ended September 30, 2024, no capital gains-based incentive fees were contractually due to the Adviser. During the year ended March 31, 2024, $1.1 million capital gains-based incentive fees were contractually due and paid to the Adviser.

In accordance with GAAP, accrual of the capital gains-based incentive fee is determined as if our investments had been liquidated at their fair values as of the end of the reporting period. Therefore, GAAP requires that the capital gains-based incentive fee accrual consider the aggregate unrealized capital appreciation in the calculation, as a capital gains-based incentive fee would be payable if such unrealized capital appreciation were realized. There can be no assurance that any such unrealized capital appreciation will be realized in the future. Accordingly, a GAAP accrual is calculated at the end of the reporting period based on (i) cumulative aggregate realized capital gains since our inception, plus (ii) the entire portfolio's aggregate unrealized capital appreciation, if any, less (iii) cumulative aggregate realized capital losses since our inception, less (iv) the entire portfolio's aggregate unrealized capital depreciation, if any. If such amount is positive at the end of a reporting period, a capital gains-based incentive fee equal to 20.0% of such amount, less the aggregate amount of capital gains-based incentive fees accrued in all prior years, is recorded, regardless of whether such amount is contractually due under the terms of the Advisory Agreement. If such amount is negative, then there is no accrual for such period and prior period accruals are reversed, as appropriate. During the three and six months ended September 30, 2024, we recorded an accrual of capital gains-based incentive fees of $1.6 million and a reversal of capital gains-based incentive fees of $2.2 million, respectively. During the three and six months ended ended September 30, 2023, we recorded capital gains-based incentive fees of $9.8 million and $9.9 million, respectively. As of September 30, 2024 and March 31, 2024, we had accrued capital gains-based incentive fees of $34.6 million and $36.7 million, respectively.

Transactions with the Administrator

We reimburse the Administrator pursuant to the Administration Agreement for our allocable portion of the Administrator's expenses incurred while performing services to us, which are primarily rent and salaries and benefits expenses of the Administrator's employees, including our chief financial officer and treasurer, chief valuation officer, chief compliance officer, and general counsel and secretary, and their respective staffs. Two of our executive officers, David Gladstone (our chairman and chief executive officer) and Terry Lee Brubaker (our chief operating officer) serve as members of the board of managers and executive officers of the Administrator, which is 100% indirectly owned and controlled by Mr. Gladstone. Another of our officers, Mr. LiCalsi (our general counsel and secretary), serves as the Administrator's president as well as the executive vice president of administration, general counsel, and secretary for the Adviser.

Our allocable portion of the Administrator's expenses is generally derived by multiplying the Administrator's total expenses by the approximate percentage of time during the current quarter the Administrator's employees performed services for us in relation to their time spent performing services for all companies serviced by the Administrator. On July 9, 2024, our Board of Directors, including a majority of the directors who are not parties to the Administration Agreement or interested persons of either party, approved the annual renewal of the Administration Agreement through August 31, 2025. Administration fees for the three and six months ended September 30, 2024 were $ 0.6 million and $1.1 million, respectively. Administration fees for the three and six months ended September 30, 2023 were $0.3 million and $0.9 million, respectively.

Transactions with Gladstone Securities, LLC

Gladstone Securities, LLC ("Gladstone Securities") is a privately held broker dealer registered with the Financial Industry Regulatory Authority and insured by the Securities Investor Protection Corporation. Gladstone Securities is an affiliate of ours, as its parent company is 100% indirectly owned and controlled by David Gladstone, our chairman and chief executive officer. Mr. Gladstone also serves on the board of managers of Gladstone Securities.

Other Transactions

From time to time, Gladstone Securities provides services, such as investment banking and due diligence services, to certain of our portfolio companies, for which it receives a fee. Any such fees paid by portfolio companies to Gladstone Securities do not impact the fees we pay to the Adviser or the non-contractual, unconditional, and irrevocable credits against the base management fee. During the three and six months ended September 30, 2024, the fees received by Gladstone Securities from our portfolio companies totaled $0.2 million. During the three and six months ended months ended September 30, 2023, the fees received by Gladstone Securities from our portfolio companies totaled $0.3 million.

Related Party Fees Due

Amounts due to related parties on our accompanying *Consolidated Statements of Assets and Liabilities* were as follows:

	As of September 30, 2024	As of March 31, 2024
Base management and loan servicing fee due to Adviser, net of credits	**$ 2,120**	$ 2,386
Incentive fee due to Adviser[(A)]	**35,187**	38,936
Other due to Adviser	**153**	22
Total fees due to Adviser	**37,460**	41,344
Fee due to Administrator	**566**	727
Total related party fees due	**$ 38,026**	$ 42,071

(A) Includes a capital gains-based incentive fee of $34.6 million and $36.7 million as of September 30, 2024 and March 31, 2024, respectively, recorded in accordance with GAAP requirements, and which was not contractually due under the terms of the Advisory Agreement. Refer to Note 4 — *Related Party Transactions — Transactions with the Adviser — Incentive Fee* for additional information, including capital gains-based incentive fee payments made.

Co-investment expenses as of both September 30, 2024 and March 31, 2024 were $0.1 million. These amounts are generally settled in the quarter subsequent to being incurred and have been included in Other assets, net on the accompanying *Consolidated Statements of Assets and Liabilities.*

NOTE 5. BORROWINGS

Revolving Line of Credit

We, through our wholly-owned subsidiary, Business Investment, are party to a Credit Facility with KeyBank National Association ("KeyBank"), as administrative agent, joint lead arranger and lender, Fifth Third Bank as managing agent, joint lead arranger and lender, the Adviser, as servicer, and certain other lenders party thereto. As of September 30, 2024, the Credit Facility provides for maximum borrowings of $200.0 million, with a revolving period end date of October 30, 2026 and a maturity date of October 30, 2028.

Advances under the Credit Facility generally bear interest at 30-day Term SOFR, subject to a floor of 0.35%, plus 3.15% per annum until October 30, 2026, with the margin then increasing to 3.40% for the period from October 30, 2026 to October 30, 2027, and increasing further to 3.65% thereafter with a SOFR credit spread adjustment of 10 basis points. The Credit Facility has an unused commitment fee on the daily unused commitment amount of 0.50% per annum if the daily unused commitment amount is less than or equal to 50% of the total commitment amount, 0.75% per annum if the daily unused commitment amount is greater than 50% but less than or equal to 65% of the total commitment amount, and 1.00% per annum if the daily unused commitment amount is greater than 65% of the total commitment amount.

The following tables summarize noteworthy information related to the Credit Facility:

	As of September 30, 2024	As of March 31, 2024
Commitment amount	**$ 200,000**	$ 200,000
Borrowings outstanding at cost	**$ 8,900**	$ 67,000
Availability[(A)]	**$ 191,100**	$ 133,000

	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
	2024	2023	2024	2023
Weighted-average borrowings outstanding	**$ 60,808**	$ 50,373	**$ 62,766**	$ 46,967
Effective interest rate[(B)]	**11.0 %**	10.9 %	**10.9 %**	11.0 %
Commitment (unused) fees incurred	**$ 320**	$ 319	**$ 661**	$ 664

(A) Availability is subject to various constraints, characteristics and applicable advance rates based on collateral quality under the Credit Facility, which equated to an adjusted availability of $191.1 million and $133.0 million as of September 30, 2024 and March 31, 2024, respectively.

(B) Excludes the impact of deferred financing costs and includes unused commitment fees.

Among other things, the Credit Facility contains a performance guaranty that requires us to maintain: (i) a minimum net worth of the greater of $210.0 million or $210.0 million plus 50% of all equity and subordinated debt raised, minus 50% of any equity or subordinated debt redeemed or retired after November 16, 2016, which equated to $348.7 million as of September 30, 2024; (ii) asset coverage with respect to senior securities representing indebtedness of at least 150% (or such percentage as may be set forth in Section 18 of the 1940 Act, as modified by Section 61 of the 1940 Act); and (iii) our status as a BDC under the 1940 Act and as a RIC under the Code. As of September 30, 2024, and as defined in the performance guaranty of the Credit Facility, we had a net worth of $789.2 million, asset coverage on our senior securities representing indebtedness of 229.3%, calculated in compliance with the requirements of Sections 18 and 61 of the 1940 Act, and an active status as a BDC and RIC. As of September 30, 2024, we were in compliance with all covenants under the Credit Facility.

Fair Value

We elected to apply the fair value option of ASC Topic 825, "*Financial Instruments*," to the Credit Facility, which was consistent with our application of ASC 820 to our investments. Generally, the fair value of the Credit Facility is determined using a yield analysis, which includes a DCF calculation and also takes into account the assumptions the Valuation Team believes market participants would use, including the estimated remaining life, counterparty credit risk, current market yield and interest rate spreads of similar securities as of the measurement date. As of both September 30, 2024 and March 31, 2024, the discount rate used to determine the fair value of the Credit Facility was 30-day Term SOFR, with a 0.35% floor, plus 3.25% per annum, plus an unused commitment fee of 1.00%. Generally, an increase or decrease in the discount rate used in the DCF calculation may result in a corresponding decrease or increase, respectively, in the fair value of the Credit Facility. As of each of September 30, 2024 and March 31, 2024, the Credit Facility was valued using Level 3 inputs and any changes in its fair value are recorded in Net unrealized appreciation (depreciation) of other on our accompanying *Consolidated Statements of Operations.*

The following tables provide relevant information and disclosures about the Credit Facility as of September 30, 2024 and March 31, 2024 and for the three and six months ended September 30, 2024 and 2023, as required by ASC 820:

	Level 3 – Borrowings Recurring Fair Value Measurements Reported in *Consolidated Statements of Assets and Liabilities* Using Significant Unobservable Inputs (Level 3)	
	September 30, 2024	**March 31, 2024**
Credit Facility	**$ 8,900**	$ 67,000

Fair Value Measurements of Borrowings Using Significant Unobservable Inputs (Level 3)
Reported in *Consolidated Statements of Assets and Liabilities*

	Credit Facility
Three Months Ended September 30, 2024:	
Fair value at June 30, 2024	$ 63,700
Borrowings	31,500
Repayments	(86,300)
Fair value at September 30, 2024	**$ 8,900**
Six Months Ended September 30, 2024	
Fair value at March 31, 2024	$ 67,000
Borrowings	47,800
Repayments	(105,900)
Fair value at September 30, 2024	**$ 8,900**

Fair Value Measurements of Borrowings Using Significant Unobservable Inputs (Level 3)
Reported in *Consolidated Statements of Assets and Liabilities*

	Credit Facility
Three Months Ended September 30, 2023:	
Fair value at June 30, 2023	$ 46,160
Borrowings	95,200
Repayments	(62,100)
Unrealized appreciation (depreciation)	(52)
Fair value at September 30, 2023	**$ 79,208**
Six Months Ended September 30, 2023	
Fair value at March 31, 2023	$ 35,171
Borrowings	127,000
Repayments	(82,900)
Unrealized appreciation (depreciation)	(63)
Fair value at September 30, 2023	**$ 79,208**

The fair value of the collateral under the Credit Facility was $648.0 million and $717.3 million as of September 30, 2024 and March 31, 2024, respectively.

Notes Payable

5.00% Notes due 2026

In March 2021, we completed a public offering of 5.00% Notes due 2026 with an aggregate principal amount of $127.9 million (the "5.00% 2026 Notes"), which resulted in net proceeds of approximately $123.8 million after deducting underwriting discounts, commissions and offering costs borne by us. The 5.00% 2026 Notes are traded under the ticker symbol "GAINN" on the Nasdaq Global Select Market ("Nasdaq"). The 5.00% 2026 Notes will mature on May 1, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company's option. The 5.00% 2026 Notes bear interest at a rate of 5.00% per year, which is payable quarterly in arrears.

The indenture relating to the 5.00% 2026 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we will provide the holders of the 5.00% 2026 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 5.00% 2026 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were $4.1 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending May 1, 2026, the maturity date.

4.875% Notes due 2028

In August 2021, we completed a public offering of 4.875% Notes due 2028 with an aggregate principal amount of $134.6 million (the "4.875% 2028 Notes"), which resulted in net proceeds of approximately $131.3 million after deducting underwriting discounts, commissions and offering costs borne by us. The 4.875% 2028 Notes are traded under the ticker symbol "GAINZ" on Nasdaq. The 4.875% 2028 Notes will mature on November 1, 2028 and may be redeemed in whole or in part at any time or from time to time at the Company's option. The 4.875% 2028 Notes bear interest at a rate of 4.875% per year, which is payable quarterly in arrears.

The indenture relating to the 4.875% 2028 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 4.875% 2028 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 4.875% 2028 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were $3.3 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending November 1, 2028, the maturity date.

8.00% Notes due 2028

In May 2023, we completed a public offering of 8.00% Notes due 2028 with an aggregate principal amount of $74.8 million (the "8.00% 2028 Notes"), which resulted in net proceeds of approximately $72.3 million after deducting underwriting discounts, commissions and offering costs borne by us. The 8.00% 2028 Notes are traded under the ticker symbol "GAINL" on Nasdaq. The 8.00% 2028 Notes will mature on August 1, 2028 and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after August 1, 2025. The 8.00% 2028 Notes bear interest at a rate of 8.00% per year, which is payable quarterly in arrears.

The indenture relating to the 8.00% 2028 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company's asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company's asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 8.00% 2028 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 8.00% 2028 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were $2.5 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending August 1, 2028, the maturity date.

The following tables summarize our 5.00% 2026 Notes, 4.875% 2028 Notes and 8.00% 2028 Notes as of September 30, 2024 and March 31, 2024:

As of September 30, 2024:

Description	Ticker Symbol	Date Issued	Maturity Date[(A)]	Interest Rate	Notes Outstanding	Principal Amount per Note	Aggregate Principal Amount
5.00% 2026 Notes	GAINN	March 2, 2021	May 1, 2026	5.00%	5,117,500	$ 25.00	**$ 127,938**
4.875% 2028 Notes	GAINZ	August 18, 2021	November 1, 2028	4.875%	5,382,000	$ 25.00	**134,550**
8.00% 2028 Notes	GAINL	May 31, 2023	August 1, 2028	8.00%	2,990,000	$ 25.00	**74,750**
Notes payable, gross[(B)]					**13,489,500**		**337,238**
Less: Unamortized Discounts							**(5,103)**
Notes payable, net[(C)]							**$ 332,135**

As of March 31, 2024:

Description	Ticker Symbol	Date Issued	Maturity Date[(A)]	Interest Rate	Notes Outstanding	Principal Amount per Note	Aggregate Principal Amount
5.00% 2026 Notes	GAINN	March 2, 2021	May 1, 2026	5.00%	5,117,500	$ 25.00	**$ 127,938**
4.875% 2028 Notes	GAINZ	August 18, 2021	November 1, 2028	4.875%	5,382,000	$ 25.00	**134,550**
8.00% 2028 Notes	GAINL	May 31, 2023	August 1, 2028	8.00%	2,990,000	$ 25.00	**74,750**
Notes payable, gross[(B)]					**13,489,500**		**337,238**
Less: Unamortized Discounts							**(5,893)**
Notes payable, net[(C)]							**$ 331,345**

(A) The 5.00% 2026 Notes and the 4.875% 2028 Notes can be redeemed at our option at any time. The 8.00% 2028 Notes can be redeemed at our option at any time on or after August 1, 2025.

(B) As of September 30, 2024 and March 31, 2024, asset coverage on our senior securities representing indebtedness, calculated pursuant to Sections 18 and 61 of the 1940 Act, was 229.3% and 219.0%, respectively.

(C) Reflected as a line item on our accompanying *Consolidated Statements of Assets and Liabilities*.

The fair value, based on the last reported closing prices, of the 5.00% 2026 Notes, 4.875% 2028 Notes and 8.00% 2028 Notes as of September 30, 2024 was $126.1 million, $128.3 million, and $77.6 million, respectively. The fair value, based on the last reported closing prices, of the 5.00% 2026 Notes, 4.875% 2028 Notes and 8.00% 2028 Notes as of March 31, 2024 was $123.9 million, $123.7 million, and $77.3 million, respectively. We consider the closing prices of the 5.00% 2026 Notes, 4.875% 2028 Notes and 8.00% 2028 Notes to be Level 1 inputs within the ASC 820 hierarchy.

NOTE 6. REGISTRATION STATEMENT AND COMMON EQUITY OFFERINGS

Registration Statement

On February 28, 2024, we filed a registration statement on Form N-2 (File No. 333-277452), which the SEC declared effective on April 18, 2024. The registration statement permits us to issue, through one or more transactions, up to an aggregate of $450.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities, and warrants to purchase common stock, preferred stock, or debt securities, including through concurrent, separate offerings of such securities. As of the date of this report, we have the ability to issue all $450.0 million of the securities registered under the registration statement.

On September 3, 2021, we filed a registration statement on Form N-2 (File No. 333-259302), which the SEC declared effective on October 15, 2021. The registration statement permitted us to issue, through one or more transactions, up to an aggregate of $300.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities, and warrants to purchase common stock, preferred stock, or debt securities, including through concurrent, separate offerings of such securities. This registration statement was terminated on April 18, 2024.

Common Equity Offering

In May 2024, we entered into equity distribution agreements with Oppenheimer & Co. B., Riley Securities, Inc. and Virtu Americas LLC (each a “Sales Agent” and, collectively, the "Sales Agents"), under which we have the ability to issue and sell shares of our common stock, from time to time, through the Sales Agents, having an aggregate offering price of up to $75.0 million in what is commonly referred to as an “at-the-market” program (the “2024 Common Stock ATM Program”). We did not sell any shares under the 2024 Common Stock ATM Program during the three months ended September 30, 2024. As of September 30, 2024, we had remaining capacity to sell all $75.0 million of common stock under the 2024 Common Stock ATM program.

In August 2022, we entered into equity distribution agreements with Oppenheimer & Co. and Virtu Americas LLC (each a “2022 Sales Agent”), under which we had the ability to issue and sell shares of our common stock, from time to time, through the Sales Agents, having an aggregate offering price of up to $50.0 million in what is commonly referred to as an “at-the-market” program (“2022 Common Stock ATM Program”). In August 2023, we entered into an equity distribution agreement with B. Riley Securities, Inc. and entered into amendments to the agreements with Oppenheimer & Co. Inc. and Virtu Americas LLC in order to add B. Riley Securities, Inc. as a 2022 Sales Agent for the 2022 Common Stock ATM Program. We did not sell any shares under the 2022 Common Stock ATM Program, which terminated in connection with our entry into the 2024 Common Stock ATM Program on May 14, 2024, during the three and six months ended September 30, 2024.

During the three and six months ended September 30, 2023, we sold304,170 shares of common stock under the 2022 Common Stock ATM Program, with a weighted-average gross price of $13.55 per share and a weighted-average net price of $13.35 per share after deducting commissions and offering costs borne by us, raising approximately $4.1 million and $4.1 million of gross and net proceeds, respectively. All of these sales were above our then current estimated NAV per share.

NOTE 7. NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS PER WEIGHTED-AVERAGE COMMON SHARE

The following table sets forth the computation of basic and diluted net increase in net assets resulting from operations per weighted-average common share for the three and six months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Net increase in net assets resulting from operations	**$ 15,482**	$ 47,356	**$ 8,956**	$ 56,142
Basic and diluted weighted-average common shares	**36,688,667**	33,817,214	**36,688,667**	33,704,976
Basic and diluted net increase in net assets resulting from operations per weighted-average common share	**$ 0.42**	$ 1.40	**$ 0.24**	$ 1.67

NOTE 8. DISTRIBUTIONS TO COMMON STOCKHOLDERS

To qualify to be taxed as a RIC under Subchapter M of the Code, we must generally distribute to our stockholders, for each taxable year, at least 90% of our taxable ordinary income plus the excess of our net short-term capital gains over net long-term capital losses ("Investment Company Taxable Income"). The amount to be paid out as distributions to our stockholders is determined by our Board of Directors and is based upon management's estimate of Investment Company Taxable Income and net long-term capital gains, as well as amounts to be distributed in accordance with Section 855(a) of the Code. Based on that estimate, our Board of Directors declares monthly distributions, and supplemental distributions, as appropriate, to stockholders each quarter and deemed distributions of long-term capital gains annually as of the end of the fiscal year, as applicable.

The U.S. federal income tax characteristics of cash distributions paid to our common stockholders generally are reported to stockholders on IRS Form 1099 after the end of each calendar year. Estimates of tax characterization made on a quarterly basis may not be representative of the actual tax characterization of cash distributions for the full year. Estimates made on a quarterly basis are updated as of each interim reporting date. If we determined the tax characterization of cash distributions paid to common stockholders during the current calendar year as of September 30, 2024, 51.0% would be from from ordinary income and49.0% would be from capital gains.

We paid the following cash distributions to our common stockholders for the six months ended September 30, 2024 and 2023:

For the Six Months Ended September 30, 2024[(A)]:

Declaration Date	Record Date	Payment Date	Distribution per Common Share
April 9, 2024	April 19, 2024	April 30, 2024	**$ 0.08**
April 9, 2024	May 17, 2024	May 31, 2024	**0.08**
April 9, 2024	June 19, 2024	June 28, 2024	**0.08**
July 9, 2024	July 22, 2024	July 31, 2024	**0.08**
July 9, 2024	August 21, 2024	August 30, 2024	**0.08**
July 9, 2024	September 20, 2024	September 30, 2024	**0.08**
		Six Months Ended September 30, 2024	**$ 0.48**

For the Six Months Ended September 30, 2023:

Declaration Date	Record Date	Payment Date	Distribution per Common Share
April 11, 2023	April 21, 2023	April 28, 2023	$ 0.08
April 11, 2023	May 23, 2023	May 31, 2023	0.08
April 11, 2023	June 5, 2023	June 15, 2023	0.12 (B)
April 11, 2023	June 21, 2023	June 30, 2023	0.08
July 11, 2023	July 21, 2023	July 31, 2023	0.08
July 11, 2023	August 23, 2023	August 31, 2023	0.08
July 11, 2023	September 7, 2023	September 15, 2023	0.12 (B)
July 11, 2023	September 21, 2023	September 29, 2023	0.08
		Six Months Ended September 30, 2023	$ 0.72

(A) On September 17, 2024, our Board of Directors also declared a supplemental distribution of $0.70 per common share to stockholders of record on October 4, 2024, which was paid on October 15, 2024.

(B) Represents a supplemental distribution to common stockholders.

Aggregate cash distributions to our common stockholders declared was $43.3 million, of which $17.6 million was paid during the six months ended September 30, 2024, and $25.7 million was paid in October 2024. Aggregate cash distributions to our common stockholders declared and paid was $24.3 million for the six months ended September 30, 2023.

For the fiscal year ended March 31, 2024, Investment Company Taxable Income exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat $18.7 million of the first distributions paid subsequent to fiscal year-end, as having been paid in the prior year. In addition, for the fiscal year ended March 31, 2024 net capital gains exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat $1.4 million of the first distributions paid subsequent to fiscal year-end as having been paid in the prior year.

For the three months ended September 30, 2024, we recorded $0.6 million of net adjustments for estimated permanent book-tax differences to reflect tax character, which decreased Capital in excess of par value and increased Overdistributed net investment income on our accompanying *Consolidated Statements of Assets and Liabilities*. For the three months ended September 30, 2023, we recorded $0.5 million of net adjustments for estimated permanent book-tax differences to reflect tax character, which increased Capital in excess of par value and Overdistributed net investment income and decreased Accumulated net realized gain in excess of distributions on our accompanying *Consolidated Statements of Assets and Liabilities*.

For the six months ended September 30, 2024, we recorded $0.8 million of net adjustments for estimated permanent book-tax differences to reflect tax character, which decreased Capital in excess of par value and increased Overdistributed net investment income on our accompanying *Consolidated Statements of Assets and Liabilities*. For the six months ended September 30, 2023, we recorded $0.1 million of net adjustments for estimated permanent book-tax differences to reflect tax character, which increased Capital in excess of par value and Overdistributed net investment income and decreased Accumulated net realized gain in excess of distributionson our accompanying *Consolidated Statements of Assets and Liabilities*.

We may distribute our net long-term capital gains, if any, in cash or elect to retain some or all of such gains, pay taxes at the U.S. federal corporate-level income tax rate on the amount retained, and designate the retained amount as a "deemed distribution." If we elect to retain net long-term capital gains and deem them distributed, each U.S. common stockholder will be treated as if they received a distribution of their pro-rata share of the retained net long-term capital gain and the U.S. federal income tax paid. As a result, each U.S. common stockholder will (i) be required to report their pro rata share of the retained gain on their tax return as long-term capital gain, (ii) receive a refundable tax credit for their pro-rata share of federal income tax paid by us on the retained gain, and (iii) increase the tax basis of their shares of common stock by an amount equal to the deemed distribution less the tax credit. For the year ended March 31, 2024, we did not elect to retain long-term capital gains and to treat them as deemed distributions to common stockholders.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are party to certain legal proceedings incidental to the normal course of our business. We are required to establish reserves for litigation matters where those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, we do not establish reserves. Based on current knowledge, we do not believe that loss contingencies, if any, arising from pending investigations, litigation or regulatory matters will have a material adverse effect on our financial condition, results of operation or cash flows. Additionally, based on our current knowledge, we do not believe such loss contingencies are both probable and estimable and therefore, as of September 30, 2024 and March 31, 2024, we had no established reserves for such loss contingencies.

Escrow Holdbacks

From time to time, we enter into arrangements relating to exits of certain investments whereby specific amounts of the proceeds are held in escrow to be used to satisfy potential obligations, as stipulated in the sales agreements. We record escrow amounts in Restricted cash and cash equivalents, if received in cash but subject to potential obligations or other contractual restrictions, or as escrow receivables in Other assets, net, if not yet received in cash, on our accompanying *Consolidated Statements of Assets and Liabilities*. We establish reserves and holdbacks against escrow amounts if we determine that it is probable and estimable that a portion of the escrow amounts will not ultimately be released or received at the end of the escrow period. Reserves and holdbacks against escrow amounts were $1.4 million and $1.0 million as of September 30, 2024 and March 31, 2024, respectively.

Financial Commitments and Obligations

We may have line of credit commitments to certain of our portfolio companies that have not been fully drawn. Since these lines of credit commitments have expiration dates and we expect many will never be fully drawn, the total line of credit commitment amounts do not necessarily represent future cash requirements. We estimate the fair value of the combined unused line of credit commitments as of September 30, 2024 and March 31, 2024 to be insignificant.

The following table summarizes the principal balances of unused line of credit as of September 30, 2024 and March 31, 2024, which are not reflected as liabilities in the accompanying *Consolidated Statements of Assets and Liabilities:*

	September 30, 2024	March 31, 2024
Unused line of credit commitments	**$ 5,997**	$ 2,394
Total	**$ 5,997**	$ 2,394

NOTE 10. FINANCIAL HIGHLIGHTS

	Three Months Ended September 30,		Six Months Ended September 30,	
	2024	2023	2024	2023
Per Common Share Data:				
Net asset value at beginning of period(A)	**$ 13.01**	$ 12.99	**$ 13.43**	$ 13.09
Income from investment operations(B)				
Net investment income (loss)	**0.20**	(0.05)	**0.54**	0.20
Net realized gain	**1.15**	0.01	**1.15**	0.04
Net unrealized (depreciation)/appreciation	**(0.93)**	1.44	**(1.45)**	1.43
Total income from investment operations	**0.42**	1.40	**0.24**	1.67
Effect of equity capital activity(B)				
Cash distributions to common stockholders from net investment income(C)	**(0.24)**	(0.20)	**(0.48)**	(0.41)
Cash distributions to common stockholders from net realized gains(C)	**(0.70)**	(0.16)	**(0.70)**	(0.31)
Total from equity capital activity	**(0.94)**	(0.36)	**(1.18)**	(0.72)
Other, net(B)(E)	**—**	—	**—**	(0.01)
Net asset value at end of period(A)	**$ 12.49**	$ 14.03	**$ 12.49**	$ 14.03
Per common share market value at beginning of period	**$ 13.98**	$ 13.04	**$ 14.23**	$ 13.25
Per common share market value at end of period	**$ 14.45**	$ 12.74	**14.45**	12.74
Total investment return(F)	**5.17 %**	0.42 %	**5.10 %**	1.54 %
Common stock outstanding at end of period(A)	**36,688,667**	33,895,675	**36,688,667**	33,895,675
Statement of Assets and Liabilities Data:				
Net assets at end of period	**$ 458,375**	$ 475,666	**$ 458,375**	$ 475,666
Average net assets(G)	**$ 471,134**	$ 452,907	**$ 479,416**	$ 445,936
Senior Securities Data:				
Total borrowings, at cost	**$ 346,138**	$ 416,538	**$ 346,138**	$ 416,538
Ratios/Supplemental Data:				
Ratio of net expenses to average net assets – annualized(H)	**12.97 %**	19.44 %	**10.45 %**	15.19 %
Ratio of net investment income to average net assets – annualized(I)	**6.19 %**	(1.53)%	**8.22 %**	3.01 %

(A) Based on actual shares of common stock outstanding at the beginning or end of the corresponding period, as appropriate.
(B) Based on weighted-average basic common share data for the corresponding period.
(C) The tax character of distributions is determined based on taxable income calculated in accordance with income tax regulations, which may differ from amounts determined under GAAP. For further information on the estimated character of our distributions to common stockholders, including changes in estimates, as applicable, refer to Note 8 — *Distributions to Common Stockholders*.

(D) Reserved.

(E) Represents the impact of the different share amounts (weighted-average basic common shares outstanding for the corresponding period and actual common shares outstanding at the end of the period) in the Per Common Share Data calculations and rounding impacts.

(F) Total investment return equals the change in the market value of our common stock from the beginning of the period, taking into account dividends reinvested in accordance with the terms of our dividend reinvestment plan. Total return does not take into account distributions that may be characterized as a return of capital. For further information on the estimated character of our distributions to common stockholders, including changes in estimates, as applicable, refer to Note 8 — *Distributions to Common Stockholders.*

(G) Calculated using the average balance of net assets at the end of each month of the reporting period.

(H) Ratio of net expenses to average net assets is computed using total expenses, net of any non-contractual, unconditional, and irrevocable credits of fees from the Adviser. Had we not received any non-contractual, unconditional, and irrevocable credits of fees from the Adviser, the ratio of expenses to average net assets - annualized would have been 15.40% and 23.30% for the three months ended September 30, 2024 and 2023, respectively, and 12.83% and 18.70% for the six months ended September 30, 2024 and 2023, respectively.

(I) Had we not received any non-contractual, unconditional, and irrevocable credits of fees from the Adviser, the ratio of net investment income (loss) to average net assets - annualized would have been 3.76% and (5.39)% for the three months ended September 30, 2024 and 2023, respectively, and 5.84% and (0.50)% for the six months ended September 30, 2024 and 2023, respectively.

NOTE 11. UNCONSOLIDATED SIGNIFICANT SUBSIDIARIES

In accordance with the SEC's Regulation S-X, we do not consolidate portfolio company investments. Further, in accordance with ASC 946, we are precluded from consolidating any entity other than another investment company, except that ASC 946 provides for the consolidation of a controlled operating company that provides substantially all of its services to the investment company or its consolidated subsidiaries. We did not have any unconsolidated subsidiaries that met any of the significance conditions under Rule 1-02(w) of the SEC's Regulation S-X as of or during the six months ended September 30, 2024 and 2023.

NOTE 12. SUBSEQUENT EVENTS

Distributions and Dividends

- In October 2024, our Board of Directors declared the following monthly distributions to common stockholders:

Record Date	Payment Date	Distribution per Common Share
October 22, 2024	October 31, 2024	$ 0.08
November 20, 2024	November 29, 2024	0.08
December 20, 2024	December 31, 2024	0.08
	Total for the Quarter:	**$ 0.24**

- On October 15, 2024, we also paid to common stockholders the following supplemental distribution previously declared by our Board of Directors on September 17, 2024:

Record Date	Payment Date	Distribution per Common Share
October 4, 2024	October 15, 2024	$ 0.70
	Total for the Quarter:	**$ 0.70**

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All statements contained herein, other than historical facts, may constitute "forward-looking statements." These statements may relate to, among other things, our future operating results, our business prospects and the prospects of our portfolio companies, actual and potential conflicts of interest with Gladstone Management Corporation (the "Adviser") and its affiliates, the use of borrowed money to finance our investments, the adequacy of our financing sources and working capital, and our ability to co-invest, among other factors. In some cases, you can identify forward-looking statements by terminology such as "estimate," "may," "might," "believe," "will," "provided," "anticipate," "future," "could," "growth," "plan," "project," "intend," "expect," "should," "would," "if," "seek," "possible," "potential," "likely" or the negative or variations of such terms or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Such factors include: (1) changes in the economy and the capital markets, including stock price volatility, inflation, elevated interest rates and risks of recession; (2) risks associated with negotiation and consummation of pending and future transactions; (3) the loss of one or more of our executive officers, in particular David Gladstone, David Dullum, or Terry Lee Brubaker; (4) changes in our investment objectives and strategy; (5) availability, terms (including the possibility of interest rate volatility) and deployment of capital; (6) changes in our industry, interest rates, exchange rates, or the general economy, including inflation; (7) our business prospects and the prospects of our portfolio companies; (8) the degree and nature of our competition; (9) changes in governmental regulation, tax rates and similar matters; (10) our ability to exit investments in a timely manner; (11) our ability to maintain our qualification as a regulated investment company ("RIC") and as a business development company ("BDC"); and (12) those factors described in Item 1A. *"Risk Factors"* herein and the "Risk Factors" sections of our Annual Report on Form 10-K for the fiscal year ended March 31, 2024, filed with the U.S. Securities and Exchange Commission ("SEC") on May 8, 2024 (the "Annual Report"). We caution readers not to place undue reliance on any such forward-looking statements. Actual results could differ materially from those anticipated in our forward-looking statements and future results could differ materially from historical performance. We have based forward-looking statements on information available to us on the date of this Quarterly Report on Form 10-Q (the "Quarterly Report"). Except as required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Quarterly Report. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including subsequent annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The forward-looking statements contained in this Quarterly Report are excluded from the safe harbor protection provided by the Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933, as amended.

In this Quarterly Report, the "Company," "we," "us," and "our" refer to Gladstone Investment Corporation and its wholly-owned subsidiaries unless the context otherwise indicates. Dollar amounts, except per share amounts, are in thousands, unless otherwise indicated.

The following analysis of our financial condition and results of operations should be read in conjunction with our accompanying *Consolidated Financial Statements* and the notes thereto contained elsewhere in this Quarterly Report and in our Annual Report. Historical financial condition and results of operations and percentage relationships among any amounts in the financial statements are not necessarily indicative of financial condition, results of operations or percentage relationships for any future periods.

OVERVIEW

General

We were incorporated under the General Corporation Law of the State of Delaware on February 18, 2005. We operate as an externally managed, closed-end, non-diversified management investment company and have elected to be treated as a BDC under the Investment Company Act of 1940, as amended (the “1940 Act”). For U.S. federal income tax purposes, we have elected to be treated as a RIC under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). To continue to qualify as a RIC for U.S. federal income tax purposes and obtain favorable RIC tax treatment, we must meet certain requirements, including certain minimum distribution requirements.

We were established for the purpose of investing in debt and equity securities of established private businesses operating in the United States (“U.S.”). Our investment objectives are to: (i) achieve and grow current income by investing in debt securities of established businesses that we believe will provide stable earnings and cash flow to pay expenses, make principal and interest payments on our outstanding indebtedness, and make distributions to our stockholders that grow over time; and (ii) provide our stockholders with long-term capital appreciation in the value of our assets by investing in equity securities of established businesses, generally in combination with the aforementioned debt securities, that we believe can grow over time to permit us to sell our equity investments for capital gains. To achieve our objectives, our investment strategy is to invest in several categories of debt and equity securities, with individual investments generally totaling up to $75 million, although investment size may vary depending upon our total assets or available capital at the time of investment. We expect that our investment portfolio over time will consist of approximately 75% in debt investments and 25% in equity investments, at cost. As of September 30, 2024, our investment portfolio was comprised of 77.4% in debt investments and 22.6% in equity investments, at cost.

We focus on investing in lower middle market private businesses (which we generally define as companies with annual earnings before interest, taxes, depreciation and amortization (“EBITDA”) of $4 million to $15 million) (“Lower Middle Market”) in the U.S. that meet certain criteria, including: the sustainability of the business’ free cash flow and its ability to grow it over time, adequate assets for loan collateral, experienced management teams with a significant ownership interest in the portfolio company, reasonable capitalization of the portfolio company, including an ample equity contribution or cushion based on prevailing enterprise valuation multiples, and the potential to realize appreciation and gain liquidity in our equity position, if any. We anticipate that liquidity in our equity position will be achieved through a merger or acquisition of the portfolio company, a public offering of the portfolio company’s stock, or, to a lesser extent, by exercising our right to require the portfolio company to repurchase our warrants, though there can be no assurance that we will always have these rights. We invest in portfolio companies that seek funds for management buyouts and/or growth capital to finance acquisitions, recapitalize or, to a lesser extent, refinance their existing debt facilities. We seek to avoid investing in high-risk, early-stage enterprises. Our targeted portfolio companies are generally considered too small for the larger capital marketplace.

We invest by ourselves or jointly with other funds and/or management of the portfolio company, depending on the opportunity. In July 2012, the SEC granted us an exemptive order (the “Co-Investment Order”) that expanded our ability to co-invest, under certain circumstances, with certain of our affiliates, including Gladstone Capital and any future BDC or closed-end management investment company that is advised (or sub-advised if it controls the fund) by the Adviser, or any combination of the foregoing, subject to the conditions in the Co-Investment Order. We believe the Co-Investment Order has enhanced and will continue to enhance our ability to further our investment objectives and strategies. If we are participating in an investment with one or more co-investors, whether or not an affiliate of ours, our investment is likely to be smaller than if we were investing alone.

We are externally managed by the Adviser, an investment adviser registered with the SEC and an affiliate of ours, pursuant to an investment advisory and management agreement (the “Advisory Agreement”). The Adviser manages our investment activities. We have also entered into an administration agreement with Gladstone Administration, LLC, an affiliate of ours and the Adviser, whereby we pay separately for administrative services.

Our shares of common stock, our 5.00% Notes due 2026 (“5.00% 2026 Notes”), our 4.875% Notes due 2028 ("4.875% 2028 Notes") and our 8.00% Notes due 2028 (“8.00% 2028 Notes”) are traded on the Nasdaq Global Select Market (“Nasdaq”) under the trading symbols “GAIN,” “GAINN,” "GAINZ" and “GAINL,” respectively.

Business

Portfolio and Investment Activity

While the business environment remains competitive, we continue to see new investment opportunities consistent with our investment strategy of providing a combination of debt and equity in support of management and independent sponsor-led buyouts of Lower Middle Market companies in the U.S. During the six months ended September 30, 2024, we exited two portfolio companies. From our initial public offering in June 2005 through September 30, 2024, we have invested in 58 companies, excluding investments in syndicated loans, for a total of approximately $1.8 billion, before giving effect to principal repayments and divestitures.

The majority of the debt securities in our portfolio have a success fee component, which enhances the yield on our debt investments. Unlike paid-in-kind ("PIK") income, we generally do not recognize success fees as income until payment has been received. Due to the contingent nature of success fees, there are no guarantees that we will be able to collect any or all of these success fees or know the timing of any such collections. As a result, as of September 30, 2024, we had unrecognized, contractual success fees of $50.2 million, or $1.37 per common share. Consistent with accounting principles generally accepted in the U.S. ("GAAP"), we have not recognized success fee receivables and related income in our accompanying *Consolidated Financial Statements* until earned.

From inception through September 30, 2024, we exited our investments of 32 portfolio companies that we acquired under our buyout strategy (which excludes investments in syndicated loans). In the aggregate, these sales have generated $332.5 million in net realized gains and $42.0 million in other income upon exit, for a total increase to our net assets of $374.5 million. We believe, in aggregate, these transactions were equity-oriented investment successes and exemplify our investment strategy of striving to achieve returns through current income on the debt portion of our investments and capital gains from the equity portion. The 32 liquidity events have offset any realized losses since inception, which were primarily incurred during the 2008-2009 recession in connection with the sale of performing syndicated loans at a realized loss to pay off a former lender. The successful exits, in part, enabled us to increase the monthly distribution run rate by 100.0% from March 2011 through September 30, 2024, and allowed us to declare 23 and pay 22 supplemental distributions to common stockholders from March 2012 through September 30, 2024.

Capital Raising

We have been able to meet our capital needs through extensions of and increases to the Fifth Amended and Restated Credit Agreement dated April 30, 2013, as amended from time to time (the "Credit Facility"), and by accessing the capital markets in the form of public offerings of unsecured notes, as well as common and preferred stock. We have successfully extended the Credit Facility's revolving period multiple times, most recently to October 2026, and currently have a total commitment amount of $200.0 million (with a potential total commitment of $300.0 million through additional commitments from new or existing lenders). During the year ended March 31, 2024, we issued the 8.00% 2028 Notes for gross proceeds of $74.8 million and sold 3,097,162 shares of our common stock under our common stock "at-the-market" program ("2022 Common Stock ATM Program") for gross proceeds of approximately $44.5 million. Refer to "*Liquidity and Capital Resources — Revolving Line of Credit*" for further discussion of the Credit Facility and to "*Liquidity and Capital Resources — Equity — Common Stock*" further discussion of our common stock. In May 2024, we entered into equity distribution agreements with Oppenheimer & Co., B. Riley Securities, Inc. and Virtu Americas LLC (each a "Sales Agent"), under which we have the ability to issue and sell shares of our common stock, from time to time, through the Sales Agents, up to an aggregate offering price of $75.0 million in what is commonly referred to as an "at-the-market" program (the "2024 Common Stock ATM Program").

Although we have been able to access the capital markets historically, market conditions may continue to affect the trading price of our common stock and thus our ability to finance new investments through the issuance of common equity. On September 30, 2024, the closing market price of our common stock was $14.45 per share, representing a 15.7% premium to our net asset value ("NAV") of $12.49 per share as of September 30, 2024. When our common stock trades below NAV, our ability to issue additional equity is constrained by provisions of the 1940 Act, which generally prohibits the issuance and sale of our common stock at an issuance price below the then-current NAV per share without stockholder approval, other than through sales to our then-existing stockholders pursuant to a rights offering.

Regulatory Compliance

Our ability to seek external debt financing, to the extent that it is available under current market conditions, is further subject to the asset coverage limitations of the 1940 Act, which require us to have asset coverage (as defined in Sections 18 and 61 of the 1940 Act) of at least 150% on each of our senior securities representing indebtedness and our senior securities that are stock (such as our previously outstanding series of term preferred stock).

On April 10, 2018, our Board of Directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act) thereof, approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act. As a result, our asset coverage requirements for senior securities changed from 200% to 150%, effective as of April 10, 2019, one year after the date of the Board of Directors’ approval.

As of September 30, 2024, our asset coverage ratio on our senior securities representing indebtedness was 229.3%.

Investment Highlights

Investment Activity

During the six months ended September 30, 2024, the following significant transactions occurred:

- In May 2024, our remaining shares in Funko Acquisition Holdings, LLC ("Funko") were sold, representing an exit of our investment in Funko, and resulting in a return of our equity cost basis of $21 thousand and a realized gain of $2 thousand.

- In July 2024, we invested an additional $18.5 million through secured first lien debt in Nocturne Luxury Villas, Inc. ("Nocturne") to fund an add-on acquisition.

- In September 2024, we exited our investment in Nth Degree Investment Group, LLC ("Nth Degree"), which resulted in success fee income of $0.1 million, a realized gain on our preferred equity of $42.3 million, and the repayment of our debt investment of $25.0 million.

Distributions and Dividends

- In October 2024, our Board of Directors declared the following monthly cash distributions to common stockholders:

Record Date	Payment Date	Distribution per Common Share	
October 22, 2024	October 31, 2024	$	0.08
November 20, 2024	November 29, 2024		0.08
December 20, 2024	December 31, 2024		0.08
	Total for the Quarter:	**$**	**0.24**

- On October 15, 2024, we also paid to common stockholders the following supplemental distribution previously declared by our Board of Directors on September 17, 2024:

Record Date	Payment Date	Distribution per Common Share	
October 4, 2024	October 15, 2024	$	0.70
	Total for the Quarter:	**$**	**0.70**

RESULTS OF OPERATIONS

Comparison of the Three Months Ended September 30, 2024 to the Three Months Ended September 30, 2023

	For the Three Months Ended September 30,			
	2024	**2023**	**$ Change**	**% Change**
INVESTMENT INCOME				
Interest income	**$ 20,996**	$ 20,277	$ 719	3.5 %
Dividend and success fee income	**1,569**	—	1,569	NM
Total investment income	**22,565**	20,277	2,288	11.3 %
EXPENSES				
Base management fee	**4,447**	4,341	106	2.4 %
Loan servicing fee	**2,194**	2,325	(131)	(5.6)%
Incentive fee	**2,232**	11,540	(9,308)	(80.7)%
Administration fee	**567**	334	233	69.8 %
Interest expense	**6,399**	6,104	295	4.8 %
Amortization of deferred financing costs and discounts	**629**	574	55	9.6 %
Other	**1,669**	1,163	506	43.5 %
Expenses before credits from Adviser	**18,137**	26,381	(8,244)	(31.2)%
Credits to fees from Adviser	**(2,863)**	(4,374)	1,511	(34.5)%
Total expenses, net of credits to fees	**15,274**	22,007	(6,733)	(30.6)%
NET INVESTMENT INCOME (LOSS)	**7,291**	(1,730)	9,021	NM
REALIZED AND UNREALIZED GAIN (LOSS)				
Net realized gain	**42,303**	289	42,014	NM
Net unrealized (depreciation) appreciation	**(34,112)**	48,797	(82,909)	NM
Net realized and unrealized gain	**8,191**	49,086	(40,895)	(83.3)%
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	**$ 15,482**	$ 47,356	$ (31,874)	(67.3)%
WEIGHTED-AVERAGE SHARES OF COMMON STOCK OUTSTANDING				
Basic and diluted	**36,688,667**	33,817,214	2,871,453	8.5 %
BASIC AND DILUTED PER COMMON SHARE:				
Net investment income (loss)	**$ 0.20**	$ (0.05)	$ 0.25	NM
Net increase in net assets resulting from operations	**$ 0.42**	$ 1.40	$ (0.98)	(70.0)%

NM - Not meaningful

Investment Income

Total investment income increased $2.3 million, or 11.3%, for the three months ended September 30, 2024, as compared to the prior year period, primarily due to an increase in dividend and success fee income and an increase in interest income.

Interest income from our investments in debt securities increased $0.7 million, or 3.5%, for the three months ended September 30, 2024, as compared to the prior year period. Generally, the level of interest income from investments is directly related to the weighted-average principal balance of our interest-bearing investment portfolio outstanding during the period, multiplied by the weighted-average yield. The weighted-average principal balance of our interest-bearing investment portfolio during the three months ended September 30, 2024 was $572.8 million, compared to $543.8 million for the prior year period. This increase was primarily due to the $84.2 million of follow-on debt investments in existing portfolio companies and the origination of $34.8 million of new debt investments after June 30, 2023, partially offset by $56.0 million of pay-offs, restructurings, or write-offs of debt investments and $30.8 million of loans placed on non-accrual status after June 30, 2023, and their respective impact on the weighted-average principal balance when considering timing of new investments, pay-offs, restructurings, write-offs, and accrual status changes, as applicable.

The weighted-average yield on our interest-bearing investments, excluding cash and cash equivalents and receipts recorded as dividend and success fee income, was 14.5% for the three months ended September 30, 2024, compared to 14.6% for the prior year period. The weighted-average yield may vary from period to period, based on the current stated interest rate on interest-bearing investments, coupled with any collection of past due interest during the period.

As of September 30, 2024, our loans to B+T Group Acquisition, Inc. ("B+T"), Diligent Delivery Systems ("Diligent"), Edge Adhesives Holdings, Inc. ("Edge"), and J.R. Hobbs Co. – Atlanta, LLC ("J.R. Hobbs") were on non-accrual status, with an aggregate debt cost basis of $90.0 million. As of September 30, 2023, our loans to Edge, J.R. Hobbs and The Mountain Corporation were on non-accrual status, with an aggregate debt cost basis of $66.9 million.

As of September 30, 2024, Nocturne represented 11.6% and SFEG Holdings, Inc.("SFEG") 10.8% of the total investment portfolio at fair value. As of March 31, 2024, SFEG represented 10.1% of the total investment portfolio at fair value.

Dividend and success fee income for the three months ended September 30, 2024 increased $1.6 million, from the prior year period. During the three months ended September 30, 2024, dividend and success fee income consisted of $1.4 million of dividend income and $0.2 million of success fee income. During the three months ended September 30, 2023, there was no dividend or success fee income.

Expenses

Total expenses, net of any non-contractual, unconditional, and irrevocable credits from the Adviser, decreased $6.7 million, or 30.6%, during the three months ended September 30, 2024, as compared to the prior year period, primarily due to a decrease in incentive fees, partially offset by a decrease in fee credits from the Adviser and an increase in other expense, interest expense, and administration fee expense.

In accordance with GAAP, during the three months ended September 30, 2024, we recorded a $1.6 million capital gains-based incentive fee compared to $9.8 million during the three months ended September 30, 2023. The capital gains-based incentive fee is a result of the net impact of net realized gains and net unrealized appreciation (depreciation) on investments during the respective periods. The income-based incentive fee decreased by $1.1 million, for the three months ended September 30, 2024, as compared to the prior year period, primarily due to an increase in net assets, which drives the hurdle rate and a decrease in pre-incentive fee net investment income.

The base management fee, loan servicing fee, incentive fee, and their related non-contractual, unconditional, and irrevocable credits are computed quarterly, as described under *"Transactions with the Adviser"* in Note 4 — *Related Party Transactions* in the accompanying *Notes to Consolidated Financial Statements* and are summarized in the following table:

	Three Months Ended September 30,	
	2024	**2023**
Average total assets subject to base management fee(A)	**$ 889,400**	$ 868,200
Multiplied by prorated annual base management fee of 2.0%	**0.5 %**	0.5 %
Base management fee(B)	**$ 4,447**	$ 4,341
Credits to fees from Adviser - other(B)	**(669)**	(2,049)
Net base management fee	**$ 3,778**	$ 2,292
Loan servicing fee(B)	**$ 2,194**	$ 2,325
Credits to base management fee - loan servicing fee(B)	**(2,194)**	(2,325)
Net loan servicing fee	**$ —**	$ —
Incentive fee – income-based	**$ 594**	$ 1,733
Incentive fee – capital gains-based(C)	**1,638**	9,807
Total incentive fee(B)	**$ 2,232**	$ 11,540
Credits to fees from Adviser - other(B)	**—**	—
Net total incentive fee	**$ 2,232**	$ 11,540

(A) Average total assets subject to the base management fee is defined in the Advisory Agreement as total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective periods and adjusted appropriately for any share issuances or repurchases during the periods.

(B) Reflected as a line item on our *Consolidated Statements of Operations*.

(C) The capital gains-based incentive fees are recorded in accordance with GAAP and do not necessarily reflect amounts contractually due under the terms of the Advisory Agreement.

Interest expense increased $0.3 million, or 4.8%, during the three months ended September 30, 2024, as compared to the prior year period, primarily due to increased borrowings on the Credit Facility and an increase in the effective interest rate. The weighted-average balance outstanding under the Credit Facility during the three months ended September 30, 2024 was $60.8 million, compared to $50.4 million in the prior year period. The effective interest rate on the Credit Facility, excluding the impact of deferred financing costs, during the three months ended September 30, 2024 was 11.0%, as compared to 10.9% in the prior year period. The increase in the effective interest rate on the Credit Facility was primarily a result of higher interest rates during the three months ended September 30, 2024.

Other expenses increased $0.5 million, or 43.5%, during the three months ended September 30, 2024, as compared to the prior year period, due to an increase in bad debt expense, professional fees and tax expense.

Realized and Unrealized Gain (Loss)

The realized gains (losses) and unrealized appreciation (depreciation) across our investments for the three months ended September 30, 2024 and 2023 were as follows:

	Three Months Ended September 30, 2024			
Portfolio Company	**Realized Gain (Loss)**	**Unrealized Appreciation (Depreciation)**	**Reversal of Unrealized (Appreciation) Depreciation**	**Net Gain (Loss)**
Nocturne Luxury Villas, Inc.	$ —	$ 6,707	$ —	$ 6,707
Nth Degree Investment Group, LLC	42,284	—	(38,028)	4,256
ImageWorks Display and Marketing Group, Inc.	—	3,269	—	3,269
Old World Christmas, Inc.	—	3,203	—	3,203
Galaxy Technologies Holding, Inc.	—	2,754	—	2,754
Schylling, Inc.	—	2,566	—	2,566
The E3 Company, LLC	—	2,561	—	2,561
The Maids International, LLC	—	1,434	—	1,434
J.R. Hobbs Co. - Atlanta, LLC	—	1,150	—	1,150
Phoenix Doors Systems, Inc.	—	1,095	—	1,095
Edge Adhesives Holdings, Inc.	—	(892)	—	(892)
UPB Acquisition, Inc.	—	(981)	—	(981)
Ginsey Home Solutions, Inc.	—	(1,090)	—	(1,090)
Brunswick Bowling Products, Inc.	—	(2,321)	—	(2,321)
B+T Group Acquisition, Inc	—	(2,839)	—	(2,839)
Horizon Facilities Service, Inc.	—	(11,752)	—	(11,752)
Other, net (<$1.0 million, net)	19	(948)	—	(929)
Total	**$ 42,303**	**$ 3,916**	**$ (38,028)**	**$ 8,191**

	Three Months Ended September 30, 2023			
Portfolio Company	**Realized Gain (Loss)**	**Unrealized Appreciation (Depreciation)**	**Reversal of Unrealized (Appreciation) Depreciation**	**Net Gain (Loss)**
Counsel Press, Inc.	$ —	$ 21,667	$ —	$ 21,667
Educators Resources, Inc.	—	9,542	—	9,542
Mason West, LLC	—	8,745	—	8,745
Brunswick Bowling Products, Inc.	—	5,713	—	5,713
Nth Degree Investment Group, LLC	—	5,626	—	5,626
SFEG Holdings, Inc.	—	3,450	—	3,450
The Maids International, LLC	—	1,801	—	1,801
Utah Pacific Bridge & Steel, Ltd.	—	1,213	—	1,213
Dema/Mai Holdings, Inc.	—	(1,126)	—	(1,126)
ImageWorks Display and Marketing Group, Inc.	—	(1,392)	—	(1,392)
Schylling, Inc.	—	(1,439)	—	(1,439)
PSI Molded Plastics, Inc.	—	(1,797)	—	(1,797)
B+T Group Acquisition, Inc.	—	(3,108)	—	(3,108)
Other, net (<$1.0 million, net)	289	(150)	—	139
Total	**$ 289**	**$ 48,745**	**$ —**	**$ 49,034**

Net Realized Gain (Loss)

During the three months ended September 30, 2024, we recorded net realized gains on investments of $42.3 million, primarily due to the realized gain from the exit of Nth Degree Investment Group, Inc. During the three months ended September 30, 2023, we recorded net realized gains on investments of $0.3 million related to a recapitalization of Old World Christmas, Inc. ("Old World").

Net Unrealized Appreciation (Depreciation)

Net unrealized depreciation of investments of $34.1 million for the three months ended September 30, 2024 was primarily due to the reversal of unrealized appreciation of Nth Degree upon exit, and a decrease in the performance of certain of our portfolio companies. These decreases were partially offset by an increase in transaction multiples used to estimate the fair value of certain of our portfolio companies and increased performance of certain of our other portfolio companies.

Net unrealized appreciation of investments of $48.7 million for the three months ended September 30, 2023 was primarily due to increased performance of certain of our portfolio companies and an increase in transaction multiples used to estimate the fair value of certain of our portfolio companies, in addition to increased fair value as a result of expected payoff amounts for certain investments. These increases were partially offset by decreased performance of certain of our other portfolio companies.

Across our entire investment portfolio, we recorded net unrealized depreciation of$19.4 million on our equity positions and net unrealized depreciation of $14.7 million on our debt positions for the three months ended September 30, 2024. As of September 30, 2024, the fair value of our investment portfolio was more than the cost basis by $13.2 million, as compared to June 30, 2024, when the fair value of our investment portfolio was more than the cost basis by $47.3 million, representing net unrealized depreciation of $34.1 million for the three months ended September 30, 2024. Our entire portfolio had a fair value of 101.6% of cost as ofSeptember 30, 2024.

Comparison of the Six Months Ended September 30, 2024 to the Six Months Ended September 30, 2023

	For the Six Months Ended September 30,			
	2024	**2023**	**$ Change**	**% Change**
INVESTMENT INCOME				
Interest income	**$ 41,621**	$ 38,670	$ 2,951	7.6 %
Dividend and success fee income	**3,122**	1,907	1,215	63.7 %
Total investment income	**44,743**	40,577	4,166	10.3 %
EXPENSES				
Base management fee	**9,065**	8,272	793	9.6 %
Loan servicing fee	**4,416**	4,497	(81)	(1.8)%
Incentive fee	**(1,556)**	13,734	(15,290)	NM
Administration fee	**1,073**	856	217	25.4 %
Interest expense	**12,879**	11,078	1,801	16.3 %
Amortization of deferred financing costs and discounts	**1,260**	1,119	141	12.6 %
Other	**3,613**	2,132	1,481	69.5 %
Expenses before credits from Adviser	**30,750**	41,688	(10,938)	(26.2)%
Credits to fees from Adviser	**(5,712)**	(7,821)	2,109	(27.0)%
Total expenses, net of credits to fees	**25,038**	33,867	(8,829)	(26.1)%
NET INVESTMENT INCOME	**19,705**	6,710	12,995	193.7 %
REALIZED AND UNREALIZED GAIN (LOSS)				
Net realized gain	**42,305**	1,444	40,861	NM
Net unrealized (depreciation) appreciation	**(53,054)**	47,988	(101,042)	NM
Net realized and unrealized (loss) gain	**(10,749)**	49,432	(60,181)	NM
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	**$ 8,956**	$ 56,142	$ (47,186)	(84.0)%
WEIGHTED-AVERAGE SHARES OF COMMON STOCK OUTSTANDING				
Basic and diluted	**36,688,667**	33,704,976	2,983,691	8.85 %
BASIC AND DILUTED PER COMMON SHARE:				
Net investment income	**$ 0.54**	$ 0.20	$ 0.34	170.0 %
Net increase in net assets resulting from operations	**$ 0.24**	$ 1.67	$ (1.43)	(85.6)%

NM = Not Meaningful

Investment Income

Total investment income increased $4.2 million, or 10.3%, for the six months ended September 30, 2024, as compared to the prior year period, primarily due to an increase in interest income, and dividend and success fee income.

Interest income from our investments in debt securities increased $3.0 million, or 7.6%, for the six months ended September 30, 2024, as compared to the prior year period. Generally, the level of interest income from investments is directly related to the principal balance of our interest-bearing investment portfolio outstanding during the period, multiplied by the weighted-average yield.

The weighted-average principal balance of our interest-bearing investment portfolio during the six months ended September 30, 2024was $578.1 million, compared to $519.7 million for the prior year period. This increase was primarily due to $110.9 million of follow-on debt investments in existing portfolio companies, the origination of $85.8 million of new debt investments, partially offset by $56.0 million of pay-offs, restructurings, or write-offs of debt investments and $30.8 million of loans placed on non-accrual status after March 31, 2023, and their respective impact on the weighted-average principal balance when considering timing of new investments, pay-offs, restructurings, write-offs, and accrual status changes, as applicable.

The weighted-average yield on our interest-bearing investments, excluding cash and cash equivalents and receipts recorded as dividend and success fee income, was 14.4% for the six months ended September 30, 2024, compared to 14.6% for the prior year period. The weighted-average yield may vary from period to period, based on the current stated interest rate on interest-bearing investments, coupled with any collection of past due interest during the period. During the six months ended September 30, 2024 and 2023, we had no collections of past due interest.

As of September 30, 2024, our loans to B+T, Diligent, Edge, and J.R. Hobbs were on non-accrual status, with an aggregate debt cost basis of $90.0 million. As of September 30, 2023, our loans to Edge, J.R. Hobbs and The Mountain were also on non-accrual status, with an aggregate debt cost basis of $66.9 million.

As of September 30, 2024, Nocturne represented 11.6%, and SFEG represented 10.8% of the total investment portfolio at fair value. As of March 31, 2024, SFEG represented 10.1% of the total investment portfolio at fair value.

Dividend and success fee income for the six months ended September 30, 2024 increased $1.2 million, or 63.7% from the prior year period. During the six months ended September 30, 2024, dividend and success fee income consisted of $1.7 million of success fee income and $1.4 million of dividend income. During the six months ended September 30, 2023, dividend and success fee income consisted of $1.9 million of dividend income.

Expenses

Total expenses, net of any non-contractual, unconditional, and irrevocable credits from the Adviser, decreased $8.8 million, or 26.1%, during the six months ended September 30, 2024, as compared to the prior year period, primarily due to a decrease in incentive fees, partially offset by a decrease in fee credits from the Adviser and an increase in interest expense, other expense, and base management fee.

In accordance with GAAP, we recorded a $2.2 million reversal of previously accrued capital gains-based incentive fee during the six months ended September 30, 2024, compared to a $9.9 million capital gains-based incentive fee recorded during the six months ended September 30, 2023. The capital gains-based incentive fee was a result of the net impact of net realized gains and net unrealized appreciation (depreciation) on investments during the respective periods. The income-based incentive fee decreased by $3.3 million for the six months ended September 30, 2024, as compared to the prior year period, primarily due to an increase in net assets, which drives the hurdle rate, and a decrease in pre-incentive fee net investment income.

The base management fee, loan servicing fee, incentive fee, and their related non-contractual, unconditional, and irrevocable credits are computed quarterly, as described under *"Transactions with the Adviser"* in Note 4 — *Related Party Transactions* in the accompanying *Notes to Consolidated Financial Statements* and are summarized in the following table:

	Six Months Ended September 30,	
	2024	**2023**
Average total assets subject to base management fee(A)	**$ 906,500**	$ 827,200
Multiplied by prorated annual base management fee of 2.0%	**1.0 %**	1.0 %
Base management fee(B)	**$ 9,065**	$ 8,272
Credits to fees from Adviser - other(B)	**(1,296)**	(3,324)
Net base management fee	**$ 7,769**	$ 4,948
Loan servicing fee(B)	**$ 4,416**	$ 4,497
Credits to base management fee - loan servicing fee(B)	**(4,416)**	(4,497)
Net loan servicing fee	**$ —**	$ —
Incentive fee – income-based	**$ 594**	$ 3,860
Incentive fee – capital gains-based(C)	**(2,150)**	9,874
Total incentive fee(B)	**$ (1,556)**	$ 13,734
Credits to fees from Adviser - other(B)	**—**	—
Net total incentive fee	**$ (1,556)**	$ 13,734

(A) Average total assets subject to the base management fee is defined in the Advisory Agreement as total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings, valued at the end of the applicable quarters within the respective periods and adjusted appropriately for any share issuances or repurchases during the periods.

(B) Reflected as a line item on our *Consolidated Statements of Operations*.

(C) The capital gains-based incentive fees are recorded in accordance with GAAP and do not necessarily reflect amounts contractually due under the terms of the Advisory Agreement.

Interest expense increased $1.8 million, or 16.3%, during the six months ended September 30, 2024, as compared to the prior year period, primarily due to interest expense related to the 8.00% 2028 Notes issued in May 2023 and increased borrowings on the Credit Facility, partially offset by a decrease in the effective interest rate. The weighted-average balance outstanding on the Credit Facility during the six months ended September 30, 2024 was $62.8 million as compared to $47.0 million in the prior year period. The effective interest rate on the Credit Facility, excluding the impact of deferred financing costs, during the six months ended September 30, 2024 was 10.9%, as compared to 11.0% in the prior year period. The decrease in the effective interest rate on the Credit Facility was primarily a result of a decrease in unused commitment fees on the undrawn portion of the Credit Facility, partially offset by higher interest rates on the drawn portion of the Credit Facility during the six months ended September 30, 2024.

Other expenses increased $1.5 million, or 69.5%, during the six months ended September 30, 2024, as compared to the prior year period, due to an increase in bad debt expense and professional fees.

Realized and Unrealized Gain (Loss)

The realized gains (losses) and unrealized appreciation (depreciation) across our investments for the six months ended September 30, 2024 and 2023 were as follows:

	Six Months Ended September 30, 2024			
Portfolio Company	**Realized Gain (Loss)**	**Unrealized Appreciation (Depreciation)**	**Reversal of Unrealized (Appreciation) Depreciation**	**Net Gain (Loss)**
The E3 Company, LLC	$ —	$ 5,208	$ —	$ 5,208
Nocturne Luxury Villas, Inc.	—	4,988	—	4,988
Old World Christmas, Inc.	—	4,734	—	4,734
Schylling, Inc.	—	3,031	—	3,031
UPB Acquisition, Inc	—	2,987	—	2,987
Galaxy Technologies Holdings, Inc.	—	2,757	—	2,757
Ginsey Home Solutions, Inc.	—	2,385	—	2,385
J.R. Hobbs Co. - Atlanta, LLC	—	1,349	—	1,349
Dema/Mai Holdings, Inc.	—	1,318	—	1,318
The Maids International, LLC	—	1,251	—	1,251
Diligent Delivery Systems	—	(1,092)	—	(1,092)
Home Concepts Acquisition, Inc.	—	(1,238)	—	(1,238)
PSI Molded Plastics, Inc.	—	(1,767)	—	(1,767)
Brunswick Bowling Products, Inc.	—	(2,165)	—	(2,165)
Edge Adhesives Holdings, Inc.	—	(2,335)	—	(2,335)
B+T Group Acquisition, Inc.	—	(2,742)	—	(2,742)
Nth Degree Investment Group, LLC	42,284	(7,195)	(38,028)	(2,939)
Horizon Facilities Services, Inc.		(8,614)		(8,614)
Phoenix Door Systems, Inc.		(18,163)		(18,163)
Other, net (<$1.0 million, net)	21	273	4	298
Total	**$ 42,305**	**$ (15,030)**	**$ (38,024)**	**$ (10,749)**

	Six Months Ended September 30, 2023			
Portfolio Company	**Realized Gain (Loss)**	**Unrealized Appreciation (Depreciation)**	**Reversal of Unrealized (Appreciation) Depreciation**	**Net Gain (Loss)**
Counsel Press, Inc.	$ —	$ 22,676	$ —	$ 22,676
Nth Degree Investment Group, LLC	—	12,677	—	12,677
Mason West, LLC	—	11,690	—	11,690
Educators Resource, Inc.	—	10,563	—	10,563
Brunswick Bowling Products, Inc.	—	8,311	—	8,311
SFEG Holdings, Inc.	—	6,437	—	6,437
The Maids International, LLC	—	3,747	—	3,747
Galaxy Technologies Holdings, Inc.	—	3,481	—	3,481
Nocturne Luxury Villas, Inc.	—	1,613	—	1,613
UPB Acquisition, Inc.	—	1,493	—	1,493
Ginsey Home Solutions, Inc.	—	1,247	—	1,247
Gladstone SOG Investments, Inc	882	—	(93)	789
PSI Molded Plastics, Inc.	—	(1,234)	—	(1,234)
Dema/Mai Holdings, Inc.	—	(1,875)	—	(1,875)
Old World Christmas, Inc.	273	(2,247)	—	(1,974)
B+T Group Acquisition, Inc.	—	(5,295)	—	(5,295)
Horizon Facilities Services, Inc.	—	(5,758)	—	(5,758)
Schylling, Inc.	—	(8,394)	—	(8,394)
ImageWorks Display and Marketing Group, Inc.	—	(10,276)	—	(10,276)
Other, net (<$1.0 million, net)	289	(838)	—	(549)
Total	**$ 1,444**	**$ 48,018**	**$ (93)**	**$ 49,369**

Net Realized Gain (Loss)

During the six months ended September 30, 2024, we recorded net realized gains on investments of $42.3 million, primarily due to a $42.3 million realized gain from the exit of Nth Degree. During the six months ended September 30, 2023, we recorded net realized gains on investments of $1.4 million, primarily due to $1.2 million of realized gains related to certain prior period exits and $0.3 million of realized gain from the recapitalization of Old World.

Net Unrealized Appreciation (Depreciation)

Net unrealized depreciation of investments of $53.1 million for the six months ended September 30, 2024 was primarily due to the reversal of unrealized appreciation of Nth Degree upon exit and decreased performance of certain of our portfolio companies. These decreases were partially offset by an increase in transaction multiples used to estimate the fair value of certain of our portfolio companies and increased performance of certain of our portfolio companies.

Net unrealized appreciation of investments of $47.9 million for the six months ended September 30, 2023 was primarily due to increased performance of certain of our portfolio companies and an increase in transaction multiples used to estimate the fair value of certain of our portfolio companies, in addition to increased fair value as a result of expected payoff amounts for certain investments. These increases were partially offset by decreased performance of certain of our other portfolio companies.

Across our entire investment portfolio, we recorded net unrealized depreciation of $28.2 million on ourequity positions and depreciation of $24.9 million on our debt positions, for the six months ended September 30, 2024. As of September 30, 2024, the fair value of our investment portfolio was more than the cost basis by$13.2 million, as compared to March 31, 2024, when the fair value of our investment portfolio was more than the cost basis by $32.9 million, representing net unrealized depreciation of $53.1 million for the six months ended September 30, 2024. Our entire portfolio had a fair value of 101.6% of cost as ofSeptember 30, 2024.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Net cash provided by operating activities for the six months ended September 30, 2024 was $75.5 million compared to net cash used in operating activities of $96.6 million for the six months ended September 30, 2023. This change was primarily due to a decrease in purchases of investments and an increase in net proceeds from the sale and recapitalization of investments and principal repayments of investments.

Purchases of investments were $20.1 million during the six months ended September 30, 2024, compared to $114.8 million during the six months ended September 30, 2023. Aggregate net proceeds from the sale and recapitalization of investments and principal repayments of investments totaled $76.5 million during the six months ended September 30, 2024, compared to $1.8 million during the six months ended September 30, 2023.

As of September 30, 2024, we had equity investments in and/or loans to 22 portfolio companies with an aggregate cost basis of $840.1 million. As of September 30, 2023, we had equity investments in and/or loans to 26 portfolio companies with an aggregate cost basis of $834.8 million.

The following table summarizes our total portfolio investment activity during the six months ended September 30, 2024 and 2023:

	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023
Beginning investment portfolio, at fair value	**$ 920,504**	$ 753,543
New investments	**—**	53,530
Disbursements to existing portfolio companies	**20,098**	61,258
Unscheduled principal repayments	**(28,000)**	—
Net proceeds from sale and recapitalization of investments	**(48,546)**	(1,775)
Net realized gain on investments	**42,305**	1,155
Net unrealized (depreciation) appreciation of investments	**(15,030)**	48,018
Reversal of net unrealized depreciation (appreciation) of investments	**(38,024)**	(93)
Ending investment portfolio, at fair value	**$ 853,307**	$ 915,636

The following table summarizes the contractual principal repayment and maturity of our investment portfolio by fiscal year, assuming no voluntary prepayments, as of September 30, 2024:

	Amount
For the remaining six months ending March 31, 2025	$ 64,060
For the fiscal years ending March 31:	
2026	206,310
2027	213,485
2028	66,231
2029	100,394
Thereafter	—
Total contractual repayments	**$ 650,480**
Investments in equity securities	189,667
Total cost basis of investments held as of September 30, 2024:	**$ 840,147**

Financing Activities

Net cash used in financing activities for the six months ended September 30, 2024 was $76.0 million, which consisted primarily of $58.1 million of net repayments under the Credit Facility, $17.6 million in distributions to common stockholders and $0.3 million of deferred financing and offering costs.

Net cash provided by financing activities for the six months ended September 30, 2023 was $95.9 million, which consisted primarily of $74.8 million of gross proceeds from the issuance of our 8.00% 2028 Notes and $44.1 million of net borrowings under the Credit Facility and $4.1 million of proceeds from the issuance of common stock, net of expenses and shelf offering registration costs, partially offset by $24.3 million in distributions to common stockholders and $2.7 million of deferred financing and offering costs.

Distributions and Dividends to Stockholders

Common Stock Distributions

To qualify to be taxed as a RIC and thus avoid corporate level federal income tax on the income we distribute to our stockholders, we are required, among other requirements, to distribute to our stockholders on an annual basis at least 90% of our taxable ordinary income plus the excess of our net short-term capital gains over net long-term capital losses (“Investment Company Taxable Income”), determined without regard to the dividends paid deduction. Additionally, the Credit Facility generally restricts the amount of distributions to stockholders that we can pay out to be no greater than the sum of certain amounts, including our net investment income, plus net capital gains, plus amounts elected by the Company to be considered as having been paid during the prior fiscal year in accordance with Section 855(a) of the Code. In accordance with these requirements, our Board of Directors declared, and we paid, monthly cash distributions of $0.08 per common share for each of the six months from April through September 2024, and a supplemental distribution of $0.70 per common share paid in October 2024. See also “*Recent Developments - Distributions and Dividends*” for a discussion of cash distributions to common stockholders declared and paid by our Board of Directors in October 2024.

For the fiscal year ended March 31, 2024, Investment Company Taxable Income exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat $18.7 million of the first distributions paid subsequent to fiscal year-end as having been paid in the prior year. In addition, for the fiscal year ended March 31, 2024, net capital gains exceeded distributions declared and paid, and, in accordance with Section 855(a) of the Code, we elected to treat $1.4 million of the first distributions paid subsequent to fiscal year-end as having been paid in the prior year. For the year ended March 31, 2024, we recorded $0.8 million of net adjustments for estimated permanent book-tax differences to reflect tax character, which increased Overdistributed net investment income and decreased Accumulated net realized gain in excess of distributions and Capital in excess of par value. For the six months ended September 30, 2024, we recorded $0.8 million ofnet adjustments for estimated permanent book-tax differences to reflect tax character, which increased Overdistributed net investment income and decreased Capital in excess of par value.

Dividend Reinvestment Plan

Our common stockholders who hold their shares through our transfer agent, Computershare, Inc. (“Computershare”), have the option to participate in a dividend reinvestment plan offered by Computershare, as the plan agent. This is an “opt in” dividend reinvestment plan, meaning that common stockholders may elect to have their cash distributions automatically reinvested in additional shares of our common stock. Common stockholders who do not make such election will receive their distributions in cash. Any distributions reinvested under the plan will be taxable to a common stockholder to the same extent, and with the same character, as if the common stockholder had received the distribution in cash. The common stockholder generally will have an adjusted basis in the additional common shares purchased through the plan equal to the dollar amount that would have been received if the U.S. stockholder had received the dividend or distribution in cash. The additional common shares will have a new holding period commencing on the day following the date on which the shares are credited to the common stockholder’s account. Computershare purchases shares in the open market in connection with the obligations under the plan.

Equity

Registration Statement

On February 28, 2024, we filed a registration statement on Form N-2 (File No. 333-277452), which the SEC declared effective on April 18, 2024. The registration statement permits us to issue, through one or more transactions, up to an aggregate of $450.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities, and warrants to purchase common stock, preferred stock, or debt securities, including through concurrent, separate offerings of such securities. As of the date of this report, we have the ability to issue all $450.0 million of the securities registered under the registration statement.

On September 3, 2021, we filed a registration statement on Form N-2 (File No. 333-259302), which the SEC declared effective on October 15, 2021. The registration statement permitted us to issue, through one or more transactions, up to an aggregate of $300.0 million in securities, consisting of common stock, preferred stock, subscription rights, debt securities, and warrants to purchase common stock, preferred stock, or debt securities, including through concurrent, separate offerings of such securities. This registration statement was terminated on April 18, 2024.

Common Stock

In May 2024, we entered into equity distribution agreements with Oppenheimer & Co., B. Riley Securities, Inc. and Virtu Americas LLC (each a "Sales Agent"), under which we have the ability to issue and sell shares of our common stock, from time to time, through the Sales Agents, up to an aggregate offering price of $75.0 million in the 2024 Common Stock ATM Program. There were no shares sold under the 2024 Common Stock ATM Program during the three and six months ended September 30, 2024. As of September 30, 2024, we had remaining capacity under the 2024 Common Stock ATM Program to sell all $75.0 million.

In August 2022, we entered into equity distribution agreements with Oppenheimer & Co. and Virtu Americas LLC (each a "2022 Sales Agent"), under which we had the ability to issue and sell shares of our common stock, from time to time, through the Sales Agents, up to an aggregate offering price of $50.0 million in what is commonly referred to as an "at-the-market" program (the "2022 Common Stock ATM Program"). In August 2023, we entered into an equity distribution agreement with B. Riley Securities, Inc. and entered into amendments to the agreements with Oppenheimer & Co. Inc. and Virtu Americas LLC in order to add B. Riley Securities, Inc. as a 2022 Sales Agent for the 2022 Common Stock ATM Program. The 2022 Common Stock ATM Program terminated in connection with our entry into the 2024 Common Stock ATM Program.

We did not have any sales of common stock during three and six months eneded September 30, 2024. During the three and six months ended September 30, 2023, we sold 304,170 shares of common stock under the 2022 Common Stock ATM Program, with a weighted-average gross price of $13.55 per share and a weighted-average net price of $13.35 per share after deducting commissions and offering costs borne by us, raising approximately $4.1 million and $4.1 million of gross and net proceeds, respectively. All of these sales were above our then current estimated NAV per share.

We anticipate issuing equity securities to obtain additional capital in the future. However, we cannot determine the timing or terms of any future equity issuances or whether we will be able to issue equity on terms favorable to us, or at all. When our common stock is trading at a price below NAV per share, the 1940 Act places regulatory constraints on our ability to obtain additional capital by issuing common stock. Generally, the 1940 Act provides that we may not issue and sell our common stock at a price below our NAV per common share, other than to our then-existing common stockholders pursuant to a rights offering, without first obtaining approval from our stockholders and our independent directors and meeting other stated requirements. As of September 30, 2024, the closing market price of our common stock was $14.45 per share, representing a 15.7% premium to our NAV per share of $12.49 as of September 30, 2024.

Revolving Line of Credit

We, through our wholly-owned subsidiary, Business Investment, are party to a Credit Facility with KeyBank National Association ("KeyBank"), as administrative agent, joint lead arranger and lender, Fifth Third Bank as managing agent, joint lead arranger and lender, the Adviser, as servicer, and certain other lenders party thereto. As of September 30, 2024, the Credit Facility provides for maximum borrowings of $200.0 million, with a revolving period end date of October 30, 2026 and a maturity date of October 30, 2028.

As of September 30, 2024, advances under the Credit Facility generally bore interest at 30-day Term SOFR, subject to a floor of 0.35%, plus 3.15% per annum until October 30, 2026, with the margin then increasing to 3.40% for the period from October 30, 2026 to October 30, 2027, and increasing further to 3.65% thereafter with a SOFR credit spread adjustment of 10 basis points. The Credit Facility has an unused commitment fee on the daily unused commitment amount of 0.50% per annum if the daily unused commitment amount is less than or equal to 50% of the total commitment amount, 0.75% per annum if the daily unused commitment amount is greater than 50% but less than or equal to 65% of the total commitment amount, and 1.00% per annum if the daily unused commitment amount is greater than 65% of the total commitment amount.

At September 30, 2024, we had $8.9 million of borrowings outstanding on the Credit Facility and as of the date of this report, we had $40.2 million outstanding under the Credit Facility.

Interest is payable monthly during the term of the Credit Facility. Available borrowings are subject to various constraints and applicable advance rates, which are generally based on the size, characteristics, and quality of the collateral pledged by Business Investment. The Credit Facility also requires that any interest and principal payments on pledged loans be remitted directly by the borrower into a lockbox account with KeyBank. KeyBank is also the trustee of the account and generally remits the collected funds to us once a month.

Among other things, the Credit Facility contains covenants that require Business Investment to maintain its status as a separate legal entity, prohibit certain significant corporate transactions (such as mergers, consolidations, liquidations or dissolutions) and restrict certain material changes to our credit and collection policies without the lenders' consent. The Credit Facility also generally seeks to restrict distributions to stockholders to the sum of (i) our net investment income, (ii) net capital gains, and (iii) amounts deemed by the Company to be considered as having been paid during the prior fiscal year in accordance with Section 855(a) of the Code. Loans eligible to be pledged as collateral are subject to certain limitations, including, among other things, restrictions on geographic concentrations, industry concentrations, loan size, payment frequency and status, average life, portfolio company leverage, and lien property. The Credit Facility also requires Business Investment to comply with other financial and operational covenants, which obligate Business Investment to, among other things, maintain certain financial ratios, including asset and interest coverage and a minimum number of obligors required in the borrowing base. Additionally, the Credit Facility contains a performance guaranty that requires the Company to maintain (i) a minimum net worth of the greater of $210.0 million or $210.0 million plus 50% of all equity and subordinated debt raised, minus50% of any equity or subordinated debt redeemed or retired after November 16, 2016, which equated to $348.7 million as of September 30, 2024, (ii) asset coverage with respect to senior securities representing indebtedness of at least150% (or such percentage as may be set forth in Section 18 of the 1940 Act, as modified by Section 61 of the 1940 Act), and (iii) our status as a BDC under the 1940 Act and as a RIC under the Code. As of September 30, 2024, and as defined in the performance guaranty of the Credit Facility, we had a net worth of $ 789.2 million, asset coverage on our senior securities representing indebtedness of 229.3%, calculated in compliance with the requirements of Sections 18 and 61 of the 1940 Act, and an active status as a BDC and RIC. As of September 30, 2024, we had availability, after adjustments for various constraints based on collateral quality, of $ 191.1 million under the Credit Facility and were in compliance with all covenants under the Credit Facility.

Notes Payable

5.00% Notes due 2026

In March 2021, we completed a public offering of the 5.00% 2026 Notes with an aggregate principal amount of $127.9 million, which resulted in net proceeds of approximately $123.8 million after deducting underwriting discounts, commissions and offering costs borne by us. The 5.00% 2026 Notes are traded under the ticker symbol "GAINN" on Nasdaq. The 5.00% 2026 Notes will mature on May 1, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company's option. The 5.00% 2026 Notes bear interest at a rate of 5.00% per year (which equates to $6.4 million per year), payable quarterly in arrears.

The indenture relating to the 5.00% 2026 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company’s asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company’s asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we will provide the holders of the 5.00% 2026 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 5.00% 2026 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were $4.1 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending May 1, 2026, the maturity date.

4.875% Notes due 2028

In August 2021, we completed a public offering of the 4.875% 2028 Notes with an aggregate principal amount of $134.6 million, which resulted in net proceeds of approximately $131.3 million after deducting underwriting discounts, commissions and offering costs borne by us. The 4.875% 2028 Notes are traded under the ticker symbol “GAINZ” on Nasdaq. The 4.875% 2028 Notes will mature on November 1, 2028 and may be redeemed in whole or in part at any time or from time to time at the Company’s option. The 4.875% 2028 Notes bear interest at a rate of 4.875% per year (which equates to $6.6 million per year), payable quarterly in arrears.

The indenture relating to the 4.875% 2028 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company’s asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company’s asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 4.875% 2028 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 4.875% 2028 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were $3.3 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending November 1, 2028, the maturity date.

8.00% Notes due 2028

In May 2023, we completed a public offering of the 8.00% 2028 Notes with an aggregate principal amount of $74.8 million, which resulted in net proceeds of approximately $72.3 million after deducting underwriting discounts, commissions and offering costs borne by us. The 8.00% 2028 Notes are traded under the ticker symbol “GAINL” on Nasdaq. The 8.00% 2028 Notes will mature on August 1, 2028 and may be redeemed in whole or in part at any time or from time to time at the Company’s option on or after August 1, 2025. The 8.00% 2028 Notes bear interest at a rate of 8.00% per year (which equates to $6.0 million per year), payable quarterly in arrears.

The indenture relating to the 8.00% 2028 Notes contains certain covenants, including (i) an inability to incur additional debt or issue additional debt or preferred securities unless the Company’s asset coverage meets the threshold specified in the 1940 Act after such borrowing, (ii) an inability to declare any dividend or distribution (except a dividend payable in our stock) on a class of our capital stock or to purchase shares of our capital stock unless the Company’s asset coverage meets the threshold specified in the 1940 Act at the time of (and giving effect to) such declaration or purchase, and (iii) if, at any time, we are not subject to the reporting requirements of the Exchange Act, we will provide the holders of the 8.00% 2028 Notes and the trustee with audited annual consolidated financial statements and unaudited interim consolidated financial statements.

The 8.00% 2028 Notes are recorded at the aggregate principal amount, less underwriting discounts, commissions, and offering costs, on our accompanying *Consolidated Statements of Assets and Liabilities*. Total underwriting discounts, commissions, and offering costs related to this offering were $2.5 million, which have been recorded as discounts to the aggregate principal amount on our accompanying *Consolidated Statements of Assets and Liabilities* and are being amortized over the period ending August 1, 2028, the maturity date.

OFF-BALANCE SHEET ARRANGEMENTS

Unlike PIK income, we generally do not recognize success fees as income until payment has been received. Due to the contingent nature of success fees, there are no guarantees that we will be able to collect any or all of these success fees or know the timing of any such collections. As a result, as of September 30, 2024 and March 31, 2024, we had unrecognized, contractual off-balance sheet success fee receivables of $50.2 million and $44.9 million (or approximately $1.37 and $1.23 per common share), respectively, on our debt investments. Consistent with GAAP, we have not recognized success fee receivables and related income in our accompanying *Consolidated Financial Statements* until earned.

CONTRACTUAL OBLIGATIONS

We have line of credit commitments to certain of our portfolio companies that have not been fully drawn. Since these line of credit commitments have expiration dates and we expect many will never be fully drawn, the total line of credit commitment amounts do not necessarily represent future cash requirements. We estimate the fair value of the combined unused line of credit commitments as of September 30, 2024 to be insignificant.

The following table shows our contractual obligations as of September 30, 2024, at cost:

	Payments Due by Period				
Contractual Obligations[(A)]	**Total**	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**More than 5 Years**
Credit Facility[(B)]	$ 8,900	$ —	$ —	$ 8,900	$ —
Notes payable	337,238	—	127,938	209,300	—
Interest payments on obligations[(C)]	70,802	21,604	31,032	18,166	—
Total	**$ 416,940**	**$ 21,604**	**$ 158,970**	**$ 236,366**	**$ —**

(A) Excludes unused line of credit commitments to our portfolio companies in the aggregate principal of $6.0 million.
(B) Principal balance of borrowings outstanding under the Credit Facility, based on the maturity date following the current contractual revolving period end date.
(C) Includes interest payments due on the Credit Facility, 5.00% 2026 Notes, 4.875% 2028 Notes and 8.00% 2028 Notes, as applicable. The amount of interest payments calculated for purposes of this table was based upon rates and outstanding balances as of September 30, 2024.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported consolidated amounts of assets and liabilities, including disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. Actual results could differ materially from those estimates under different assumptions or conditions. We have identified our investment valuation policy (which has been approved by our Board of Directors) as our most critical accounting policy, which is described in Note 2 — *Summary of Significant Accounting Policies* in the accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Quarterly Report. Additionally, refer to Note 3 — *Investments* in the accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Quarterly Report for additional information regarding fair value measurements and our application of Financial Accounting Standards Board Accounting Standards Codification Topic 820, "*Fair Value Measurements and Disclosures.*" We have also identified our revenue recognition policy as a critical accounting policy, which is described in Note 2 — *Summary of Significant Accounting Policies* in the accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Quarterly Report.

Investment Valuation

Credit Monitoring and Risk Rating

The Adviser monitors a wide variety of key credit statistics that provide information regarding our portfolio companies to help us assess credit quality and portfolio performance and, in some instances, are used as inputs in our valuation techniques. Generally, we, through the Adviser, participate in periodic board meetings of our portfolio companies in which we hold board seats and also require them to provide annual audited and monthly unaudited financial statements. Using these statements or comparable information and board discussions, the Adviser calculates and evaluates certain credit statistics.

The Adviser risk rates all of our investments in debt securities. The Adviser does not risk rate equity securities. For loans that have been rated by a SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), the Adviser generally uses the average of two corporate level NRSRO's risk ratings for such security. For all other debt securities, the Adviser uses a proprietary risk rating system. While the Adviser seeks to mirror the NRSRO systems, we cannot provide any assurance that the Adviser's risk rating system will provide the same risk rating as an NRSRO for these securities. The Adviser's risk rating system is used to estimate the probability of default on debt securities and the expected loss, if there is a default. The Adviser's risk rating system uses a scale of 0 to >10, with >10 being the lowest probability of default. It is the Adviser's understanding that most debt securities of Lower Middle Market companies do not exceed the grade of BBB on an NRSRO scale, so there would be no debt securities in the Lower Middle Market that would meet the definition of AAA, AA or A. Therefore, the Adviser's scale begins with the designation >10 as the best risk rating which may be equivalent to a BBB from an NRSRO; however, no assurance can be given that a >10 on the Adviser's scale is equal to a BBB or Baa2 on an NRSRO scale. The Adviser's risk rating system covers both qualitative and quantitative aspects of the business and the securities we hold.

The following table reflects risk ratings for all loans in our portfolio as of September 30, 2024 and March 31, 2024:

Rating	**September 30, 2024**	March 31, 2024
Highest	**9.0**	9.0
Average	**6.6**	6.6
Weighted-average	**7.0**	6.9
Lowest	**3.0**	3.0

Tax Status

We intend to continue to maintain our qualification as a RIC under Subchapter M of the Code for U.S. federal income tax purposes. As a RIC, we generally are not subject to U.S. federal income tax on the portion of our taxable income and gains distributed to our stockholders. To maintain our qualification as a RIC, we must maintain our status as a BDC and meet certain source-of-income and asset diversification requirements. In addition, to qualify to be taxed as a RIC, we must distribute to stockholders at least 90% of our Investment Company Taxable Income, determined without regard to the dividends paid deduction. Our policy generally is to make distributions to our stockholders in an amount up to 100% of Investment Company Taxable Income. We may retain some or all of our net long-term capital gains, if any, and designate them as deemed distributions, or distribute such gains to stockholders in cash. See *"— Liquidity and Capital Resources — Distributions and Dividends to Stockholders."*

In an effort to limit federal excise taxes, we have to distribute to stockholders, during each calendar year, an amount close to the sum of: (1) 98% of our ordinary income for the calendar year, (2) 98.2% of our net capital gains (both long-term and short-term), if any, for the one-year period ending on October 31 of the calendar year, and (3) any income realized, but not distributed, in the preceding period (to the extent that income tax was not imposed on such amounts), less certain reductions, as applicable. Under the RIC Modernization Act, we are permitted to carryforward any capital losses that we may incur for an unlimited period, and such capital loss carryforwards will retain their character as either short-term or long-term capital losses. Our capital loss carryforward balance was $0 as of both September 30, 2024 and March 31, 2024.

Recent Accounting Pronouncements

Refer to Note 2 — *Summary of Significant Accounting Policies* in the accompanying *Notes to Consolidated Financial Statements* included elsewhere in this Quarterly Report for a description of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. The prices of securities held by us may decline in response to certain events, including those directly involving the companies whose securities are owned by us; conditions affecting the general economy, including public health emergencies; overall market changes; local, regional or global political, social or economic instability; and interest rate fluctuations.

The primary risk we believe we are exposed to is interest rate risk. Because we borrow money to make investments, our net investment income is dependent upon the difference between the rates at which we borrow funds, such as under the Credit Facility (which is variable) and our unsecured notes (which are fixed), and the rates at which we invest those funds. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. We use a combination of debt and equity capital to finance our investing activities. We may use interest rate risk management techniques to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act.

We target to have approximately 90% of the loans in our portfolio at variable rates or variable rates with a floor mechanism, and up to approximately 10% at fixed rates. As of September 30, 2024 and March 31, 2024, all of our variable-rate loans have rates associated with the current 30-day SOFR rate, and our total debt investment portfolio consisted of the following breakdown based on the principal balance:

Rates:	**September 30, 2024**	**March 31, 2024**
Variable rates with a floor	**100.0 %**	100.0 %
Fixed rates	— %	— %
Total	**100.0 %**	100.0 %

There have been no material changes in the quantitative and qualitative market risk disclosures during the six months ended September 30, 2024 from those included in our Annual Report.

ITEM 4. CONTROLS AND PROCEDURES.

a) Evaluation of Disclosure Controls and Procedures

As of September 30, 2024 (the end of the period covered by this report), we, including our chief executive officer and chief financial officer, evaluated the effectiveness, design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective at a reasonable assurance level in timely alerting management, including the chief executive officer and chief financial officer, of material information about us required to be included in periodic SEC filings. However, in evaluation of the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

b) Changes in Internal Control over Financial Reporting

There were no changes in internal controls for the three months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. Furthermore, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While we do not expect that the resolution of these matters, if they arise, would materially affect our business, financial condition, results of operations or cash flows, resolution will be subject to various uncertainties and could result in the expenditure of significant financial and managerial resources. We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

ITEM 1A. RISK FACTORS.

Our business is subject to certain risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. For a discussion of these risks, please refer to the section captioned “Item 1A. Risk Factors” in Part I of our Annual Report on Form 10-K for the fiscal year ended March 31, 2024, as filed with the SEC on May 8, 2024. The risks described in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

During the three months ended September 30, 2024, none of our officers or directorsadopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) ("Rule 10b5-1 trading arrangement") or any “non-Rule 10b5-1 trading arrangement.”

ITEM 6. EXHIBITS

See the exhibit index.

Exhibit	Description
3.1	Amended and Restated Certificate of Incorporation, incorporated by reference to Exhibit A.2 to Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-123699), filed May 13, 2005.
3.2	Second Amended and Restated Bylaws, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 814-00704), filed May 15, 2020.
4.1	Specimen Stock Certificate, incorporated by reference to Exhibit d to Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-123699), filed June 21, 2005.
4.2	Indenture, dated as of May 22, 2020, between Gladstone Investment Corporation and UMB Bank, National Association, as trustee incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 814-00704), filed May 22, 2020.
4.3	Second Supplemental Indenture between Gladstone Investment Corporation and UMB Bank, National Association, dated as of March 2, 2021, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 814-00704), filed March 2, 2021.
4.4	Third Supplemental Indenture between Gladstone Investment Corporation and UMB Bank, National Association, dated as of August 18, 2021, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 814-00704), filed August 18, 2021.
4.5	Fourth Supplemental Indenture between Gladstone Investment Corporation and UMB Bank, National Association, dated as of May 31, 2023, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 814-00704), filed May 31, 2023.
31.1*	Certification of Chief Executive Officer pursuant to section 302 of The Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer and Treasurer pursuant to section 302 of The Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to section 906 of The Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer and Treasurer pursuant to section 906 of The Sarbanes-Oxley Act of 2002.
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB***	XBRL Taxonomy Extension Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF***	XBRL Definition Linkbase
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

*** Attached as Exhibit 101 to this Quarterly Report on Form 10-Q are the following materials, formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) the Consolidated Statements of Assets and Liabilities as of September 30, 2024 and March 31, 2024, (ii) the Consolidated Statements of Operations for the three and six months ended September 30, 2024 and 2023, (iii) the Consolidated Statements of Changes in Net Assets for the three and six months ended September 30, 2024 and 2023, (iv) the Consolidated Statements of Cash Flows for the six months ended September 30, 2024 and 2023, (v) the Consolidated Schedules of Investments as of September 30, 2024 and March 31, 2024, and (vi) the Notes to Consolidated Financial Statements.

All other exhibits for which provision is made in the applicable regulations of the SEC are not required under the related instruction or are inapplicable and therefore have been omitted.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLADSTONE INVESTMENT CORPORATION

By: /s/ Rachael Easton

Rachael Easton
Chief Financial Officer and Treasurer
(principal financial and accounting officer)

Date: November 7, 2024

Exhibit 31.1

CERTIFICATION
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, David Gladstone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gladstone Investment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

/s/ David Gladstone
David Gladstone
Chief Executive Officer and
Chairman of the Board of Directors

Exhibit 31.2

CERTIFICATION
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, Rachael Easton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gladstone Investment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 7, 2024

/s/ Rachael Easton

Rachael Easton
Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Executive Officer and Chairman of the Board of Gladstone Investment Corporation (the “Company”), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (“Form 10-Q”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2024

/s/ David Gladstone

David Gladstone
Chief Executive Officer and
Chairman of the Board of Directors

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Financial Officer of Gladstone Investment Corporation (the “Company”), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (“Form 10-Q”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2024

/s/ Rachael Easton

Rachael Easton
Chief Financial Officer and Treasurer