



Earnings Presentation

First Quarter ended March 31, 2014

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Our Current View of the Market

Current Market Trends in the Overall Loan Market and Middle-Market

- Leveraged loan volume was strong during the first quarter of 2014
- Volume was primarily driven by M&A and recapitalization activity
- Supply kept pace with demand, keeping yields relatively flat when compared to the end of last year
- Second-lien loan volume for the quarter was the second highest on record
- Covenant-lite loans continue to dominate the new issue space
- Banks continue to be restricted by regulatory factors

Current Market Trends in the Lower Middle-Market

- A scarcity of capital has continued in the lower middle-market, as many traditional lenders in the space have exited due to regulatory restrictions
- Slow GDP growth has driven the lack of loan demand for private company borrowing
- As fund sizes increase, many competitors have moved up-market to focus their attention on larger borrowers
- Banks, funds and other non-bank finance companies have begun to participate in select one-off financing as a result of increases in available capital
- Lower middle-market opportunities continue to command better pricing and structures than in the broadly syndicated market and upper middle-market

Our Core Portfolio

Macro Trends in Our Core Portfolio

- Core volume in the quarter continued to be strong, with \$64.5 million of core additions; average of \$74.0 million per quarter since our IPO
- Core investments as a % of our overall portfolio increased to 70.6% as of Q1 2014 from 36.7% at our IPO
- Weighted average yield of core deals closed during the quarter was 11.3% (weighted average yield of 11.3% of core deals closed since our IPO)
- Portfolio credit quality and leverage multiples remain stable and in line with prior quarters; no investments currently non-accrual
- Sponsor business is more active than financings to private companies
- Club business continues to be strong, although pricing is tighter relative to origination and non-traditional lending deals
- Syndications continue to facilitate reciprocal deal flow and allow for engineering of deal structures to meet our yield hurdles
- We are well positioned in the consumer lending market, particularly in the peer-to-peer lending segment
- Garrison's broad platform has enabled us to evaluate and execute on several non-traditional lending opportunities (e.g. real estate bridge loan, equipment leases and out of favor sectors)

Transactions of Note

- New originations and club deals during the 1st quarter totaled \$40.0 million of par value:
 - CR Brands: Participated in the refinance of the company's credit facility, sourced through a sponsor relationship
 - Galata Chemicals: Provided acquisition financing, sourced through a sponsor relationship
 - Onyx Mamaroneck: Provided a bridge loan to a fund sponsor to acquire a 326,000 square foot Class A office building
 - Sensis: Provided acquisition financing, sourced through a close sponsor relationship
- Opportunistically purchased a portfolio of 3 middle-market loans with a face value of \$20.9 million

Select Q1 2014 Core Loan Portfolio Additions



**Onyx
Mamaroneck**



	CR Brands™	Galata Chemicals	Onyx Mamaroneck	sensis®
Business Overview	Manufacturer of household cleaning and laundry products	Producer and marketer of chemical additives	Class A multi-tenant office building	Provider of print, digital directory and digital marketing services
Date Closed/ Tenor	3/31/2014 5 Year Deal	3/31/2014 5 Year Deal	2/4/2014 1 Year Deal	3/6/2014 5 Year Deal
Interest Rate	L+725 with a 1.00% Floor and 2.00% upfront fee	L+800 with a 1.00% Floor and 2.00% upfront fee	12.00% fixed rate, 2.00% upfront fee and 1.00% exit fee	L+700 with a 1.00% floor and 1.00% upfront fee
Asset Type	Term Loan – First Lien	Term Loan – First Lien	Term Loan – Real Estate	Term Loan – First Lien
Invested / Global facility size	Term Loan: \$10.5mm / \$22.0mm*	Term Loan: \$10.5mm / \$21.0mm*	Term Loan: \$10.0mm TL / \$29.0mm*	Term Loan: \$8.9MM / \$315.0mm*
Origination Source	Originated	Originated	Originated	Club
Call protection	103/102/101	103/101/100	9 month yield maintenance	101
Leverage (Debt/ EBITDA)**	3.3x	3.2x	74.8% LTV	0.9x

Q1 2014 Highlights

Earnings

- Net increase in net assets from operations of \$10.7 million or \$0.64 per share compared with \$6.7 million or \$0.40 per share in Q4 2013:
 - Net investment income of \$2.9 million or \$0.17 per share compared with \$5.3 million or \$0.32 per share in Q4 2013:
 - Net investment income (excluding incentive related to capital gains) of \$5.1 million or \$0.31 per share in Q1 2014
 - Pre-incentive net investment income of \$6.5 million or \$0.39 per share compared with \$6.4 million or \$0.38 per share in Q4 2013
 - Net realized gains of \$8.9 million or \$0.53 per share:
 - Realized gains in the amount of \$8.1 million resulting from the sale of the parent company of one portfolio investment, Anchor Drilling Fluids USA, Inc. (“Anchor”); early full repayment of debt and sale of the equity
 - Remaining realized gain in the amount of \$0.8 million resulting from the early full repayment of eight portfolio investments and other partial repayments
 - Net change in unrealized depreciation of investments of \$(1.1) million or \$(0.06) per share:
 - Reversal of unrealized appreciation in the amount of \$(1.8) million as a result of the Anchor transaction referenced above
 - Remaining net change in unrealized depreciation on investments was due to the increase in the market value of the portfolio in the amount of \$0.8 million offset by the reversal of prior period unrealized appreciation of \$(0.1) million
- Paid a Q1 2014 dividend of \$0.35 per share and declared a Q2 2014 dividend of \$0.35 per share payable on June 27, 2014
- \$5.8 million of capital loss carry forwards available from 2013 will be used to offset a portion of capital gains income distribution requirements in the current year; the Company expects to retain a significant portion of the realized gains earned in 2014
- 4.2% total return since Q4 2013; 12.3% total return since our IPO
- 1.9% growth in book value from Q4 2013; 3.0% growth in book value since our IPO

Q1 2014 Highlights

Funding

- Increased our leverage from \$220.1 million in Q4 2013 to \$224.5 million in Q1 2014 due to draws on the Capital One Revolving Facility; current leverage of 0.87x
- Weighted average effective interest rate, including the effects of amortization and discount, of 3.0%
- SBIC – Continued progress with in-person interviews scheduled

Liquidity

- Executed originations and purchases of investments and draws on previously unfunded revolvers in the amount of \$83.0 million during the quarter, \$64.5 million of which was in our Core portfolio ⁽¹⁾
- Realized sales or repayments of investments in the amount of \$55.8 million during the quarter, \$21.3 million which was in our Transitory portfolio ⁽²⁾
- As of March 31, 2014, we had net cash and cash equivalents of \$23.9 million (net of due to/from counterparties)
- Transitory portfolio with a market value as of March 31, 2014 totaling \$133.9 million compared to \$137.5 million as of December 31, 2013

Q1 2014 Portfolio Highlights

Portfolio Activity – Core ⁽¹⁾

- Total additions to our core portfolio totaling \$64.5 million of par (cost of \$63.3 million)
 - Closed four new investments in our core portfolio totaling \$40.0 million of par (cost of \$39.3 million)
 - Three totaling \$31.0 million of par (cost of \$30.3 million) were originations
 - One totaling \$9.0 million of par (cost of \$9.0 million) was a club deal
 - \$5.8 million of additional par (cost of \$5.8 million) represents an upsize to four of our existing originations
 - \$3.2 million of additional par (cost of \$3.2 million) represents an upsize to three of our existing club deals
 - \$6.3 million of additional par (cost of \$5.8 million) represents an upsize to four of our existing purchased loans
 - \$9.2 million of additional par (cost of \$9.2 million) represents additional investments in consumer loans with projected unlevered returns (net of estimated credit losses) of approximately 10.5%
- Average new loan size of approximately \$10.0 million with a weighted average yield of 11.3%

Portfolio Activity – Transitory ⁽²⁾

- Purchased six new investments in our transitory portfolio totaling \$18.5 million of par (cost of \$17.9 million)
- Early full repayments on six loans totaling par of \$19.8 million and other partial repayments totaling par of \$1.5 million

Current and Historical Investment Portfolio Composition

Portfolio characteristics (\$ in millions)	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Total Market Value	\$455.2	\$429.1	\$411.5	\$418.1	\$278.9
Number of portfolio companies	71	70	71	83	63
Average investment size ⁽¹⁾	\$5.3	\$5.0	\$5.1	\$4.7	\$4.4
Weighted average yield ⁽²⁾	10.0%	9.8%	9.5%	8.8%	8.9%
Weighted average price ⁽¹⁾	99.1	99.2	98.6	97.1	96.4
First lien	85.3%	88.1%	90.9%	93.8%	95.2%
Second lien	5.2%	4.3%	3.3%	3.3%	4.7%
Mezzanine	1.6%	1.7%	1.7%	0.0%	0.0%
Consumer loans	5.3%	3.9%	2.2%	1.2%	0.0%
Real estate loans	2.2%	0.0%	0.0%	0.0%	0.0%
Equity	0.4%	2.0%	1.9%	1.7%	0.1%
Core	70.6%	68.0%	57.2%	48.3%	36.7%
Transitory	29.4%	32.0%	42.8%	51.7%	63.3%
Originated ⁽⁴⁾	36.1%	32.3%	26.3%	16.0%	17.1%
Club ⁽⁵⁾	19.9%	15.8%	15.0%	12.8%	6.2%
Purchased	44.0%	51.9%	58.7%	71.2%	76.7%
Fixed ⁽¹⁾	8.1%	5.0%	4.1%	1.7%	2.6%
Floating ⁽¹⁾	91.9%	95.0%	95.9%	98.3%	97.4%
Performing ⁽¹⁾	100.0%	100.0%	98.9%	98.8%	99.7%
Non-performing ⁽¹⁾	0.0%	0.0%	1.1%	1.2%	0.3%
Weighted average debt / EBITDA ^{(1) (2)}	3.5x	3.6x	3.7x	3.8x	3.6x
Weighted average risk rating	2.28	2.21	2.21	2.17	2.18

⁽¹⁾ Excludes consumer loans and equity investments

⁽²⁾ Excludes investments with a risk rating of 4, unfunded revolvers and equity investments

⁽³⁾ Excludes the impact of HC Cable Opco, LLC at June 30, 2013

⁽⁴⁾ Originated positions include investments where we have sourced and led the execution of the deal

⁽⁵⁾ Club positions include investments where we provide direct lending to a borrower with one or two other lenders but did not lead the deal

Portfolio Activity for the Quarter Ended March 31, 2014

Core Portfolio	As of December 31, 2013	Originated / Purchased in Q1 2014	Repayments / Sales in Q1 2014 ⁽¹⁾	As of March 31, 2014
Total Par value ⁽²⁾	\$292.3	\$64.5	(\$34.6)	\$322.2
Number of Portfolio Companies ⁽³⁾⁽⁶⁾⁽⁸⁾	37	4	(3)	38
Average Investment Size ⁽⁷⁾	\$7.9	\$10.0	(\$10.0)	\$8.5
Weighted Average Yield ⁽⁴⁾⁽⁵⁾⁽⁶⁾	10.9%	11.3%	11.5%	11.0%

Transitory Portfolio	As of December 31, 2013	Positions Added in Q1 2014	Repayments / Sales in Q1 2014 ⁽¹⁾	As of March 31, 2014
Total Par value ⁽²⁾	\$139.7	\$18.5	(\$21.3)	\$136.9
Number of Portfolio Companies ⁽³⁾⁽⁶⁾	33	6	(6)	33
Average Investment Size ⁽⁷⁾	\$4.2	\$3.1	(\$3.3)	\$4.1
Weighted Average Yield ⁽⁴⁾⁽⁵⁾	7.6%	6.3%	6.9%	7.7%

Total Portfolio	As of December 31, 2013	Originated / Purchased in Q1 2014	Repayments / Sales in Q1 2014 ⁽¹⁾	As of March 31, 2014
Total Par value	\$432.0	\$83.0	(\$55.8)	\$459.2
Number of Portfolio Companies ⁽³⁾⁽⁶⁾⁽⁸⁾	70	10	(9)	71
Average Investment Size ⁽⁷⁾	\$6.2	\$5.8	(\$5.5)	\$6.5
Weighted Average Yield ⁽⁴⁾⁽⁵⁾⁽⁶⁾	9.8%	10.2%	8.7%	10.0%

⁽¹⁾ Change in total par value includes partial principal repayments

⁽²⁾ Includes only funded portion of par for unfunded revolvers

⁽³⁾ Excludes add-on investments with existing portfolio companies

⁽⁴⁾ Excludes investments with a risk rating of 4, unfunded revolvers and equity investments

⁽⁵⁾ Activity during the quarter does not reflect changes in market yields on existing positions or partial principal repayments

⁽⁶⁾ Excludes same day purchases/sales

⁽⁷⁾ Average investment size on activity for new portfolio companies and full paydowns or sales

⁽⁸⁾ The GLC Trust 2013-2 Consumer Loan Portfolio, which holds a portfolio of small balance consumer loans, is counted as one portfolio company

Summary of Investment Activity Since Quarter End

Core Portfolio	As of March 31, 2014	Originated / Purchased since Q1 2014	Repayments / Sales since Q1 2014 ⁽¹⁾	Pro Forma June 30, 2014
Total Par value ⁽²⁾	\$322.2	\$40.0	(\$9.3)	\$353.0
Number of Portfolio Companies ⁽³⁾⁽⁶⁾⁽⁸⁾	38	2	(1)	39
Average Investment Size ⁽⁷⁾	\$8.5	\$6.6	(\$6.2)	\$9.1
Weighted Average Yield ⁽⁴⁾⁽⁵⁾⁽⁶⁾	11.0%	10.4%	9.4%	11.0%
Transitory Portfolio	As of March 31, 2014	Positions Added since Q1 2014	Repayments / Sales since Q1 2014 ⁽¹⁾	Pro Forma June 30, 2014
Total Par value ⁽²⁾	\$136.9	\$6.5	(\$22.8)	\$120.6
Number of Portfolio Companies ⁽³⁾⁽⁶⁾	33	1	(6)	28
Average Investment Size ⁽⁷⁾	\$4.1	\$5.0	(\$3.1)	\$4.3
Weighted Average Yield ⁽⁴⁾⁽⁵⁾⁽⁶⁾	7.7%	7.5%	6.0%	8.0%
Total Portfolio	As of March 31, 2014	Originated / Purchased since Q1 2014	Repayments / Sales since Q1 2014 ⁽¹⁾	Pro Forma June 30, 2014
Total Par value ⁽²⁾	\$459.2	\$46.5	(\$32.1)	\$473.6
Number of Portfolio Companies ⁽³⁾⁽⁶⁾⁽⁸⁾	71	3	(7)	67
Average Investment Size ⁽⁷⁾	\$6.5	\$6.1	(\$3.5)	\$7.1
Weighted Average Yield ⁽⁴⁾⁽⁵⁾⁽⁶⁾	10.0%	10.0%	7.1%	10.2%

⁽¹⁾ Change in total par value includes partial principal repayments

⁽²⁾ Includes only funded portion of par for unfunded revolvers

⁽³⁾ Excludes add-on investments with existing portfolio companies

⁽⁴⁾ Excludes investments with a risk rating of 4, unfunded revolvers and equity investments

⁽⁵⁾ Activity between April 1, 2014 and May 2, 2014 does not reflect changes in market yields on existing positions or partial principal repayments

⁽⁶⁾ Excludes same day purchases/sales

⁽⁷⁾ Average investment size on activity for new portfolio companies and full paydowns or sales

⁽⁸⁾ The GLC Trust 2013-2 Consumer Loan Portfolio, which holds a portfolio of small balance consumer loans, is counted as one portfolio company

Top 10 Loan Portfolio Investments as of March 31, 2014

Issuer (\$ in millions)	Fair Value	% of Loan Portfolio	Yield	Portfolio
GLC Trust 2013-2 Consumer Loan Portfolio ⁽¹⁾	\$24.2	5.3%	10.5%	Core
MXD Group, Inc. (fka Exel Direct Inc.)	\$13.7	3.0%	12.0%	Core
Nursery Supplies, Inc.	\$11.3	2.5%	9.8%	Core
HC Cable OpCo, LLC	\$11.1	2.4%	9.0%	Core
ConvergeOne Holdings Corp	\$11.1	2.4%	9.4%	Core
CTC Casting Technologies, Inc. (Compass)	\$10.4	2.3%	7.7%	Core
PD Products, LLC	\$10.4	2.3%	12.0%	Core
Attachmate Corporation	\$10.3	2.3%	11.1%	Core
Joe's Jeans Inc.	\$10.3	2.3%	12.5%	Core
CR Brands, Inc.	\$10.3	2.3%	10.0%	Core
Total	\$123.1	27.1%	10.4%	

⁽¹⁾ The GLC Trust 2013-2 Consumer Loan Portfolio holds a portfolio of small balance consumer loans. As of March 31, 2014 the portfolio included 2,291 loans with an average par balance of \$11,495, a weighted average interest rate of 16.2% and a weighted average maturity of 10/28/17.

Comparative Statement of Financial Condition

<i>(In thousands, except per share data)</i>	March 31, 2014 (unaudited)	December 31, 2013
Assets		
Investments, fair value	\$ 455,169	\$ 429,081
Cash and cash equivalents	26,403	13,665
Cash and cash equivalents, restricted	12,427	27,965
Due from counterparties	3,638	6,660
Accrued interest receivable	2,782	2,664
Deferred debt issuance costs	4,715	4,884
Other assets	148	161
Total Assets	\$ 505,282	\$ 485,080
Liabilities		
Debt	\$ 223,860	\$ 219,419
Due to counterparties	18,316	7,840
Payables to affiliates	2,801	1,317
Interest payable	612	1,488
Accrued expenses and other payables	801	936
Total Liabilities	246,390	231,000
Total Net Assets	258,892	254,080
Total Liabilities and Net Assets	\$ 505,282	\$ 485,080
Net Asset Value per Share	\$ 15.45	\$ 15.16

Comparative Statement of Quarterly Operating Results

<i>(In thousands, except per share data)</i>	For the three months ended		Variance	
	March 31, 2014 (unaudited)	December 31, 2013 (unaudited)		
Investment income				
Interest income	\$ 10,896	\$ 11,382	\$ (486)	-4.3%
Dividend income	\$ 386	\$ -	\$ 386	NA
Total Investment income	11,282	11,382	-100	-0.9%
Expenses				
Interest	1,749	1,674	75	4.5%
Loss on refinancing of senior secured notes	-	-	-	NA
Management fees	1,958	1,918	40	2.1%
Incentive fees	3,606	1,393	2,213	158.9%
Professional fees	400	484	(84)	-17.3%
Directors fees	93	100	(7)	-7.4%
Administrator expenses	205	199	6	3.1%
Other expenses	382	574	(192)	-33.5%
Total expenses	8,393	6,342	2,051	32.3%
Base management fees/incentive fees waived	-	(294)	294	-100.0%
Net expenses	\$ 8,393	\$ 6,048	\$ 2,345	38.8%
Net investment income	\$ 2,889	\$ 5,334	\$ (2,445)	-45.8%
Realized and unrealized gain/(loss) on investments				
Net realized gain/(loss) from investments	8,897	(729)	9,626	-1321.2%
Net change in unrealized appreciation on investments	(1,109)	2,067	(3,176)	-153.6%
Net realized and unrealized gain/(loss) on investments	\$ 7,788	\$ 1,338	\$ 6,450	482.1%
Net increase in net assets resulting from operations	\$ 10,677	\$ 6,672	\$ 4,005	60.0%
Net investment income per common share	\$0.17	\$0.32	(\$0.15)	-45.8%
Basic earnings per common share	\$0.64	\$0.40	\$0.24	60.0%
Basic weighted average common shares outstanding	16,759	16,759	-	0.0%
Dividends and distributions declared per common share	\$ 0.35	\$ 0.35	\$ -	0.0%

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