Earnings Presentation

Third Quarter ended September 30, 2016

DISCLAIMER

Some of the statements in this presentation constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation involve risks and uncertainties, including statements as to: our future operating results; changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, which could result in changes to the value of our assets; our business prospects and the prospects of our current and prospective portfolio companies; the impact of investments that we expect to make; the impact of increased competition; our contractual arrangements and relationships with third parties; the dependence of our future success on the general economy, including general economic trends, and its impact on the industries in which we invest; the ability of our prospective portfolio companies to achieve their objectives; the relative and absolute performance of our investment adviser, including in identifying suitable investments for us; our expected financings and investments; the adequacy of our cash resources and working capital; our ability to make distributions to our stockholders; the effects of legislation and regulations and changes thereto; the timing of cash flows, if any, from the operations of our prospective portfolio companies; and the impact of future acquisitions and divestitures.

We use words such as “anticipates,” “believes,” “expects,” “intends” and similar expressions to identify forward-looking statements. Actual results could differ materially from those implied or expressed in our forward-looking statements for any reason, and future results could differ materially from historical performance. We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements. 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 U.S. Securities and Exchange Commission, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

MARKET & PORTFOLIO TRENDS

CURRENT MARKET TRENDS IN THE LOWER MIDDLE-MARKET

- Overall loan volume in the lower middle market remained soft during the quarter primarily due to reduced sponsor volume. Sponsors cited a combination of uncertainty over the health of the economy and a disconnect with sellers on valuation
- Investors interested in yield premiums have been drawn to non-bank, direct lending and a number of managers are attempting to raise private lending funds focused on the middle market
- While we expect sponsor volume to pick up in the coming quarters, enhanced liquidity in the market may lead to some tightening of spreads in the lower middle market
- We have begun to see larger club deals that have bypassed the traditional syndication market. These tend to be nuanced credits that may not meet the criterion of the traditional CLO market

SNAPSHOT OF OUR PORTFOLIO

- New originations, club deals, purchases and add-ons during Q3 2016 totaled $39.0 million of par value across five new portfolio companies with a weighted average yield of deals closed during the quarter of 10.8%
- Core loan additions included four sponsor deals and one non-sponsor deal during the quarter
- There were $38.8 million of repayments during Q3 2016 with a weighted average yield of 10.2%
- Leverage of the portfolio remained constant from prior quarter at 3.7x and weighted average risk rating increased from prior quarter to 2.56x from 2.52x due to six portfolio company's risk rating downgrades and one portfolio risk rating upgrade

RECENT DEVELOPMENTS

SIGNIFICANT ACTIVITY

- Declared a fourth quarter 2016 distribution of $0.28 per share, payable to stockholders on December 23, 2016.

- Reduced management fee rate from 1.75% to 1.50% per annum and decreased the hurdle rate on our incentive fee from 8.00% to 7.00% per annum(1)

- Received commitment from SBA to provide $35.0 million of additional leverage, bringing our total leverage commitment from the SBA to $70.0 million

- Successfully refinanced our CLO, providing us with long-term, stable and flexible financing

- On October 5, 2016, the share repurchase plan expired. In total, the Company purchased 709,427 shares, or $8.4 million under the plan at a weighted-average share price of $11.77 per share

(1) Effective as of October 1,2016, our investment adviser, in consultation with our board of directors, agreed to irrevocably waive any fees payable to the Investment Adviser under the investment advisory agreement in excess of the sum of (i) 0.375% per quarter (1.50% annualized) of the gross assets of GARS, excluding cash and cash equivalents but including assets purchased with borrowed funds, (ii) 20% of GARS' pre-incentive fee net investment income, expressed as a rate of return on the value of GARS' net assets at the end of the immediately preceding calendar quarter, in excess of a "hurdle rate" of 1.75% per quarter (7.00% annualized) and (iii) in the case of the final calendar quarter of each year, the capital gains incentive fee. Refer to our Quarterly Form 10-Q for additional details around this waiver.

Q3 2016 LOAN PORTFOLIO ADDITIONS

	SMS SPECIALIZED MEDICAL SERVICES	DIAMOND CRYSTAL BRANDS	INTEVA PRODUCTS
BUSINESS OVERVIEW	A national provider of oxygen equipment rental and oxygen delivery services to nursing homes and hospice providers	A leading manufacturer and distributor of customized foodservice solutions including packaging and sales of various products	A designer, manufacturer and assembler of highly-engineered interior systems, closures, roof systems, and motors and electronics for leading global automotive original equipment manufacturers
DATE CLOSED / TENOR	7/29/2016 2 Year Deal	8/31/2016 5 Year Deal	8/31/2016 5 Year Deal
INTEREST RATE	LIBOR + 10.50%, 1.00% Floor, 2.00% upfront fee	LIBOR + 7.50%, 0.50% Floor, 1.00% upfront fee	LIBOR + 8.50%, 1.25% Floor, 1.00% upfront fee
ASSET TYPE	Term Loan – First Lien	Term Loan – First Lien	Term Loan – First Lien
INVESTED / GLOBAL FACILITY SIZE	TL: $9.5mm / $56.5mm*	TL: $10.0mm / $20.0mm*	TL: $5.0mm / $180.0mm*
ORIGINATION SOURCE	Originated	Club	Purchased
CALL PROTECTION	102/101	102/101	102/101
LEVERAGE (DEBT / EBITDA)**	3.90x	2.90x	1.20x

* Portion of the facility held by an affiliate of the Company and other lenders
** Represents leverage through tranche at origination

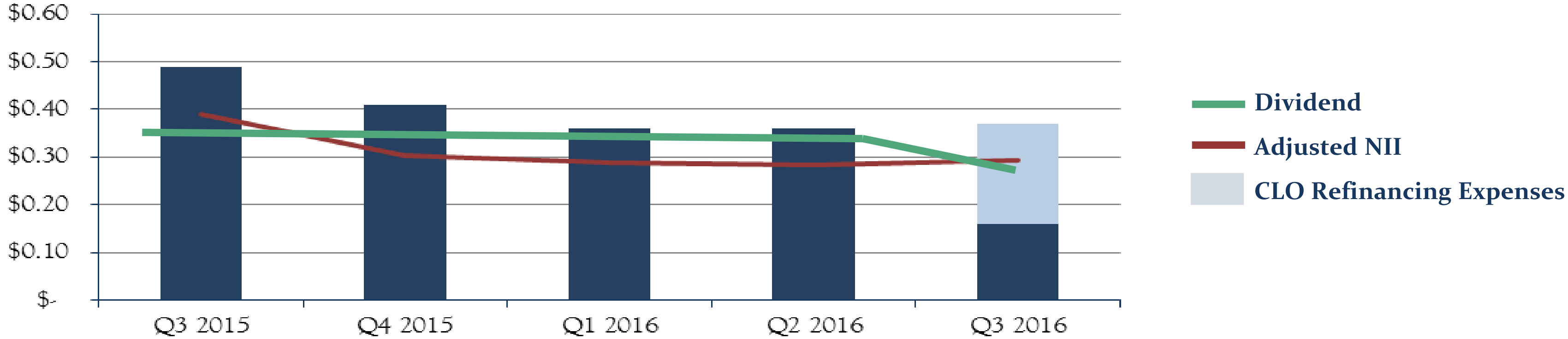
Q3 2016 LOAN PORTFOLIO ADDITIONS

BUSINESS OVERVIEW	Owner of a portfolio of convenience stores and gas stations in Colorado and Nebraska	A leading provider of an end to end retail singular commerce platform primarily to mid-sized and large retailers of specialty apparel and footwear, specialty hardware and general merchandise
DATE CLOSED / TENOR	9/1/2016 3 Year Deal	9/1/2016 6 Year Deal
INTEREST RATE	LIBOR + 11.00%, 0.30% Floor, 3.00% upfront fee	LIBOR + 6.75%, 1.00% Floor, 2.00% upfront fee
ASSET TYPE	Term Loan – First Lien	Term Loan – First Lien
INVESTED / GLOBAL FACILITY SIZE	TL: $9.0mm / $37.0mm*	TL: $9.0mm / $225.5mm*
ORIGINATION SOURCE	Originated	Club
CALL PROTECTION	104/103/102	101
LEVERAGE (DEBT / EBITDA)**	4.81x	4.35x

* Portion of the facility held by an affiliate of the Company and other lenders
** Represents leverage through tranche at origination

Q3 2016 EARNINGS HIGHLIGHTS

(per share)		Q3 2015		Q4 2015		Q1 2016		Q2 2016		Q3 2016
Adjusted net investment income (1)(2)	$	0.39	$	0.30	$	0.29	$	0.28	$	0.29
Net investment income	$	0.49	$	0.41	$	0.36	$	0.36	$	0.16
Net realized/unrealized (loss) on investments		(0.50)		(1.03)		(0.53)		(0.60)		(0.23)
Net increase in net assets from operations	$	(0.01)	$	(0.62)	$	(0.17)	$	(0.24)	$	(0.07)



- Paid a Q3 2016 dividend of $0.35 per share and declared a Q4 2016 dividend of $0.28 per share payable on December 23, 2016
- Earned NII of $2.5 million, or $0.16 per share, compared to a dividend of $0.35 for the three months ended September 30, 2016
  - NII includes $3.4 million, or $0.21 per share of non-recurring expenses associated with the refinancing of our Collateralized Loan Obligation ("CLO") vehicle
- Net realized and unrealized losses of $(3.6) million, or $(0.23) per share, for the three months ended September 30, 2016 were driven by the following:
  - Negative credit-related adjustments of $(3.5) million driven by: Forest Park Medical Center at San Antonio - $(1.8) million, Rooster Energy - $(0.8) million, Badlands Production Company - $(0.5) million and SC Academy - $(0.3) million
  - Net negative market-related adjustments of $(0.1) million across the remaining assets within our portfolio
- As of September 30, 2016, $(14.3) million of net capital losses remain accumulated under our Incentive Fee Deferral mechanism representing the potential elimination of approximately three quarters of future net investment income incentive fees

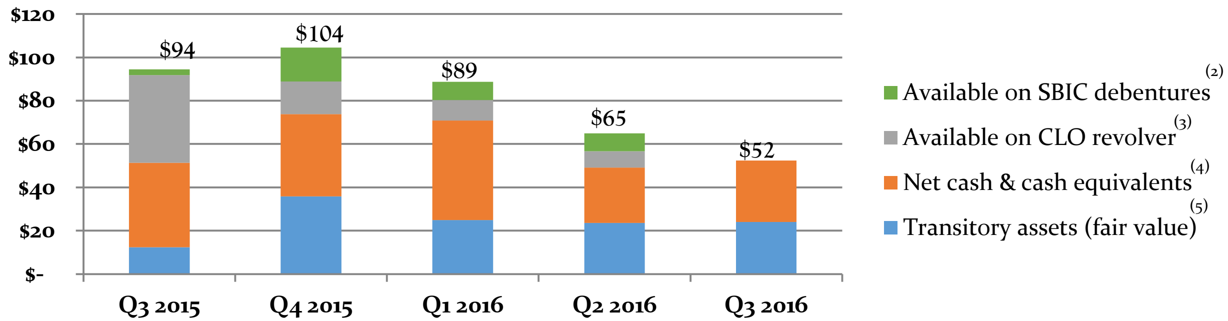
(1) Adjusted net investment income includes any fee waivers and excludes incentive fees related to realized and unrealized gains
(2) Adjusted net investment income for Q3 2016 excludes the non-recurring costs, net of incentive fees, associated with the CLO refinancing

Q3 2016 FUNDING & LIQUIDITY

FUNDING

- Our U.S. GAAP debt to equity ratio was 1.16x while our regulatory debt to equity ratio was 0.99x as of September 30, 2016[1]
  - As of September 30, 2016, factoring in $18.0 million of cash in the CLO, our regulatory net debt to equity ratio was 0.90x
- Liquidity includes $24.2 million of transitory assets that can be sold in order to remain within the allowed regulatory leverage ratio
- SBIC – Received approval of additional $35.0 million of leverage commitment, bringing our total commitment to $70.0 million which represents 2.0x our fully funded $35.0 million equity commitment
- Share repurchase program – For the three months ended September 30, 2016, we repurchased $0.4 million, or 42,040 shares, at a weighted average price of $10.38 per share and an average (19.7)% discount to net asset value.
- Weighted average cost of funds as of September 30, 2016 was 3.75%

LIQUIDITY



	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
GAAP Leverage Ratio	0.82x	1.00x	1.10x	1.09x	1.16x
WA Cost of Funds	3.3%	3.2%	3.4%	3.4%	3.8%

(1) Regulatory debt to equity ratio excludes SBIC leverage and unfunded commitments
(2) Availability on SBIC debentures does not include the additional $35 million of available leverage from the SBIC based on the approved capital commitment letter received by the SBA on October 24, 2016
(3) As of September 30, 2016, inclusive of cash in the CLO of $18.0 million, our regulatory net debt to equity ratio was 0.90x
(4) Cash & cash equivalents net of due to / due from counterparties
(5) Transitory portfolio consists of investments below the low end of our yield target

Q3 2016 PORTFOLIO HIGHLIGHTS

PORTFOLIO ACTIVITY

Par (in millions)	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Average
Originated	$ 29.5	$ 11.1	$ 8.2	$ 16.6	$ 18.5	$ 16.8
Club	4.8	10.2	6.8	-	12.9	6.9
Purchased	-	28.1	17.6	-	5.0	10.1
Consumer loans	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Total add-on investments	5.6	4.7	3.4	5.1	2.6	4.3
Total Additions	**39.9**	**54.1**	**36.0**	**21.7**	**39.0**	**38.1**
Less: Total Repayments/Sales[1][2]	**(59.8)**	**(29.0)**	**(36.3)**	**(21.2)**	**(38.8)**	**(37.0)**
Net Additions	**$ (19.9)**	**$ 25.1**	**$ (0.3)**	**$ 0.5**	**$ 0.2**	**$ 1.1**

Summary	Q3 2015[3]	Q4 2015[4]	Q1 2016[5]	Q2 2016	Q3 2016	Average
Number of new investments	4	17	3	2	5	6
WA yield of additions[4]	10.5%	8.9%	10.5%	9.6%	10.8%	10.1%
Number of repayments/sales[1][2]	6	2	5	2	3	4
WA yield of repayments/sales	10.3%	10.0%	8.1%	9.0%	10.2%	9.5%

(1) Q2 2016 repayments/sales excludes one position restructure with a reduction in par of $11.6 million
(2) Activity includes repayment of certain investments in which we continue to hold an equity investment in the portfolio company
(3) Q4 2015 WA yield of additions consist of four core additions at a WA yield of 10.5% and 13 transitory additions at a WA yield of 7.0%. Excludes non-accrual portfolio companies
(4) Q1 2016 activity excludes $16.0 million of transitory loans across five portfolio companies that were both purchased and sold during the quarter. Excludes non-accrual portfolio companies

CURRENT & HISTORICAL INVESTMENT PORTFOLIO COMPOSITION

Portfolio characteristics ($ in millions, % based on market value)*	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Total Market Value	$400.9	$404.6	$405.6	$415.0	$407.8
Number of portfolio companies	61	59	63	65	50
Average investment size (1)	$5.9	$6.0	$6.2	$6.2	$7.8
Weighted average yield (2)	11.2%	11.2%	11.2%	10.8%	10.9%
Weighted average price (1)	95.3	96.1	90.9	92.9	97.3
First lien	93.9%	93.2%	92.4%	91.8%	90.6%
Second lien & Mezzanine	1.9%	1.9%	1.9%	1.8%	1.8%
Consumer loans	2.2%	2.9%	3.5%	4.2%	5.4%
Equity & Other	2.0%	2.0%	2.2%	2.2%	2.2%
Core(3)	93.9%	94.1%	94.6%	91.2%	96.9%
Transitory(3)	6.1%	5.9%	5.4%	8.8%	3.1%
Originated (4)	57.0%	57.8%	57.5%	56.4%	61.1%
Club (5)	25.8%	26.3%	27.3%	26.1%	27.6%
Purchased	17.2%	15.9%	15.2%	17.5%	11.3%
Floating (1)	94.9%	94.7%	94.1%	93.2%	92.0%
Fixed (1)	5.1%	5.3%	5.9%	6.8%	8.0%
Performing (1)	99.3%	98.8%	95.9%	94.1%	95.6%
Non-Accrual (1)	0.7%	1.2%	4.1%	5.9%	4.4%
Weighted average debt / EBITDA (1)(2)(6)	3.7x	3.7x	3.7x	3.6x	3.7x
Weighted average risk rating (1)	2.56	2.52	2.66	2.66	2.66

(1) Excludes consumer loans and equity investments.

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

(3) The period ended March 31, 2016 includes the transfer of one portfolio company, total par of $4.8 million, to core from transitory, based on the current yield.

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.

6) Excludes non-operating portfolio companies, which we define as those investments collateralized by real estate, proved developed producing value ("PDP") or other hard assets. PDPs are proven revenues that can be produced with existing wells. As of September 30, 2016, $39.7 million of par value and $37.2 million of market value related to non-operating portfolio companies was excluded.

* Table excludes positions with a market value of zero

TOP 10 LOAN PORTFOLIO INVESTMENT AS OF SEPTEMBER 30, 2016

Issuer ($ in millions)	Fair Value	% of Loan Portfolio	Yield
MXD Group, Inc. (fka Exel Direct Inc.)	$ 14.5	3.6%	17.5%
Worley Claims Services, LLC	10.2	2.6%	9.2%
CF Entertainment Inc. (Entertainment Studios)	10.0	2.5%	12.2%
Interior Specialists, Inc.	9.9	2.5%	9.5%
CR Brands, Inc.	9.8	2.4%	10.9%
ShelterLogic Corp.	9.7	2.4%	11.3%
Specialty Bakers LLC	9.7	2.4%	9.7%
AbelConn, LLC (Atrenne Computing)	9.7	2.4%	10.2%
ActivStyle, Inc.	9.7	2.4%	10.1%
AP Gaming I, LLC	9.7	2.4%	10.7%
Total	**$ 103.0**	**25.7%**	**11.4%**

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

(In thousands, except per share data)	September 30, 2016		June 30, 2016		Variance	
Assets	(unaudited)		(unaudited)		$	%
Investments, fair value	$	400,886	$	404,594	(3,708)	-0.9%
Cash and cash equivalents		6,706		18,143	(11,437)	-63.0%
Cash and cash equivalents,		22,628		7,253	15,375	212.0%
Due from counterparties		52		2,283	(2,231)	-97.7%
Accrued interest receivable		4,246		4,218	28	0.7%
Deferred offering costs		503		503	-	0.0%
Other assets		778		186	592	318.3%
Total Assets		**435,799**		**437,180**	**(1,381)**	**-0.3%**
Liabilities						
Debt		230,229		223,078	7,151	3.2%
Due to counterparties		969		2,089	(1,120)	-53.6%
Payables to affiliates		2,018		2,037	(19)	-0.9%
Interest payable		122		955	(833)	-87.2%
Accrued expenses and other		1,413		834	579	69.4%
Total Liabilities		**234,751**		**228,993**	**5,758**	**2.5%**
Total Net Assets		**201,048**		**208,187**	**(7,139)**	**-3.4%**
Total Liabilities and Net Assets		**435,799**		**437,180**	**(1,381)**	**-0.3%**
Net Asset Value per Share	**$**	**12.53**	**$**	**12.94**	**$ (0.41)**	**-3.2%**

COMPARATIVE STATEMENT OF QUARTERLY OPERATING RESULTS

(In thousands, except per share data)	For the Three Months Ended		Variance	
	September 30, 2016 (unaudited)	**June 30, 2016** (unaudited)	$	%
Investment income				
Interest income	10,764	10,974	(210)	-1.9%
Other income	341	163	178	109.2%
Total investment income	**11,105**	**11,137**	**(32)**	**-0.3%**
Expenses				
Interest expense	3,665	2,078	1,587	76.4%
Management fee	1,805	1,824	(19)	-1.0%
Incentive fee	-	-	-	NA
Loss on refinancing of senior secured notes	1,828	-	1,828	NA
Professional fees	357	336	21	6.3%
Directors' fees	91	107	(16)	-15.0%
Administrator expenses	311	445	(134)	-30.1%
Other expenses	511	597	(86)	-14.4%
Total expenses	8,568	5,387	3,181	59.0%
Net investment income	**2,537**	**5,750**	**(3,213)**	**-55.9%**
Realized and unrealized loss from investments				
Net realized loss from investments	(11,182)	(18,315)	7,133	38.9%
Net change in unrealized loss from investments	7,557	8,681	(1,124)	-12.9%
Net realized and unrealized loss from investments	**(3,625)**	**(9,634)**	**6,009**	**62.4%**
Net decrease in net assets resulting from operations	**(1,088)**	**(3,884)**	**2,796**	**72.0%**
Net investment income per common share	**$ 0.16**	**$ 0.36**	**$ (0.20)**	**-55.6%**
Basic earnings per common share	**$ (0.07)**	**$ (0.24)**	**$ 0.17**	**70.8%**
Basic weighted average common shares outstanding	**16,059,665**	**16,173,091**	**(113,426)**	**-0.7%**
Dividends and distributions declared per common share	**$ 0.35**	**$ 0.35**	**$ -**	**0.0%**

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