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

FORM 10-K

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

For the fiscal year ended December 31 , 2023

or

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

Commission File Number: 814-01211

Great Elm Capital Corp.

(Exact name of registrant as specified in its charter)

Maryland	**81-2621577**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
800 South Street , Suite 230 , Waltham , MA	**02453**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (617) 375-3006

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, par value $0.01 per share	GECC	Nasdaq Global Market
6.75% Notes due 2025	GECCM	Nasdaq Global Market
5.875% Notes due 2026	GECCO	Nasdaq Global Market
8.75% Notes due 2028	GECCZ	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically 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 ☒ No ☐

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	☐	Accelerated filer	☐

Non-accelerated filer	☐		
☒		Smaller reporting company	
			☐
		Emerging growth company	

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting stock held by non-affiliates of the registrant was $

30.3

million as of June 30, 2023.

As of February 22, 2024, there were

9,452,382

outstanding shares of the registrant's common stock.

Documents Incorporated by Reference

Portions of the proxy statement for the annual meeting of stockholders ("Proxy Statement") of the registrant, to be filed with the Securities and Exchange Commission within 120 days of our fiscal year ended December 31, 2023, are incorporated by reference into Part III of this report.

TABLE OF CONTENTS

PART I

Unless the context otherwise requires, all references to “GECC,” “we,” “us,” “our,” the “Company” and words of similar import are to Great Elm Capital Corp. and/or its subsidiaries. We reference materials on our website, www.greatelmcc.com, but nothing on our website shall be deemed incorporated by reference or otherwise contained in this report.

Cautionary Note Regarding Forward-Looking Information

Some of the statements in this report (including in the following discussion) constitute forward-looking statements, which relate to future events or our future performance or financial conditions. The forward-looking statements contained in this report involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies’, future business, operations, operating results or prospects;
- the return or impact of current and future investments;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of fluctuations in interest rates on our business;
- the impact of changes in laws or regulations governing our operations or the operations of our portfolio companies;
- our contractual arrangements and relationships with third parties;
- our current and future management structure;
- the general economy, including recessionary trends, and its impact on the industries in which we invest;
- the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;
- serious disruptions and catastrophic events;
- our expected financings and investments, including interest rate volatility;
- the adequacy of our financing resources and working capital;
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the timing, form and amount of any dividend distributions;
- the valuation of any investments in portfolio companies, particularly those having no liquid trading market; and
- our ability to maintain our qualification as a regulated investment company (“RIC”) and as a business development company (“BDC”).

We use words such as “anticipate,” “believe,” “expect,” “intend,” “will,” “should,” “could,” “may,” “plan” and similar words to identify forward-looking statements. The forward-looking statements contained in this report involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth under “Item 1A. Risk Factors.”

We have based the forward-looking statements included in this report on information available to us on the date of this report, 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 Securities and Exchange Commission (the “SEC”).

Selected Risk Associated with Our Business

Our business is subject to a number of risks and uncertainties, including those highlighted and discussed in greater detail in the section titled “Risk Factors” following this summary:

- We face competition for investment opportunities. Limited availability of attractive investment opportunities in the market could cause us to hold a larger percentage of our assets in liquid securities until market conditions improve.
- Our portfolio is limited in the number of portfolio companies which may subject us to a risk of significant loss if one or more of these companies defaults on its obligations under any of its debt instruments.
- Our portfolio is concentrated in a limited number of industries, which subjects us to a risk of significant loss if there is a downturn in a particular industry in which a number of our investments are concentrated.
- Defaults by our portfolio companies may harm our operating results.
- By investing in companies that are experiencing significant financial or business difficulties, we are exposed to distressed lending risks.
- Certain of the companies we target may have difficulty accessing the capital markets to meet their future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.
- Investing in middle market companies involves a high degree of risk and our financial results may be affected adversely if one or more of our portfolio investments defaults on its loans or notes or fails to perform as we expect.
- An investment strategy that includes privately held companies presents challenges, including the lack of available information about these companies, a dependence on the talents and efforts of only a few key portfolio company personnel and a greater vulnerability to economic downturns.
- Investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.
- Economic recessions or downturns could impair our portfolio companies and harm our operating results.
- Our failure to maintain our status as a BDC would reduce our operating flexibility.
- Regulations governing our operations as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage.
- We will be subject to corporate level U.S. federal income tax if we are unable to qualify as a RIC under the Code.
- We may incur additional debt, which could increase the risk in investing in our Company.
- The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning, could impair our ability to conduct business effectively.
- There are significant potential conflicts of interest that could impact our investment returns.

Item 1. Business.

Overview

We are a Maryland corporation that was formed in April 2016. We operate as a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a BDC under the Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition, for tax purposes, we elected to be treated as a RIC under the Code, beginning with our tax year starting October 1, 2016.

We seek to generate both income and capital appreciation through debt and income-generating equity investments, including investments in specialty finance businesses. To achieve our investment objective, we invest in secured and senior secured debt instruments of middle market companies, as well as income-generating equity investments in specialty finance companies, that we believe offer sufficient downside protection and have the potential to generate attractive returns. We generally define middle market companies as companies with enterprise values between $100 million and $2 billion. We also make investments throughout other portions of a company's capital structure, including subordinated debt, mezzanine debt, and equity or equity-linked securities. We source these transactions directly with issuers and in the secondary markets through relationships with industry professionals.

Our Portfolio as of December 31, 2023

A list of the industries in which we have invested as of December 31, 2023 may be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations." Set forth below is a brief description of each company representing greater than 5% of the fair market value of our portfolio, excluding short-term investments, at December 31, 2023.

American Coastal Insurance Corporation (f/k/a United Insurance Holdings Corp.)

American Coastal Insurance Corporation ("ACIC") is the holding company for American Coastal Insurance Company, Interboro Insurance Company and affiliated companies. ACIC is primarily engaged in sourcing, writing and servicing personal and commercial residential property and casualty insurance policies in the United States, primarily in Florida and New York. ACIC's most significant line of business is in providing commercial multi-peril property insurance for residential condominium associations and apartments in Florida. American Coastal Insurance Company has a leading market share of commercial residential property insurance for condominium associations in Florida (commercial lines). All of the commercial lines business is administered through an exclusive agreement with an outside managing general underwriter, AmRisc, LLC, a Truist Financial Corporation (NYSE: TFC) subsidiary. Given ACIC's concentration to the Florida property and casualty market, it is subject to various risks including fluctuations in inflation impacting loss estimates, judicial decisions, legislative changes, regulatory oversight, and changes in claims handling procedures.

First Brands, Inc.

First Brands, Inc. ("First Brands") is a global automotive parts company that develops, markets and sells premium products through a portfolio of market-leading brands, offering best-in-class technology, industry-leading engineering capabilities and superior customer service. First Brands manufactures automotive and industrial components for the automotive aftermarket, original equipment and industrial markets and has built long standing relationships with key aftermarket customers including multiple national retail chains and automotive and industrial equipment makers. First Brands stands as a market leader in the expansive and stable automotive aftermarket industry. First Brands' Brake Component segment leads the market with its Centric, Raybestos, Specialty and private label offerings, capturing around 26% of the aftermarket brake components market. First Brands' Filter Products segment also holds a leading market position, thanks to its FRAM and Champion Laboratory and private label brands, which together hold a 30% market share. First Brands' Wiper Segment is the top supplier of aftermarket wiper blades, boasting a commanding 37% market share through its Trico, ANCO, Michelin and private label products.

Great Elm Specialty Finance, LLC

Great Elm Specialty Finance, LLC ("GESF") is a specialty finance company and through its subsidiaries, provides a variety of financing options along a "continuum of lending" to middle-market borrowers, including receivables factoring, asset-based and asset-backed lending, lender finance and equipment financing. GESF expects to generate both revenue and cost synergies across its specialty finance company subsidiaries.

Research Now

Research Now Group, Inc. ("Research Now") is the largest first-party data and insight platform, serving nearly 6,000 market research, media and advertising agencies, publishers, consulting and investment firms and corporate customers. Research Now offers end-to-end solutions for research from survey preparation and delivery to data processing and analytics. Research Now conducts over 90 million surveys annually from its 29 million active panelists.

Investment Manager and Administrator

Great Elm Capital Management, Inc.'s ("GECM") investment team has more than 100 years of experience in the aggregate financing and investing in leveraged middle-market companies. GECM's team is led by Matt Kaplan, GECM's Portfolio Manager and our President and Chief Executive Officer. GECM's investment committee includes Matt Kaplan, Adam M. Kleinman, Jason W. Reese, Nichole Milz and Dan Cubell. Great Elm Group, Inc. ("GEG") is the parent company of GECM. The address for GECM is 3801 PGA Blvd., Suite 603, Palm Beach Gardens, Florida, 33410.

Investment Selection

GECM employs a team of investment professionals with experience in leveraged and specialty finance. The research team performs fundamental research at both the industry and company level. Through in-depth industry coverage, GECM's investment team seeks to develop a thorough understanding of the fundamental market, sector drivers, mergers and acquisition activity, security pricing and trading and new issue trends. GECM's investment team believes that understanding industry trends is an important element of investment success.

We have recently expanded our investment allocation in specialty finance companies as well as in participation opportunities generated by both unrelated and related specialty finance companies. GECM believes investments in specialty finance companies along the "continuum of lending" provide attractive risk adjusted returns that are expected to be largely uncorrelated to the liquid credit markets. The "continuum of lending" as seen by GECM is the various stages of capital that are provided to under-banked small and medium sized businesses and includes inventory and purchase order financing, receivables factoring, asset-based and asset-backed lending, and equipment financing. GECM believes that ownership interests in multiple specialty finance companies will create a natural competitive advantage for each business and generate both revenue and cost synergies across companies.

Idea Generation, Origination and Refinement

Idea generation and origination is maximized through long-standing and extensive relationships with industry contacts, brokers, commercial and investment bankers, as well as current and former clients, portfolio companies and investors. GECM's investment team is expected to supplement these lead sources by also utilizing broader research efforts, such as attendance at prospective borrower industry conferences and an active calling effort to brokers and investment bankers. GECM's investment team focuses their idea generation and origination efforts on middle-market companies. In screening potential investments, GECM's investment team utilizes a value-oriented investment philosophy with analysis and research focused on the preservation of capital. GECM has identified several criteria that it believes are important in identifying and investing in prospective portfolio companies. GECM's process requires focus on the terms of the applicable contracts and instruments. GECM's criteria provide general guidelines for GECM's investment committee's decisions; however, not all of these criteria will be met by each prospective portfolio company in which they choose to invest.

Asset Based Investments. Investments in businesses based on the value of the collateral or the issuer's assets. This type of investment focuses on expected realizable value of the issuer's assets.

Enterprise Value Investments. Investments in businesses whose enterprise value represents the opportunity for principal to be repaid by refinancing or in connection with a merger or acquisition transaction. These investments focus on the going concern value of the enterprise.

Other Debt Investments. Investments in businesses which have the ability to pay interest and principal on outstanding debt out of expected free cash flow from their business. These investments focus on the sustainability and defensibility of cash flows from the business.

Due Diligence

GECM's due diligence typically includes:

- analysis of the credit documents by GECM's investment team (including the members of the team with legal training and years of professional experience). GECM will engage outside counsel when necessary as well;
- review of historical and prospective financial information;
- research relating to the prospective portfolio company's management, industry, markets, customers, products and services and competitors and customers;
- verification of collateral or assets;
- interviews with management, employees, customers and vendors of the prospective portfolio company; and
- informal or formal background and reference checks.

Upon the completion of due diligence and a decision to proceed with an investment in a company, the investment professionals leading the diligence process present the opportunity to GECM's investment committee, which then determines whether to pursue the potential investment.

Approval of Investment Transactions

GECM's procedures call for each new investment under consideration by the GECM analysts to be preliminarily reviewed at periodic meetings of GECM's investment team. GECM's investment team then prepares a summary of the investment, including a financial model and risk cases and a legal review checklist. GECM's investment committee then will hold a formal review meeting, and following approval of a specific investment, authorization is given to GECM's trader, including execution guidelines.

GECM's investment analysts provide regular updates of the positions for which they are responsible to members of GECM's investment committee.

GECM's investment analysts and portfolio manager will jointly decide when to sell a position in consultation with members of the GECM investment committee. The sale decision will then be given to GECM's trader, who will execute the trade.

Ongoing Relationship with Portfolio Companies

As a BDC, we offer, and sometimes provide upon request, significant managerial assistance to certain of our portfolio companies. This assistance could involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of our portfolio companies and providing other organizational and financial guidance.

GECM's investment team monitors our portfolio companies on an ongoing basis. They monitor the financial trends of each portfolio company and its respective industry to assess the appropriate course of action for each investment. GECM's ongoing monitoring of a portfolio company will include both a qualitative and quantitative analysis of the company and its industry.

Valuation Procedures

We value our assets, an essential input in the determination of our net asset value ("NAV") consistent with generally accepted accounting principles in the United States ("GAAP") and as required by the Investment Company Act. See "Management's Discussion and Analysis of Financial Condition and Results of Operations–Critical Accounting Policies and Estimates" for an extended discussion of our methodology.

Staffing

We do not currently have any employees. Mr. Kaplan is our President and Chief Executive Officer and Portfolio Manager for GECM, as well as a Managing Director of Imperial Capital Asset Management, LLC ("ICAM"). Under an Administration Agreement, dated as of September 27, 2016 (the "Administration Agreement"), by and between us and GECM, GECM provides the services of our Chief Financial Officer and Chief Compliance Officer.

GECM has entered into a shared services agreement with ICAM, pursuant to which ICAM will make available to GECM certain employees of ICAM, to provide services to GECM in exchange for reimbursement by GECM of the allocated portion of such employees' time.

Competition

We compete for investments with other BDCs and investment funds (including private equity funds, hedge funds, mutual funds, mezzanine funds and small business investment companies), as well as traditional financial services companies such as commercial banks, direct lending funds and other sources of funding. Additionally, because there is competition for investment opportunities among alternative investment vehicles, those entities have begun to invest in areas they have not traditionally invested in, including making investments in the types of portfolio companies we target. Many of these entities have greater financial and managerial resources than we do.

Exemptive Relief

We have received exemptive relief from the SEC that will allow us to co-invest, together with other investment vehicles managed by GECM, in specific investment opportunities in accordance with the terms and conditions of the SEC order granting such exemptive relief.

Investment Management Agreement

Management Services

GECM serves as our investment adviser and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Subject to the overall supervision of our board of directors (our "Board"), GECM manages our day-to-day operations and provides investment advisory and management services to us. Under the terms of the Amended and Restated Investment Management Agreement, dated as of August 1, 2022 (the "Investment Management Agreement"), by and between us and GECM, GECM:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of our investments (including performing due diligence on our prospective portfolio companies);
- closes and monitors our investments; and
- determines the securities and other assets that we purchase, retain or sell.

GECM's services to us under the Investment Management Agreement are not exclusive, and GECM is free to furnish similar services to other entities.

Management and Incentive Fees

Under the Investment Management Agreement, GECM receives a fee from us, consisting of two components: (1) a base management fee and (2) an incentive fee.

The base management fee is calculated at an annual rate of 1.50% of our average adjusted gross assets, including assets purchased with borrowed funds. The base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of our gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the then current calendar quarter. Base management fees for any partial quarter are prorated.

The incentive fee consists of two components that are independent of each other, with the result that one component may be payable even if the other is not. One component of the incentive fee is based on income (the "Income Incentive Fee") and the other component is based on capital gains (the "Capital Gains Incentive Fee").

Income Incentive Fee

The Income Incentive Fee is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the quarter. Pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees such as commitment, origination, diligence and consulting fees or other fees that we receive from portfolio companies, but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement, and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes any accretion of original issue discount, market discount, payment-in-kind ("PIK") interest, PIK dividends or other types of deferred or accrued income, including in connection with zero coupon securities, that we and our consolidated subsidiaries have recognized in accordance with GAAP, but have not yet received in cash (collectively, "Accrued Unpaid Income").

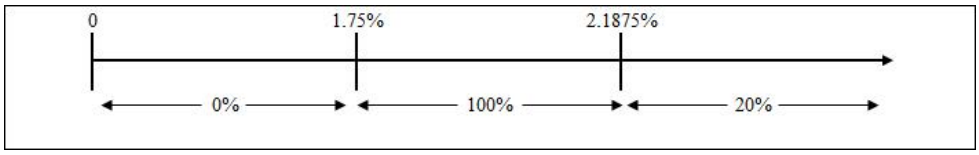
Pre-incentive fee net investment income does not include any realized capital gains or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate (as defined below) for a quarter, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses.

Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets (defined in accordance with GAAP) at the end of the immediately preceding calendar quarter, is compared to a fixed "hurdle rate" of 1.75% per quarter (7.00% annualized). If market interest rates rise, we may be able to invest in debt instruments that provide for a higher return, which would increase our pre-incentive fee net investment income and make it easier for GECM to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income.

We pay the incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which the pre-incentive fee net investment income does not exceed the hurdle rate;
- 100% 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% in any calendar quarter (8.75% annualized). We refer to this portion of our pre-incentive fee net investment income as the "catch up" provision. The "catch up" is meant to provide GECM with 20% of the pre-incentive fee net investment income as if a hurdle rate did not apply if our net investment income exceeds 2.1875% in any calendar quarter; and
- 20% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized).

The following is a graphical representation of the calculation of the income related portion of the incentive fee:



These calculations are adjusted for any share issuances or repurchases during the quarter and will be appropriately prorated for any period of less than three months. Any Income Incentive Fee otherwise payable with respect to Accrued Unpaid Income (collectively, the "Accrued Unpaid Income Incentive Fees") will be deferred, on a security by security basis, and will become payable only if, as, when and to the extent cash is received by us or our consolidated subsidiaries in respect thereof. Any Accrued Unpaid Income that is subsequently reversed in connection with a write-down, write-off, impairment or similar treatment of the investment giving rise to such Accrued Unpaid Income will, in the applicable period of reversal, (1) reduce pre-incentive fee net investment income and (2) reduce the amount of Accrued Unpaid Income deferred pursuant to the terms of the Investment Management Agreement. Subsequent payments of Income Incentive Fees deferred pursuant to this paragraph do not reduce the amounts payable for any quarter pursuant to the other terms of the Investment Management Agreement.

We will defer cash payment of any Income Incentive Fee otherwise payable to the investment adviser in any quarter (excluding Accrued Unpaid Income Incentive Fees with respect to such quarter) that exceeds (1) 20% of the Cumulative Pre-Incentive Fee Net Return (as defined below) during the most recent twelve full calendar quarter period ending on or prior to the date such payment is to be made (the "Trailing Twelve Quarters") less (2) the aggregate incentive fees that were previously paid to the investment adviser during such Trailing Twelve Quarters (excluding Accrued Unpaid Income Incentive Fees during such Trailing Twelve Quarters and not subsequently paid). "Cumulative Pre-Incentive Fee Net Return" during the relevant Trailing Twelve Quarters means the sum of (a) pre-incentive fee net investment income in respect of such Trailing Twelve Quarters less (b) net realized capital losses and net unrealized capital depreciation, if any, in each case calculated in accordance with GAAP, in respect of such Trailing Twelve Quarters.

Capital Gains Incentive Fee

The Capital Gains Incentive Fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date), commencing with the partial calendar year from April 1, 2022 to December 31, 2022, and is calculated at the end of each applicable year by subtracting (a) the sum of our and our consolidated subsidiaries' cumulative aggregate realized capital losses (excluding, for the avoidance of doubt, any realized capital losses arising from unrealized capital depreciation occurring prior to April 1, 2022) and aggregate unrealized capital depreciation from (b) our and our consolidated subsidiaries' cumulative aggregate realized capital gains, in each case calculated from and after April 1, 2022 (the "Capital Gains Commencement Date"). If such amount is negative, then there is no Capital Gains Incentive Fee for such year. If such amount is positive at the end of such year, then the Capital Gains Incentive Fee for such year is equal to 20% of such amount, less the aggregate amount of Capital Gains Incentive Fees paid in all prior years.

The cumulative aggregate realized capital gains are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in our portfolio when sold and (b) the accreted or amortized cost basis of such investment. The cumulative aggregate realized capital losses are calculated as the sum of the amounts by which (a) the net sales price of each investment in our portfolio when sold is less than (b) the accreted or amortized cost basis of such investment. The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the fair value of each investment in our portfolio as of the applicable Capital Gains Incentive Fee calculation date and (b) the accreted or amortized cost basis of such investment.

Examples of Quarterly Incentive Fee Calculations

The following hypothetical calculations illustrate the calculation of the Income Incentive Fee under the Investment Management Agreement. Amounts shown are a percentage of total net assets.

	Assumption 1	Assumption 2	Assumption 3
Investment income[1]	6.39%	7.54%	8.39%
Hurdle rate (7% annualized)	1.75%	1.75%	1.75%
"Catch up" provision (8.75% annualized)	2.19%	2.19%	2.19%
Pre-incentive fee net investment income[2]	1.00%	2.15%	3.00%
Incentive fee	- %[3]	0.40%[4]	0.60%[5]

(1) Investment income includes interest income, dividends and other fee income.

(2) Pre-incentive fee net investment income is net of management fees and other expenses and excludes organizational and offering expenses. In these examples, management fees are 0.38% (1.50% annualized) of net assets and other expenses are assumed to be 5.02% of net assets.

(3) The pre-incentive fee net investment income is below the hurdle rate and thus no incentive fee is earned.

(4) The pre-incentive fee net investment income ratio of 2.15% is between the hurdle rate and the top of the "catch up" provision thus the corresponding incentive fee is calculated as 100% × (2.15% - 1.75%).

(5) The pre-incentive fee net investment income ratio of 3.00% is greater than both the hurdle rate and the "catch up" provision thus the corresponding incentive fee is calculated as (i) 100% × (2.1875% – 1.75%) or 0.4375% (the "catch up"); plus (ii) 20% × (3.00% - 2.1875%).

The following hypothetical calculations illustrate the calculation of the Capital Gains Incentive Fee under the Investment Management Agreement.

	In millions	
	Assumption 1	Assumption 2
Year 1		
Investment in Company A	$ 20.0	$ 20.0
Investment in Company B	30.0	30.0
Investment in Company C	-	25.0
Year 2		
Proceeds from sale of investment in Company A	50.0	50.0
Fair market value ("FMV") of investment in Company B	32.0	25.0
FMV of investment in Company C	-	25.0
Year 3		
Proceeds from sale of investment in Company C	-	30.0
FMV of investment in Company B	25.0	24.0
Year 4		
Proceeds from sale of investment in Company B	31.0	-
FMV of investment in Company B	-	35.0
Year 5		
Proceeds from sale of investment in Company B	-	20.0
Capital Gains Incentive Fee:		
Year 1	$ - [1]	$ - [1]
Year 2	6.0 [2]	5.0 [6]
Year 3	- [3]	0.8 [7]
Year 4	0.2 [4]	1.2 [8]
Year 5	- [5]	- [9]

(1) There is no Capital Gains Incentive Fee in Year 1 as there have been no realized capital gains.

(2) Aggregate realized capital gains are $30.0 million. There are no aggregate realized capital losses or aggregate unrealized capital depreciation. Capital Gains Incentive Fee is calculated as $30.0 million × 20%.

(3) Aggregate realized capital gains are $30.0 million. There are no aggregate realized capital losses and there is $5.0 million in aggregate unrealized capital depreciation. Capital Gains Incentive Fee is calculated as the greater of (i) zero and (ii) ($30.0 million - $5.0 million) × 20% less $6.0 million (aggregate Capital Gains Incentive Fee paid in prior years).

(4) Aggregate realized capital gains are $31.0 million. There are no aggregate realized capital losses or aggregate unrealized capital depreciation. Capital Gains Incentive Fee is calculated as the greater of (i) zero and (ii) $31.0 million × 20% less $6.0 million (aggregate Capital Gains Incentive Fee paid in prior years).

(5) There is no Capital Gains Incentive Fee in Year 5 as there are no aggregate realized capital gains for which Capital Gains Incentive Fee has not already been paid in prior years.

(6) Aggregate realized capital gains are $30.0 million. There are no aggregate realized capital losses and there is $5.0 million in aggregate unrealized capital depreciation. Capital Gains Incentive Fee is calculated as the greater of (i) zero and (ii) ($30.0 million - $5.0 million) × 20%. There have been no Capital Gains Incentive Fees paid in prior years.

(7) Aggregate realized capital gains are $35.0 million. There are no aggregate realized capital losses and there is $6.0 million in aggregate unrealized capital depreciation. Capital Gains Incentive Fee is calculated as the greater of (i) zero and (ii) ($35.0 million - $6.0 million) × 20% less $5.0 million (aggregate Capital Gains Incentive Fee paid in prior years).

(8) Aggregate realized capital gains are $35.0 million. There are no aggregate realized capital losses or aggregate unrealized capital depreciation. Capital Gains Incentive Fee is calculated as the greater of (i) zero and (ii) $35.0 million × 20% less $5.8 million (aggregate Capital Gains Incentive Fee paid in prior years).

(9) Aggregate realized capital gains are $35.0 million. Aggregate realized capital losses are $10.0 million. There is no aggregate unrealized capital depreciation. Capital Gains Incentive Fee is calculated as the greater of (i) zero and (ii) ($35.0 million - $10.0 million) × 20% less $7.0 million (aggregate Capital Gains Incentive Fee paid in prior years).

As illustrated in Year 3 of Assumption 1 above, if GECC were to be wound up on a date other than December 31 of any year, we may have paid aggregate capital gain incentive fees that are more than the amount of such fees that would be payable if GECC had been wound up on December 31 of such year.

For the year ended December 31, 2023, we incurred $3.5 million in base management fees and $3.1 million in income-based fees accrued during the period. There were no capital gains incentive fees earned by GECM as calculated under the Investment Management Agreement for the year ended December 31, 2023.

For the year ended December 31, 2022, we incurred $3.2 million in base management fees and $0.6 million in income-based fees accrued during the period, exclusive of the waiver granted by GECM of $4.9 million in incentive fees earned in previous periods. The incentive fees were deferred in accordance with the Investment Management Agreement. There were no capital gains incentive fees earned by GECM as calculated under the Investment Management Agreement for the year ended December 31, 2022.

For the year ended December 31, 2021, we incurred $3.2 million in base management fees and $(4.3) million in income-based fees accrued during the period. The incentive fees were deferred in accordance with the Investment Management Agreement. There were no capital gains incentive fees earned by GECM as calculated under the Investment Management Agreement for the year ended December 31, 2021.

Payment of Expenses

The services of all investment professionals and staff of GECM, when and to the extent engaged in providing investment advisory and management services, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by GECM. GECM has policies and procedures in place to calculate reimbursement of administrative expenses insofar as they relate to compensation and overhead of administrator personnel and rent on a quarterly basis. Compensation of administrator personnel is allocated based on time allocation for the period. Other overhead expenses are based on a combination of time allocation and total headcount. We bear all other costs and expenses of our operations and transactions, including (without limitation):

- our organizational expenses;
- fees and expenses, including reasonable travel expenses, actually incurred by GECM or payable to third parties related to our investments, including, among others, professional fees (including the fees and expenses of counsel, consultants and experts) and fees and expenses relating to, or associated with, evaluating, monitoring, researching and performing due diligence on investments and prospective investments (including payments to third party vendors for financial information services);
- out-of-pocket fees and expenses, including reasonable travel expenses, actually incurred by GECM or payable to third parties related to the provision of managerial assistance to our portfolio companies that we agree to provide such services to under the Investment Company Act (exclusive of the compensation of any investment professionals of GECM);
- interest or other costs associated with debt, if any, incurred to finance our business;
- fees and expenses incurred in connection with our membership in investment company organizations;
- brokers' commissions;
- investment advisory and management fees;
- fees and expenses associated with calculating our NAV (including the costs and expenses of any independent valuation firm);
- fees and expenses relating to offerings of our common stock and other securities;
- legal, auditing or accounting expenses;
- federal, state and local taxes and other governmental fees;
- the fees and expenses of GECM, in its role as the administrator, and any sub-administrator, our transfer agent or sub-transfer agent, and any other amounts payable under the Administration Agreement, or any similar administration agreement or sub-administration agreement to which we may become a party;
- the cost of preparing stock certificates or any other expenses, including clerical expenses of issue, redemption or repurchase of our securities;
- the expenses of and fees for registering or qualifying our common stock for sale and of maintaining our registration and registering us as a broker or a dealer;
- the fees and expenses of our directors who are not interested persons (as defined in the Investment Company Act);
- the cost of preparing and distributing reports, proxy statements and notices to stockholders, the SEC and other governmental or regulatory authorities;
- costs of holding stockholders' meetings;
- listing fees;
- the fees or disbursements of custodians of our assets, including expenses incurred in the performance of any obligations enumerated by our bylaws or amended and restated articles of incorporation insofar as they govern agreements with any such custodian;
- our allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- our allocable portion of the costs associated with maintaining any computer software, hardware or information technology services (including information systems, Bloomberg or similar terminals, cyber security and related consultants and email retention) that are used by us or by GECM or its respective affiliates on our behalf (which allocable portion shall exclude any such costs related to investment professionals of GECM providing services to us);
- direct costs and expenses incurred by us or GECM in connection with the performance of administrative services on our behalf, including printing, mailing, long distance telephone, cellular phone and data service, copying, secretarial and other staff, independent auditors and outside legal costs;

- all other expenses incurred by us or GECM in connection with administering our business (including payments under the Administration Agreement) based upon our allocable portion of GECM's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our Chief Financial Officer and Chief Compliance Officer and their respective staffs (including reasonable travel expenses); and
- costs incurred by us in connection with any claim, litigation, arbitration, mediation, government investigation or dispute in connection with our business and the amount of any judgment or settlement paid in connection therewith, or the enforcement of our rights against any person and indemnification or contribution expenses payable by us to any person and other extraordinary expenses not incurred in the ordinary course of our business.

Duration and Termination

Our Board initially approved the Investment Management Agreement on August 8, 2016, and most recently approved the Investment Management Agreement on July 25, 2023. The Investment Management Agreement renews for successive annual periods subject to annual approval by our Board or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not "interested persons." The Investment Management Agreement will automatically terminate if it is assigned. The Investment Management Agreement may be terminated by either party without penalty upon 60 days' written notice to the other. The Investment Management Agreement is currently in effect.

Conflicts of interest may arise if GECM seeks to change the terms of the Investment Management Agreement, including, for example, the terms for compensation. Except in limited circumstances, any material change to the Investment Management Agreement must be submitted to stockholders for approval under the Investment Company Act and we may from time to time decide it is appropriate to seek stockholder approval to change the terms of the Investment Management Agreement.

Indemnification

We agreed to indemnify GECM, its stockholders and their respective officers, managers, partners, agents, employees, controlling persons, members and any other person affiliated with it, to the fullest extent permitted by law, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of GECM's services under the Investment Management Agreement or otherwise as our investment adviser.

Organization of the Investment Adviser

GECM is a Delaware corporation and is registered as an investment adviser under the Advisers Act. GECM's principal executive offices are located at 3801 PGA Blvd., Suite 603, Palm Beach Gardens, FL 33410.

Board Approval of the Investment Management Agreement

On July 25, 2023, our Board approved the renewal of the Investment Management Agreement through September 26, 2024. In its consideration of the Investment Management Agreement, our Board focused on information it had received relating to, among other things:

- the nature, quality and extent of the advisory and other services to be provided to us by GECM;
- the investment performance of us and GECM;
- the extent to which economies of scale would be realized as we grow, and whether the fees payable under the Investment Management Agreement reflect these economies of scale for the benefit of our stockholders;
- comparative data with respect to advisory fees or similar expenses paid by other BDCs with similar investment objectives;
- our projected operating expenses and expense ratio compared to BDCs with similar investment objectives;

- existing and potential sources of indirect income to GECM from its relationship with us and the profitability of those income sources;
- information about the services to be performed and the personnel performing such services under the Investment Management Agreement;
- the organizational capability and financial condition of GECM and its affiliates; and
- the possibility of obtaining similar services from other third party service providers or through an internally managed structure.

In connection with their consideration of the renewal of the Investment Management Agreement, our Board gave weight to each of the factors described above, but did not identify any one particular factor as controlling their decision. After deliberation and consideration of all of the information provided, including the factors described above, the Board, including all of its independent members, concluded that the Investment Management Agreement should be approved and continued.

Regulation as a Business Development Company

We may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC unless authorized by the "vote of a majority of the outstanding voting securities", as required by the Investment Company Act. A "vote of a majority of the outstanding voting securities of a company" is defined under the Investment Company Act as the lesser of:

- 67% or more of such company's voting securities present at a meeting if more than 50% of the outstanding voting securities of such company are present or represented by proxy, or
- more than 50% of the outstanding voting securities of such company.

A majority of our directors must be persons who are not "interested persons", as that term is defined in the Investment Company Act. Additionally, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the BDC. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

We are required to meet a coverage ratio of the value of total assets to total senior securities, which include all of our borrowings and any preferred stock we may issue in the future, of at least 150%. We may also be prohibited under the Investment Company Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not interested persons and, in some cases, prior approval by the SEC.

For example, we may sell shares of our common stock at a price below the then current NAV of our common stock if our Board determines that such sale is in our and our stockholders' best interests, and our stockholders approve our policy and practice of making such sales. In any such case, under such circumstances, the price at which shares of our common stock are sold may be the fair value of such shares of common stock. We may be examined by the SEC for compliance with the Investment Company Act.

We are generally unable to sell shares of our common stock at a price below NAV per share. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage. We may, however, sell shares of our common stock at a price below NAV per share:

- in connection with a rights offering to our existing stockholders,
- with the consent of the majority of our common stockholders, or
- under such other circumstances as the SEC may permit.

We may not acquire any assets other than “qualifying assets” unless, at the time we make such acquisition, the value of our qualifying assets represents at least 70% of the value of our total assets. The principal categories of qualifying assets relevant to our business are:

- securities purchased in transactions not involving any public offering, the issuer of which is an eligible portfolio company;
- securities received in exchange for or distributed with respect to securities described in the bullet above or pursuant to the exercise of options, warrants or rights relating to such securities; and
- cash, cash items, government securities or high quality debt securities (within the meaning of the Investment Company Act), maturing in one year or less from the time of investment.

An “eligible portfolio company” is generally a U.S. domestic company that is not an investment company (other than a small business investment company wholly-owned by a BDC) and that:

- does not have a class of securities with respect to which a broker may extend margin credit at the time the acquisition is made;
- is controlled by the BDC and has an affiliate of the BDC on its board of directors;
- does not have any class of securities listed on a national securities exchange;
- is a public company that lists its securities on a national securities exchange with a market capitalization of less than $250.0 million; or
- meets such other criteria as may be established by the SEC.

“Control”, as defined by the Investment Company Act, is presumed to exist where a BDC beneficially owns more than 25% of the outstanding voting securities of the portfolio company.

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in eligible portfolio companies, or in other securities that are consistent with its purpose as a BDC.

To include certain securities described above as “qualifying assets” for the purpose of the 70% test, a BDC must offer to the issuer of those securities managerial assistance such as providing guidance and counsel concerning the management, operations, or business objectives and policies of a portfolio company. We offer to provide managerial assistance to our portfolio companies.

Pending investment in other types of “qualifying assets,” as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which are referred to, collectively, as “temporary investments”, so that 70% of our assets, as applicable, are qualifying assets. We make purchases that are consistent with our purpose of making investments in securities described in paragraphs 1 through 3 of Section 55(a) of the Investment Company Act. We will invest in U.S. Treasury bills or in repurchase agreements that are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our gross assets constitute repurchase agreements from a single counterparty, we would not meet the diversification tests in order to qualify as a RIC for U.S. federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit.

We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock, if our asset coverage, as defined in the Investment Company Act, is at least equal to 150% immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit cash distributions to our stockholders or the repurchase of our common stock unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our gross assets for temporary or emergency purposes without regard to asset coverage.

Code of Ethics

We and GECM have each adopted a code of ethics, which applies to the management at each company, respectively, pursuant to Rule 17j-1 under the Investment Company Act and Rule 204A-1 under the Advisers Act, respectively, that establishes procedures for personal investments and restricts certain transactions by our or GECM's personnel, respectively. Each code of ethics is included as an exhibit to this report and available on the EDGAR Database on the SEC's Internet site at http://www.sec.gov. You may also obtain copies of the respective codes of ethics, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov.

Certain U.S. Federal Income Tax Matters

We currently qualify as a RIC under the Internal Revenue Code of 1986, as amended (the "Code"). To continue to qualify as a RIC, we must, among other things, (a) derive in each taxable year at least 90% of our gross income from dividends, interest (including tax-exempt interest), payments with respect to certain securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, other income (including but not limited to gain from options, futures and forward contracts) derived with respect to our business of investing in stock, securities or currencies, or net income derived from an interest in a "qualified publicly traded partnership" (a "QPTP"); and (b) diversify our holdings so that, at the end of each quarter of each taxable year (i) at least 50% of the market value of our total assets is represented by cash and cash items, U.S. Government securities, the securities of other regulated investment companies and other securities, with other securities limited, in respect of any one issuer, to an amount not greater than 5% of the value of our total assets and not more than 10% of the outstanding voting securities of such issuer (subject to the exception described below), and (ii) not more than 25% of the market value of our total assets is invested in the securities (other than U.S. Government securities and the securities of other regulated investment companies) (A) of any one issuer, (B) of any two or more issuers that we control and that are determined to be engaged in the same business or similar or related trades or businesses, or (C) of one or more QPTPs. We may generate certain income that might not qualify as good income for purposes of the 90% annual gross income requirement described above. We will monitor our transactions to endeavor to prevent our disqualification as a RIC.

If we fail to satisfy the 90% annual gross income requirement or the asset diversification requirements discussed above in any taxable year, we may be eligible for relief provisions if the failures are due to reasonable cause and not willful neglect and if a penalty tax is paid with respect to each failure to satisfy the applicable requirements and the failures are otherwise cured. Additionally, relief is provided for certain de minimis failures of the asset diversification requirements where we correct the failure within a specified period. If the applicable relief provisions are not available or cannot be met, all of our income would be subject to corporate-level U.S. federal income tax as described below. We cannot provide assurance that we would qualify for any such relief should we fail the 90% annual gross income requirement or the asset diversification requirements discussed above.

As a RIC, in any taxable year with respect to which we timely distribute at least 90% of the sum of:

- our investment company taxable income (which includes, among other items, dividends, interest and the excess of any net short-term capital gain over net long-term capital loss and other taxable income (other than any net capital gain), reduced by deductible expenses) determined without regard to the deduction for dividends and distributions paid; and
- net tax exempt interest income (which is the excess of our gross tax exempt interest income over certain disallowed deductions) (the "Annual Distribution Requirement").

We (but not our stockholders) generally will not be subject to U.S. federal income tax on investment company taxable income and net capital gain (generally, net long-term capital gain in excess of short-term capital loss) that we distribute to our stockholders. However, due to limits on the deductibility of certain expenses, we may, in certain years, have aggregate taxable income subject to the Annual Distribution Requirement that is in excess of the aggregate net income actually earned by us in those years.

We intend to distribute annually all or substantially all of such income on a timely basis.

To the extent that we retain our net capital gains for investment or any investment company taxable income, we will be subject to U.S. federal income tax at the regular corporate income tax rates. We may choose to retain our net capital gains for investment or any investment company taxable income, and pay the associated federal corporate income tax, including the federal excise tax described below.

Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% U.S. federal excise tax payable by us. To avoid this tax, we must distribute (or be deemed to have distributed) during each calendar year an amount equal to the sum of:

- at least 98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year;
- at least 98.2% of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for a one-year period generally ending on October 31 of the calendar year (unless an election is made by us to use our taxable year); and
- certain undistributed amounts from previous years on which we paid no U.S. federal income tax (the “Excise Tax Avoidance Requirement”).

While we intend to distribute any income and capital gains in the manner necessary to minimize imposition of the 4% federal excise tax, sufficient amounts of our taxable income and capital gains may not be distributed to avoid entirely the imposition of the tax. In that event, we will be liable for the tax only on the amount by which we do not meet the Excise Tax Avoidance Requirement.

If, in any particular taxable year, we do not satisfy the Annual Distribution Requirement or otherwise were to fail to qualify as a RIC (for example, because we fail the 90% annual gross income requirement described above), and relief is not available as discussed above, all of our taxable income (including our net capital gains) will be subject to tax at regular corporate rates without any deduction for distributions to stockholders, and distributions generally will be taxable to the stockholders as ordinary dividends to the extent of our current and accumulated earnings and profits.

We may decide to be taxed as a regular corporation even if we would otherwise qualify as a RIC if we determine that treatment as a corporation for a particular year would be in our best interests.

If we realize a net capital loss, the excess of our net short-term capital loss over our net long-term capital gain is treated as a short-term capital loss arising on the first day of our next taxable year and the excess of our net long-term capital loss over our net short-term capital gain is treated as a long-term capital loss arising on the first day of our next taxable year. If future capital gain is offset by carried forward capital losses, such future capital gain is not subject to fund-level U.S. federal income tax, regardless of whether amounts corresponding to such gain are distributed to stockholders. Accordingly, we do not expect to distribute any such offsetting capital gain. A RIC cannot carry back or carry forward any net operating losses to offset its investment company taxable income.

Our Investments

Certain of our investment practices are subject to special and complex U.S. federal income tax provisions that may, among other things:

- disallow, suspend or otherwise limit the allowance of certain losses or deductions, including the dividends received deduction, net capital losses, business interest expenses and certain underwriting and similar fees;

- convert lower taxed long-term capital gain and qualified dividend income into higher taxed, short-term capital gain or ordinary income;
- convert ordinary loss or a deduction into capital loss (the deductibility of which is more limited);
- cause us to recognize income or gain without a corresponding receipt of cash;
- adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur;
- adversely alter the characterization of certain complex financial transactions; and
- produce income that will not qualify as "good income" for purposes of the 90% annual gross income requirement described above.

We will monitor our transactions and may make certain tax elections and may be required to borrow money or dispose of securities (even if it is not advantageous to dispose of such securities) to mitigate the effect of these rules and prevent disqualification of us as a RIC. However, no assurances can be given as to our eligibility for any such tax elections or that any such tax elections that are made will fully mitigate the effects of these rules.

Investments we make in securities issued at a discount or providing for deferred interest or PIK interest are subject to special tax rules that will affect the amount, timing and character of distributions to stockholders. For example, with respect to securities issued at a discount, we will generally be required to accrue daily as income a portion of the discount and to distribute such income on a timely basis each year to maintain our qualification as a RIC and to avoid U.S. federal income and excise taxes. Since in certain circumstances we may recognize income before or without receiving cash representing such income or incur expenses that are not fully deductible for tax purposes, we may have difficulty making distributions in the amounts necessary to satisfy the requirements for maintaining RIC status and for avoiding U.S. federal income and excise taxes. Accordingly, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain cash from other sources, we may fail to qualify as a RIC and thereby be subject to corporate-level income tax.

Furthermore, a portfolio company in which we invest may face financial difficulty that requires us to work-out, modify or otherwise restructure our investment in the portfolio company. Any such restructuring may result in unusable capital losses and future non-cash income. Any such restructuring may also result in our recognition of a substantial amount of non-qualifying income for purposes of the 90% gross income requirement or our receiving assets that would not count toward the asset diversification requirements.

Gain or loss recognized by us from warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term, depending on how long we held a particular warrant.

If we invest in foreign securities, we may be subject to withholding and other foreign taxes with respect to those securities. Stockholders will generally not be entitled to claim a U.S. foreign tax credit or deduction with respect to foreign taxes paid by us.

If we acquire shares in a "passive foreign investment company" (a "PFIC"), we may be subject to U.S. federal income tax on a portion of any "excess distribution" or gain from the disposition of such shares even if such income is distributed as a taxable dividend by us to our stockholders. Additional charges in the nature of interest may be imposed on us in respect of deferred taxes arising from such distributions or gains. If we invest in a PFIC and elect to treat the PFIC as a "qualified electing fund" under the Code (a "QEF"), in lieu of the foregoing requirements, we will be required to include in income each year a portion of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed to us. Alternatively, we can elect to mark-to-market at the end of each taxable year our shares in a PFIC; in this case, we will recognize as ordinary income any increase in the value of such shares, and as ordinary loss any decrease in such value to the extent it does not exceed prior increases included in income. Our ability to make either election will depend on factors beyond our control. Under either election, we may be required to recognize in a year income in excess of our distributions from PFICs and our proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of the 4% excise tax.

If we hold more than 10% of the shares (by vote or value) in a foreign corporation that is treated as a controlled foreign corporation ("CFC"), we may be required to include in our gross income our pro rata share of such CFC's "subpart F income" and "global intangible low-taxed income," whether or not the corporation makes an actual distribution during such year. In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is owned (directly, indirectly or by attribution) by U.S. Stockholders. A "U.S. Stockholder", for purposes of this paragraph, is any U.S. person that possesses (actually or constructively) 10% or more of the combined voting power of all classes of shares or 10% or more of the value of a corporation. If we are treated as receiving a deemed distribution from a CFC, we will be required to include such distribution in our investment company taxable income regardless of whether we receive any actual distributions from such CFC, and we must distribute such income to satisfy the Annual Distribution Requirement and the Excise Tax Avoidance Requirement.

Although the Code generally provides that income inclusions from QEFs and deemed distributions of subpart F income and global intangible low-taxed income from CFCs will be "good income" for purposes of the 90% gross income requirement to the extent such income is distributed to a RIC in the year it is included in the RIC's income, the Code does not specifically provide whether income inclusions from a QEF or deemed distributions from a CFC during the RIC's taxable year with respect to which no distribution is received would be "good income" for the 90% gross income requirement. The Department of the Treasury, however, has issued regulations that treat such income as being "good income" for purposes of the 90% gross income requirement, provided the income is derived with respect to a corporation's business of investing in stock, securities or currencies.

Our functional currency is the U.S. dollar for U.S. federal income tax purposes. Under Section 988 of the Code, gains or losses attributable to fluctuations in exchange rates between the time we accrue income, expenses or other liabilities denominated in a foreign currency and the time we actually collect such income or pay such expenses or liabilities are generally treated as ordinary income or loss. Similarly, gains or losses on foreign currency forward contracts and the disposition of debt denominated in a foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, are also generally treated as ordinary income or loss.

If we borrow money, we may be prevented by loan covenants from declaring and paying dividends in certain circumstances. Limits on our payment of dividends may prevent us from meeting the Annual Distribution Requirement, and may, therefore, jeopardize our qualification for taxation as a RIC, or subject us to the 4% excise tax.

Even if we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements, under the Investment Company Act, we are not permitted to make cash distributions to our stockholders while our debt obligations and senior securities are outstanding unless certain "asset coverage" tests are met. This may also jeopardize our qualification for taxation as a RIC or subject us to the 4% excise tax.

Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and (2) other requirements relating to our status as a RIC, including the asset diversification requirements. If we dispose of assets to meet the Annual Distribution Requirement, the asset diversification requirements, or the 4% excise tax, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

Some of the income that we might otherwise earn, such as lease income, management fees, or income recognized in a work-out or restructuring of a portfolio investment, may not satisfy the 90% gross income requirement. To manage the risk that such income might disqualify us as a RIC for a failure to satisfy the 90% gross income requirement, one or more of our subsidiaries treated as U.S. corporations for U.S. federal income tax purposes may be employed to earn such income. Such corporations will be required to pay U.S. corporate income tax (and possible state or local tax) on their earnings, which ultimately will reduce the yield to our stockholders on such income and fees.

Failure to Qualify as a RIC

If we were unable to qualify for treatment as a RIC, and relief is not available as discussed above, we would be subject to tax on all of our taxable income at regular corporate rates. We would not be able to deduct distributions to stockholders nor would we be required to make distributions for tax purposes. Distributions would generally be taxable to our stockholders as ordinary dividend income eligible for reduced maximum rates for non-corporate stockholders to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate U.S. stockholders would be eligible for the dividends received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain. If we were to fail to meet the RIC requirements for more than two consecutive years and then to seek to requalify as a RIC, we would be required to recognize gain to the extent of any unrealized appreciation in our assets unless we made a special election to pay corporate level tax on any such unrealized appreciation recognized during the succeeding five-year period. Our qualification and taxation as a RIC depends upon our ability to satisfy on a continuing basis, through actual, annual operating results, distribution, income and asset, and other requirements imposed under the Code. However, no assurance can be given that we will be able to meet the complex and varied tests required to qualify as a RIC or to avoid corporate level tax. In addition, because the relevant laws may change, compliance with one or more of the RIC requirements may become impossible or impracticable.

Administration Agreement

Our Board approved the Administration Agreement on August 8, 2016. Pursuant to the Administration Agreement, GECM furnishes us with, or otherwise arranges for the provision of, office facilities, equipment, clerical, bookkeeping, finance, accounting, compliance and record keeping services at such office facilities and other such services as the administrator. Under the Administration Agreement, GECM will, from time to time, provide, or otherwise arrange for the provision of, other services GECM determines to be necessary or useful to perform its obligations under the Administration Agreement, including retaining the services of financial, compliance, accounting and administrative personnel that perform services on our behalf, including personnel to serve as our Chief Financial Officer and Chief Compliance Officer. Under the Administration Agreement, GECM also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, GECM assists us in determining and publishing our NAV, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments made by us to GECM under the Administration Agreement are equal to an amount based upon our allocable portion of GECM's overhead in performing its obligations under the Administration Agreement, including our allocable portion of the cost of our officers (including our Chief Compliance Officer, Chief Financial Officer and their respective staffs). The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

We bear all costs and expenses, including rental expenses, that are incurred in our operation and transactions and not specifically assumed by GECM pursuant to the Investment Management Agreement.

The Administration Agreement provides that, to the fullest extent permitted by law, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GECM, its stockholders and their respective officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from or otherwise based upon the rendering of GECM's services under the Administration Agreement or otherwise as our administrator.

Great Elm License Agreement

We have a license agreement with GEG pursuant to which GEG grants us a non-exclusive, royalty-free license to use the name "Great Elm Capital Corp." Under the license agreement, we have a right to use the Great Elm Capital Corp. name and the logo for so long as GECM, or an affiliate thereof, remains our investment adviser. Other than

with respect to this limited license, we have no legal right to the “Great Elm Capital Corp.” name. The license agreement may be terminated by either party without penalty upon 60 days’ written notice to the other.

Brokerage Allocation and Other Practices

Since we acquire and dispose of many of our investments in privately negotiated transactions, many of the transactions that we engage in do not require the use of brokers or the payment of brokerage commissions. Subject to policies established by our Board, GECM is primarily responsible for selecting brokers and dealers to execute transactions with respect to the publicly traded securities portion of our portfolio transactions and the allocation of brokerage commissions. GECM does not execute transactions through any particular broker or dealer, but seeks to obtain the best net results for us under the circumstances, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution and operational facilities of the firm and the firm’s risk and skill in positioning blocks of securities.

The aggregate amount of brokerage commissions paid by us during the three most recent fiscal years is approximately $142. Such commissions include approximately $141 in brokerage commissions paid to Imperial Capital, LLC, an affiliated person of ICAM, beginning when ICAM became an affiliated person of the Company during the quarter ended December 31, 2021 through December 31, 2023. Brokerage commissions paid to Imperial Capital, LLC represent nearly 100% of our aggregate brokerage commissions during the most recent fiscal year and the dollar amount of transactions on which such brokerage commissions were paid represents nearly 100% of the aggregate dollar amount of transactions involving the payment of commissions during such fiscal year.

Item 1A. Risk Factors.

In addition to the other information in this Annual Report on Form 10-K and our other filings with the SEC, the following risk factors should be carefully considered in evaluating us and our business before investing in our common stock. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties, not presently known to us or otherwise, may also impair the Company's business. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. If any of the risks actually occur, our business, financial condition or results of operations could be materially and adversely affected.

Risks Relating to Our Investments

Our portfolio companies may experience financial distress and our investments in such companies may be restructured. Our portfolio companies may experience financial distress from time to time. Debt investments in such companies may cease to be income-producing, may require us to bear certain expenses to protect our investment and may subject us to uncertainty as to when, in what manner and for what value such distressed debt will eventually be satisfied, including through liquidation, reorganization or bankruptcy. Any restructuring can fundamentally alter the nature of the related investment, and restructurings may not be subject to the same underwriting standards that GECM employs in connection with the origination of an investment. In addition, we may write-down the value of our investment in any such company to reflect the status of financial distress and future prospects of the business. Any restructuring could alter, reduce or delay the payment of interest or principal on any investment, which could delay the timing and reduce the amount of payments made to us. For example, if an exchange offer is made or plan of reorganization is adopted with respect to the debt securities we currently hold, there can be no assurance that the securities or other assets received by us in connection with such exchange offer or plan of reorganization will have a value or income potential similar to what we anticipated when our original investment was made or even at the time of restructuring. Restructurings of investments might also result in extensions of the term thereof, which could delay the timing of payments made to us, or we may receive equity securities, which may require significantly more of our management’s time and attention or carry restrictions on their disposition.

We face increasing competition for investment opportunities. Limited availability of attractive investment opportunities in the market could cause us to hold a larger percentage of our assets in liquid securities until market conditions improve. We compete for investments with other BDCs and investment funds (including specialty finance companies, private equity funds, mezzanine funds and small business investment companies), as well as traditional financial services companies such as commercial banks and other sources of funding. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors have a lower cost of capital and access to funding sources that are not available to us, including from the Small Business Administration. In addition, increased competition for attractive investment opportunities allows debtors to demand more favorable terms and offer fewer contractual protections to creditors. Some of our competitors have higher risk tolerances or different risk assessments than we do. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to offer. We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. If we are forced to match our competitors' pricing, terms and structure, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. A significant part of our competitive advantage stems from the fact that the market for investments in lower middle-market companies is underserved by traditional commercial banks and other financing sources. A significant increase in the number and/or the size of our competitors in this target market would force us to accept less attractive investment terms. GECM may, at its discretion, decide to pursue such opportunities if it believes that they are in our best interest; however, GECM may decline to pursue available investment opportunities that, although otherwise consistent with our investment policies and objectives, in GECM's view present unacceptable risk/return profiles. Under such circumstances, we may hold a larger percentage of our assets in liquid securities until market conditions improve in order to avoid having assets remain uninvested. Furthermore, many of our competitors have greater experience operating under, or are not subject to, the regulatory restrictions that the Investment Company Act imposes on us as a BDC. We believe that competitors will make first and second-lien loans with interest rates and returns that are lower than the rates and returns that we target. Therefore, we do not seek to compete solely on the interest rates and returns offered to prospective portfolio companies.

We are invested in a limited number of portfolio companies which may subject us to a risk of significant loss if one or more of these companies defaults on its obligations under any of its debt instruments. Our portfolio is likely to hold a limited number of portfolio companies. Beyond the asset diversification requirements associated with qualifying as a RIC, we do not have fixed guidelines for diversification, and our investments are likely to be concentrated in relatively few companies. As our portfolio is less diversified than the portfolios of some funds, we are more susceptible to failure if a single investment fails. Similarly, the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment.

Our portfolio is subject to change over time and may be concentrated in a limited number of industries, which subjects us to a risk of significant loss if there is a downturn in a particular industry in which a number of our investments are concentrated. Our portfolio is likely to be concentrated in a limited number of industries. A downturn in any particular industry in which we are invested could significantly impact our aggregate realized returns.

In addition, we may from time to time invest a relatively significant percentage of our portfolio in industries in which GECM does not necessarily have extensive historical research coverage. If an industry in which we have significant investments suffers from adverse business or economic conditions, as these industries have to varying degrees, a material portion of our investment portfolio could be affected adversely, which, in turn, could adversely affect our financial position and results of operations.

Any unrealized losses we experience in our portfolio may be an indication of future realized losses, which could reduce our income available for distribution. As a BDC, we are required to carry our investments at fair value as determined in good faith by our Board. Decreases in the fair values of our investments are recorded as unrealized depreciation. Any unrealized losses in our portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to the affected investments. This could result in realized losses in the future and ultimately in reductions of our income available for distribution in future periods.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our returns on equity. We are subject to the risk that investments intended to be held over long periods are, instead, repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, repay debt or repurchase our common stock, depending on expected future investment opportunities. These temporary investments will typically have substantially lower yields than the debt being prepaid and we could experience significant delays in reinvesting these amounts. Any future investment may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elects to prepay amounts owed by them.

We are not in a position to exercise control over certain of our portfolio companies or to prevent decisions by management of such portfolio companies that could decrease the value of our investments. Although we may be deemed, under the Investment Company Act, to control certain of our portfolio companies because we own more than 25% of the common equity of those portfolio companies, we generally do not hold controlling equity positions in our portfolio companies. As a result, we are subject to the risk that a portfolio company may make business decisions with which we disagree, and that the management and/or stockholders of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity of the debt and equity investments that we hold in certain of our portfolio companies, we may not be able to dispose of such investments if we disagree with the actions of a portfolio company and may therefore suffer a decrease in the value of such investments.

We have made, and in the future intend to pursue additional, investments in specialty finance businesses, which may require reliance on the management teams of such businesses. We have made, and may make additional, investments in companies and operating platforms that originate and/or service commercial specialty finance businesses, including factoring, equipment finance, inventory leasing, merchant cash advance and hard money real estate lending and may also invest directly (including via participation) in the investments made by such businesses. The form of investment may vary and may require reliance on management teams to provide the resources necessary to originate new receivables, manage portfolios of performing receivables, and work-out portfolios of stressed or non-performing receivables.

Defaults by our portfolio companies may harm our operating results. A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of our investments and foreclosure on our secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of financial covenants, with a defaulting portfolio company. If any of these occur, it could materially and adversely affect our operating results and cash flows.

If we invest in companies that experience significant financial or business difficulties, we may be exposed to certain distressed lending risks. As part of our lending activities, we may purchase notes or loans from companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such financing may result in significant financial returns to us, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high. We cannot assure you that we will correctly evaluate the value of the assets collateralizing our investments or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a portfolio company, we may lose all or part of the amounts advanced to the borrower or may be required to accept collateral with a value less than the amount of the investment advanced by us to the borrower.

Certain of the companies in which we invest may have difficulty accessing the capital markets to meet their future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

Senior Secured Loans and Notes. There is a risk that the collateral securing our loans and notes may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital, and, in some circumstances, our lien could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan or note. Consequently, the fact that a loan or note is secured does not guarantee that we will receive principal and interest payments according to the loan's or note's terms, or at all, or that we will be able to collect on the loan or note should we be forced to enforce our remedies.

Mezzanine Loans. Our mezzanine debt investments will be generally subordinated to senior loans and will be generally unsecured. As such, other creditors may rank senior to us in the event of an insolvency, which could likely result in a substantial or complete loss on such investment in the case of such insolvency. This may result in an above average amount of risk and loss of principal.

Unsecured Loans and Notes. We may invest in unsecured loans and notes. If the issuer defaults or has an event of insolvency, other creditors may rank senior, be structurally senior or have lien protection that effectively renders their claim superior to our rights under our unsecured notes or loans, which could likely result in a substantial or complete loss on such investment in the case of such insolvency. This may result in an above average amount of risk and loss of principal.

Unfunded Commitments. From time to time, we purchase revolving credit loans with unfunded commitments in the ordinary course of business. In the event multiple borrowers of such revolving credit loans were to draw these commitments at the same time, including during a market downturn, it could have an adverse impact on our cash reserves and liquidity position at a time when it may be more difficult for us to sell other assets.

Equity Investments. When we invest in senior secured loans or mezzanine loans, we may acquire equity securities, including warrants, as well. In addition, we may invest directly in the equity securities of portfolio companies. The equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

In addition, investing in middle-market companies involves a number of significant risks, including:

- these companies may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees we may have obtained in connection with our investment;
- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on our stockholders;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, our executive officers, directors and GECM may be named as defendants in litigation arising from our investments in the portfolio companies;
- they may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity; and

- a portion of our income may be non-cash income, such as contractual PIK interest, which represents interest added to the debt balance and due at the end of the instrument's term, in the case of loans, or issued as additional notes in the case of bonds. Instruments bearing PIK interest typically carry higher interest rates as a result of their payment deferral and increased credit risk. When we recognize income in connection with PIK interest, there is a risk that such income may become uncollectable if the borrower defaults.

Investing in middle-market companies involves a high degree of risk and our financial results may be affected adversely if one or more of our portfolio investments defaults on its loans or notes or fails to perform as we expect. A portion of our portfolio consists of debt and equity investments in privately owned middle-market companies. Investing in middle-market companies involves a number of significant risks. Compared to larger publicly owned companies, these middle-market companies may be in a weaker financial position and experience wider variations in their operating results, which may make them more vulnerable to economic downturns and other business disruptions. Typically, these companies need more capital to compete; however, their access to capital is limited and their cost of capital is often higher than that of their competitors. Our portfolio companies face intense competition from larger companies with greater financial, technical and marketing resources and their success typically depends on the managerial talents and efforts of an individual or a small group of persons. Therefore, the loss of any of their key employees, as well as increased competition in the labor market, could affect a portfolio company's ability to compete effectively and harm its financial condition. Further, some of these companies conduct business in regulated industries that are susceptible to regulatory changes. These factors could impair the cash flow of our portfolio companies and result in other events, such as bankruptcy. These events could limit a portfolio company's ability to repay its obligations to us. Deterioration in a borrower's financial condition and prospects may be accompanied by deterioration in the value of the loan's collateral and the fair market value of the loan.

Most of the loans in which we invest are not structured to fully amortize during their lifetime. In order to create liquidity to pay the final principal payment, borrowers typically must raise additional capital or sell their assets, which could potentially result in the collateral being sold for less than its fair market value. If they are unable to raise sufficient funds to repay us, the loan will go into default, which will require us to foreclose on the borrower's assets, even if the loan was otherwise performing prior to maturity. This will deprive us from immediately obtaining full recovery on the loan and prevent or delay the reinvestment of the loan proceeds in other, more profitable investments. Moreover, there are no assurances that any recovery on such loan will be obtained. Most of these companies cannot obtain financing from public capital markets or from traditional credit sources, such as commercial banks. Accordingly, loans made to these types of companies pose a higher default risk than loans made to companies that have access to traditional credit sources.

An investment strategy that includes privately held companies presents challenges, including the lack of available information about these companies, a dependence on the talents and efforts of only a few key portfolio company personnel and a greater vulnerability to economic downturns. We invest in privately held companies. Generally, little public information exists about these companies, and we are required to rely on GECM's or our specialty finance partners' ability to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and may lose money on our investments. Also, privately held companies frequently have less diverse product lines and smaller market presence than larger competitors. These factors could adversely affect our investment returns as compared to companies investing primarily in the securities of public companies.

We are exposed to risks relating to our specialty finance products. There is no guarantee that our controls to monitor and detect fraud with respect to our specialty finance business will be effective and, as a result, we could face exposure to the credit risk associated with such products. With respect to our asset-based loans, we generally limit our lending to a percentage of the customer's borrowing base assets that we believe can be readily liquidated in the event of financial distress of the borrower. With respect to our factoring products, we purchase the underlying invoices of our customers and become the direct payee under such invoices, thus transferring the credit risk in such transactions from our customers to the underlying account debtors on such invoices. In the event one or more of our customers fraudulently represents the existence or valuation of borrowing base assets in the case of an asset-based loan, or the existence or validity of an invoice we purchase in the case of a factoring transaction, we may advance more funds to such customer than we otherwise would and lose the benefit of the structural protections of our products with respect to such advances. In such event we could be exposed to material additional losses with respect to such loans or factoring products.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or in some cases senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments in which we invested. Also, in insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims. Even though we may have structured investments as secured investments, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, and based upon principles of equitable subordination as defined by existing case law, a bankruptcy court could subordinate all or a portion of our claim to that of other creditors and transfer any lien securing such subordinated claim to the bankruptcy estate. The principles of equitable subordination defined by case law have generally indicated that a claim may be subordinated only if its holder is guilty of misconduct or where the senior investment is re-characterized as an equity investment and the senior lender has actually provided significant managerial assistance to the bankrupt debtor. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken in rendering managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business. To the extent GECC provides significant managerial assistance to the portfolio companies, this risk is exacerbated.

Second priority liens on collateral securing loans and notes that we invest in may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us. We may purchase loans or notes that are secured by a second priority security interest in the same collateral pledged by a portfolio company to secure senior debt owed by the portfolio company to commercial banks or other traditional lenders. Often the senior lender has procured covenants from the portfolio company prohibiting the incurrence of additional secured debt without the senior lender's consent. Prior to and as a condition of permitting the portfolio company to borrow money from us secured by the same collateral pledged to the senior lender, the senior lender will require assurances that it will control the disposition of any collateral in the event of bankruptcy or other default. In many such cases, the senior lender will require us or the indenture trustee to enter into an "intercreditor agreement" prior to permitting the portfolio company to borrow. Typically the intercreditor agreements expressly subordinate our second lien debt instruments to those held by the senior lender and further provide that the senior lender shall control: (1) the commencement of foreclosure or other proceedings to liquidate and collect on the collateral; (2) the nature, timing and conduct of foreclosure or other collection proceedings; (3) the amendment of any collateral document; (4) the release of the security interests in respect of any collateral; and (5) the waiver of defaults under any security agreement. Because of the control we may cede to senior lenders under intercreditor agreements we may enter, we may be unable to realize the proceeds of any collateral securing some of our loans and notes.

The reference rates for our loans may be manipulated or changed. Actions by market participants or by government agencies, including central banks, may affect prevailing interest rates and the reference rates for loans to our portfolio companies. Actions by governments may create inflation in asset prices that over-state the value of our portfolio companies and their assets and drive cycles of capital market activities (like mergers and acquisitions) at a rate and at prices in excess of those that would prevail in an unaffected market.

We cannot assure you that actions by market participants or by government agencies will not materially adversely affect trading markets or our portfolio companies or us or our and our portfolio companies' respective business, prospects, financial condition or results of operations.

We may mismatch the interest rate and maturity exposure of our assets and liabilities. Our net investment income depends, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. We cannot assure you that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds could increase, which could reduce our net investment income. Typically, our fixed-rate investments are financed primarily with equity and/or long-term debt. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the Investment Company Act. If we do not implement these techniques properly, we could experience losses on our hedging positions, which could be material.

If interest rates fall, our portfolio companies are likely to refinance their obligations to us at lower interest rates. Our proceeds from these refinancings are likely to be reinvested at lower interest rates than our refinanced loans resulting in a material decrease in our net investment income.

We may not realize gains from our equity investments. Our portfolio may include common stock, warrants or other equity securities. We may also take back equity securities in exchange for our debt investments in workouts of troubled investments. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred securities involve special risks, such as the risk of deferred distributions, credit risk, illiquidity and limited voting rights. In addition, we may from time to time make non-control, equity investments in portfolio companies. The equity interests we invest in may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We may seek puts or similar rights to give it the right to sell our equity securities back to the portfolio company. We may be unable to exercise these put rights if the issuer is in financial distress or otherwise lacks sufficient liquidity to purchase the underlying equity investment.

Investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments. Our investment strategy contemplates investments in debt securities of foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Such investments will generally not represent "qualifying assets" under Section 55(a) of the Investment Company Act.

Any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. We may employ hedging techniques to minimize these risks, but we offer no assurance that we will, in fact, hedge currency risk, or that if it does, such strategies will be effective.

We may hold a significant portion of our portfolio assets in cash, cash equivalents, money market mutual funds, U.S. government securities, repurchase agreements and high-quality debt instruments maturing in one year or less, which may have a negative impact on our business and operations. We may hold a significant portion of our portfolio assets in cash, cash equivalents, money market mutual funds, U.S. government securities, repurchase agreements and high-quality debt instruments maturing in one year or less for many reasons, including, among others:

- as part of GECM's strategy in order to take advantage of investment opportunities as they arise;
- when GECM believes that market conditions are unfavorable for profitable investing;
- when GECM is otherwise unable to locate attractive investment opportunities;
- as a defensive measure in response to adverse market or economic conditions; or
- to meet RIC qualification requirements.

We may also be required to hold higher levels of cash, money market mutual funds or other short-term securities in order to pay our expenses or make distributions to stockholders in the ordinary course of business given the relatively high percentage of our total investment income represented by non-cash income, including PIK income and accretion of original issue discount ("OID"). During periods when we maintain exposure to cash, money market mutual funds, or other short-term securities, we may not participate in market movements to the same extent that it would if we were fully invested, which may have a negative impact on our business and operations and, accordingly, our returns may be reduced.

Risks Relating to Our Business and Structure

Capital markets experience periods of disruption and instability. These market conditions have historically materially and adversely affected debt and equity capital markets in the United States and abroad, which had, and may in the future have, a negative impact on our business and operations. The global capital markets are subject to disruption which may result from, among other things, a lack of liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market or the failure of major financial institutions. Despite actions of the U.S. federal government and foreign governments, such events have historically materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. Equity capital may be difficult to raise because, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than NAV. In addition, our ability to incur indebtedness or issue preferred stock is limited by applicable regulations such that our asset coverage, as defined in the Investment Company Act, must equal at least 150% immediately after each time we incur indebtedness or issue preferred stock. The debt capital that may be available, if at all, may be at a higher cost and on less favorable terms and conditions in the future. Any inability to raise capital could have a negative effect on our business, financial condition and results of operations.

Market conditions may in the future make it difficult to extend the maturity of or refinance our existing indebtedness, and any failure to do so could have a material adverse effect on our business. The expected illiquidity of our investments may make it difficult for us to sell such investments if required. As a result, we may realize significantly less than the value at which we have recorded our investments.

In addition, significant changes in the capital markets, including recent volatility and disruption, have had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving our investments. An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition and results of operations.

We may experience fluctuations in our quarterly results. Our quarterly operating results will fluctuate due to a number of factors, including the level of expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. Our quarterly operating results will also fluctuate due to a number of other factors, including the interest rates payable on the debt investments we make and the default rates on such investments. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Our success depends on the ability of our investment adviser to attract and retain qualified personnel in a competitive environment. Our growth requires that GECM retain and attract new investment and administrative personnel in a competitive market. GECM's ability to attract and retain personnel with the requisite credentials, experience and skills depends on several factors, including, but not limited to, its ability to offer competitive wages, benefits and professional growth opportunities. Many of the entities, including investment funds (such as private equity funds and mezzanine funds) and traditional financial services companies, which compete for experienced personnel with GECM, have greater resources than GECM.

Our ability to grow depends on our ability to raise equity capital and/or access debt financing. We intend to periodically access the capital markets to raise cash to fund new investments. We expect to continue to elect to be treated as a RIC and operate in a manner so as to qualify for the U.S. federal income tax treatment applicable to RICs. Among other things, in order to maintain our RIC status, we must distribute to our stockholders on a timely basis generally an amount equal to at least 90% of our investment company taxable income (as defined by the Code), and, as a result, such distributions will not be available to fund new investments. As a result, we must borrow from financial institutions or issue additional securities to fund our growth. Unfavorable economic or capital market conditions, including interest rate volatility, may increase our funding costs, limit our access to the capital markets or could result in a decision by lenders not to extend credit to us. There has been and will continue to be uncertainty in the financial markets in general. An inability to successfully access the capital or credit markets for either equity or debt could limit our ability to grow our business and fully execute our business strategy and could decrease our earnings, if any.

If the fair value of our assets declines substantially, we may fail to maintain the asset coverage ratios imposed upon us by the Investment Company Act or our lenders. Any such failure, or a tightening or general disruption of the credit markets, would affect our ability to issue senior securities, including borrowings, and pay dividends or other distributions, which could materially impair our business.

In addition, with certain limited exceptions we are only allowed to borrow or issue debt securities or preferred stock such that our asset coverage, as defined in the Investment Company Act, equals at least 150% immediately after such borrowing, which, in certain circumstances, may restrict our ability to borrow or issue debt securities or preferred stock. The amount of leverage that we may employ will depend on GECM's and our Board's assessments of market and other factors at the time of any proposed borrowing or issuance of debt securities or preferred stock. We cannot assure you that we will be able to obtain lines of credit at all or on terms acceptable to us.

Economic recessions or downturns could impair our portfolio companies and harm our operating results. The economy is subject to periodic downturns that, from time to time, result in recessions or more serious adverse macroeconomic events. Our portfolio companies are susceptible to economic slowdowns or recessions and may be unable to repay loans or notes during these periods. Therefore, our non-performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record the market value of our investments. Adverse economic conditions may also decrease the value of collateral securing some of our investments and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants in its agreements with us or other lenders could lead to defaults and, potentially, acceleration of the time when the debt obligations are due and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the portfolio company's ability to meet its obligations under the debt that we hold. We may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which we actually provided significant managerial assistance to that portfolio company, a bankruptcy court might re-characterize our debt holding and subordinate all or a portion of our claim to that of other creditors.

Global economic, political and market conditions may adversely affect our business, results of operations and financial condition, including our revenue growth and profitability. The condition of the global financial market, as well as various social and political tensions in the United States and around the world, may contribute to increased market volatility, may have long-term effects on the U.S. and worldwide financial markets, may cause economic uncertainties or deterioration in the United States and worldwide, and may subject our investments to heightened risks.

These heightened risks could also include to: increased risk of default; greater social, trade, economic and political instability (including the risk of war or terrorist activity); greater governmental involvement in the economy; greater governmental supervision and regulation of the securities markets and market participants resulting in increased expenses related to compliance; greater fluctuations in currency exchange rates; controls or restrictions on foreign investment and/or trade, capital controls and limitations on repatriation of invested capital and on the ability to exchange currencies; inability to purchase and sell investments or otherwise settle transactions (i.e., a market freeze); and unavailability of hedging techniques. During times of political uncertainty and/or change, global markets often become more volatile. Markets experiencing political uncertainty and/or change could have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates typically have negative effects on such countries' economies and markets. Tax laws could change materially, and any changes in tax laws could have an unpredictable effect on us, our investments and our investors.

Our debt investments may be risky, and we could lose all or part of our investments. Our debt portfolios, including those held by our specialty finance companies, are subject to credit and interest rate risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument, and securities which are rated by rating agencies are often reviewed and may be subject to downgrade. "Interest rate risk" refers to the risks associated with market changes in interest rates. Factors that may affect market interest rates include, without limitation, inflation, slow or stagnant economic growth or recession, unemployment, money supply and the monetary policies of the Federal Reserve Board and central banks throughout the world, international disorders and instability in domestic and foreign financial markets. The Federal Reserve Board has since raised the federal funds rate and may raise, maintain or lower the federal funds rate in the future. These developments, along with domestic and international debt and credit concerns, could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets on favorable terms. Interest rate changes may also affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed-rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments may also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including, among other factors, the index chosen, frequency of reset and reset caps or floors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. We expect that we will periodically experience imbalances in the interest rate sensitivities of our assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, we may not be able to manage this risk effectively, which in turn could adversely affect our performance.

We may acquire other funds, portfolios of assets or pools of debt and those acquisitions may not be successful. We may acquire other funds, portfolios of assets or pools of debt investments. Any such acquisition program has a number of risks, including among others:

- management's attention will be diverted from running our existing business by efforts to source, negotiate, close and integrate acquisitions;
- our due diligence investigation of potential acquisitions may not reveal risks inherent in the acquired business or assets;
- we may over-value potential acquisitions resulting in dilution to you, incurrence of excessive indebtedness, asset write downs and negative perception of our common stock;
- the interests of our existing stockholders may be diluted by the issuance of additional shares of our common stock or preferred stock;
- we may borrow to finance acquisitions, and there are risks associated with borrowing as described in this Annual Report on Form 10-K;
- GECM has an incentive to increase our assets under management in order to increase its fee stream, which may not be aligned with the interests of our stockholders;
- we and GECM may not successfully integrate any acquired business or assets; and
- GECM may compensate the existing managers of any acquired business or assets in a manner that results in the combined company taking on excessive risk.

Our failure to maintain our status as a BDC would reduce our operating flexibility. We elected to be regulated as a BDC under the Investment Company Act. The Investment Company Act imposes numerous constraints on the operations of BDCs and their external advisers. For example, BDCs are required to invest at least 70% of their gross assets in specified types of securities, primarily in private companies or illiquid U.S. public companies below a certain market capitalization, cash, cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less. Furthermore, any failure to comply with the requirements imposed on BDCs by the Investment Company Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. In addition, upon approval of a majority of our voting securities (as defined under the Investment Company Act), we may elect to withdraw our status as a BDC. If we decide to withdraw our BDC election, or if we otherwise fail to qualify, or to maintain our qualification, as a BDC, we may be subject to substantially greater regulation under the Investment Company Act as a closed-end management investment company. Compliance with such regulations would significantly decrease our operating flexibility and would significantly increase our costs of doing business.

Regulations governing our operations as a BDC affect our ability to raise additional capital and the way in which we do so. As a BDC, the necessity of raising additional capital may expose us to risks, including the typical risks associated with leverage. We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, referred to collectively as "senior securities," up to the maximum amount permitted under the Investment Company Act. Under the provisions of the Investment Company Act applicable to BDCs, we are permitted to issue senior securities (e.g., notes and preferred stock) in amounts such that our asset coverage ratio, as defined in the Investment Company Act, equals at least 150% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our stockholders. Furthermore, as a result of issuing senior securities, we would also be exposed to typical risks associated with leverage, including an increased risk of loss.

Our Board may change our investment objectives, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse. Our Board has the authority to modify or waive our investment objectives, current operating policies, investment criteria and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, NAV and operating results.

We may have difficulty paying our required distributions under applicable tax rules if we recognize income before or without receiving cash representing such income. For U.S. federal income tax purposes, we may be required to include in income certain amounts before our receipt of the cash attributable to such amounts, such as OID, which may arise if we receive warrants in connection with the making of a loan or possibly in other circumstances, or PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. For example, such OID or increases in loan balances as a result of PIK interest will be included in income before we receive any corresponding cash payments. Also, we may be required to include in income other amounts that we will not receive in cash, including, for example, non-cash income from PIK securities, deferred payment securities and hedging and foreign currency transactions. In addition, we intend to seek debt investments in the secondary market that represent attractive risk-adjusted returns, taking into account both stated interest rates and current market discounts to par value. Such market discount may be included in income before we receive any corresponding cash payments. Certain of our debt investments earn PIK interest.

Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the U.S. federal income tax requirement to distribute generally an amount equal to at least 90% of our investment company taxable income to maintain our status as a RIC. Accordingly, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain cash from other sources, we may fail to qualify as a RIC and thus be subject to additional corporate-level income taxes.

However, in order to satisfy the Annual Distribution Requirement for a RIC, we may, but have no current intention to, declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes.

We may expose ourselves to risks associated with the inclusion of non-cash income prior to receipt of cash. To the extent we invest in OID instruments, including PIK loans, zero coupon bonds, and debt securities with attached warrants, investors will be exposed to the risks associated with the inclusion of such non-cash income in taxable and accounting income prior to receipt of cash.

The deferred nature of payments on PIK loans creates specific risks. Interest payments deferred on a PIK loan are subject to the risk that the borrower may default when the deferred payments are due in cash at the maturity of the loan. Since the payment of PIK income does not result in cash payments to us, we may also have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations (and thus hold higher cash or cash equivalent balances, which could reduce returns) to pay our expenses or make distributions to stockholders in the ordinary course of business, even if such loans do not default. An election to defer PIK interest payments by adding them to principal increases our gross assets and, thus, increases future base management fees to GECM and, because interest payments will then be payable on a larger principal amount, the PIK election also increases GECM's future Income Incentive Fees at a compounding rate. The deferral of interest on a PIK loan increases its loan-to-value ratio, which is a measure of the riskiness of a loan.

More generally, market prices of OID instruments are more volatile because they are impacted to a greater extent by interest rate changes than instruments that pay interest periodically in cash. Ordinarily, OID would also create the risk of non-refundable cash payments to GECM based on non-cash accruals that may never be realized; however, this risk is mitigated since the Investment Management Agreement requires GECM to defer any incentive fees on Accrued Unpaid Income, the effect of which is that Income Incentive Fees otherwise payable with respect to Accrued Unpaid Income become payable only if, as, when and to the extent cash is received by us or our consolidated subsidiaries in respect thereof.

Additionally, we may be required to make distributions of non-cash income to stockholders without receiving any cash so as to satisfy certain requirements necessary to maintain our RIC status for U.S. federal income tax purposes. Such required cash distributions may have to be paid from the sale of our assets without investors being given any notice of this fact. The required recognition of non-cash income, including PIK and OID interest, for U.S. federal income tax purposes may have a negative impact on liquidity because it represents a non-cash component of our taxable income that must, nevertheless, be distributed to investors to avoid us being subject to corporate level taxation.

We may choose to pay distributions in our own stock, in which case stockholders may be required to pay tax in excess of the cash they receive. We may distribute a portion of our taxable distributions in the form of shares of our stock. In accordance with certain applicable U.S. Treasury regulations and other related administrative pronouncements issued by the Internal Revenue Service, a RIC may be eligible to treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder is permitted to elect to receive his or her entire distribution in either cash or stock of the RIC, subject to the satisfaction of certain guidelines. If too many stockholders elect to receive cash, each stockholder electing to receive cash must receive a pro rata amount of cash (with the balance of the distribution paid in stock). If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the distribution paid in stock generally will be equal to the amount of cash that could have been received instead of stock. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of their share of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be subject to tax with respect to such distributions in excess of any cash received. If a U.S. stockholder sells the stock it receives as a distribution in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such distributions, including in respect of all or a portion of such distribution that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on distributions, such sales may put downward pressure on the trading price of our stock.

We may expose our self to risks if we engage in hedging transactions. If we engage in hedging transactions, we may expose our self to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation that is generally anticipated because we may not be able to enter into a hedging transaction at an acceptable price. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged.

Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations.

We will be subject to corporate-level U.S. federal income tax if we are unable to qualify as a RIC under the Code. No assurance can be given that we will be able to qualify for and maintain RIC status. To maintain RIC tax treatment under the Code, we must meet certain annual distribution, source of income and asset diversification requirements.

The Annual Distribution Requirement for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Because we may use debt financing, we may be subject to asset coverage ratio requirements under the Investment Company Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirement. If we are unable to make the required distributions, we could fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.

The source of income requirement will be satisfied if we obtain at least 90% of our income for each year from dividends, interest, gains from the sale of stock or securities or similar sources.

The asset diversification requirement will be satisfied if we meet asset diversification requirements at the end of each quarter of our taxable year. Failure to meet the asset diversification requirements could result in us having to dispose of investments quickly in order to prevent the loss of RIC status. Because most of our investments will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses. Further, the illiquidity of our investments may make them difficult or impossible to dispose of in a timely manner.

If we fail to qualify for RIC tax treatment for any reason and become subject to corporate U.S. federal income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions and the value of our shares of common stock.

We cannot predict how tax reform legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business. Legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. We cannot predict with certainty how any changes in the tax laws might affect us, our stockholders, or our portfolio investments. New legislation and any U.S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U.S. federal income tax consequences to us and our stockholders of such qualification, or could have other adverse consequences. Investors are urged to consult with their tax adviser regarding tax legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our securities.

The incentive fee structure and the formula for calculating the management fee may incentivize GECM to pursue speculative investments, advise us to use leverage when it may be unwise to do so, or advise us to refrain from reducing debt levels when it would otherwise be appropriate to do so. The incentive fee payable by us to GECM creates an incentive for GECM to pursue investments on our behalf that are riskier or more speculative than would be the case in the absence of such a compensation arrangement. The incentive fee payable to GECM is calculated based on a percentage of our return on invested capital. In addition, GECM's base management fee is calculated on the basis of our gross assets, including assets acquired through the use of leverage. This may encourage GECM to use leverage to increase the aggregate amount of and the return on our investments, even when it may not be appropriate to do so, and to refrain from reducing debt levels when it would otherwise be appropriate to do so. The use of leverage increases our likelihood of default, which would impair the value of our securities. In addition, GECM will receive the incentive fee based, in part, upon net capital gains realized on our investments. Unlike that portion of the incentive fee based on income, there will be no hurdle rate applicable to the portion of the incentive fee based on net capital gains. As a result, GECM may have a tendency to invest more capital in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in us investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

We may invest in the securities and instruments of other investment companies, including private funds, and we will bear our ratable share of any such investment company's expenses, including management and performance fees. We will also remain obligated to pay management and incentive fees to GECM with respect to the assets invested in the securities and instruments of other investment companies. With respect to each of these investments, each of our stockholders will bear its share of the management and incentive fee payable to GECM, as well as indirectly bearing the management and performance fees and other expenses of any investment companies in which we invest.

In addition, if we purchase our debt instruments and such purchase results in our recording a net gain on the extinguishment of debt for financial reporting and tax purposes, such net gain will be included in our pre-incentive fee net investment income for purposes of determining the Income Incentive Fee payable to GECM under the Investment Management Agreement.

Finally, the incentive fee payable by us to GECM also may create an incentive for GECM to invest on our behalf in instruments that have a deferred interest feature such as investments with PIK provisions. Under these investments, we would accrue the interest over the life of the investment but would typically not receive the cash income from the investment until the end of the term or upon the investment being called by the issuer. Our net investment income used to calculate the income portion of our incentive fee, however, includes accrued interest. The portion of the incentive fee that is attributable to deferred interest, such as PIK, will not be paid to GECM until we receive such interest in cash. Even though such portion of the incentive fee will be paid only when the accrued income is collected, the accrued income is capitalized and included in the calculation of the base management fee. In other words, when deferred interest income (such as PIK) is accrued, a corresponding Income Incentive Fee (if any) is also accrued (but not paid) based on that income. After the accrual of such income, it is capitalized and added to the debt balance, which increases our total assets and thus the base management fee paid following such capitalization. If any such interest is reversed in connection with any write-off or similar treatment of the investment, we will reverse the Income Incentive Fee accrual and an Income Incentive Fee will not be payable with respect to such uncollected interest. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible, which would result in the reversal of any previously accrued and unpaid incentive fees.

A general increase in interest rates will likely have the effect of making it easier for GECM to receive incentive fees, without necessarily resulting in an increase in our net earnings. Given the structure of the Investment Management Agreement, any general increase in interest rates will likely have the effect of making it easier for GECM to meet the quarterly hurdle rate for payment of Income Incentive Fees under the Investment Management Agreement without any additional increase in relative performance on the part of GECM. In addition, in view of the catch-up provision applicable to Income Incentive Fees under the Investment Management Agreement, GECM could potentially receive a significant portion of the increase in our investment income attributable to such a general increase in interest rates. If that were to occur, our increase in net earnings, if any, would likely be significantly smaller than the relative increase in GECM's Income Incentive Fee resulting from such a general increase in interest rates.

GECM has the right to resign on 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations. GECM has the right, under the Investment Management Agreement, to resign at any time upon not more than 60 days' written notice, whether we have found a replacement or not. If GECM resigns, we may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption; our financial condition, business and results of operations, as well as our ability to pay distributions are likely to be adversely affected; and the market price of our common stock may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our investment adviser and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective and current investment portfolio may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

We incur significant costs as a result of being a publicly traded company. As a publicly traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, the Dodd-Frank Act of 2010 and other rules implemented by our government.

Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy. We and our portfolio companies are subject to applicable local, state and federal laws and regulations. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and you, potentially with retroactive effect. Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourself of new or different opportunities. Such changes could result in material differences to the strategies and plans and may result in our investment focus shifting from the areas of expertise of GECM to other types of investments in which the investment committee may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations.

There is, and will be, uncertainty as to the value of our portfolio investments. Under the Investment Company Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined by us in accordance with our written valuation policy, with our Board having final responsibility for overseeing, reviewing and approving, in good faith, our estimate of fair value. Often, there will not be a public market for the securities of the privately held companies in which we invest. As a result, we will value these securities on a quarterly basis at fair value based on input from management, third party independent valuation firms and our audit committee, with the oversight, review and approval of our Board. We consult with an independent valuation firm in valuing all securities in which we invest classified as “Level 3,” other than investments which are less than 1% of NAV as of the applicable quarter end. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Valuation of Portfolio Investments.”

The determination of fair value and consequently, the amount of unrealized gains and losses in our portfolio, are subjective and dependent on a valuation process approved and overseen by our Board. Factors that may be considered in determining the fair value of our investments include, among others, estimates of the collectability of the principal and interest on our debt investments and expected realization on our equity investments, as well as external events, such as private mergers, sales and acquisitions involving comparable companies. Because such valuations, and particularly valuations of private securities and private companies and small cap public companies, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates. Our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Due to this uncertainty, our fair value determinations may cause our NAV on a given date to materially misstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our securities based on an overstated NAV would pay a higher price than the value of our investments might warrant. Conversely, investors selling securities during a period in which the NAV understates the value of our investments will receive a lower price for their securities than the value of our investments might otherwise warrant.

Our financial condition and results of operations depend on our ability to effectively manage and deploy capital. Our ability to achieve our investment objective depends on our ability to effectively manage and deploy capital, which depends, in turn, on GECM’s ability to identify, evaluate and monitor, and our ability to finance and invest in, companies that meet our investment criteria.

Accomplishing our investment objective on a cost-effective basis is largely a function of GECM’s handling of the investment process, its ability to provide competent, attentive and efficient services and its access to investments offering acceptable terms. In addition to monitoring the performance of our existing investments, GECM may also be called upon, from time to time, to provide managerial assistance to some of our portfolio companies. These demands on their time may distract them or slow the rate of investment.

Even if we are able to grow and build out our investment operations, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. Our results of operations will depend on many factors, including the availability of opportunities for investment, readily accessible short and long-term funding alternatives in the financial markets and economic conditions.

We may hold assets in cash or short-term treasury securities in situations where we or GECM expects downward pricing in the high yield market. Our strategic decision not to be fully invested may, from time to time, reduce funds available for distribution and cause downward pressure on the price of our common stock.

The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning, could impair our ability to conduct business effectively. The occurrence of a disaster such as a cyber-attack, a natural catastrophe, an epidemic or pandemic, an industrial accident, a terrorist attack or war, events anticipated or unanticipated in our disaster recovery systems, or a failure in externally provided data systems, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage and retrieval systems or destroy data. Our ability to effectively conduct our business could be severely compromised. The financial markets we operate in are dependent upon third party data systems to link buyers and sellers and provide pricing information.

We depend heavily upon computer systems to perform necessary business functions. Our computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, we expect to experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. These failures and disruptions may be more likely to occur as a result of employees working remotely. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss, respectively.

Terrorist attacks, acts of war, natural disasters or an epidemic or pandemic may affect the market for our securities, impact the businesses in which we invest and harm our business, operating results and financial condition. Terrorist acts, acts of war, natural disasters or an epidemic or pandemic may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts, including, for example, Russia's February 2022 invasion of Ukraine and conflicts in the Middle East, have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. Additionally, a public health epidemic or pandemic, poses the risk that we, GECM, our portfolio companies or other business partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. While it is not possible at this time to estimate the impact that any such event could have on our business, the continued occurrence thereof and the measures taken by the governments of countries affected in response thereto could disrupt the supply chain and the manufacture or shipment of products and adversely impact our business, financial condition or results of operations.

Future terrorist activities, military or security operations, or natural disasters could further weaken the domestic/global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks and natural disasters are generally uninsurable.

There are significant potential conflicts of interest that could impact our investment returns. Certain of our executive officers and directors, and members of the investment committee of GECM, serve or may serve as officers, directors or principals of other entities, including ICAM or funds managed by ICAM, and affiliates of GECM and investment funds managed by our affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in our or our stockholders' best interests or that may require them to devote time to services for other entities, which could interfere with the time available to provide services to us. For example, Matt Kaplan, our President and Chief Executive Officer, is a portfolio manager at GECM and a member of its investment committee.

Although funds managed by GECM may have different primary investment objectives than we do, they may from time to time invest in asset classes similar to those targeted by us. GECM is not restricted from raising an investment fund with investment objectives similar to ours. Any such funds may also, from time to time, invest in asset classes similar to those targeted by us. It is possible that we may not be given the opportunity to participate in certain investments made by investment funds managed by investment managers affiliated with GECM. GECC's participation in any negotiated co-investment opportunities (other than those in which the only term negotiated is price) with investment funds managed by investment managers under common control with GECM is subject to compliance with the SEC order dated May 12, 2020 (Release No. 33864).

We will pay management and incentive fees to GECM, and will reimburse GECM for certain expenses it incurs. In addition, investors in our common stock will invest on a gross basis and receive distributions on a net basis after expenses, resulting in, among other things, a lower rate of return than one might achieve through direct investments.

GECM's management fee is based on a percentage of our total assets (other than cash or cash equivalents but including assets purchased with borrowed funds) and GECM may have conflicts of interest in connection with decisions that could affect our total assets, such as decisions as to whether to incur indebtedness.

The part of the incentive fee payable by us that relates to our pre-incentive fee net investment income is computed on income that may include interest that is accrued but not yet received in cash, but payment is made on such accrual only once corresponding income is received in cash. If a portfolio company defaults on a loan or note that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible, which would result in the reversal of any previously accrued and unpaid incentive fees. On April 6, 2022, our Board and the independent directors approved the amendment to the Investment Management Agreement (the "Amendment") to eliminate $163.2 million of realized and unrealized losses incurred prior to April 1, 2022 from the calculation of the Capital Gains Incentive Fee and reset the Capital Gains Commencement Date and the mandatory deferral commencement date, effectively resetting the incentive fee total return hurdle, which was subsequently approved by our stockholders on August 1, 2022.

The Investment Management Agreement renews for successive annual periods if approved by our Board or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not interested persons. However, both we and GECM have the right to terminate the agreement without penalty upon 60 days' written notice to the other party. Moreover, conflicts of interest may arise if GECM seeks to change the terms of the Investment Management Agreement, including, for example, the terms for compensation.

Pursuant to the Administration Agreement, we pay GECM our allocable portion of overhead and other expenses incurred by GECM in performing its obligations under the Administration Agreement, including our allocable portion of the cost of our Chief Financial Officer and Chief Compliance Officer and their respective staffs.

As a result of the arrangements described above, there may be times when our management team has interests that differ from those of our stockholders, giving rise to a conflict.

Our stockholders may have conflicting investment, tax and other objectives with respect to their investments in us. The conflicting interests of individual stockholders may relate to or arise from, among other things, the nature of our investments, the structure or the acquisition of our investments, and the timing of disposition of our investments. As a consequence, conflicts of interest may arise in connection with decisions made by GECM, including with respect to the nature or structuring of our investments, that may be more beneficial for one stockholder than for another stockholder, especially with respect to stockholders' individual tax situations. In selecting and structuring investments appropriate for us, GECM will consider the investment and tax objectives of us and our stockholders, as a whole, not the investment, tax or other objectives of any stockholder individually.

Risks Relating to Our Common Stock

A significant portion of our total outstanding shares may be sold into the public market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well. Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the market perception that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. We have registered all of the shares of our common stock held by GEG, which represent approximately 20% percent of our outstanding shares of common stock at December 31, 2023.

Our common stock price may be volatile and may decrease substantially, and an investor may lose money in connection with an investment in our shares. The trading price of our common stock will likely fluctuate substantially. The price of our common stock may increase or decrease, depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- investor demand for our shares;
- significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- exclusion of our common stock from certain indices, such as the Russell 2000 Financial Services Index, which could reduce the ability of certain investment funds to own our common stock and put short-term selling pressure on our common stock;
- changes in regulatory policies or tax guidelines with respect to RICs or BDCs;
- failure to qualify as a RIC, or the loss of RIC status;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- changes, or perceived changes, in the value of our portfolio investments;
- departures of GECM's key personnel;
- operating performance of companies comparable to GECC; or
- general economic conditions and trends and other external factors.

If the price of shares of our common stock decreases, an investor may lose money if he were to sell his shares of our common stock.

In addition, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Due to the potential volatility of the price of our securities, we may become the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

Provisions of the Maryland General Corporation Law and our organizational documents could deter takeover attempts and have an adverse impact on the prices of our common stock. The Maryland General Corporation Law and our organizational documents contain provisions that may discourage, delay or make more difficult a change in control of GECC or the removal of our directors. We are subject to the Maryland Business Combination Act and the Investment Company Act. If our Board, including a majority of the directors who are not interested persons as defined in the Investment Company Act, does not approve a business combination, the Maryland Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. Our Board could amend our bylaws to repeal our current exemption from the Maryland Control Share Acquisition Act. The Maryland Control Share Acquisition Act also may make it more difficult for a third party to obtain control of GECC and increase the difficulty of consummating such a transaction.

Our Board is authorized to reclassify any unissued shares of common stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners. Under the Maryland General Corporation Law and our organizational documents, our Board is authorized to classify and reclassify any authorized but unissued shares of stock into one or more classes of stock, including preferred stock. Prior to issuance of shares of each class or series, our Board is required by Maryland law and our charter to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, our Board could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve premium prices for holders of our common stock or otherwise be in their best interest. The cost of any such reclassification would be borne by our common stockholders. Certain matters under the Investment Company Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, holders of preferred stock would vote as a separate class from the holders of common stock on a proposal to cease operations as a BDC. In addition, the Investment Company Act provides that holders of preferred stock are entitled to vote separately from holders of common stock to elect two preferred stock directors. The issuance of preferred stock convertible into shares of common stock may also reduce the net income and NAV per share of our common stock upon conversion. These effects, among others, could have an adverse effect on an investment in our common stock.

Shares of closed-end investment companies, including BDCs, frequently trade at a discount from their NAV. Shares of closed-end investment companies, including BDCs, frequently trade at a discount from their NAV. This characteristic of closed-end investment companies is separate and distinct from the risk that our NAV per share of common stock may decline.

We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current NAV per share of our common stock if our Board determines that such sale is in the best interests of GECC and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board, equals the fair value of such securities (less any distributing commission or discount calculated). If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage of our existing stockholders' ownership at that time will decrease, and they may experience dilution.

Our stockholders may not receive distributions or our distributions may not grow over time and a portion of our distributions may be a return of capital. We intend to make distributions to our stockholders out of assets legally available for distribution (i.e., not subject to any legal restrictions under Maryland law on the distribution thereof). We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this document. Due to the asset coverage test applicable to us under the Investment Company Act as a BDC, we may be limited in our ability to make distributions.

When we make distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated earnings and profits. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of an investor's basis in our stock and, assuming that an investor holds our stock as a capital asset, thereafter as a capital gain. Stockholders who periodically receive the payment of a distribution consisting of a return of capital may be under the impression that they are receiving net profits when they are not. Stockholders should not assume that the source of a distribution from us is net profit.

We currently intend to distribute realized net capital gains (i.e., net long term capital gains in excess of short term capital losses), if any, at least annually, we may in the future decide to retain such capital gains for investment and elect to treat such gains as deemed distributions to our stockholders. If this happens, you will be treated as if you had received an actual distribution of the capital gains we retain and reinvested the net after tax proceeds in GECC. In this situation, you would be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to your allocable share of the tax we paid on the capital gains deemed distributed to you.

Our current intention is to make any distributions in additional shares of our common stock under our dividend reinvestment plan out of assets legally available therefor, unless you elect to receive your distributions and/or long-term capital gains distributions in cash. If you hold shares in the name of a broker or financial intermediary, you should contact the broker or financial intermediary regarding your election to receive distributions in cash.

We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the Investment Company Act or if distributions are limited by the terms of any of our borrowings.

Stockholders may experience dilution in their ownership percentage if they do not participate in our dividend reinvestment plan. All distributions declared in cash payable to stockholders that are participants in our dividend reinvestment plan are generally automatically reinvested in shares of our common stock. As a result, stockholders that do not participate in the dividend reinvestment plan may experience dilution over time. Stockholders who receive distributions in shares of common stock may experience accretion to the NAV of their shares if our shares are trading at a premium and dilution if our shares are trading at a discount. The level of accretion or discount would depend on various factors, including the proportion of our stockholders who participate in the plan, the level of premium or discount at which our shares are trading and the amount of the distribution payable to a stockholder.

Existing stockholders may incur dilution if, in the future, we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock. The Investment Company Act prohibits us from selling shares of our common stock at a price below the current NAV per share of such stock, with certain exceptions. Our shares might trade at premiums that are unsustainable or at discounts from NAV.

Shares of BDCs like us may, during some periods, trade at prices higher than their NAV per share and, during other periods, as frequently occurs with closed-end investment companies, trade at prices lower than their NAV per share. The perceived value of our investment portfolio may be affected by a number of factors including perceived prospects for individual companies we invest in, market conditions for common stock generally, for initial public offerings and other exit events for venture capital backed companies, and the mix of companies in our investment portfolio over time. Negative or unforeseen developments affecting the perceived value of companies in our investment portfolio could result in a decline in the trading price of our common stock relative to our NAV per share.

The possibility that our shares will trade at a discount from NAV or at premiums that are unsustainable are risks separate and distinct from the risk that our NAV per share will decrease. The risk of purchasing shares of a BDC that might trade at a discount or unsustainable premium is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon changes in premium or discount levels than upon increases or decreases in NAV per share.

Future offerings of debt securities, which would be senior to our common stock upon liquidation, or equity securities, which could dilute our existing stockholders and may be senior to our common stock for the purposes of distributions, may harm the value of our common stock. In the future, we may attempt to increase our capital resources by making offerings of debt or equity securities, including commercial paper, medium-term notes, senior or subordinated notes and classes of preferred stock or common stock, subject to the restrictions of the Investment Company Act. Upon a liquidation of our company, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings by us may dilute the holdings of our existing stockholders or reduce the value of our common stock, or both. Any preferred stock we may issue would have a preference on distributions that could limit our ability to make distributions to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us. In addition, proceeds from a sale of common stock will likely be used to increase our total assets or to pay down our borrowings, among other uses. This would increase our asset coverage ratio and permit us to incur additional leverage under rules pertaining to BDCs by increasing our borrowings or issuing senior securities such as preferred stock or additional debt securities.

Risks Relating to Indebtedness

We may borrow additional money, which would magnify the potential for loss on amounts invested and may increase the risk of investing with us. We have existing indebtedness and may in the future borrow additional money, including borrowings under a Loan Guarantee and Security Agreement, as amended (the “Loan Agreement”) with City National Bank (“CNB”), each of which magnifies the potential for loss on amounts invested and may increase the risk of investing with us. Our ability to service our existing and potential future debt depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. The amount of leverage that we could employ at any particular time will depend on GECM’s and our Board’s assessment of market and other factors at the time of any proposed borrowing.

Borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. Holders of such debt securities would have fixed dollar claims on our consolidated assets that would be superior to the claims of our common stockholders or any preferred stockholders.

If the value of our consolidated assets decreases while we have debt outstanding, leveraging would cause our NAV to decline more sharply than it otherwise would have had we not leveraged. Similarly, any decrease in our consolidated income while we have debt outstanding would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to make common stock distributions. We cannot assure you that our leveraging strategy will be successful.

Illustration. The following tables illustrate the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The first table assumes the actual amount of senior securities outstanding as of December 31, 2023. The second table assumes the maximum amount of senior securities outstanding as permitted under our asset coverage ratio of 150%. The calculations in the tables below are hypothetical and actual returns may be higher or lower than those appearing below.

Table 1

Assumed Return on Our Portfolio[1] [2] (net of expenses)	**(10.0)%**	**(5.0)%**	**0.0%**	**5.0%**	**10.0%**
Corresponding net return to common stockholder	(14.32)%	(9.32)%	(4.32)%	0.68%	5.68%

(1) Assumes $230.6 million in total portfolio assets, excluding short term investments, $143.1 million in senior securities outstanding, $98.7 million in net assets, and an average cost of funds of 6.96%. Actual interest payments may be different.

(2) In order for us to cover our annual interest payments on indebtedness, we must achieve annual returns on our December 31, 2023 total portfolio assets of at least 4.32%.

Table 2

Assumed Return on Our Portfolio[1] [2] (net of expenses)	(10.0)%	(5.0)%	0.0%	5.0%	10.0%
Corresponding net return to common stockholder	(14.82)%	(9.82)%	(4.82)%	0.18%	5.18%

(1) Assumes $285.0 million in total portfolio assets, excluding short term investments, $197.5 million in senior securities outstanding, $98.7 million in net assets, and an average cost of funds of 6.96%. Actual interest payments may be different.

(2) In order for us to cover our annual interest payments on indebtedness, we must achieve annual returns on our December 31, 2023 total portfolio assets of at least 4.82%.

Incurring additional indebtedness could increase the risk in investing in our Company. In 2018, our stockholders approved of the reduction of our required minimum asset coverage ratio from 200% to 150%, permitting us to incur additional leverage. The use of leverage magnifies the potential for gain or loss on amounts invested. The use of leverage is generally considered a speculative investment technique and increases the risks associated with investing in our securities.

As of December 31, 2023, we had approximately $143.1 million of total outstanding indebtedness in the aggregate under three series of senior securities (unsecured notes)—the GECCM Notes, the GECCO Notes and the GECCZ Notes (each as defined herein)—and our asset coverage ratio was 169.0%.

On May 5, 2021, we entered into the Loan Agreement, which provides for a senior secured revolving line of credit of up to $25 million (subject to a borrowing base). As of December 31, 2023, there were no borrowings outstanding under the revolving line. We may request to increase the revolving line in an aggregate amount not to exceed $25 million, which increase is subject to the sole discretion of CNB.

If we are unable to meet the financial obligations under any of the Loan Agreement or any series of our outstanding unsecured notes, the holders of such indebtedness would have a superior claim to our assets over our common stockholders, and the lenders or noteholders may seek to recover against our assets in the event of a default by us. If the value of our assets decreases, leveraging would cause NAV to decline more sharply than it otherwise would have had we not leveraged, thereby magnifying losses. Similarly, any decrease in our revenue or income will cause our net income to decline more sharply than it would have had we not borrowed. Such a decline would also negatively affect our ability to make distributions with respect to our common stock. Our ability to service any debt depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. Moreover, as the base management fee payable to GECM, our investment advisor, is payable based on the average value of our total assets, including those assets acquired through the use of leverage, GECM will have a financial incentive to incur leverage, which may not be consistent with our stockholders' interests. In addition, our common stockholders bear the burden of any increase in our fees or expenses as a result of our use of leverage, including interest expenses and any increase in the base management fee payable to GECM.

If our asset coverage ratio falls below the required limit, we will not be able to incur additional debt until we are able to comply with the asset coverage ratio applicable to us. This could have a material adverse effect on our operations, and we may not be able to make distributions to stockholders. The actual amount of leverage that we employ will depend on GECM's and our Board's assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us.

Incurring additional leverage may magnify our exposure to risks associated with changes in interest rates, including fluctuations in interest rates which could adversely affect our profitability. If we incur additional leverage, general interest rate fluctuations may have a more significant negative impact on our financial condition and results of operations than they would have absent such additional incurrence, and, accordingly, may have a material adverse effect on our investment objectives and rate of return on investment capital. A portion of our income will depend upon the difference between the rate at which we borrow funds and the interest rate on the debt securities in which we invest. Because we may borrow money to make investments and may issue debt securities, preferred stock or other securities, our net investment income is dependent upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities, preferred stock or other securities and the rate at which we invest these borrowed funds.

We expect that a majority of our investments in debt will continue to be at floating rates with a floor. As a result, significant increase in market interest rates could result in an increase in our non-performing assets and a decrease in the value of our portfolio because our floating-rate loan portfolio companies may be unable to meet higher payment obligations. In periods of rising interest rates, our cost of funds would increase, resulting in a decrease in our net investment income. Incurring additional leverage will magnify the impact of an increase to our cost of funds. In addition, a decrease in interest rates may reduce net income, because new investments may be made at lower rates despite the increased demand for our capital that the decrease in interest rates may produce. To the extent our additional borrowings are in fixed-rate instruments, we may be required to invest in higher-yield securities in order to cover our interest expense and maintain our current level of return to stockholders, which may increase the risk of an investment in our securities.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Processes and Risk Assessment

We rely on the cybersecurity program implemented by GECM. In order to assess, identify and manage material risks from cybersecurity threats, GECM has implemented a cybersecurity program, which is focused on (i) protecting the confidentiality of business, client, fund investor and employee information; (ii) maintaining the security and availability of its systems and data; (iii) supporting compliance with applicable laws and regulations; (iv) documenting cybersecurity incidents and its responses; and (v) notification of cybersecurity incidents to, and communications with, appropriate internal and external parties.

GECM has implemented an information security policy governing cybersecurity risk, which is designed to facilitate the protection of sensitive or confidential business, client, investor and employee information that it stores or processes and the maintenance of critical services and systems. These processes and systems are designed to protect against unauthorized access of information, including by cyber-attacks. GECM's policies and processes include, as appropriate, encryption, data loss prevention technology, authentication technology, entitlement management, access control, anti-virus and anti-malware software, and transmission of data over private networks. GECM’s processes and systems aim to prevent or mitigate two main types of cybersecurity risk: (1) cybersecurity risks associated with its physical and digital devices and infrastructure, and (2) cybersecurity risks associated with third parties, such as people and organizations who have access to its devices, infrastructure or confidential or sensitive information. This program is based on recognized industry standards and is supported by both management and our Board. This does not mean that we meet any particular technical standards, specifications, or requirements, but only that we use recognized industry standards as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

As a part of its cybersecurity program, GECM's cybersecurity processes and systems are reviewed and assessed by third parties. These third parties assess and report on GECM's compliance with applicable laws and regulations and its internal incident response preparedness, including benchmarking to best practices and industry frameworks. These third parties also help identify areas for continued focus and improvement. Annual penetration testing of its network, including critical systems and systems that store confidential or sensitive information, is conducted with third-party consultants and vulnerabilities are reviewed by GECM's Chief Operating Officer, IT Specialist and other

members of Company management (together, "Great Elm IT Management") and third third-party consultants. In order to oversee and identify risks from cybersecurity threats associated with its use of third parties who will have access to sensitive data or client systems and facilities, GECM requires third parties to adhere to GECM's cybersecurity requirements prior to accessing such data. In addition, GECM performs annual reviews of its critical vendors with the assistance of a third-party consultant to identify and assess the vendors' security posture to reduce risk to the Company.

GECM also provides its employees with cybersecurity awareness training at onboarding and annually, as well as interim security reminders and alerts. GECM's third-party consultants conduct regular phishing tests and provide additional training as appropriate.

Governance and Oversight of Cybersecurity Risks

GECM's cybersecurity program is managed by Great Elm IT Management. The members of the IT Management team collectively have years of experience helping to oversee the information technology infrastructure and processes at GECM and other asset managers. Great Elm IT Management is responsible for supervising and interfacing with providers to implement GECM's monitoring and alert response processes, vulnerability management, changes made to its critical systems, including software and network changes, and various other technological and administrative safeguards.

GECM has also developed an incident response framework to monitor the prevention, detection, mitigation and remediation of cybersecurity events. This framework is managed and implemented by Great Elm IT Management, with support from their third-party consultants. Great Elm IT Management alongside the General Counsel and Chief Compliance Officer of GECM are responsible for gathering information with respect to cybersecurity incidents, assessing its severity and determining potential responses, as well as communicating with business leaders and senior management, as appropriate.

Our Board of Directors has delegated the primary responsibility for oversight and review of guidelines and policies with respect to risk assessment and risk management to the Audit Committee, which includes oversight of risks related to cybersecurity threats. The Audit Committee and the Board, as appropriate, are informed about risks related to cybersecurity threats through periodic reports from GECM's Chief Operating Officer. Such reporting includes updates on GECM's cybersecurity program, the external threat environment, and GECM's programs to address and mitigate the risks associated with the evolving cybersecurity threat environment. These reports also include updates on GECM's preparedness, prevention, detection, responsiveness and recovery with respect to cyber incidents, where applicable.

Impact of Cybersecurity Risks

As of the filing of this Form 10-K, we are not aware of any cyber-attacks that have occurred since the beginning of 2023 that have materially affected, or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. We acknowledge that we cannot eliminate all security risks within our organization, and we cannot guarantee that any undetected cybersecurity incidents have occurred. For additional information about these risks, see "Item 1A. Risk Factors" in this Annual Report on Form 10-K.

Item 2. Properties.

Our executive offices are located at 800 South Street, Suite 230, Waltham, MA 02453, and are provided by GECM in accordance with the terms of the Administration Agreement.

Item 3. Legal Proceedings.

A description of our legal proceedings is included in Note 7 of the consolidated financial statements for the year ended December 31, 2023.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is traded on the NASDAQ Global Market ("Nasdaq") under the symbol "GECC."

As of February 22, 2024, there were approximately 9 holders of record of the common stock, one of which represents all of our stockholders for whom shares are held in "nominee" or "street name."

The following are our outstanding classes of securities as of December 31, 2023:

Title of Class	Amount Authorized	Amount Held by GECC or for GECC's Account	Amount Outstanding Exclusive of Amounts Shown in the Adjacent Column
Common Stock	1,000,000,000	-	7,601,958
GECCM Notes	-	-	$45.6 million
GECCO Notes	-	-	$57.5 million
GECCZ Notes	-	-	$40.0 million

Share Price Data

The following table sets forth: (i) NAV per share of our common stock as of the applicable period end, (ii) the range of high and low closing sales prices of our common stock as reported on the Nasdaq Global Market during the applicable period, (iii) the closing high and low sales prices as a premium (discount) to NAV during the relevant period, and (iv) the distributions per share of our common stock declared during the applicable period.

During the last two fiscal years, our common stock has generally traded below NAV. During the last two fiscal years, using the high and low sales prices within each fiscal quarter compared to the NAV at such quarter end, our common stock has traded as high as

26.0
% premium and as low as a

40.0
% discount to NAV.

	NAV[1]	Closing Sales Price High	Closing Sales Price Low	Premium (Discount) of High Sales Price to NAV[2]	Premium (Discount) of Low Sales Price to NAV[2]	Distributions Declared[3]
Fiscal year ending December 31, 2024						
First Quarter (through February 22, 2024)	N/A	$ 11.10	$ 10.26	--	--	--
Fiscal year ending December 31, 2023						
Fourth Quarter	$ 12.99	$ 10.98	$ 8.51	(15.5)%	(34.5)%	$ 0.45
Third Quarter	12.88	10.25	7.68	(20.4)%	(40.4)%	0.35
Second Quarter	12.21	9.10	7.58	(25.5)%	(37.9)%	0.35
First Quarter	11.88	9.75	8.50	(17.9)%	(28.5)%	0.35
Fiscal year ending December 31, 2022						
Fourth Quarter	$ 11.16	$ 10.29	$ 8.17	(7.8)%	(26.8)%	$ 0.45
Third Quarter	12.56	12.70	8.04	1.1 %	(36.0)%	0.45

Second Quarter	12.84	15.00	12.30	16.9 %	(4.2)%	0.45
First Quarter	15.06	18.99	13.80	26.1 %	(8.4)%	0.60

(1) NAV per share is determined as of the last day in the relevant quarter and therefore does not necessarily reflect the NAV per share on the date of the high and low closing sales prices. The NAVs shown are based on outstanding shares at the end of each period as adjusted retroactively for the reverse stock split effected on February 28, 2022.

(2) Calculated as of the respective high or low closing sales price divided by the quarter-end NAV.

(3) We have adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our Board authorizes, and we declare, a cash distribution, our stockholders who have not opted out of our dividend reinvestment plan will have their cash distributions (net of any applicable withholding tax) automatically reinvested in additional shares of our common stock, rather than receiving the cash distributions. See “Dividend Reinvestment Plan” in this prospectus.

Distributions

We offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the Investment Company Act or if distributions are limited by the terms of any of our borrowings.

To the extent our taxable earnings fall below the total amount of our distributions for that fiscal year, a portion of those distributions may be deemed a tax-free return of capital to our stockholders. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our taxable ordinary income or capital gains. Stockholders should read any written disclosure accompanying a distribution payment carefully and should not assume that the source of any distribution is our taxable ordinary income or capital gains.

During the year ended December 31, 2023, our distributions were made from distributable earnings. We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions in the future. In addition, we may be limited in our ability to make distributions due to the asset coverage requirements applicable to us as a BDC under the Investment Company Act. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of favorable regulated investment company tax treatment.

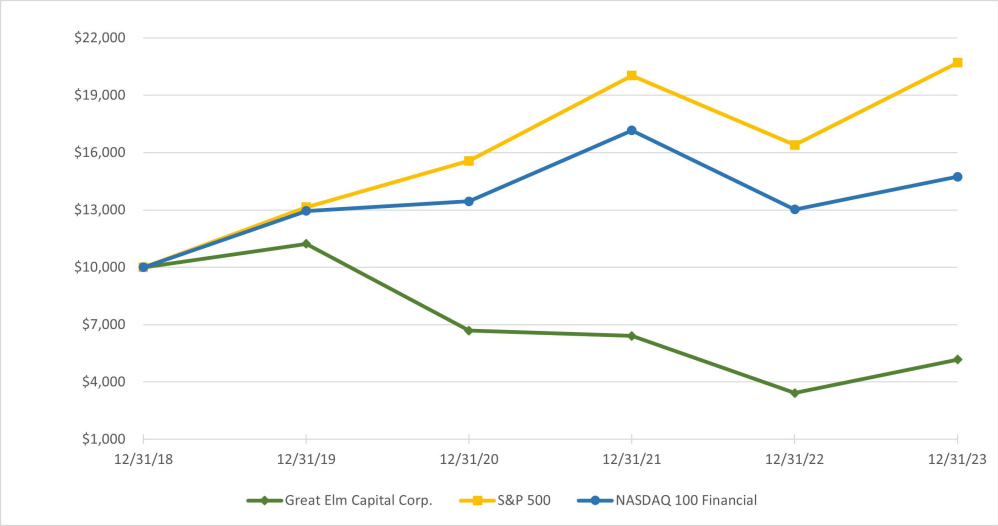
The following table summarizes our distributions declared for record dates since January 1, 2022:

Record Date	Payment Date	Distribution Per Share Declared[(1)]
March 15, 2022	March 30, 2022	$ 0.60
June 23, 2022	June 30, 2022	$ 0.45
September 15, 2022	September 30, 2022	$ 0.45
December 15, 2022	December 30, 2022	$ 0.45
March 15, 2023	March 31, 2023	$ 0.35
June 15, 2023	June 30, 2023	$ 0.35
September 15, 2023	September 29, 2023	$ 0.35
December 15, 2023	December 29, 2023	$ 0.35
December 29, 2023	January 12, 2024	$ 0.10

(1) Per share amounts have been adjusted for the periods shown to reflect the six-for-one reverse stock split effected on February 28, 2022 on a retroactive basis as described in Note 2.

Performance Graph

This graph compares the return on our common stock with that of the Standard & Poor's 500 Index (the "S&P 500 Index") and the Nasdaq Financial 100 Index, for the period from December 31, 2018, the last trading day before the fifth preceding fiscal year, through December 31, 2023. The graph assumes that, on December 31, 2018, a person invested $10,000 in each of the S&P 500 Index and the Nasdaq Financial 100 Index, and our common stock at the last day of trading. The graph measures total stockholder return, which takes into account both changes in stock price and dividends. It assumes that dividends paid are reinvested in like securities.



The graph and other information furnished under this Item 5 shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act. The stock price performance included in the above graph is not necessarily indicative of future stock price performance, and the graph does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the sale of fund shares.

Purchases of Equity Securities

None.

Financial Highlights

Below is the schedule of financial highlights of the Company:

	For the Year Ended December 31,							November 3, 2016 (Commencement of Operations) to December 31,
	2023	2022	2021	2020	2019	2018	2017	2016[6][7]
Per Share Data:[1]								
Net asset value, beginning of period	$ 11.16	$ 16.63	$ 20.74	$ 51.81	$ 62.02	$ 74.51	$ 81.14	$ 86.46
Net investment income	1.65	1.67	3.02	3.22	6.40	8.64	9.05	1.61
Net realized gains (loss)	(0.62)	(20.16)	(2.37)	(4.39)	0.76	1.36	1.87	(2.07)
Net change in unrealized appreciation (depreciation)	2.30	16.00	(3.17)	(13.24)	(11.58)	(15.07)	(12.34)	(7.88)
Net increase (decrease) in net assets resulting from operations	3.33	(2.49)	(2.52)	(14.41)	(4.42)	(5.07)	(1.42)	(8.34)
Issuance of common stock	-	(1.03)	0.81	(10.66)	-	-	-	-
Accretion from share buybacks	-	-	-	-	0.51	-	1.99	4.04
Distributions declared from net investment income[2]	(1.50)	(1.95)	(2.40)	(6.00)	(6.30)	(7.42)	(7.20)	(1.02)
Net decrease resulting from distributions to common stockholders	(1.50)	(1.95)	(2.40)	(6.00)	(6.30)	(7.42)	(7.20)	(1.02)
Net asset value, end of period	$ 12.99	$ 11.16	$ 16.63	$ 20.74	$ 51.81	$ 62.02	$ 74.51	$ 81.14
Per share market value, end of period	$ 10.65	$ 8.29	$ 18.48	$ 21.60	$ 46.68	$ 47.10	$ 59.04	$ 70.02
Shares outstanding, end of period	7,601,958	7,601,958	4,484,278	3,838,242	1,677,114	1,775,400	1,775,400	2,131,813
Total return based on net asset value[3]	30.98%	(22.17)%	(8.03)%	(49.51)%	(4.64)%	(7.31)%	0.69%	(5.30)%
Total return based on market value[3]	50.53%	(46.53)%	(1.27)%	(39.98)%	15.17%	(8.35)%	(5.56)%	(2.03)%
Ratio/Supplemental Data:								
Net assets, end of period	$ 98,739	$ 84,809	$ 74,556	$ 79,615	$ 86,889	$ 110,116	$ 132,287	$ 172,984
Ratio of total expenses to average net assets before waiver [4]	24.92%	22.14%	14.69%	25.84%	16.46%	9.96%	7.87%	10.27%[5][7]
Ratio of total expenses to average net assets after waiver [4],[5]	24.92%	16.43%	14.69%	25.84%	16.46%	9.96%	8.00%	9.99%[5][7]
Ratio of incentive fees to average net assets[4]	3.35%	0.66%	(4.91)%	1.68%	2.80%	0.13%	2.89%	3.04%[5]
Ratio of net investment income to average net assets[4],[5]	13.42%	12.30%	14.02%	11.77%	11.18%	12.30%	11.56%	10.52%[5][7]
Portfolio turnover	98%	53%	66%	64%	81%	67%	116%	27%

(1) The per share data was derived by using the weighted average shares outstanding during the period, except where such calculations deviate from those specified under the instructions to Form N-2. Per share data and shares outstanding have been adjusted for the periods shown to reflect the six-for-one reverse stock split effected on February 28, 2022 on a retrospective basis, as described in Note 2 of the notes to the consolidated financial statements.

(2) The per share data for distributions declared reflects the actual amount of distributions of record per share for the period.

(3) Total return based on net asset value is calculated as the change in net asset value per share, assuming the Company's distributions were reinvested through its dividend reinvestment plan. Total return based on market value is calculated as the change in market value per share, assuming the Company's distributions were reinvested through its dividend reinvestment plan. Total return does not include any estimate of a sales load or commission paid to acquire shares. For the period ended December 31, 2016, total return based on net asset value is calculated as the change in net asset value per share from November 4, 2016 through December 31, 2016, assuming the Company's distributions were reinvested through its dividend reinvestment plan. Total return based on market value is calculated as the change in market value per share from November 4, 2016 through December 31, 2016, assuming the Company's distributions were reinvested through its dividend reinvestment plan, and is assumed to be $12.03 on November 4, 2016. $12.03 represents the closing price of the common stock of Full Circle Capital Corporation, a Maryland corporation ("Full Circle"), on its last day of trading prior to the stock-for-stock merger of Full Circle with and into GECC, as adjusted by the exchange ratio in the Agreement and Plan of Merger, dated June 23, 2016 between Full Circle and GECC.

(4) Average net assets used in ratio calculations are calculated using monthly ending net assets for the period presented. For the years ending December 31, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 and the period ended December 31, 2016 average net assets were $93,441, $85,029, $87,975, $60,884, $97,791, $124,668, $151,986 and $179,366, respectively.

(5) Annualized for periods of less than one year.

(6) Net asset value at the beginning of the period is the net asset value per share as of the consummation of the Merger, as adjusted for the reverse stock split noted in footnote (1). Management corrected this heading to correspond to the timing of the Merger. The heading was corrected to read "November 3, 2016 to December 31, 2016," whereas it had previously been presented as "November 4, 2016 (commencement of operations) to December 31, 2016." November 3, 2016 is the date on which the Merger closed; November 4, 2016 is the date on which the Company began operating as the combined entity resulting from the Merger. On November 3, 2016, the Company recognized approximately $3,444 of organization costs in connection with the Merger, which were included in calculating the beginning of the period net asset value, and amounted to $(1.60) per share, based on 2,148,184 shares issued and outstanding on November 3, 2016. Per share amount and shares issued and outstanding on November 3, 2016 have been retrospectively adjusted to reflect the six-for-one reverse stock split effected on February 28, 2022, as described in Note 2 of the notes to the consolidated financial statements.

(7) Management corrected the expense ratios to reflect $3,444 of one-time non-recurring organization costs incurred in connection with the merger/formation transaction in the applicable ratio. The ratio of expenses (without management fees, incentive fees and interest and credit facility expenses) to average net assets was corrected to 4.37% (an increase of 1.92 percentage points); the ratio of total expenses to average net assets before waiver was corrected to 10.27% (an increase of 1.92 percentage points), the ratio of total expenses to average net assets after waiver was corrected to 9.99% (an increase of 1.92 percentage points); and the ratio of net investment income to average net assets was corrected to 10.52% (a reduction of 1.92 percentage points).

Fees and Expenses

The following table is intended to assist you in understanding the fees and expenses that an investor in our common stock will bear, directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. The following table should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown. Except where the context suggests otherwise, whenever this Form 10-K contains a reference to fees or expenses, paid by "us" or that "we" we will pay fees or expenses our stockholders will indirectly bear such fees or expenses as investors in us.

Stockholder transaction expenses (as a percentage of offering price):	
Sales load	—(1)
Offering expenses	—(2)
Dividend reinvestment plan expenses	Up to $15(3)
Total stockholder transaction expenses	
Annual expenses (as a percentage of net assets attributable to common stock):	
Base management fee	3.58%(4)
Incentive fee	3.17%(5)
Interest payments on borrowed funds	11.89%(6)
Other expenses	4.93%
Total annual expenses	23.58%

(1) In the event that shares of our common stock are sold to or through underwriters, the applicable prospectus or prospectus supplement will disclose the applicable sales load (underwriting discount or commission). Purchases of shares of our common stock on the secondary market are not subject to sales charges but may be subject to brokerage commissions or other charges. The table does not include any sales load that stockholders may have paid in connection with their purchase of shares of our common stock.

(2) The applicable prospectus or prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the offering expenses borne by us as a percentage of the offering price.

(3) The expenses of the dividend reinvestment plan are included in "other expenses" in the table above. We have adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our Board authorizes, and we declare, a cash distribution, our stockholders who have not opted out of our dividend reinvestment plan will have their cash distributions (net of any applicable withholding tax)automatically reinvested in additional shares of our common stock, rather than receiving the cash distributions. The plan administrator's fees under the plan will be paid by us. If a participant elects by written notice to the plan administrator to have the plan administrator sell part or all of the common stock held by the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a transaction fee of $15 plus a per share brokerage commission from the proceeds.

(4) We are externally managed by GECM and our base management fee is calculated at an annual rate of 1.50% based on the average value of our total assets (other than cash or cash equivalents, but including assets purchased with borrowed funds or other forms of leverage). Consequently, if we have borrowings outstanding, the base management fee as a percentage of net assets attributable to common shares would be higher than if we did not utilize leverage.

(5) See "Item 1. Business — Management and Incentive Fees."

(6) Assumes borrowings representing approximately 165% of our average net assets at an average annual interest rate of 6.96%. The amount of leverage that we may employ at any particular time will depend on, among other things, our Board's and GECM's assessment of market and other factors at the time of any proposed borrowing.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that our annual operating expenses remain at the levels set forth in the table above, except for the Incentive Fee based on income. Transaction expenses are not included in the following example.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 common stock investment, assuming a 5% annual return (assumes no return from net realized capital gains) (none of which is subject to the capital gains incentive fee)	$ 188	$ 482	$ 693	$ 993
You would pay the following expenses on a $1,000 common stock investment, assuming a 5% annual return resulting entirely from net realized capital gains (all of which is subject to the capital gains incentive fee)	$ 197	$ 498	$ 709	$ 998

This example should not be considered a representation of our future expenses, and actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown. The amounts included in the table above for “Other expenses” represent our estimates for the fiscal year ending December 31, 2023.

While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. The incentive fee under the Investment Management Agreement, which, assuming a 5% annual return, would either not be payable or have an immaterial impact on the expense amounts shown above, is not included in the example. Under the Investment Management Agreement, no incentive fee would be payable if we have a 5% annual return. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our expenses, and returns to our investors, would be higher. The example assumes that all dividends and other distributions are reinvested at NAV. Under certain circumstances, reinvestment of dividends and other distributions under our dividend reinvestment plan may occur at a price per share that differs from NAV.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

We are a BDC that seeks to generate both current income and capital appreciation through debt and income-generating equity investments, including investments in specialty finance businesses. To achieve our investment objective, we invest in secured and senior secured debt instruments of middle market companies, as well as income-generating equity investments in specialty finance companies, that we believe offer sufficient downside protection and have the potential to generate attractive returns. We generally define middle market companies as companies with enterprise values between $100 million and $2 billion. We also make investments throughout other portions of a company's capital structure, including subordinated debt, mezzanine debt, and equity or equity-linked securities. We source these transactions directly with issuers and in the secondary markets through relationships with industry professionals.

On September 1, 2023, we contributed investments in certain of our operating company subsidiaries and other specialty finance assets to our formerly wholly owned subsidiary, GESF in exchange for equity and subordinated indebtedness in GESF. In connection with this contribution, a strategic investor purchased approximately 12.5% of the equity interests and subordinated indebtedness in GESF. Through its subsidiaries, GESF provides a variety of financing options along a "continuum of lending" to middle-market borrowers including, receivables factoring, asset-based and asset-backed lending, lender finance, and equipment financing. GESF expects to generate both revenue and cost synergies across its specialty finance company subsidiaries.

On September 27, 2016, we and GECM, our external investment manager, entered into the Investment Management Agreement and the Administration Agreement, and we began to accrue obligations to our external investment manager. On August 1, 2022, upon receiving our stockholders' approval, we and GECM entered into the Amendment to reset the Capital Gains Incentive Fee to begin on April 1, 2022, which eliminated $163.2 million of realized and unrealized losses incurred prior to April 1, 2022 in calculating future incentive fees. In addition, the Income Incentive Fee was amended to reset the mandatory deferral commencement date used in calculating deferred incentive fees to April 1, 2022. The Investment Management Agreement renews for successive annual periods, subject to requisite approvals from our Board and/or stockholders.

We have elected to be treated as a RIC for U.S. federal income tax purposes. As a RIC, we will not be taxed on our income to the extent that we distribute such income each year and satisfy other applicable income tax requirements. To qualify as a RIC, we must, among other things, meet source-of-income and asset diversification requirements and annually distribute to our stockholders generally at least 90% of our investment company taxable income on a timely basis. If we qualify as a RIC, we generally will not have to pay corporate level taxes on any income that we distribute to our stockholders.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including, among others, the amount of debt and equity capital available from other sources to middle-market companies, the level of merger and acquisition activity, pricing in the high yield and leveraged loan credit markets, our expectations of future investment opportunities, the general economic environment as well as the competitive environment for the types of investments we make.

As a BDC, our investments and the composition of our portfolio are required to comply with regulatory requirements. See "The Company—Regulation as a Business Development Company" and "The Company—Certain U.S. Federal Income Tax Matters."

Revenues

We generate revenue primarily from interest on the debt investments that we hold. We may also generate revenue from dividends on the equity investments that we hold, capital gains on the disposition of investments, and lease, fee, and other income. Our investments in fixed income instruments generally have an expected maturity of three to five years, although we have no lower or upper constraint on maturity. Our debt investments generally pay interest quarterly or semi-annually. Payments of principal of our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt investments and preferred stock investments may defer payments of cash interest or dividends or PIK. In addition, we may generate revenue in the form of prepayment fees, commitment, origination, due diligence fees, end-of-term or exit fees, fees for providing significant managerial assistance, consulting fees and other investment-related income.

Expenses

Our primary operating expenses include the payment of a base management fee, administration fees (including the allocable portion of overhead under the Administration Agreement), and, depending on our operating results, an incentive fee. The base management fee and incentive fee remunerates GECM for work in identifying, evaluating, negotiating, closing and monitoring our investments. The Administration Agreement provides for reimbursement of costs and expenses incurred for office space rental, office equipment and utilities allocable to us under the Administration Agreement, as well as certain costs and expenses incurred relating to non-investment advisory, administrative or operating services provided by GECM or its affiliates to us. We also bear all other costs and expenses of our operations and transactions. In addition, our expenses include interest on our outstanding indebtedness.

Critical Accounting Policies and Estimates

Valuation of Portfolio Investments

We value our portfolio investments at fair value based upon the principles and methods of valuation set forth in policies adopted by our Board. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers in the principal (or most advantageous) market for the asset that (1) are independent of us; (2) are knowledgeable, having a reasonable understanding about the asset based on all available information (including information that might be obtained through due diligence efforts that are usual and customary); (3) are able to transact for the asset; and (4) are willing to transact for the asset (that is, they are motivated but not forced or otherwise compelled to do so).

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. Debt and equity securities for which market quotations are not readily available or for which market quotations are deemed not to represent fair value, are valued at fair value using a valuation process consistent with our Board-approved policy.

Our Board approves in good faith the valuation of our portfolio as of the end of each quarter. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that we may ultimately realize. In addition, changes in the market environment and other events may impact the market quotations used to value some of our investments.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in determining the fair value of our investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables; applicable market yields and multiples, security covenants, call protection provisions, information rights and the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, and merger and acquisition comparables; and enterprise values.

We prefer the use of observable inputs and minimize the use of unobservable inputs in our valuation process. Inputs refer broadly to the assumptions that market participants would use in pricing an asset. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset developed based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing an asset developed based on the best information available in the circumstances.

Both observable and unobservable inputs are subject to some level of uncertainty and assumptions used bear the risk of change in the future. We utilize the best information available to us, including the factors listed above, in preparing the fair valuations. In determining the fair value of any individual investment, we may use multiple inputs or utilize more than one approach to calculate the fair value to assess the sensitivity to change and determine a reasonable range of fair value. In addition, our valuation procedures include an assessment of the current valuation as compared to the previous valuation for each investment and where differences are material understanding the primary drivers of those changes, incorporating updates to our current valuation inputs and approaches as appropriate.

Revenue Recognition

Interest and dividend income, including PIK income, is recorded on an accrual basis. Origination, structuring, closing, commitment and other upfront fees, including OID, earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment if such fees are fixed in nature. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, and end-of-term or exit fees that have a contingency feature or are variable in nature are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are recognized when earned and are included in interest income.

We may purchase debt investments at a discount to their face value. Discounts on the acquisition of corporate debt instruments are generally amortized using the effective-interest or constant-yield method, unless there are material questions as to collectability.

We assess the outstanding accrued income receivables for collectability at least quarterly, or more frequently if there is an event that indicates the underlying portfolio company may not be able to make the expected payments. If it is determined that amounts are not likely to be paid we may establish a reserve against or reverse the income and put the investment on non-accrual status.

Net Realized Gains (Losses) and Net Change in Unrealized Appreciation (Depreciation)

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale of an investment and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Realized gains and losses are computed using the specific identification method.

Net change in unrealized appreciation or depreciation reflects the net change in portfolio investment fair values and portfolio investment cost bases during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Portfolio and Investment Activity

The following is a summary of our investment activity for the years ended December 31, 2023 and 2022:

(in thousands)	Acquisitions[1]	Dispositions[2]	Weighted Average Yield End of Period[3]
Quarter ended March 31, 2022	27,578	(29,723)	10.38%
Quarter ended June 30, 2022	44,750	(34,014)	10.27%
Quarter ended September 30, 2022	40,212	(28,430)	11.59%
Quarter ended December 31, 2022	37,588	(20,461)	12.43%
For the Year Ended December 31, 2022	$ 150,128	$ (112,628)	
Quarter ended March 31, 2023	53,293	(57,175)	13.06%
Quarter ended June 30, 2023	23,042	(15,975)	13.47%
Quarter ended September 30, 2023	80,915	(87,268)	13.36%
Quarter ended December 31, 2023	68,813	(75,152)	13.77%
For the Year Ended December 31, 2023	$ 226,063	$ (235,570)	

(1) Includes new investments, additional fundings (inclusive of those on revolving credit facilities), refinancings and capitalized PIK income. Investments in short-term securities, including U.S. Treasury Bills and money market mutual funds, were excluded.

(2) Includes scheduled principal payments, prepayments, sales, and repayments (inclusive of those on revolving credit facilities). Investments in short-term securities, including U.S. Treasury Bills and money market mutual funds, were excluded.

(3) Weighted average yield is based upon the stated coupon rate and fair value of outstanding debt securities at the measurement date. Debt securities on non-accrual status are included in the calculation and are treated as having 0% as their applicable interest rate for purposes of this calculation, unless such debt securities are valued at zero.

Portfolio Reconciliation

The following is a reconciliation of the investment portfolio for the years ended December 31, 2023 and 2022. Investments in short-term securities, including U.S. Treasury Bills and money market mutual funds, are excluded from the table below.

(in thousands)	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Beginning Investment Portfolio, at fair value	$ 224,957	$ 212,149
Portfolio Investments acquired[1]	226,063	150,128
Amortization of premium and accretion of discount, net	2,375	1,328
Portfolio Investments repaid or sold[2]	(235,570)	(112,628)
Net change in unrealized appreciation (depreciation) on investments	17,485	100,016
Net realized gain (loss) on investments	(4,698)	(126,036)
Ending Investment Portfolio, at fair value	$ 230,612	$ 224,957

(1) Includes new investments, additional fundings (inclusive of those on revolving credit facilities), refinancings, and capitalized PIK income.

(2) Includes scheduled principal payments, prepayments, sales, and repayments (inclusive of those on revolving credit facilities).

Portfolio Classification

The following table shows the fair value of our portfolio of investments by industry as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023		December 31, 2022	
Industry	**Investments at Fair Value**	**Percentage of Fair Value**	**Investments at Fair Value**	**Percentage of Fair Value**
Specialty Finance	$ 52,322	22.69%	$ 58,250	25.89%
Chemicals	27,023	11.72%	31,702	14.09%
Consumer Products	20,211	8.76%	8,413	3.74%
Transportation Equipment Manufacturing	17,261	7.49%	11,803	5.25%
Insurance	16,026	6.95%	2,340	1.04%
Internet Media	13,732	5.95%	12,247	5.44%
Shipping	11,724	5.08%	7,206	3.20%
Oil & Gas Exploration & Production	11,420	4.95%	15,136	6.74%
Metals & Mining	9,538	4.14%	6,046	2.69%
Technology	7,342	3.18%	(365)	(0.16)%
Food & Staples	7,199	3.12%	3,660	1.63%
Energy Services	6,930	3.01%	2,877	1.28%
Closed-End Fund	6,770	2.94%	5,825	2.59%
Casinos & Gaming	4,252	1.84%	9,301	4.13%
Aircraft	3,958	1.72%	3,577	1.59%
Industrial	3,719	1.61%	5,498	2.44%
Restaurants	3,441	1.49%	3,110	1.38%
Apparel	2,007	0.87%	2,371	1.05%
Energy Midstream	1,996	0.87%	22,559	10.03%
Defense	1,945	0.84%	-	- %
Consumer Services	1,742	0.76%	-	- %
Retail	54	0.02%	5	0.00%
Oil & Gas Refining	-	- %	5,388	2.40%
Hospitality	-	- %	4,988	2.22%
Wireless Telecommunications Services	-	- %	2,997	1.33%
Special Purpose Acquisition Company	-	- %	19	0.01%
Auto Manufacturer	-	- %	2	0.00%
Biotechnology	-	- %	1	0.00%
Household & Personal Products	-	- %	1	0.00%
Total	**$ 230,612**	**100.00%**	**$ 224,957**	**100.00%**

Results of Operations

Investment Income

	For the Year Ended December 31,			
	2023		2022	
	In Thousands	Per Share[1]	In Thousands	Per Share[1]
Total Investment Income	**$ 35,825**	**$ 4.71**	**$ 24,429**	**$ 3.91**
Interest income	28,901	3.80	18,684	2.99
Dividend income	3,478	0.46	4,354	0.70
Other commitment fees	3,075	0.40	1,155	0.18
Other income	371	0.05	236	0.04

(1) The per share amounts are based on a weighted average of 7,601,958 outstanding common shares for the year ended December 31, 2023 and a weighted average of 6,251,391 outstanding common shares for the year ended December 31, 2022. These weighted average share amounts have been retroactively adjusted for the reverse stock split effected on February 28, 2022.

Investment income consists of interest income, including net amortization of premium and accretion of discount on loans and debt securities, dividend income and other income, which primarily consists of amendment fees, commitment fees and funding fees on loans. For the years ended December 31, 2023 and 2022, income includes non-cash PIK income of $2.6 million and $1.3 million, respectively.

Interest income increased for the year ended December 31, 2023 as compared to the year ended December 31, 2022 primarily due to growth of the portfolio and rising interest rates.

Dividend income decreased for the year ended December 31, 2023 as compared to the year ended December 31, 2022 due to lower distributions from our investments in specialty finance portfolio companies.

Other commitment fees increased for the year ended December 31, 2023 as compared to the year ended December 31, 2022 is attributable to fees in connection with the extensions of certain revolver commitments.

Expenses

	For the Year Ended December 31,			
	2023		2022	
	In Thousands	Per Share[1]	In Thousands	Per Share[1]
Total Expenses	**$ 22,996**	**$ 3.03**	**$ 13,716**	**$ 2.19**
Management fees	3,539	0.47	3,205	0.51
Incentive fees	3,132	0.41	565	0.10
Incentive fee waiver	-	-	(4,854)	(0.78)
Total advisory and management fees	6,671	0.88	(1,084)	(0.17)
Administration fees	1,522	0.20	938	0.15
Directors' fees	205	0.03	215	0.03
Interest expense	11,742	1.54	10,690	1.71
Professional services	1,772	0.23	1,967	0.31
Custody fees	81	0.01	53	0.01
Other	1,003	0.13	937	0.15
Income Tax Expense				
Excise tax	287	0.04	252	0.04

(1) The per share amounts are based on a weighted average of 7,601,958 outstanding common shares for the year ended December 31, 2023 and a weighted average of 6,251,391 outstanding common shares for the year ended December 31, 2022. These weighted average share amounts have been retroactively adjusted for the reverse stock split effected on February 28, 2022.

Expenses are largely comprised of advisory fees and administration fees paid to GECM and interest expense on our outstanding notes payable. See "—Liquidity and Capital Resources." Advisory fees include management fees and incentive fees calculated in accordance with the Investment Management Agreement, and administration fees include direct costs reimbursable to GECM under the Administration Agreement and fees paid for sub-administration services.

Overall expenses for the year ended December 31, 2023 increased as compared to the year ended December 31, 2022 primarily driven by an increase in incentive fees compared to the year ended December 31, 2022 during which $4.9 million of incentive fees were waived by GECM. The $0.6 million increase in administration fees for the year ended December 31, 2023 as compared to the year ended December 31, 2022 is attributable to increased allocation of personnel costs from GECM as a result of additional resource time spent on GECC matters.

Professional services costs decreased for the year ended December 31, 2023 as compared to the year ended December 31, 2022 primarily due to decreased legal expenses associated with specific transaction matters. The $0.2 million decrease in professional services were partially offset by general rate increases for professional services including legal and accounting costs.

For the year ended December 31, 2023, GECC recognized $3.1 million in incentive fees due to increased pre-incentive net investment income. For the year ended December 31, 2022, GECC recognized $0.6 million in incentive fees which was offset by $4.9 million in previously recognized incentive fees which were waived by GECM as of March 31, 2022 resulting in a net reversal of $4.3 million for incentive fees as a result of income reversals, realized losses where proceeds did not cover the amortized cost basis, and the determination that previously recognized incentive fees earned on certain non-accrual positions with significant write-downs should not be recognized as a liability.

Realized Gains (Losses)

	For the Year Ended December 31,			
	2023		2022	
	In Thousands	Per Share[1]	In Thousands	Per Share[1]
Net Realized Gain (Loss)	**$ (4,707)**	**$ (0.62)**	**$ (126,046)**	**$ (20.16)**
Gross realized gain	11,702	1.54	6,207	0.99
Gross realized loss	(16,409)	(2.16)	(132,253)	(21.15)

(1) The per share amounts are based on a weighted average of 7,601,958 outstanding common shares for the year ended December 31, 2023 and a weighted average of 6,251,391 outstanding common shares for the year ended December 31, 2022. These weighted average share amounts have been retroactively adjusted for the reverse stock split effected on February 28, 2022.

Realized gain for the year ended December 31, 2023 includes $5.7 million in gains on the realization of our investment in Prestige Capital Finance, LLC ("Prestige") common equity in connection with the in-kind contribution to GESF and $0.9 million in gains from the partial sale of our investment in ACIC. Realized losses for the year ended December 31, 2023 includes $7.0 million in loss on the sale of Lenders Funding, LLC ("Lenders Funding") common equity and $4.6 million in loss related to the write off of investments in Avanti Communications Group plc ("Avanti Communications").

During the year ended December 31, 2022, net realized losses on investments were primarily driven by the restructuring of Avanti Communications on which we realized approximately $111 million of previously recognized unrealized losses as a result of the April 2022 restructuring. In addition, we realized approximately $15.9 million and $4.2 million of previously recognized unrealized losses as a result of the sales of our positions in Tru (UK) Asia Limited ("Tru Taj") common stock and California Pizza Kitchen, Inc. ("CPK") common stock, respectively. Such realized losses are offset by the relief of those previously recognized unrealized losses as discussed under *Change in Unrealized Appreciation (Depreciation) on Investments* below.

During the year ended December 31, 2022, gross realized gains included approximately $2.2 million on sales of our investment in Crestwood Equity Partners, LP preferred stock, $1.0 million on the sale of our investment in GAC HoldCo Inc. warrants and $0.9 million on the refinancing of our investment in Tensar Corporation 2nd Lien secured loan.

Change in Unrealized Appreciation (Depreciation) on Investments

The following table summarizes the significant unrealized appreciation (depreciation) of our investment portfolio.

	For the Year Ended December 31,			
	2023		2022	
	In Thousands	Per Share[1]	In Thousands	Per Share[1]
Net change in unrealized appreciation/ (depreciation)	**$ 17,498**	**$ 2.30**	**$ 100,002**	**$ 16.00**
Unrealized appreciation	28,101	3.69	130,699	20.91
Unrealized depreciation	(10,603)	(1.39)	(30,697)	(4.91)

(1) The per share amounts are based on a weighted average of 7,601,958 outstanding common shares for the year ended December 31, 2023 and a weighted average of 6,251,391 outstanding common shares for the year ended December 31, 2022. These weighted average share amounts have been retroactively adjusted for the reverse stock split effected on February 28, 2022.

For the year ended December 31, 2023, unrealized appreciation was primarily driven by reversal of approximately $7.0 million in previously recognized unrealized depreciation on our investment in Lenders Funding common equity which was reclassified to realized loss upon the sale of our position and $4.6 million in previously recognized unrealized depreciation on our investment in Avanti Communications which was reclassified to realized loss upon the write off of the position. Unrealized depreciation for the year ended December 31, 2023 was primarily driven by the reversal of approximately $3.9 million in previously recognized unrealized appreciation on our investment in Prestige common equity which was reclassified to realized gain upon the in-kind contribution to GESF.

For the year ended December 31, 2022, net unrealized appreciation was attributable to the relief of previously recognized unrealized depreciation as a result of sales of our investments in Tru Taj and CPK and the restructuring of our investments in Avanti Communications, as discussed under *Realized Gains (Losses)* above. Unrealized depreciation for the year ended December 31, 2022 includes approximately $7.0 million in decrease in fair value of our investment in Avanti Space Limited junior priority notes received in the April 2022 restructuring of Avanti Communications and $5.1 million in decrease in fair value of our equity investment in Lenders Funding.

Please see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for a discussion of fiscal year 2021.

Liquidity and Capital Resources

We generate liquidity through our operations with cash received from investment income and sales and paydowns on investments. Such proceeds are generally reinvested in new investment opportunities, distributed to shareholders in the form of dividends, or used to pay operating expenses. We also receive proceeds from our issuances of notes payable and our revolving credit facility and from time to time may raise additional equity capital. See “—Revolver” and “—Notes Payable” below for more information regarding our outstanding credit facility and notes.

As of December 31, 2023, we had approximately $1.0 million of cash and cash equivalents and approximately $10.8 million of money market fund investments at fair value. As of December 31, 2023, we had investments in 38 debt instruments across 32 companies, totaling approximately $200.7 million at fair value and 10 equity investments in 10 companies, with an aggregate fair value of approximately $29.9 million.

In the normal course of business, we may enter into investment agreements under which we commit to make an investment in a portfolio company at some future date or over a specified period of time. As of December 31, 2023, we had approximately $8.9 million in unfunded loan commitments to provide debt financing to certain of our portfolio companies. We had sufficient cash and other liquid assets on our December 31, 2023 balance sheet to satisfy the unfunded commitments.

For the year ended December 31, 2023, net cash provided by operating activities was approximately $25.7 million, reflecting the purchases and proceeds from sales of investments and principal repayments of investments offset by net investment income, including non-cash income related to accretion of discount and PIK income and proceeds from sales of investments and principal payments received. Net cash provided by purchases and proceeds from sales of investments was approximately $14.6 million, reflecting payments for additional investments of $220.5 million, offset by proceeds from principal repayments and sales of $235.1 million. Such amounts include draws and repayments on revolving credit facilities.

For the year ended December 31, 2022, net cash used in operating activities was approximately $41.8 million, reflecting the purchases and proceeds from sales of investments and principal repayments of investments offset by net investment income, including non-cash income related to accretion of discount and PIK income and proceeds from sales of investments and principal payments received. Net cash used in purchases and proceeds from sales of investments was approximately $36.5 million, reflecting payments for additional investments of $149.5 million, offset by proceeds from principal repayments and sales of $113.0 million. Such amounts include draws and repayments on revolving credit facilities.

For the year ended December 31, 2023, cash used for financing activities was $25.3 million, which consisted of $38.4 million in net proceeds from the issuance of the GECCZ Notes which was offset by $42.8 million in payments to retire the GECCN Notes, $10.0 million in net repayments on the revolving credit facility and $10.6 million in distributions to stockholders.

For the year ended December 31, 2022, cash provided by financing activities was $33.2 million, which consisted of $37.5 million in proceeds from issuance of common stock and $10.0 million in borrowings under credit facility offset by $13.0 million in distributions and $1.3 million in payments of deferred financing costs.

We believe we have sufficient liquidity available to meet our short-term and long-term obligations for at least the next 12 months and for the foreseeable future thereafter.

Contractual Obligations and Cash Requirements

A summary of our material contractual payment obligations and other cash obligations as of December 31, 2023 is as follows:

(in thousands)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Contractual and Other Cash Obligations					
GECCM Notes	45,610	-	45,610	-	-
GECCO Notes	57,500	-	57,500	-	-
GECCZ Notes	40,000	-	-	40,000	-
Revolving Credit Facility	-	-	-	-	-
Total	$ 143,110	$ -	$ 103,110	$ 40,000	$ -

See "—Revolver" and "—Notes Payable" below for more information regarding our outstanding credit facility and notes.

We have certain contracts under which we have material future commitments. Under the Investment Management Agreement, GECM provides investment advisory services to us. For providing these services, we pay GECM a fee, consisting of two components: (1) a base management fee based on the average value of our total assets and (2) an incentive fee based on our performance. On August 1, 2022, our stockholders approved an amendment to the Investment Management Agreement to eliminate $163.2 million of realized and unrealized losses incurred prior to April 1, 2022 from the calculation of future capital gains incentive fees and reset the capital gain incentive fee and mandatory deferral periods in Sections 4.4 and 4.5, respectively, of the Investment Management Agreement to begin on April 1, 2022.

We are also party to the Administration Agreement with GECM. Under the Administration Agreement, GECM furnishes us with, or otherwise arranges for the provision of, office facilities, equipment, clerical, bookkeeping, finance, accounting, compliance and record keeping services at such office facilities and other such services as our administrator.

If any of the contractual obligations discussed above are terminated, our costs under any new agreements that we enter into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our Investment Management Agreement and our Administration Agreement. Any new investment management agreement would also be subject to approval by our stockholders.

Both the Investment Management Agreement and the Administration Agreement may be terminated by either party without penalty upon no fewer than 60 days' written notice to the other.

Revolver

On May 5, 2021, we entered into the Loan Agreement with CNB. The Loan Agreement provides for a senior secured revolving line of credit of up to $25 million (subject to a borrowing base as defined in the Loan Agreement). We may request to increase the revolving line in an aggregate amount not to exceed $25 million, which increase is subject to the sole discretion of CNB. In November 2023, the Company entered into an amendment to the Loan Agreement extending the maturity date of the revolving line to May 5, 2027. Borrowings under the revolving line currently bear interest at a rate equal to (i) the Secured Overnight Financing Rate ("SOFR") plus 3.00% (reduced from SOFR plus 3.50% prior to the November 2023 amendment), (ii) a base rate plus 2.00% or (iii) a combination thereof, as determined by us. Additionally, we are required to pay a commitment fee of 0.50% per annum on any unused portion of the revolving line of credit. As of December 31, 2023, there were no borrowings outstanding under the revolving line.

Borrowings under the revolving line are secured by a first priority security interest in substantially all of our assets, subject to certain specified exceptions. We have made customary representations and warranties and are required to comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar loan agreements. In addition, the Loan Agreement contains financial covenants requiring (i) net assets of not less than $65 million, (ii) asset coverage equal to or greater than 150% and (iii) bank asset coverage equal to or greater than 300%, in each case tested as of the last day of each fiscal quarter of the Company. Borrowings are also subject to the leverage restrictions contained in the Investment Company Act.

Notes Payable

On January 11, 2018, we issued $

43.0

million in aggregate principal amount of 6.75% notes due 2025 (the " GECCM Notes "). On January 19, 2018 and February 9, 2018, we issued an additional $

1.9

million and $

1.5

million, respectively, of the GECCM Notes upon partial exercise of the underwriters' over-allotment option. The aggregate principal balance of the GECCM Notes outstanding as of December 31, 2023 is $

45.6

million.

On June 18, 2019, we issued $

42.5

million in aggregate principal amount of 6.50% Notes due 2024 (the " GECCN Notes "), which included $2.5 million of GECCN Notes issued in connection with the partial exercise of the underwriters' over-allotment option. On July 5, 2019, we issued an additional $

2.5

million of the GECCN Notes upon another partial exercise of the underwriters' over-allotment option.

On August 8, 2023, we caused redemption notices to be issued to the holders of the GECCN Notes regarding the Company's exercise of its option to redeem, in whole, the issued and outstanding GECCN Notes. We redeemed all of the issued and outstanding GECCN Notes on September 7, 2023 at 100% of the principal amount plus accrued and unpaid interest thereon from June 30, 2023 through, but excluding, the redemption date, September 7, 2023.

On June 23, 2021, we issued $

50.0

million in aggregate principal amount of 5.875% notes due 2026 (the " GECCO Notes "). On July 9, 2021, we issued an additional $

7.5

million of the GECCO Notes upon full exercise of the underwriters' over-allotment option. The aggregate principal balance of the GECCO Notes outstanding as of December 31, 2023 is $

57.5

million.

On August 16, 2023, we issued $

40.0

million in aggregate principal amount of 8.75% notes due 2028 (the " GECCZ Notes " and, together with the GECCM Notes and GECCO Notes, the "Notes"). The aggregate principal balance of the GECCZ Notes outstanding as of December 31, 2023 is $

40.0

million.

The Notes are our unsecured obligations and rank equal with all of our outstanding and future unsecured unsubordinated indebtedness. The unsecured notes are effectively subordinated, or junior in right of payment, to indebtedness under our Loan Agreement and any other future secured indebtedness that we may incur and structurally subordinated to all future indebtedness and other obligations of our subsidiaries. We pay interest on the Notes on March 31, June 30, September 30 and December 31 of each year. The GECCM Notes, GECCO Notes, and GECCZ Notes will mature on January 31, 2025, June 30, 2026, and September 30, 2028, respectively. The GECCM Notes and GECCO Notes are currently callable at the Company's option and the GECCZ Notes can be called on, or after, September 30, 2025. Holders of the Notes do not have the option to have the Notes repaid prior to the stated maturity date. The Notes were issued in minimum denominations of $25 and integral multiples of $25 in excess thereof.

We may repurchase the Notes in accordance with the Investment Company Act and the rules promulgated thereunder.

As of December 31, 2023, our asset coverage ratio was approximately 169.0%. Under the Investment Company Act, we are subject to a minimum asset coverage ratio of 150%.

Interest Rate Risk

We are also subject to financial risks, including changes in market interest rates. As of December 31, 2023, approximately $148.9 million in principal amount of our debt investments bore interest at variable rates, which are generally based on SOFR or US prime rate, and many of which are subject to certain floors. Recently, interest rates have risen and a prolonged increase in interest rates will increase our gross investment income and could result in an increase in our net investment income if such increases in interest rates are not offset by a corresponding decrease in the spread over variable rates that we earn on any portfolio investments or an increase in our operating expenses. See “Item 7A. Quantitative and Qualitative Disclosures About Market Risk” for an analysis of the impact of hypothetical base rate changes in interest rates.

Recent Developments

Distribution

Our Board set a distribution for the quarter ending March 31, 2024 at a rate of $0.35 per share. The full amount of the distribution will be from distributable earnings. The schedule of the distribution payment will be established by GECC pursuant to authority granted by our Board. The distribution will be paid in cash.

Private Placement

On February 8, 2024, we entered into a Share Purchase Agreement with Great Elm Strategic Partnership I, LLC ("GESP"), pursuant to which GESP purchased, and we issued, 1,850,424 shares of our common stock, par value $0.01, at a price of $12.97 per share, which represented our net asset value per share as of February 7, 2024, for an aggregate purchase price of $24 million.

GESP is a special purpose vehicle which is owned 25% by GEG. GECM, the investment manager of GECC, is a wholly-owned subsidiary of GEG.

The common stock was issued in a private placement exempt from registration under Section 4(a)(2) of the Securities Act.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are subject to financial market risks, including changes in interest rates. As of December 31, 2023, 8 debt investments in our portfolio bore interest at a fixed rate, and the remaining 29 debt investments were at variable rates, representing approximately $68.2 million and $148.9 million in principal debt, respectively. As of December 31, 2022, 31 debt investments in our portfolio bore interest at a fixed rate, and the remaining 23 debt investments were at variable rates, representing approximately $129.3 million and $100.8 million in principal debt, respectively. The variable rates are generally based upon the SOFR or US prime rate.

To illustrate the potential impact of a change in the underlying interest rate on our net investment income, we have assumed a 1%, 2%, and 3% increase and 1%, 2%, and 3% decrease in the underlying reference rate, and no other change in our portfolio as of December 31, 2023. We have also assumed there are no outstanding floating rate borrowings by the Company. See the following table for the effect the rate changes would have on net investment income.

Reference Rate Increase (Decrease)		Increase (decrease) of Net Investment Income (in thousands)[1]
3.00%	$	4,467
2.00%		2,978
1.00%		1,489
(1.00)%		(1,489)
(2.00)%		(2,978)
(3.00)%		(4,465)

(1) Several of our debt investments with variable rates contain a reference rate floor. The actual increase (decrease) of net investment income reflected in the table above takes into account such floors to the extent applicable.

Although we believe that this analysis is indicative of our existing interest rate sensitivity as of December 31, 2023, it does not adjust for changes in the credit quality, size and composition of our portfolio, and other business developments, including borrowing under a credit facility, that could affect the net increase (decrease) in net assets resulting from operations. Accordingly, no assurances can be given that actual results would not differ materially from the results under this hypothetical analysis.

We may in the future hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to the investments in our portfolio with fixed interest rates.

Item 8. Financial Statements and Supplementary Data.

The financial statements listed in the index to financial statements immediately following the signature page to this report are incorporated herein by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of December 31, 2023, we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic filings with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating 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.

Management's Report on Internal Control Over Financial Reporting

Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) or 15d-15(e)) as of the end of the year covered by this Annual Report on Form 10-K. Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. The internal control over financial reporting is designed 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. Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Company's transactions are being made only in accordance with authorizations of management, and;
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the framework established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). As a result of this assessment and based on the criteria in the COSO framework, management has concluded that, as of December 31, 2023, our internal control over financial reporting was effective.

Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this Annual Report on Form 10-K.

Attestation Report of the Independent Registered Public Accounting Firm

Not applicable.

Changes in Internal Controls Over Financial Reporting

Management did not identify any change in the Company's internal control over financial reporting that occurred during the fourth fiscal quarter of the year ending December 31, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

During the quarter ended December 31, 2023, no director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of GECC adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 will be contained in the Proxy Statement and is hereby incorporated by reference thereto.

Item 11. Executive Compensation.

The information required by Item 11 will be contained in the Proxy Statement and is hereby incorporated by reference thereto.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by Item 12 will be contained in the Proxy Statement and is hereby incorporated by reference thereto.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 will be contained in the Proxy Statement and is hereby incorporated by reference thereto.

Item 14. Principal Accountant Fees and Services.

The information required by Item 14 will be contained in the Proxy Statement is hereby incorporated by reference thereto.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

Financial Statements

The financial statements set forth on the index to financial statements immediately following the signature page to this report are incorporated by reference as if set forth herein.

Financial Statement Schedules

No financial statement schedules are filed herewith because (1) such schedules are not required or (2) the information has been presented in the aforementioned financial statements.

Exhibits

Unless otherwise indicated, all references are to exhibits to the applicable filing by Great Elm Capital Corp. (the "Registrant") under File No. 814-01211 with the SEC.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of June 23, 2016, by and between Full Circle Capital Corporation and the Registrant (incorporated by reference to the Rule 425 filing on June 27, 2016)
2.2	Subscription Agreement, dated as of June 23, 2016, by and among the Registrant, Forest Investments, Inc. (formerly, Great Elm Capital Group, Inc.) and the investment funds signatory thereto (incorporated by reference to the Rule 425 filing on June 27, 2016)
2.3	Form of Dividend Reinvestment Plan (incorporated by reference to Exhibit 13(d) to the pre-effective amendment to the Registration Statement on Form N-14 (File No. 333-212817) filed on September 26, 2016)
3.1	Amended and Restated Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on November 7, 2016)
3.2	Amendment to Amended and Restated Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on March 2, 2022)
3.3	Bylaws of the Registrant (incorporated by reference to Exhibit 2 to the Form N-14 (File No. 333-212817) filed on August 1, 2016)
4.1	Form of certificate for the Registrant's common stock (incorporated by reference to Exhibit 99.5 to the Registration Statement on Form N-14 (File No. 333-212817) filed on August 1, 2016)
4.2	Indenture, dated as of September 18, 2017, by and between the Registrant and Equiniti Trust Company, LLC (formerly known as American Stock Transfer & Trust Company, LLC), as trustee (the "Trustee") (incorporated by reference to Exhibit 4.1 to the Form 8-K/A filed on September 21, 2017)
4.3	Second Supplemental Indenture dated as of January 19, 2018, by and between the Registrant and the Trustee (incorporated by reference to Exhibit (d)(3) to the post-effective amendment to the Registration Statement on Form N-2 filed on January 19, 2018)
4.4	Global Note, dated January 19, 2018 (incorporated by reference to Exhibit (d)(1) to the post-effective amendment to the Registration Statement on Form N-2 filed on January 19, 2018)
4.5	Third Supplemental Indenture, dated as of June 18, 2019, by and between the Registrant and the Trustee (incorporated by reference to Exhibit (d)(3) to the post-effective amendment to the Registration Statement on Form N-2 (File No. 333-227605) filed on June 18, 2019
4.6	Global Note, dated June 18, 2019 (incorporated by reference to Exhibit (d)(1) to the post-effective amendment to the Registration Statement on Form N-2 (File No. 333-227605) filed on June 18, 2019)
4.7	Fourth Supplemental Indenture, dated as of June 23, 2021 by and between the Registrant and the Trustee (incorporated by reference to Exhibit 4.1 to the Form 8-K filed on June 23, 2021)
4.8	Global Note (5.875% Notes due 2026), dated as of June 23, 2021 (incorporated by reference to Exhibit 4.2 to the Form 8-K filed on June 23, 2021)
4.9	Fifth Supplemental Indenture, dated as of August 16, 2023 by and between the Registrant and the Trustee (incorporated by reference to Exhibit 4.1 to the Form 8-K filed on August 16, 2023)
4.10	Global Note (8.75% Notes due 2028), dated as of August 16, 2023 (incorporated by reference to Exhibit 4.2 to the Form 8-K filed on August 16, 2023)
4.11*	Description of Registered Securities
10.1	Amended and Restated Investment Management Agreement (As Amended, Effective August 1, 2022) (incorporated by reference to Annex A to the Definitive Proxy Statement filed on July 1, 2022)
10.2	Administration Agreement, dated as of September 27, 2016, by and between the Registrant and GECM (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on November 7, 2016)

10.3	Amended and Restated Registration Rights Agreement, dated as of November 4, 2016, by and among the Registrant and the holders named therein (incorporated by reference to Exhibit 10.3 to the Form 8-K filed on November 7, 2016)
10.4	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.4 to the Form 8-K filed on November 7, 2016)
10.5*	Custody Agreement, dated as of July 1, 2023, by and between the Registrant and The Northern Trust Company
10.6	Form of Trademark License Agreement (incorporated by reference to Exhibit 13(b) to the Registration Statement on Form N-14 (File No. 3330212817) filed on August 1, 2016).
10.7	Loan, Guarantee and Security Agreement, dated May 5, 2021, between the Registrant and City National Bank (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on May 6, 2021)
10.8+	Third Amendment, dated as of November 22, 2023 to Loan, Guarantee and Security Agreement, as of May 5, 2021, by and among Great Elm Capital Corp. and City National Bank, as amended (incorporated by reference in Exhibit 10.1 to the Form 8-K filed on November 27, 2023)
14.1*	Code of Ethics
14.2*	Code of Ethics of GECM
21.1*	Subsidiaries
23.1*	Consent of Deloitte & Touche LLP, Independent Registered Accounting Firm
31.1*	Certification of the Registrant's Chief Executive Officer ("CEO")
31.2*	Certification of the Registrant's Chief Financial Officer ("CFO")
32.1*	Certification of the Registrant's CEO and CFO
97.1*	GECC Clawback Policy
101	Materials from the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, formatted in inline Extensible Business Reporting Language (XBRL): (i) Consolidated Statements of Assets and Liabilities, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Changes in Net Assets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Schedules of Investments, and (vi) related Notes to the Consolidated Financial Statements, tagged in detail (furnished herewith)
104	The cover page from the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, formatted in inline XBRL (included as Exhibit 101)

* Filed or furnished herewith
+ Exhibits marked with a (+) exclude certain immaterial schedules and exhibits pursuant to the provisions of Regulation S-K, Item 601(a)(5). A copy of any of the omitted schedules and exhibits pursuant to Regulation S-K, Item 601(a)(5) will be furnished to the Securities and Exchange Commission upon request.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 as of February 29, 2024.

GREAT ELM CAPITAL CORP.

By: /s/ Matt Kaplan
Name: Matt Kaplan
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of February 29, 2024.

Name	Capacity
/s/ Matt Kaplan Matt Kaplan	Chief Executive Officer (Principal Executive Officer)
/s/ Keri A. Davis Keri A. Davis	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Richard M. Cohen Richard M. Cohen	Director
/s/ Matthew A. Drapkin Matthew A. Drapkin	Director
/s/ Erik A. Falk Erik A. Falk	Director
/s/ Mark Kuperschmid Mark Kuperschmid	Director
/s/ Chad Perry Chad Perry	Director

GREAT ELM CAPITAL CORP.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Great Elm Capital Corp.
Boston, Massachusetts

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying consolidated statements of assets and liabilities of Great Elm Capital Corp. (the "Company"), including the consolidated schedules of investments, as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2023, and financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations, changes in net assets and cash flows for each of the three years in the period ended December 31, 2023, and the financial highlights for each of the five years in the period then ended, in conformity with the accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of investments owned as of December 31, 2023 and 2022, by correspondence with the custodian, loan agents, and borrowers; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair Value — Investments — Refer to Footnote 2 and 4 in the financial statements

Critical Audit Matter Description

The Company has investments whose fair values are based on complex valuation techniques and unobservable inputs. These financial instruments can span a broad array of investments, including debt and equity investments in privately owned middle-market companies that lack observable market prices. Under accounting principles generally accepted in the United States of America, these financial instruments are generally classified as Level 3 assets and are inherently subjective. The fair value of the Company's Level 3 investments was $142,737,000 as of December 31, 2023.

Given management uses complex valuation techniques and unobservable inputs to estimate the fair value of Level 3 investments, we identified the valuation of Level 3 investments as a critical audit matter because of the judgments necessary in the selection of valuation techniques and assumptions with significant unobservable inputs to estimate the fair value. This required a high degree of auditor judgment and extensive audit effort, including the need to involve fair value specialists who possess significant quantitative and modeling expertise, to audit and evaluate the appropriateness of these models and inputs.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to valuation techniques and unobservable inputs used by management to estimate the fair value of Level 3 investments included the following, among others:

- We evaluated the appropriateness of the valuation techniques and assumptions used for Level 3 investments and tested the related significant unobservable inputs by comparing these inputs to external sources. We tested other inputs by reviewing relevant underlying documentation, including portfolio company financial information. We evaluated the reasonableness of significant changes in valuation techniques and assumptions. For certain Level 3 investments, we performed these procedures with the assistance of our fair value specialists.

- We evaluated management's ability to accurately estimate fair value by comparing management's historical estimates to subsequent transactions, taking into account changes in market or investment specific conditions, where applicable.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
February 29, 2024

We have served as the Company's auditor since 2016.

GREAT ELM CAPITAL CORP.
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
Dollar amounts in thousands (except per share amounts)

	December 31, 2023	December 31, 2022
Assets		
Investments		
Non-affiliated, non-controlled investments, at fair value (amortized cost of $ 179,626 and $ 183,061, respectively)	$ 183,335	$ 171,743
Non-affiliated, non-controlled short-term investments, at fair value (amortized cost of $ 10,807 and $ 76,140, respectively)	10,807	76,127
Affiliated investments, at fair value (amortized cost of $ 13,423 and $ 13,433, respectively)	1,067	1,304
Controlled investments, at fair value (amortized cost of $ 46,300 and $ 54,684, respectively)	46,210	51,910
Total investments	241,419	301,084
Cash and cash equivalents	953	587
Receivable for investments sold	840	396
Interest receivable	2,105	3,090
Dividends receivable	1,001	1,440
Due from portfolio company	37	1
Deferred financing costs	335	226
Prepaid expenses and other assets	135	3,288
Total assets	$ 246,825	$ 310,112
Liabilities		

Notes payable (including unamortized discount of $ 2,896 and $ 2,781, respectively)	$ 140,214	$ 143,152
Revolving credit facility	-	10,000
Payable for investments purchased	3,327	70,022
Interest payable	32	42
Accrued incentive fees payable	1,431	565
Distributions payable	760	-
Due to affiliates	1,195	1,042
Accrued expenses and other liabilities	1,127	480
Total liabilities	$ 148,086	$ 225,303
Commitments and contingencies (Note 7)	$ -	$ -
Net Assets		
Common stock, par value $ 0.01 per share (100,000,000 shares authorized, 7,601,958 shares issued and outstanding and 7,601,958 shares issued and outstanding, respectively)	$ 76	$ 76
Additional paid-in capital	283,795	284,107
Accumulated losses	(185,132)	(199,374)
Total net assets	$ 98,739	$ 84,809
Total liabilities and net assets	$ 246,825	$ 310,112

Net asset value per share		
	$ 12.99	$ 11.16

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
Dollar amounts in thousands (except per share amounts)

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Investment Income:			
Interest income from:			
Non-affiliated, non-controlled investments	$ 23,582	$ 15,325	$ 13,100
Non-affiliated, non-controlled investments (PIK)	2,281	1,220	387
Affiliated investments	128	97	910
Affiliated investments (PIK)	-	58	4,874
Controlled investments	2,677	1,984	646
Controlled investments (PIK)	233	-	-
Total interest income	28,901	18,684	19,917
Dividend income from:			
Non-affiliated, non-controlled investments	1,147	1,815	1,713
Controlled investments	2,331	2,539	2,634
Total dividend income	3,478	4,354	4,347
Other commitment fees from non-affiliated, non-controlled investments	3,075	1,155	-
Other income from:			
Non-affiliated, non-controlled investments	264	236	683
Non-affiliated, non-controlled investments (PIK)	107	-	-
Affiliated investments (PIK)	-	-	282
Controlled investments	-	-	25
Total other income	371	236	990
Total investment income	$ 35,825	$ 24,429	$ 25,254
Expenses:			

Management fees	$ 3,539	$ 3,205	$ 3,182
Incentive fees	3,132	565	(4,323)
Administration fees	1,522	938	673
Custody fees	81	53	54
Directors' fees	205	215	233
Professional services	1,772	1,967	1,937
Interest expense	11,742	10,690	10,428
Other expenses	1,003	937	737
Total expenses	$ 22,996	$ 18,570	$ 12,921
Incentive fee waiver	-	(4,854)	-
Net expenses	$ 22,996	$ 13,716	$ 12,921
Net investment income before taxes	$ 12,829	$ 10,713	$ 12,333
Excise tax	$ 287	$ 252	$ 48
Net investment income	$ 12,542	$ 10,461	$ 12,285
Net realized and unrealized gains (losses):			
Net realized gain (loss) on investment transactions from:			
Non-affiliated, non-controlled investments	$ (1,246)	$ (15,262)	$ (5,770)
Affiliated investments	-	(110,784)	(4,162)
Controlled investments	(3,461)	-	293
Total net realized gain (loss)	(4,707)	(126,046)	(9,639)
Net change in unrealized appreciation (depreciation) on investment transactions from:			
Non-affiliated, non-controlled investments	15,040	267	19,019
Affiliated investments	(226)	106,945	(33,763)

Controlled investments	2,684	(7,210)	1,823
Total net change in unrealized appreciation (depreciation)	17,498	100,002	(12,921)
Net realized and unrealized gains (losses)	12,791	(26,044)	(22,560)
Net increase (decrease) in net assets resulting from operations	$ 25,333	$ (15,583)	$ (10,275)
Net investment income per share (basic and diluted):			
	(1) $ 1.65	$ 1.67	$ 3.02
Earnings per share (basic and diluted):			
	(1) $ 3.33	$ (2.49)	$ (2.52)
Weighted average shares outstanding (basic and diluted):			
	7,601,958	6,251,391	4,073,454

(1)

(1) Weighted average shares outstanding and per share amounts have been adjusted for the periods shown to reflect the six-for-one reverse stock split effected on February 28, 2022 on a retroactive basis as described in Note 2.

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
Dollar amounts in thousands

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Increase (decrease) in net assets resulting from operations:			
Net investment income	$ 12,542	$ 10,461	$ 12,285
Net realized gain (loss)	(4,707)	(126,046)	(9,639)
Net change in unrealized appreciation (depreciation) on investments	17,498	100,002	(12,921)
Net increase (decrease) in net assets resulting from operations	25,333	(15,583)	(10,275)
Distributions to stockholders:			
Distributions[1]	(11,403)	(13,023)	(9,743)
Total distributions to stockholders	(11,403)	(13,023)	(9,743)
Capital transactions:			
Issuance of common stock, net	-	38,859	13,239
Common stock distributed	-	-	1,720
Net increase (decrease) in net assets resulting from capital transactions	-	38,859	14,959
Total increase (decrease) in net assets	13,930	10,253	(5,059)
Net assets at beginning of period	$ 84,809	$ 74,556	$ 79,615
Net assets at end of period	$ 98,739	$ 84,809	$ 74,556
Capital share activity[2]			
Shares outstanding at the beginning of the period	**7,601,958**	**4,484,278**	**3,838,242**
Shares purchased	-	-	-
Issuance of common stock	-	3,117,684	566,239
Fractional shares redeemed for cash in lieu of reverse stock split	-	(4)	-

Common stock distributed			79,797
	-	-	
Shares outstanding at the end of the period			
	7,601,958	**7,601,958**	**4,484,278**

(1) Distributions were from distributable earnings for each of the periods presented.

(2) Share activity has been adjusted for the periods shown to reflect the six -for-one reverse stock split effected on February 28, 2022 on a retroactive basis as described in Note 2.

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Dollar amounts in thousands

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Cash flows from operating activities			
Net increase (decrease) in net assets resulting from operations	$ 25,333	$ (15,583)	$ (10,275)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used for) operating activities:			
Purchases of investments[1]	(220,355)	(149,463)	(191,875)
Net change in short-term investments	(4,474)	(6,329)	(6)
Capitalized payment-in-kind interest	(2,605)	(1,421)	(6,677)
Proceeds from sales of investments[1]	184,381	56,182	64,733
Proceeds from principal payments	50,745	56,816	70,262
Net realized (gain) loss on investments	4,707	126,046	9,639
Net change in unrealized (appreciation) depreciation on investments	(17,498)	(100,002)	12,921
Amortization of premium and accretion of discount, net	(2,375)	(1,352)	(3,958)
Amortization of discount (premium) on long term debt	1,627	1,312	1,496
Increase (decrease) in operating assets and liabilities:			
(Increase) decrease in interest receivable	985	(1,279)	612
(Increase) decrease in dividends receivable	439	100	(1,540)
(Increase) decrease in due from portfolio company	(36)	135	701
(Increase) decrease in due from affiliates	-	17	(17)
(Increase) decrease in prepaid expenses and other assets	3,153	(2,878)	(60)
Increase (decrease) in due to affiliates	1,019	(4,259)	(4,074)
Increase (decrease) in interest payable	(10)	13	(299)

Increase (decrease) in accrued expenses and other liabilities	647	190	(72)
Net cash provided by (used for) operating activities	(25,683)	(41,755)	(58,489)
Cash flows from financing activities			
Issuance of notes payable	38,408	-	55,229
Repayment of notes payable	(42,823)	-	(30,293)
Borrowings under credit facility	2,000	10,000	10,000
Repayments under credit facility	(12,000)	-	(10,000)
Proceeds from issuance of common stock	-	37,507	-
Payments of deferred financing costs	(259)	(1,287)	(550)
Distributions paid	(10,643)	(13,023)	(9,934)
Net cash provided by (used for) financing activities	(25,317)	33,197	14,452
Net increase (decrease) in cash	366	(8,558)	(44,037)
Cash and cash equivalents and restricted cash, beginning of period	587	9,145	53,182
Cash and cash equivalents and restricted cash, end of period	$ 953	$ 587	$ 9,145
Supplemental disclosure of non-cash financing activities:			
Distributions declared, not yet paid	$ 760	$ -	$ -
Common stock distributed	-	-	1,720
Common stock issued in-kind	-	2,600	13,239
Supplemental disclosure of cash flow information:			
Cash paid for excise tax	$ 196	$ 162	$ 27
Cash paid for interest	10,094	9,355	9,230

(1) Purchases of investments and proceeds from sales of investments include $ 48,049 of investments contributed in kind to its formerly wholly owned subsidiary, GESF in exchange for equity and subordinated indebtedness in GESF.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported on the Consolidated Statements of Assets and Liabilities to the total cash and cash equivalents and restricted cash on the Consolidated Statements of Cash Flows:

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Cash and cash equivalents	$ 953	$ 587	$ 9,132
Restricted cash	-	-	13
Total cash and cash equivalents and restricted cash shown on the Consolidated Statements of Cash Flows	$ 953	$ 587	$ 9,145

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2023
Dollar amounts in thousands

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Investments at Fair Value										
Advancion 1500 E Lake Cook Rd Buffalo Grove, IL 60089	Chemicals	2nd Lien, Secured Loan	2	1M SOFR + 7.75 %, 8.50 % Floor (13.21 %)	09/21/2022	11/24/2028	1,625	1,516	1,518	
ADS Tactical, Inc. 621 Lynnhaven Parkway Suite 160 Virginia Beach, VA 23452	Defense	1st Lien, Secured Loan	2	1M SOFR + 5.75 %, 6.75 % Floor (11.22 %)	11/28/2023	03/19/2026	1,971	1,957	1,945	
American Coastal Insurance Corp. 800 2nd Avenue S. Saint Petersburg, FL 33701	Insurance	Unsecured Bond		7.25 %	12/20/2022	12/15/2027	15,000	8,082	12,975	
APTIM Corp. 4171 Essen Lane Baton Rouge, LA 70809	Industrial	1st Lien, Secured Bond	10	7.75 %	03/28/2019	06/15/2025	3,950	3,453	3,719	
Avation Capital SA 65 Kampong Bahru Road, #01-01 Singapore 169370	Aircraft	2nd Lien, Secured Bond	7, 9	8.25 %	02/04/2022	10/31/2026	4,671	4,232	3,958	
Blackstone Secured Lending 345 Park Avenue New York, NY 10154	Closed-End Fund	Common Stock	9	n/a	08/18/2022	n/a	140,000	3,337	3,870	*
Blue Ribbon, LLC 110 E Houston St. San Antonio, TX 78205	Food & Staples	1st Lien, Secured Loan	2	3M SOFR + 6.00 %, 6.75 % Floor (11.63 %)	02/06/2023	05/07/2028	4,818	3,595	4,150	
Coreweave Compute Acquisition Co. II, LLC 101 Eisenhower Parkway, Suite 106 Roseland, NJ 07068	Technology	1st Lien, Secured Loan	2	3M SOFR + 8.75 %, 8.75 % Floor (14.13 %)	07/31/2023	07/31/2028	7,472	7,344	7,342	
CSC Serviceworks 35 Pinelawn Road, Suite 120 Melville, NY 11747	Consumer Services	1st Lien, Secured Loan	2	3M SOFR + 4.00 %, 4.75 % Floor (9.62 %)	09/26/2023	03/04/2028	1,990	1,734	1,742	

Eagle Point Credit Company Inc 600 Steamboat Road, Suite 202 Greenwich, CT 06830	Closed-End Fund	Common Stock	9	n/a	08/18/2022	n/a	305,315	3,236	2,900	*
First Brands, Inc. 3255 West Hamlin Road Rochester Hills, MI 48309	Transportation Equipment Manufacturing	2nd Lien, Secured Loan	2	6M SOFR + 8.50 %, 9.50 % Floor (14.38 %)	03/24/2021	03/30/2028	12,545	12,21 5	12,330	
First Brands, Inc. 3255 West Hamlin Road Rochester Hills, MI 48309	Transportation Equipment Manufacturing	1st Lien, Secured Loan	2	6M SOFR + 5.00 %, 6.00 % Floor (10.88 %)	06/09/2023	03/30/2027	4,962	4,837	4,931	
Flexsys Holdings 260 Springside Drive Akron, OH 44333	Chemicals	1st Lien, Secured Loan	2	6M SOFR + 5.25 %, 6.00 % Floor (10.86 %)	11/04/2022	11/01/2028	4,937	4,018	4,817	
Florida Marine, LLC 2360 5th Street Mendeville, LA 70471	Shipping	1st Lien, Secured Loan	2, 6	1M SOFR + 9.48 %, 11.48 % Floor (14.95 %)	03/17/2023	03/17/2028	6,415	6,256	6,371	
Foresight Energy 211 North Broadway, Suite 2600 St. Louis, MO 63102	Metals & Mining	1st Lien, Secured Loan	2, 6	3M SOFR + 8.00 %, 9.50 % Floor (13.45 %)	07/29/2021	06/30/2027	5,971	6,000	5,971	
Great Elm Specialty Finance, LLC 3100 West End Ave, Suite 750 Nashville, TN 37203	Specialty Finance	Subordinated Note	4, 5, 6	13.00 %	09/01/2023	06/30/2026	28,733	28,73 3	28,733	
Great Elm Specialty Finance, LLC 3100 West End Ave, Suite 750 Nashville, TN 37203	Specialty Finance	Common Equity	4, 5, 6	n/a	09/01/2023	n/a	87,500	17,56 7	17,477	87.50 %

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Greenfire Resources Ltd. 205 5th Avenue SW, Suite 1900 Calgary, AB T2P 2V7 Canada	Oil & Gas Exploration & Production	1st Lien, Secured Bond	9	12.00 %	09/13/2023	10/01/2028	6,500	6,375	6,456	
Harvey Gulf Holdings LLC 701 Poydras Street, Suite 3700 New Orleans, LA 70139	Shipping	Secured Loan A	2, 6	3M SOFR + 4.50 %, 5.50 % Floor (10.14 %)	08/10/2022	08/10/2027	323	319	324	
Harvey Gulf Holdings LLC 701 Poydras Street, Suite 3700 New Orleans, LA 70139	Shipping	Secured Loan B	2, 6	3M SOFR + 9.08 %, 10.08 % Floor (14.73 %)	08/10/2022	08/10/2027	4,931	4,816	5,029	
Lenders Funding, LLC 9345 Terresina Dr. Naples, FL 34119	Specialty Finance	1st Lien, Secured Revolver	2, 6, 9	Prime + 1.25 %, 1.25 % Floor (9.75 %)	09/20/2021	01/31/2024	10,000	6,112	6,112	
Lummus Technology Holdings 5825 N. Sam Houston Parkway West, #600 Houston, TX 77086	Chemicals	Unsecured Bond	10	9.00 %	05/17/2022	07/01/2028	2,500	2,092	2,390	
Mad Engine Global, LLC 6740 Cobra Way San Diego, CA, 92121	Apparel	1st Lien, Secured Loan	2	3M SOFR + 7.00 %, 8.00 % Floor (12.61 %)	06/30/2021	07/15/2027	2,831	2,783	2,007	
Manchester Acquisition Sub, LLC 251 Little Falls Drive, Wilmington, DE 19808	Chemicals	1st Lien, Secured Loan	2	3M SOFR + 5.75 %, 6.50 % Floor (11.28 %)	09/26/2023	11/01/2026	4,436	4,004	3,970	
Maverick Gaming LLC 12530 NE 144th Street Kirkland, WA 98034	Casinos & Gaming	1st Lien, Secured Loan	2	3M SOFR + 7.50 %, 8.50 % Floor (13.15 %)	11/16/2021	09/03/2026	5,849	5,731	4,252	

New Wilkie Energy Pty Limited 56 Pitt Street Sydney, New South Wales 2000, Australia	Metals & Mining	1st Lien, Secured Loan	2, 6, 7, 9	3M SOFR + 12.50 %, 14.50 % Floor (17.84 %), (12.84 % cash + 5.00 % PIK)	04/06/2023	04/06/2026	4,935	4,821	3,567	
New Wilkie Energy Pty Limited 56 Pitt Street Sydney, New South Wales 2000, Australia	Metals & Mining	Warrants	6, 8, 9	n/a	04/06/2023	n/a	1,078,899	-	-	*
NICE-PAK Products, Inc. Two Nice-Pak Park Orangeburg, NY 10962	Consumer Products	Secured Loan B	2, 6, 7	3M SOFR + 13.50 %, 14.50 % Floor (19.25 %), (8.25 % cash + 11.00 % PIK)	09/30/2022	09/30/2027	9,444	9,222	9,331	
NICE-PAK Products, Inc. Two Nice-Pak Park Orangeburg, NY 10962	Consumer Products	Promissory Note	6, 8	n/a	09/30/2022	09/30/2029	1,449	-	1,449	
NICE-PAK Products, Inc. Two Nice-Pak Park Orangeburg, NY 10962	Consumer Products	Warrants	6, 8	n/a	09/30/2022	n/a	880,909	-	701	2.56 %
PFS Holdings Corp. 3747 Hecktown Road Easton, PA 18045	Food & Staples	1st Lien, Secured Loan	2, 5, 6	1M SOFR + 7.00 %, 8.00 % Floor (12.46 %)	11/13/2020	11/13/2024	1,044	1,044	979	
PFS Holdings Corp. 3747 Hecktown Road Easton, PA 18045	Food & Staples	Common Equity	5, 6, 8	n/a	11/13/2020	n/a	5,238	12,379	88	5.05 %
ProFrac Holdings II, LLC 333 Shops Boulevard Suite 301 Weatherford, Texas 76087	Energy Services	1st Lien Secured Bond	2, 9	3M SOFR + 7.25 %, 8.25 % Floor (12.86 %)	12/27/2023	01/23/2029	7,000	6,930	6,930	

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Research Now Group, Inc. 5800 Tennyson Parkway Suite 600 Plano, TX 75024	Internet Media	1st Lien, Secured Revolver	2, 6	3M SOFR + 4.50 %, 4.50 % Floor (10.11 %)	01/29/2019	06/14/2024	10,000	9,998	9,001	
Research Now Group, Inc. 5800 Tennyson Parkway Suite 600 Plano, TX 75024	Internet Media	2nd Lien, Secured Loan	2, 6	3M SOFR + 9.50 %, 10.50 % Floor (15.14 %)	05/20/2019	12/20/2025	8,000	7,976	4,731	
Ruby Tuesday Operations LLC 333 E. Broadway Avenue Maryville, TN 37804	Restaurants	1st Lien, Secured Loan	2, 6, 7	3M SOFR + 13.50 %, 14.50 % Floor (17.46 %), (11.46 % cash + 6.00 % PIK)	02/24/2021	02/24/2025	1,974	1,974	1,930	
Ruby Tuesday Operations LLC 333 E. Broadway Avenue Maryville, TN 37804	Restaurants	1st Lien, Secured Loan	2, 6, 7	1M SOFR + 16.00 %, 17.25 % Floor (21.46 %)	01/31/2023	02/24/2025	598	598	598	
Ruby Tuesday Operations LLC 333 E. Broadway Avenue Maryville, TN 37804	Restaurants	Warrants	6, 8	n/a	02/24/2021	n/a	311,697	-	913	2.81 %
SCIH Salt Holdings Inc. 1875 Century Park East, Suite 320 Los Angeles, CA 90067	Food & Staples	1st Lien, Secured Loan	2	1M SOFR + 4.00 %, 4.75 % Floor (9.47 %)	06/21/2023	03/16/2027	1,981	1,950	1,982	
Stone Ridge Opportunities Fund L.P. One Vanderbilt Ave., 65th Floor New York, NY 10017	Insurance	Private Fund	8, 9, 11	n/a	01/01/2023	n/a	2,379,875	2,380	3,051	
Summit Midstream Holdings, LLC 910 Louisiana Street, Suite 4200 Houston, TX 77002	Energy Midstream	2nd Lien, Secured Bond		9.00 %	10/19/2021	10/15/2026	2,000	1,905	1,996	
TRU Taj Trust 505 Park Avenue, 2nd Floor New York, NY 10022	Retail	Common Equity	6, 8	n/a	07/21/2017	n/a	16,000	611	54	2.75 %

Universal Fiber Systems 640 State Street Bristol, TN 37620	Chemicals	Term Loan B	2, 6, 7	1M SOFR + 12.95 %, 13.95 % Floor (18.42 %), (9.42 % cash + 9.00 % PIK)	09/30/2021	09/29/2026	7,864	7,788	7,852	
Universal Fiber Systems 640 State Street Bristol, TN 37620	Chemicals	Term Loan C	2, 6, 7	1M SOFR + 12.95 %, 13.95 % Floor (18.42 %), (9.42 % cash + 9.00 % PIK)	09/30/2021	09/29/2026	3,032	2,995	2,821	
Universal Fiber Systems 640 State Street Bristol, TN 37620	Chemicals	Warrants	6, 8	n/a	09/30/2021	n/a	3,383	-	810	1.50 %
Vantage Specialty Chemicals, Inc. 1751 Lake Cook Rd., Suite 550 Deerfield, IL 60015	Chemicals	1st Lien, Secured Loan	2	1M SOFR + 4.75 %, 5.25 % Floor (10.11 %)	03/03/2023	10/26/2026	2,960	2,888	2,845	
Vi-Jon 8800 Page Avenue St. Louis, MO 63114	Consumer Products	1st Lien, Secured Loan	2	1M SOFR + 8.00 %, 10.50 % Floor (13.47 %)	12/28/2023	12/28/2028	9,000	8,730	8,730	
W&T Offshore, Inc. 5718 Westheimer Road, Suite 700 Houston, TX 77057	Oil & Gas Exploration & Production	2nd Lien, Secured Bond	9	11.75 %	01/12/2023	02/01/2026	4,816	4,816	4,964	
Total Investments excluding Short-Term Investments (233.56 % of Net Assets)								**239,349**	**230,612**	
Short-Term Investments										
MFB Northern Inst Funds Treas Portfolio Premier CL	Short-Term Investments	Money Market		0.00 %	10/26/2023	n/a	10,806,959	10,807	10,807	
Total Short-Term Investments (10.95 % of Net Assets)								**10,807**	**10,807**	

TOTAL INVESTMENTS (			
		250,1	**241,4**
244.51		**56**	**19**
% of Net Assets)	12	**$**	**$**
			(
Other Liabilities in Excess of Net Assets (			
			142,6
144.51			80
% of Net Assets)			$)
			98,73
			9
NET ASSETS			**$**

(1) Great Elm Capital Corp.'s (the "Company") investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") and, therefore, are generally subject to limitations on resale, and may be deemed to be "restricted securities " under the Securities Act.

(2) Certain of the Company's variable rate debt investments bear interest at a rate that is determined by reference to Secured Overnight Financing Rate ("SOFR") or prime rate ("Prime") which are reset periodically. For each debt investment, the Company has provided the interest rate in effect as of period end. A floor is the minimum rate that will be applied in calculating an interest rate. A cap is the maximum rate that will be applied in calculating an interest rate. The SOFR as of period end was

5.38
% . The one-month ("1M") SOFR as of period end was

5.35
% . The three-month ("3M") SOFR as of period end was

5.33
% . The six-month ("6M") SOFR as of period end was

5.16
% . The prime rate as of period end was

8.50
% .

(3) Percentage of class held refers only to equity held, if any, calculated on a fully diluted basis.

(4) " Controlled Investments " are investments in those companies that are "Controlled Investments" of the Company, as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act"). A company is deemed to be a "Controlled Investment" of the Company if the Company owns more than 25% of the voting securities of such company.

(5) " Affiliate Investments " are investments in those companies that are "Affiliated Companies" of the Company, as defined in the Investment Company Act, which are not "Controlled Investments." A company is deemed to be an "Affiliate" of the Company if the Company owns 5% or more, but less than 25%, of the voting securities of such company.

(6) Investments classified as Level 3 whereby fair value was determined by the Company's board of directors (the "Board").

(7) Security pays, or has the option to pay, some or all of its interest in kind. As of December 31, 2023 , the Avation Capital SA secured bond, Nice-Pak Products, Inc. secured loan B, Ruby Tuesday Operations, LLC secured loan and each of the Universal Fiber Systems term loans pay a portion of their interest in-kind and the rates above reflect the payment-in-kind ("PIK") interest rates.

(8) Non-income producing security.

(9) Indicates assets that the Company believes do not represent "qualifying assets " under Section 55(a) of the Investment Company Act. Qualifying assets must represent at least

70
% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. Of the Company's total assets,

16.97
% were non-qualifying assets as of period end.

(10) Security exempt from registration pursuant to Rule 144A under the Securities Act. Such security may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration.

(11) As a practical expedient, the Company uses net asset value to determine the fair value of this investment.

(12) As of period end, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was $

13,715
; the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was $

11,273
; the net unrealized depreciation was $

2,441
; the aggregate cost of securities for Federal income tax purposes was $

238,978

.

* Represents less than

1
%.

As of December 31, 2023, the Company's investments consisted of the following:

Investment Type		Investments at Fair Value		Percentage of Net Assets
Debt	$	200,748		% 203.31
Equity/Other		29,864		% 30.25
Short-Term Investments		10,807		% 10.95
Total	**$**	**241,419**		**% 244.51**

As of December 31, 2023, the geographic composition of the Company's portfolio at fair value was as follows:

Geography		Investments at Fair Value		Percentage of Net Assets
United States	$	227,438		% 230.35
Canada		6,456		% 6.54
Europe		3,958		% 4.01
Australia		3,567		% 3.61
Total	**$**	**241,419**		**% 244.51**

As of December 31, 2023, the industry composition of the Company's portfolio at fair value was as follows:

Industry	Investments at Fair Value	Percentage of Net Assets
Specialty Finance	$ 52,322	52.99 %
Chemicals	27,023	27.37 %
Consumer Products	20,211	20.47 %
Transportation Equipment Manufacturing	17,261	17.48 %
Insurance	16,026	16.23 %
Internet Media	13,732	13.91 %
Shipping	11,724	11.87 %
Oil & Gas Exploration & Production	11,420	11.57 %
Metals & Mining	9,538	9.66 %
Technology	7,342	7.44 %
Food & Staples	7,199	7.29 %
Energy Services	6,930	7.02 %
Closed-End Fund	6,770	6.86 %
Casinos & Gaming	4,252	4.31 %
Aircraft	3,958	4.01 %
Industrial	3,719	3.77 %
Restaurants	3,441	3.48 %
Apparel	2,007	2.03 %

Energy Midstream	1,996	2.02 %
Defense	1,945	1.97 %
Consumer Services	1,742	1.76 %
Retail	54	0.05 %
Short-Term Investments	10,807	10.95 %
Total	**$ 241,419**	**244.51 %**

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2022
Dollar amounts in thousands

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Investments at Fair Value										
AgroFresh Inc. One Washington Square, 510-530 Walnut Street, Suite 1350, Philadelphia, PA 19106	Chemicals	1st Lien, Secured Loan	2	1M L + 6.25 %, 7.25 % Floor (10.63 %)	03/31/2021	12/31/2024	4,402	4,387	4,303	
American Tower Corporation 116 Huntington Avenue Boston, MA 02116	Wireless Telecommunications Services	Corporate Bond	10	3.50 %	06/24/2022	01/31/2023	3,000	3,000	2,997	
ANGUS Chemical Company 1500 E Lake Cook Rd Buffalo Grove, IL 60089	Chemicals	2nd Lien, Secured Loan	2, 6	1M L + 7.75 %, 8.50 % Floor (12.07 %)	09/21/2022	11/24/2028	1,625	1,502	1,505	
ANGUS Chemical Company 1500 E Lake Cook Rd Buffalo Grove, IL 60089	Chemicals	1st Lien, Secured Loan	2, 6	1M SOFR + 4.75 %, 5.50 % Floor (12.14 %)	11/04/2022	11/24/2027	3,000	2,795	2,810	
APTIM Corp. 4171 Essen Lane Baton Rouge, LA 70809	Industrial	1st Lien, Secured Bond	11	7.75 %	03/28/2019	06/15/2025	5,000	4,128	3,488	
Avanti Space Limited Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	Junior Priority E2 Notes	6, 7, 9, 10	12.50 %	04/13/2022	04/13/2024	1,292	1,138	-	
Avanti Space Limited Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	Junior Priority F Notes	6, 7, 9, 10	12.50 %	04/13/2022	04/13/2024	5,119	4,552	-	
Avanti Space Limited Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	Junior Priority G Notes	6, 7, 9, 10	12.50 %	04/13/2022	10/13/2024	1,506	1,339	-	
Avanti Space Limited Cobham House 20 Black Friars Lane London, UK EC4V 6EB	Wireless Telecommunications Services	Common Equity	6, 8, 10	n/a	04/13/2022	n/a	1,722	-	-	1.72 %

Avation Capital SA 65 Kampong Bahru Road, #01-01 Singapore 169370	Aircraft	2nd Lien, Secured Bond	7, 10	9.00 %, (6.50 % cash + 2.50 % PIK)	02/04/2022	10/31/2026	4,556	3,996	3,577	
Blackstone Secured Lending 345 Park Avenue New York, NY 10154	Closed-End Fund	Common Stock	10	n/a	08/18/2022	n/a	200,000	4,647	4,470	*
Crestwood Equity Partners LP 811 Main Street, Suite 3400 Houston, TX 77002	Energy Midstream	Preferred Equity	10	9.25 %	06/19/2020	n/a	216,178	1,288	1,872	*
Eagle Point Credit Company Inc 600 Steamboat Road, Suite 202 Greenwich, CT 06830	Closed-End Fund	Common Stock	10	n/a	08/18/2022	n/a	133,844	1,509	1,355	*
ECL Entertainment, LLC 8978 Spanish Ridge Ave Las Vegas, NV 89148	Casinos & Gaming	1st Lien, Secured Loan	2	1M SOFR + 7.50 %, 8.25 % Floor (11.88 %)	03/31/2021	04/30/2028	4,433	4,397	4,418	
Enservco / Heat Waves 14133 County Rd 9 1/2 Longmont, CO 80504	Specialty Finance	Term Loan	6	22.29 %	03/24/2022	06/24/2026	1,894	1,918	1,894	
Equitrans Midstream Corp. 2200 Energy Drive Canonsburg, PA 15317	Energy Midstream	Preferred Equity	6, 10	9.75 %	07/01/2021	n/a	250,000	5,275	4,982	*

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
First Brands, Inc. 3255 West Hamlin Road Rochester Hills, MI 48309	Transportation Equipment Manufacturing	2nd Lien, Secured Loan	2, 6	6M L + 8.50 %, 9.50 % Floor (11.87 %)	03/24/2021	03/30/2028	12,545	12,162	11,800	
Flexsys Holdings 260 Springside Drive Akron, OH 44333	Chemicals	1st Lien, Secured Loan	2, 6	1M SOFR + 5.25 %, 6.00 % Floor (9.69 %)	11/04/2022	11/01/2028	4,987	3,936	4,052	
Foresight Energy 211 North Broadway, Suite 2600 St. Louis, MO 63102	Metals & Mining	1st Lien, Secured Loan	2, 6	3M L + 8.00 %, 9.50 % Floor (12.73 %)	07/29/2021	06/30/2027	6,046	6,080	6,046	
Forum Energy Technologies, Inc. 10344 Sam Houston Park Drive, Suite 300 Houston, TX 77064	Energy Services	1st Lien, Secured Convertible Bond	7	9.00 %	05/09/2022	08/04/2027	2,705	2,627	2,877	
FTAI Infrastructure Inc. 1345 Avenue of the Americas, 45th Floor New York, NY 10105	Industrial	1st Lien, Secured Bond	10	10.50 %	06/29/2022	06/01/2027	2,000	1,899	2,010	
GAC HoldCo Inc. Suite 1220, 407 - 2nd Street S.W. Calgary, AB T2P 2Y3	Oil & Gas Exploration & Production	1st Lien, Secured Bond	10	12.00 %	07/27/2021	08/15/2026	6,850	7,179	7,278	
Great Elm Healthcare Finance, LLC 3100 West End Ave, Suite 750 Nashville, TN 37203	Specialty Finance	Subordinated Note	4, 6	12.00 %	11/17/2022	11/09/2027	4,375	4,375	4,375	
Great Elm Healthcare Finance, LLC 3100 West End Ave, Suite 750 Nashville, TN 37203	Specialty Finance	Common Equity	4, 6	n/a	11/17/2022	n/a	88	4,375	4,375	87.50 %
Greenway Health, LLC 4301 W. Boy Scout Blvd, Suite 800 Tampa, FL 33607	Technology	1st Lien, Secured Revolver	2, 6	3M L + 3.75 % (8.52 %)	01/27/2020	11/17/2027	-	(34)	-	
Greenway Health, LLC 4301 W. Boy Scout Blvd, Suite 800 Tampa, FL 33607	Technology	1st Lien, Secured Revolver - Unfunded	6	0.50 %	01/27/2020	11/17/2027	8,026	-	-	

Harvey Gulf Holdings LLC 701 Poydras Street, Suite 3700 New Orleans, LA 70139	Shipping	Secured Loan A	2, 6	3M SOFR + 5.00 %, 6.00 % Floor (9.36 %)	08/10/2022	08/10/2027	488	479	480	
Harvey Gulf Holdings LLC 701 Poydras Street, Suite 3700 New Orleans, LA 70139	Shipping	Secured Loan B	2, 6	3M SOFR + 10.04 %, 11.04 % Floor (14.40 %)	08/10/2022	08/10/2027	6,825	6,631	6,726	
ITP Live Production Group 101 Greenwich Street, Floor 26 New York, NY 10006	Specialty Finance	Term Loan	6	19.71 %	12/22/2021	05/22/2026	1,546	1,564	1,576	
Lenders Funding, LLC 523 A Avenue Coronado, CA 92118	Specialty Finance	Subordinated Note	4, 6, 10	8.44 %	09/20/2021	09/20/2026	10,000	10,000	10,000	
Lenders Funding, LLC 523 A Avenue Coronado, CA 92118	Specialty Finance	1st Lien, Secured Revolver	2, 4, 6, 10	Prime + 1.25 %, 1.25 % Floor (8.75 %)	09/20/2021	09/20/2026	1,555	1,555	1,555	
Lenders Funding, LLC 523 A Avenue Coronado, CA 92118	Specialty Finance	1st Lien, Secured Revolver - Unfunded	4, 6, 10	n/a	09/20/2021	09/20/2026	3,445	-	-	
Lenders Funding, LLC 523 A Avenue Coronado, CA 92118	Specialty Finance	Common Equity	4, 6, 10	n/a	09/20/2021	n/a	6,287	7,250	2,205	62.87 %

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Lummus Technology Holdings 5825 N. Sam Houston Parkway West, #600 Houston, TX 77086	Chemicals	Unsecured Bond		9.00%	05/17/2022	07/01/2028	4,150	3,549	3,475	
Mad Engine Global, LLC 6740 Cobra Way San Diego, CA, 92121	Apparel	1st Lien, Secured Loan	2, 6	3M L + 7.00%, 8.00% Floor (11.73%)	06/30/2021	07/15/2027	2,906	2,845	2,371	
Martin Midstream Partners LP 4200 Stone Road Kilgore, TX 75662	Energy Midstream	2nd Lien, Secured Bond		11.50%	12/09/2020	02/28/2025	9,584	9,582	9,536	
Maverick Gaming LLC 12530 NE 144th Street Kirkland, WA 98034	Casinos & Gaming	1st Lien, Secured Loan	2, 6	3M L + 7.50%, 8.50% Floor (12.23%)	11/16/2021	09/03/2026	5,919	5,763	4,883	
Newfold Digital Inc. 5335 Gate Parkway Jacksonville, FL 32256	Internet Media	Unsecured Bond		6.00%	06/28/2022	02/15/2029	2,000	1,508	1,375	
NICE-PAK Products, Inc. Two Nice-Pak Park Orangeburg, NY 10962	Consumer Products	Secured Loan B	2, 6, 7	3M SOFR + 13.50%, 14.50% Floor (18.08%), (10.08% cash + 8.00% PIK)	09/30/2022	09/30/2027	8,672	8,405	7,781	
NICE-PAK Products, Inc. Two Nice-Pak Park Orangeburg, NY 10962	Consumer Products	Promissory Note	6, 8	n/a	09/30/2022	09/30/2029	1,449	-	632	
NICE-PAK Products, Inc. Two Nice-Pak Park Orangeburg, NY 10962	Consumer Products	Warrants	6	n/a	09/30/2022	n/a	880,909	-	-	2.56%
NuStar Energy LP 19003 1H-10 West San Antonio, TX 78257	Energy Midstream	Preferred Equity	2	3M L + 6.77%, 6.77% Floor (11.41%)	12/22/2022	n/a	2,500	55	57	*

NuStar Energy LP 19003 1H-10 West San Antonio, TX 78257	Energy Midstream	Preferred Equity	2	3M L + 6.88 %, 6.88 % Floor (11.52 %)	12/12/2022	n/a	7,500	166	177	*
Par Petroleum, LLC 825 Town & Country Lane, Suite 1500 Houston, TX 77024	Oil & Gas Refining	1st Lien, Secured Bond	10	7.75 %	10/30/2020	12/15/2025	3,000	2,696	2,880	
Par Petroleum, LLC 825 Town & Country Lane, Suite 1500 Houston, TX 77024	Oil & Gas Refining	1st Lien, Secured Bond	10	12.88 %	05/17/2022	01/15/2026	2,383	2,610	2,508	
Perforce Software, Inc. 400 First Avenue North #200 Minneapolis, MN 55401	Technology	1st Lien, Secured Revolver	2, 6	Prime + 3.25 %, 3.25 % Floor (10.75 %)	01/24/2020	07/01/2024	-	(361)	-	
Perforce Software, Inc. 400 First Avenue North #200 Minneapolis, MN 55401	Technology	1st Lien, Secured Revolver - Unfunded	6	0.50 %	01/24/2020	07/01/2024	4,375	-	(365)	
PFS Holdings Corp. 3747 Hecktown Road Easton, PA 18045	Food & Staples	1st Lien, Secured Loan	2, 5, 6	1M L + 7.00 %, 8.00 % Floor (11.35 %)	11/13/2020	11/13/2024	1,055	1,055	896	
PFS Holdings Corp. 3747 Hecktown Road Easton, PA 18045	Food & Staples	Common Equity	5, 6, 8	n/a	11/13/2020	n/a	5,238	12,378	408	5.24 %
PIRS Capital LLC 1688 Meridian Ave Ste 700 Miami Beach, FL 33139	Specialty Finance	Term Loan	2, 6	Prime + 6.50 %, 6.50 % Floor (14.00 %)	11/22/2021	12/31/2024	2,000	2,000	1,997	

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Prestige Capital Finance, LLC 400 Kelby St., 10th Floor Fort Lee, NJ 07024	Specialty Finance	Subordinated Note	4, 6, 10	11.00 %	06/15/2021	06/15/2023	3,000	3,000	3,000	
Prestige Capital Finance, LLC 400 Kelby St., 10th Floor Fort Lee, NJ 07024	Specialty Finance	Common Equity	4, 6, 10	n/a	02/08/2019	n/a	100	7,786	11,638	80.00 %
Research Now Group, Inc. 5800 Tennyson Parkway Suite 600 Plano, TX 75024	Internet Media	1st Lien, Secured Revolver	2, 6	Prime + 3.50 %, 3.50 % Floor (11.00 %)	01/29/2019	06/14/2024	5,974	5,967	5,577	
Research Now Group, Inc. 5800 Tennyson Parkway Suite 600 Plano, TX 75024	Internet Media	1st Lien, Secured Revolver - Unfunded	6	0.50 %	01/29/2019	06/14/2024	4,026	-	(267)	
Research Now Group, Inc. 5800 Tennyson Parkway Suite 600 Plano, TX 75024	Internet Media	2nd Lien, Secured Loan	2, 6	6M L + 9.50 %, 10.50 % Floor (12.84 %)	05/20/2019	12/20/2025	8,000	7,964	5,561	
Ruby Tuesday Operations LLC 333 E. Broadway Avenue Maryville, TN 37804	Restaurants	1st Lien, Secured Loan	2, 6, 7	1M L + 12.00 %, 13.25 % Floor (16.06 %), (10.06 % cash + 6.00 % PIK)	02/24/2021	02/24/2025	2,272	2,272	2,187	
Ruby Tuesday Operations LLC 333 E. Broadway Avenue Maryville, TN 37804	Restaurants	Warrants	6, 8	n/a	02/24/2021	n/a	311,697	-	923	2.81 %
SCIH Salt Holdings Inc. 1875 Century Park East, Suite 320 Los Angeles, CA 90067	Food & Staples	Unsecured Bond		6.63 %	06/24/2022	05/01/2029	2,000	1,645	1,611	
Sprout Holdings, LLC 90 Merrick Ave East Meadow, NY 11554	Specialty Finance	Term Loan	6	11.50 %	06/23/2021	06/23/2023	873	873	873	
Sterling Commercial Credit, LLC 10153 Grand River Rd Brighton, MI 48116	Specialty Finance	Subordinated Note	4, 6	11.00 %	02/03/2022	05/03/2027	8,500	8,500	8,500	

Sterling Commercial Credit, LLC 10153 Grand River Rd Brighton, MI 48116	Specialty Finance	Common Equity	4, 6	n/a	02/03/2022	n/a	3,280,000	7,843	6,262	80.00 %
Summit Midstream Holdings, LLC 910 Louisiana Street, Suite 4200 Houston, TX 77002	Energy Midstream	Unsecured Bond		5.75 %	08/10/2022	04/15/2025	1,386	1,180	1,173	
Summit Midstream Holdings, LLC 910 Louisiana Street, Suite 4200 Houston, TX 77002	Energy Midstream	2nd Lien, Secured Bond		8.50 %	10/19/2021	10/15/2026	5,000	4,800	4,762	
Target Hospitality Corp. 2170 Buckthorne Place, Suite 440 The Woodlands, TX 77380	Hospitality	Secured Bond	10	9.50 %	05/13/2021	03/15/2024	5,000	4,985	4,988	
TRU Taj Trust 505 Park Avenue, 2nd Floor New York, NY 10022	Retail	Common Equity	6, 8	n/a	07/21/2017	n/a	16,000	611	5	2.75 %
United Insurance Holdings Corp. 800 2nd Avenue S. Saint Petersburg, FL 33701	Insurance	Unsecured Bond	6	7.25 %	12/20/2022	12/15/2027	6,000	2,469	2,340	
Universal Fiber Systems 640 State Street Bristol, TN 37620	Chemicals	Term Loan B	2, 6, 7	3M L + 11.69 %, 12.69 % Floor (17.92 %), (8.92 % cash + 9.00 % PIK)	09/30/2021	09/29/2026	7,172	7,072	7,192	
Universal Fiber Systems 640 State Street Bristol, TN 37620	Chemicals	Term Loan C	2, 6, 7	3M L + 11.69 %, 12.69 % Floor (17.92 %), (8.92 % cash + 9.00 % PIK)	09/30/2021	09/29/2026	2,766	2,716	2,576	

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Universal Fiber Systems 640 State Street Bristol, TN 37620	Chemicals	Warrants	6, 8	n/a	09/30/2021	n/a	3,383	-	1,246	1.50 %
Vantage Specialty Chemicals, Inc. 1751 Lake Cook Rd., Suite 550 Deerfield, IL 60015	Chemicals	2nd Lien, Secured Loan	2, 6	3M L + 8.25 %, 9.25 % Floor (12.98 %)	06/08/2021	10/26/2025	4,693	4,582	4,543	
Vector Group Ltd. 4400 Biscayne Blvd Miami, FL 33137	Food & Staples	Unsecured Bond	10	10.50 %	07/08/2022	11/01/2026	750	714	745	
W&T Offshore, Inc. 5718 Westheimer Road, Suite 700 Houston, TX 77057	Oil & Gas Exploration & Production	2nd Lien, Secured Bond	10	9.75 %	05/05/2021	11/01/2023	8,000	7,798	7,858	
Investments in Special Purpose Acquisition Companies (SPAC) & De-SPAC Companies										
AdTheorent Holding Company, Inc 330 Hudson Street, 13th Floor New York, NY 10013	Internet Media	Warrants	8, 10	n/a	02/26/2021	n/a	4,166	3	1	*
Agile Growth Corp Riverside Center 275 Grove Street, Suite 2-400 Newton, MA 02466	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/10/2021	n/a	652	1	-	*
Allego N.V. Industriepark Kleefse Waard Westervoortsedijk 73 KB 6827 AV Arnhem, The Netherlands	Transportation Equipment Manufacturing	Warrants	8, 10	n/a	03/17/2021	n/a	8,000	9	1	*
Apollo Strategic Growth Capital II 9 West 57th Street, 43rd Floor New York, NY 10019	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/10/2021	n/a	500	1	-	*
Arctos NorthStar Acquisition Corp. 2021 McKinney Avenue, Suite 200 Dallas, TX 75201	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/23/2021	n/a	125	-	-	*
Ares Acquisition Corp 245 Park Avenue, 44th Floor New York, NY 10167	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/02/2021	n/a	20,000	18	9	*
BigBear.ai Holdings, Inc. 6811 Benjamin Franklin Dr, Suite 200 Columbia, MD 21046	IT Services	Warrants	8, 10	n/a	02/09/2021	n/a	8,333	6	-	*
Biote Corp. 1875 W. Walnut Hill Ln #100 Irving, TX 75038	Healthcare	Warrants	8, 10	n/a	03/02/2021	n/a	400	-	-	*
Cartesian Growth Corporation 505 5th Avenue, 15th Floor New York, NY 10017	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/24/2021	n/a	1,666	1	1	*

Catcha Investment Corp Level 42, Suntec Tower Three, 8 Temasek Blvd, Singapore 038988	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/12/2021	n/a	166	-	-	*
CC Neuberger Principal Holdings III 200 Park Avenue, 58th Floor New York, NY 10166	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/03/2021	n/a	500	1	-	*
CF Acquisition Corp VIII 110 East 59th Street New York, NY 10022	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/12/2021	n/a	1,000	1	-	*

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Climate Real Impact Solutions II Acquisition Corporation 300 Carnegie Center, Suite 150 Princeton, NJ 08540	Special Purpose Acquisition Company	Warrants	8, 10	n/a	01/27/2021	n/a	1,000	2	-	*
Colonnade Acquisition Corp II 1400 Centrepark Blvd, Suite 810 West Palm Beach, FL 33401	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/10/2021	n/a	2,000	2	-	*
Compute Health Acquisition Corp. 1105 North Market Street, 4th Floor Wilmington, DE 19890	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/05/2021	n/a	125	-	-	*
Core Scientific, Inc. 210 Barton Springs Road Austin, Texas 78704	Technology	Warrants	8, 10	n/a	02/10/2021	n/a	1,250	2	-	*
D & Z Media Acquisition Corp 2870 Peachtree Road NW, Suite 509 Atlanta, GA 30305	Special Purpose Acquisition Company	Warrants	8, 10	n/a	01/26/2021	n/a	166	-	-	*
Dave Inc. 750 N. San Vicente Blvd. 900W West Hollywood, CA 90069	Consumer Finance	Warrants	8, 10	n/a	03/05/2021	n/a	10,000	7	-	*
Digital Transformation Opportunities Corp. 10207 Cleatis Court Los Angeles, CA 90077	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/10/2021	n/a	2,500	2	-	*
ESM Acquisition Corp 2229 San Felipe, Suite 1300 Houston, TX 77019	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/10/2021	n/a	6,630	7	1	*
FAST Acquisition Corp II 109 Old Branchville Road Ridgefield, CT 06877	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/16/2021	n/a	5,000	7	3	*
Fast Radius, Inc. 113 N. May St. Chicago , IL 60607	Industrial	Warrants	8, 10	n/a	02/09/2021	n/a	625	1	-	*
Fathom Digital Manufacturing Corporation 1050 Walnut Ridge Drive Hartland, WI 53029	Industrial	Warrants	8, 10	n/a	02/05/2021	n/a	125	-	-	*
FinServ Acquisition Corp II 1345 Avenue of the Americas New York, NY 10105	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/18/2021	n/a	125	-	-	*
First Reserve Sustainable Growth Corp. 262 Harbor Drive, 3rd Floor Stamford, CT 06902	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/05/2021	n/a	5,000	6	-	*
Forest Road Acquisition Corp. II 1177 Avenue of the Americas, 5th Floor New York, NY 10036	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/10/2021	n/a	80	-	-	*
Forum Merger IV Corp 1615 South Congress Avenue, Suite 103 Delray Beach, FL 33445	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/18/2021	n/a	5,000	9	-	*

Freedom Acquisition I Corp 14 Wall Street, 20th Floor New York, NY 10005	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/26/2021	n/a	625	1	- *
Frontier Acquisition Corp 660 Madison Avenue, 19th Floor New York, NY 10065	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/11/2021	n/a	2,500	3	- *

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
FTAC Athena Acquisition Corp. 2929 Arch Street, Suite 1703 Philadelphia, PA 19104	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/23/2021	n/a	1,250	1	-	*
FTAC Hera Acquisition Corp. 2929 Arch Street, Suite 1703 Quakertown, PA 19104	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/04/2021	n/a	100	-	-	*
Fusion Acquisition Corp II 667 Madison Avenue, 5th Floor New York, NY 10065	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/26/2021	n/a	1,666	1	-	*
G Squared Ascend I Inc. 205 North Michigan Avenue, Suite 3770 Chicago, IL 60601	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/05/2021	n/a	1,000	1	-	*
Ginko Bioworks Holdings, Inc. 27 Drydock Avenue, 8th Floor Boston, MA 02210	Biotechnology	Warrants	8, 10	n/a	02/24/2021	n/a	5,000	13	1	*
Grove Collaborative Holdings, Inc. 1301 Sansome Street San Francisco, CA 94111	Household & Personal Products	Warrants	8, 10	n/a	03/23/2021	n/a	5,000	7	1	*
Iris Acquisition Corp 2700 19th Street San Francisco, CA 94110	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/05/2021	n/a	500	1	-	*
Jaws Mustang Acquisition Corporation 1601 Washington Avenue, Suite 800 Miami Beach, FL 33139	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/02/2021	n/a	6,250	7	1	*
Kismet Acquisition Two Corp. 850 Library Avenue, Suite 204 Newark, DE 19715	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/18/2021	n/a	326	-	-	*
Kismet Acquisition Three Corp. 850 Library Avenue, Suite 204 Newark, DE 19715	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/18/2021	n/a	4,133	3	-	*
L Catterton Asia Acquisition C 8 Marina View Asia Square Tower 1, No 41-03 Singapore, 018960	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/11/2021	n/a	5,933	6	-	*
Lanvin Group Holdings Ltd Building S2, Bund Finance Center, No. 600, Zhongshan East 2nd Road Huangpu District, Shanghai, China	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/19/2021	n/a	5,000	6	2	*
Lazard Growth Acquisition Corp 30 Rockefeller Plaza New York, NY 10112	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/10/2021	n/a	500	1	-	*
Live Oak Mobility Acquisition Corp. 4921 William Arnold Road Memphis, TN 38117	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/02/2021	n/a	400	1	-	*
M3-Brigade Acquisition II Corp. 1700 Broadway, 19th Floor New York, NY 10019	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/04/2021	n/a	3,333	4	-	*

New Vista Acquisition Corp. 125 South Wacker Drive, Suite 300 Chicago, IL 60606	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/17/2021	n/a	166	-	-	*
Northern Star Investment Corp. II The Chrysler Building 405 Lexington Avenue New York, NY 10174	Special Purpose Acquisition Company	Warrants	8, 10	n/a	01/26/2021	n/a	100	-	-	*

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Northern Star Investment Corp. III The Chrysler Building 405 Lexington Avenue New York, NY 10174	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/02/2021	n/a	66	-	-	*
Northern Star Investment Corp. IV The Chrysler Building 405 Lexington Avenue New York, NY 10174	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/02/2021	n/a	66	-	-	*
Pathfinder Acquisition Corp 1950 University Avenue, Suite 350 Palo Alto, CA 94303	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/17/2021	n/a	1,000	1	-	*
Pear Therapeutics, Inc. 200 State Street, 13th Floor Boston, MA 02109	Technology	Warrants	8, 10	n/a	02/02/2021	n/a	1,666	2	-	*
Peridot Acquisition Corp. II 2229 San Felipe Street, Suite 1450 Houston, TX 77019	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/09/2021	n/a	2,000	3	-	*
Pivotal Investment Corp III The Chrysler Building 405 Lexington Avenue, 11th Floor New York, NY 10174	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/09/2021	n/a	100	-	-	*
Planet Labs PBC 645 Harrison Street, 4th Floor San Francisco, CA 94107	Communications Equipment	Warrants	8, 10	n/a	03/05/2021	n/a	400	-	-	*
Plum Acquisition Corp. I 2021 Fillmore Street, #2089 San Francisco, CA 94115	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/16/2021	n/a	1,600	2	-	*
Polestar Automotive Holding UK PLC Assar Gabrielssons Väg 9 405 31 Göteborg, Sweden	Auto Manufacturer	Warrants	8, 10	n/a	03/23/2021	n/a	2,000	5	2	*
RMG Acquisition Corp. III 57 Ocean, Suite 403 5775 Collins Avenue Miami Beach, FL 33140	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/05/2021	n/a	3,333	5	-	*
Ross Acquisition Corp II 1 Pelican Lane Palm Beach, FL 33480	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/12/2021	n/a	6,666	7	-	*
Rumble Inc. 444 Gulf of Mexico Drive Longboat Key, FL 34228	Special Purpose Acquisition Company	Warrants	8, 10	n/a	05/10/2021	n/a	1,250	1	2	*
Sandbridge X2 Corp 725 5th Avenue, 23rd Floor New York, NY 10022	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/10/2021	n/a	666	1	-	*
ScION Tech Growth II 10 Queen St Place, 2nd Floor London, UK EC4R 1BE	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/10/2021	n/a	166	-	-	*
Silver Spike Acquisition Corp II 660 Madison Avenue, Suite 1600 New York, NY 10065	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/11/2021	n/a	5,000	6	-	*

Slam Corp. 55 Hudson Yards, 47th Floor, Suite C New York, NY 10001	Special Purpose Acquisition Company	Warrants	8, 10	n/a	04/26/2021	n/a	1,250	1	-	*
Sonder Holdings Inc. 101 15th Street San Francisco, CA 94103	Hospitality	Warrants	8, 10	n/a	03/19/2021	n/a	500	1	-	*

Portfolio Company	Industry	Security[1]	Notes	Interest Rate[2]	Initial Acquisition Date	Maturity	Par Amount / Quantity	Cost	Fair Value	Percentage of Class[3]
Supernova Partners Acquisition Company III, Ltd. 4301 50th Street NW, Suite 300 PMB 1044 Washington, DC 20016	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/23/2021	n/a	80	-	-	*
Sustainable Development Acquisition I Corp. 5701 Truxtun Avenue, Suite 201 Bakersfield, CA 90036	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/05/2021	n/a	1,250	1	-	*
Tailwind International Acquisition Corp. 150 Greenwich Street, 29th Floor New York, NY 10006	Special Purpose Acquisition Company	Warrants	8, 10	n/a	02/19/2021	n/a	4,166	3	-	*
Tech and Energy Transition Corporation 125 West 55th Street New York, NY 10019	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/17/2021	n/a	666	1	-	*
Terran Orbital Corporation 6800 Broken Sound Pkwy NW, Suite 200 Boca Raton, FL 33487	Communications Equipment	Warrants	8, 10	n/a	02/19/2021	n/a	3,333	3	-	*
TLG Acquisition One Corp. 515 North Flagler Drive, Suite 520 West Palm Beach, FL 33401	Special Purpose Acquisition Company	Warrants	8, 10	n/a	01/28/2021	n/a	5,000	3	-	*
Tritium DCFC Ltd 23 Archimedes Place Murarrie, QLD Australia	Transportation Equipment Manufacturing	Warrants	8, 10	n/a	02/04/2021	n/a	5,000	6	2	*
VPC Impact Acquisition Holdings II 150 North Riverside Plaza, Suite 5200 Chicago, IL 60606	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/05/2021	n/a	10,000	7	-	*
Warburg Pincus Capital Corp I-A 450 Lexington Avenue New York, NY 10017	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/05/2021	n/a	80	-	-	*
Warburg Pincus Capital Corp I-B 450 Lexington Avenue New York, NY 10017	Special Purpose Acquisition Company	Warrants	8, 10	n/a	03/05/2021	n/a	80	-	-	*
Total Investments in Special Purpose Acquisition Companies								**201**	**27**	
Total Investments excluding Short-Term Investments (265.25 % of Net Assets)								**251,178**	**224,957**	
Short-Term Investments										
United States Treasury	Short-Term Investments	Treasury Bill		0.00 %	12/30/2022	03/31/2023	70,000,000	69,798	69,785	
GS Financial Square Treasury Obligations Fund	Short-Term Investments	Money Market		0.00 %	06/30/2022	n/a	6,341,888	6,342	6,342	

Total Short-Term Investments (89.76 % of Net Assets)		**76,140**	**76,127**
TOTAL INVESTMENTS (355.01 % of Net Assets)	12	**$ 327,318**	**$ 301,084**
Other Liabilities in Excess of Net Assets (255.01 % of Net Assets)			(216,275)
NET ASSETS			**$ 84,809**

(1) Great Elm Capital Corp. 's (the "Company") investments are generally acquired in private transactions exempt from registration under the Securities Act of 1933 and, therefore, are generally subject to limitations on resale, and may be deemed to be "restricted securities" under the Securities Act of 1933.

(2) Certain of the Company's variable rate debt investments bear interest at a rate that is determined by reference to London Interbank Offered Rate ("LIBOR" or "L"), prime rate ("Prime"), or Secured Overnight Financing Rate ("SOFR") which are reset periodically. For each debt investment, the Company has provided the interest rate in effect as of period end. A floor is the minimum rate that will be applied in calculating an interest rate. A cap is the maximum rate that will be applied in calculating an interest rate. The one month ("1M") LIBOR as of period end was

4.39
% . The three month ("3M") LIBOR as of period end was

4.77
% . The six month ("6M") LIBOR as of period end was

5.14
% . The prime rate as of period end was

7.50
% . The SOFR as of period end was

4.30
% .

(3) Percentage of class held refers only to equity held, if any, calculated on a fully diluted basis.

(4) "Controlled Investments" are investments in those companies that are "Controlled Investments" of the Company, as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act") . A company is deemed to be a "Controlled Investment" of the Company if the Company owns more than 25% of the voting securities of such company.

(5) "Affiliate Investments" are investments in those companies that are "Affiliated Companies" of the Company, as defined in the Investment Company Act, which are not "Controlled Investments." A company is deemed to be an "Affiliate" of the Company if the Company owns 5% or more, but less than 25%, of the voting securities of such company.

(6) Investments classified as Level 3 whereby fair value was determined by the Company's board of directors (the "Board") .

(7) Security pays, or has the option to pay, some or all of its interest in kind. As of December 31, 2022, the Avation Capital SA secured bond, Nice-Pak Products, Inc. secured loan B, Ruby Tuesday Operations, LLC secured loan and each of the Universal Fiber Systems term loans pay a portion of their interest in-kind and the rates above reflect the payment-in-kind ("PIK") interest rates. As of December 31, 2022, each of the Avanti Space Limited secured debt pay in kind and the rates above reflect the PIK interest rates, however, each position is on non-accrual. As of December 31, 2022, Forum Energy Technologies, Inc has the option to pay in kind but currently pay cash and the rate above reflects the cash interest rate.

(8) Non-income producing security.

(9) Investment was on non-accrual status as of period end.

(10) Indicates assets that the Company believes do not represent "qualifying assets" under Section 55(a) of the Investment Company Act. Qualifying assets must represent at least

70
% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. Of the Company's total assets,

24.76
% were non-qualifying assets as of period end.

(11) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. Such security may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration.

(12) As of period end, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was $

2,230
; the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was $

19,401
; the net unrealized depreciation was $(

17,171
); the aggregate cost of securities for Federal income tax purposes was $

318,255

.

* Represents less than

1

%.

As of December 31, 2022, the Company's investments consisted of the following:

Investment Type		Investments at Fair Value		Percentage of Net Assets
Debt	$	184,955	%	218.08
Equity/Other		40,002	%	47.17
Short-Term Investments		76,127	%	89.76
Total	**$**	**301,084**	**%**	**355.01**

As of December 31, 2022, the geographic composition of the Company's portfolio at fair value was as follows:

Geography		Investments at Fair Value		Percentage of Net Assets
United States	$	290,222	%	342.21
Canada		7,278	%	8.58
Europe		3,580	%	4.22
Asia/Oceania		4	%	0.00
Total	**$**	**301,084**	**%**	**355.01**

As of December 31, 2022, the industry composition of the Company's portfolio at fair value was as follows:

Industry	Investments at Fair Value	Percentage of Net Assets
Specialty Finance	$ 58,250	68.68 %
Chemicals	31,702	37.38 %
Energy Midstream	22,559	26.60 %
Oil & Gas Exploration & Production	15,136	17.85 %
Internet Media	12,247	14.44 %
Transportation Equipment Manufacturing	11,803	13.92 %
Casinos & Gaming	9,301	10.97 %
Consumer Products	8,413	9.92 %
Shipping	7,206	8.50 %
Metals & Mining	6,046	7.13 %
Closed-End Fund	5,825	6.87 %
Industrial	5,498	6.47 %
Oil & Gas Refining	5,388	6.35 %
Hospitality	4,988	5.88 %
Food & Staples	3,660	4.32 %
Aircraft	3,577	4.22 %
Restaurants	3,110	3.67 %
Wireless Telecommunications Services	2,997	3.53 %

Energy Services	2,877	3.39 %
Apparel	2,371	2.80 %
Insurance	2,340	2.76 %
Special Purpose Acquisition Company	19	0.02 %
Retail	5	0.01 %
Auto Manufacturer	2	0.00 %
Biotechnology	1	0.00 %
Household & Personal Products	1	0.00 %
Technology	(365)	-0.43 %
Short-Term Investments	76,127	89.76 %
Total	**$ 301,084**	**355.01 %**

The accompanying notes are an integral part of these financial statements.

GREAT ELM CAPITAL CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Dollar amounts in thousands, except share and per share amounts

1. ORGANIZATION

Great Elm Capital Corp. (the "Company") was formed on April 22, 2016 as a Maryland corporation. The Company is structured as an externally managed, non-diversified closed-end management investment company. The Company elected to be regulated as a business development company (a "BDC") under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Company is managed by Great Elm Capital Management, Inc., a Delaware corporation ("GECM"), a subsidiary of Great Elm Group, Inc., a Delaware corporation ("GEG").

The Company seeks to generate current income and capital appreciation through debt and income-generating equity investments, including investments in specialty finance businesses.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The Company's functional currency is U.S. dollars and these consolidated financial statements have been prepared in that currency. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to Regulation S-X and Regulation S-K. The Company is an investment company following accounting and reporting guidance in Financial Accounting Standards Board ASC Topic 946, *Financial Services – Investment Companies*.

Certain prior period amounts have been reclassified to conform to current period presentation.

Retroactive Adjustments for Reverse Stock Split. The outstanding shares and per share amounts of the Company's common stock in the consolidated financial statements and notes to the consolidated financial statements have been retroactively adjusted for the reverse stock split effected on February 28, 2022 for all periods presented.

Basis of Consolidation. Under the Investment Company Act, Article 6 of Regulation S-X and GAAP, the Company is generally precluded from consolidating any entity other than another investment company or an operating company which provides substantially all of its services and benefits to the Company. The accompanying consolidated financial statements include the Company's accounts and the accounts of the Company's formerly wholly-owned subsidiaries, Great Elm Specialty Finance, LLC and TFC-SC Holdings, LLC; both of which are no longer consolidated as of December 31, 2023. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

Revenue Recognition. Interest and dividend income, including income paid in kind, is recorded on an accrual basis. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts, earned with respect to capital commitments, are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment if such fees are fixed in nature. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, and end-of-term or exit fees that have a contingency feature or are variable in nature are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are generally included in interest income.

Interest income received as paid-in-kind (“PIK”) is reported separately in the Consolidated Statements of Operations. Income is included as PIK if the instrument solely provides for settlement in kind. In the event that the borrower can settle in kind or via cash payment, the income is not included as PIK until the borrower elects to pay in kind and the payment is received by the Company. In the event there is a lesser cash rate in a PIK toggle instrument, income is accrued at the lesser cash rate until the coupon is paid in kind and such larger payment is received by the Company.

Certain of the Company’s debt investments were purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. Discounts on the acquisition of corporate debt instruments are generally amortized using the effective-interest or constant-yield method assuming there are no material questions as to collectability.

Net Realized Gains (Losses) and Net Change in Unrealized Appreciation (Depreciation). The Company measures realized gains or losses by the difference between the net proceeds from the repayment or sale of an investment and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Realized gains and losses are computed using the specific identification method. Net change in unrealized appreciation or depreciation reflects the net change in portfolio investment values and portfolio investment cost bases during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Cash and Cash Equivalents. Cash and cash equivalents typically consist of bank demand deposits. Restricted cash generally consists of collateral for unfunded positions held by counterparties.

Valuation of Portfolio Investments. The Company carries its investments in accordance with ASC Topic 820, Fair Value Measurements and Disclosures (“ASC 820”), which defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. Fair value is generally based on quoted market prices provided by independent pricing services, broker or dealer quotations or alternative price sources. In the absence of quoted market prices, broker or dealer quotations or alternative price sources, investments are measured at fair value as determined by the Company’s board of directors (the “Board”).

Due to the inherent uncertainties of valuation, certain estimated fair values may differ significantly from the values that would have been realized had a ready market for these investments existed, and these differences could be material. See Note 4.

The Company values its portfolio investments at fair value based upon the principles and methods of valuation set forth in policies adopted by the Board. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers in the principal (or most advantageous) market for the asset that (1) are independent of the Company, (2) are knowledgeable, having a reasonable understanding about the asset based on all available information (including information that might be obtained through due diligence efforts that are usual and customary), (3) are able to transact for the asset, and (4) are willing to transact for the asset (that is, they are motivated but not forced or otherwise compelled to do so).

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. The Company generally obtains market quotations from recognized exchanges, market quotation systems, independent pricing services or one or more broker-dealers or market makers. Short term debt investments with remaining maturities within ninety days are generally valued at amortized cost, which approximates fair value. Debt and equity securities for which market quotations are not readily available, which is the case for many of the Company's investments, or for which market quotations are deemed not to represent fair value, are valued at fair value using a consistently applied valuation process in accordance with the Company's documented valuation policy that has been reviewed and approved by the Board, who also approve in good faith the valuation of such securities as of the end of each quarter. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that the Company may ultimately realize. In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of the Company's investments than on the fair values of the Company's investments for which market quotations are not readily available. Market quotations may be deemed not to represent fair value in certain circumstances where the Company believes that facts and circumstances applicable to an issuer, a seller or purchaser, or the market for a particular security cause current market quotations to not reflect the fair value of the security.

The valuation process approved by the Board with respect to investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value is as follows:

- The investment professionals of GECM provide recent portfolio company financial statements and other reporting materials to an independent valuation firm (or firms) approved by the Board;

- Such firms evaluate this information along with relevant observable market data to conduct independent appraisals each quarter, and their preliminary valuation conclusions are documented, discussed, and iterated with senior management of GECM;

- The fair value of investments comprising in the aggregate less than

  5

  % of the Company's total capitalization and individually less than

  1

  % of the Company's total capitalization may be determined by GECM in good faith in accordance with the Company's valuation policy without the employment of an independent valuation firm;

- The Company's audit committee recommends, and the Board approves, the fair value of the investments in the Company's portfolio in good faith based on the input of GECM, the independent valuation firms (to the extent applicable) and the business judgment of the audit committee and the Board, respectively.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Company may take into account in determining the fair value of its investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, and enterprise values.

Investments in revolvers or delayed draw loans may include unfunded commitments for which the Company's acquisition cost will be offset by compensation received on the portion of the commitment that is unfunded. As a result, the purchases of a commitment that is not fully funded may result in a negative cost basis for the funded commitment. The fair value of the unfunded commitment is adjusted for price appreciation or depreciation and may result in a negative fair value for the unfunded commitment.

Deferred Financing Costs and Deferred Offering Costs. Deferred financing costs and deferred offering costs consist of fees and expenses incurred in connection with financing or capital raising activities and include professional fees, printing fees, filing fees and other related expenses.

Deferred financing costs incurred in connection with the revolving credit facility are amortized on a straight-line basis over the term of the revolving credit facility. Unamortized costs are included in deferred financing costs on the consolidated statements of assets and liabilities and amortization of those costs is included in interest expense on the consolidated statements of operations.

Deferred offering costs incurred in connection with the unsecured notes are amortized over the term of the respective unsecured note using the effective interest method. Unamortized costs are treated as a reduction to the carrying amount of the debt on the consolidated statements of assets and liabilities and amortization of those costs is included in interest expense on the consolidated statements of operations.

Deferred offering costs incurred in connection with the shelf registration on form N-2 are capitalized when incurred and recognized as a reduction to offering proceeds when the offering becomes effective or expensed upon expiration of the registration statement, if applicable. Deferred offering costs are included with prepaid expenses and other assets on the consolidated statements of assets and liabilities.

Prepaid Expenses and Other Assets. Prepaid expenses include expenses paid in advance such as annual insurance premiums and deferred offering costs, as described above. Other assets includes contributions to investments paid in advance of trade date.

Foreign Currency Translation. Amounts denominated in foreign currencies are translated into U.S. dollars on the following basis: (1) investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based upon currency exchange rates effective on the date of valuation; and (2) purchases and sales of investments and income and expense items denominated in foreign currencies are translated into U.S. dollars based upon currency exchange rates prevailing on the transaction dates. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

U.S. Federal Income Taxes. From inception to September 30, 2016, the Company was a taxable association under Internal Revenue Code of 1986, as amended (the "Code"). The Company has elected to be taxed as a regulated investment company ("RIC") under subchapter M of the Code. The Company intends to operate in a manner so as to qualify for the tax treatment applicable to RICs in that taxable year and all future taxable years. In order to qualify as a RIC, among other things, the Company will be required to timely distribute to its stockholders at least

90

% of investment company taxable income ("ICTI") including PIK interest, as defined by the Code, for each taxable year in order to be eligible for tax treatment under subchapter M of the Code. Depending on the level of ICTI earned in a tax year, the Company may choose to carry forward ICTI in excess of current year dividend distributions into the next tax year. Any such carryover ICTI must be distributed prior to the 15th day of the ninth month after the tax year-end. So long as the Company maintains its status as a RIC, it generally will not be subject to corporate-level U.S. federal income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as distributions. Rather, any tax liability related to income earned by the Company represents obligations of the Company's stockholders and will not be reflected in the consolidated financial statements of the Company.

If the Company does not distribute (or is not deemed to have distributed) each calendar year the sum of (1)

98
% of its net ordinary income for each calendar year, (2)

98.2
% of its capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the “Minimum Distribution Amount”), the Company will generally be required to pay an excise tax equal to

4
% of the amount by the which Minimum Distribution Amount exceeds the distributions for the year. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, the Company accrues excise taxes, if any, on estimated excess taxable income as taxable income is earned using an annual effective excise tax rate. The annual effective excise tax rate is determined by dividing the estimated annual excise tax by the estimated annual taxable income.

The Company has accrued $

287
, $

252
and $

48
of excise tax expense for the years ended December 31, 2023, 2022 and 2021, respectively.

At December 31, 2023, the Company, for federal income tax purposes, had capital loss carryforwards of $

193,501
which will reduce its taxable income arising from future net realized gains on investment transactions, if any, to the extent permitted by the Code, and thus will reduce the amount of distributions to stockholders, which would otherwise be necessary to relieve the Company of any liability for federal income tax. On December 22, 2010, the Regulated Investment Company Modernization Act of 2010 (the “Modernization Act”) was signed by the President. The Modernization Act changed the capital loss carryforward rules as they relate to regulated investment companies. Capital losses generated in tax years beginning after the date of enactment may now be carried forward indefinitely, and retain the character of the original loss. Of the capital loss carryforwards at December 31, 2023 $

40,819
are limited losses and available for use subject to annual limitation under Section 382. Of the capital losses at December 31, 2023, $

16,815
are short-term and $

176,686
are long term.

ASC 740 *Accounting for Uncertainty in Income Taxes* (“ASC 740”) provides guidance on the accounting for and disclosure of uncertainty in tax position. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Based on its analysis of its tax position for all open tax years (fiscal years 2020 through 2023), the Company has concluded that it does not have any uncertain tax positions that met the recognition or measurement criteria of ASC 740. Such open tax years remain subject to examination and adjustment by tax authorities.

3. SIGNIFICANT AGREEMENTS AND RELATED PARTIES

Investment Management Agreement. The Company has an investment management agreement (the “Investment Management Agreement”) with GECM. Beginning on November 4, 2016, the Company began accruing for GECM’s fees for its services under the Investment Management Agreement. This fee consists of two components: a base management fee and an incentive fee. Effective August 1, 2022, upon receiving approval from the Company’s stockholders, the Company and GECM amended the Investment Management Agreement to reset the Capital Gains Incentive Fee to begin on April 1, 2022, which eliminated $

163.2
million of historical realized and unrealized losses incurred prior to April 1, 2022 in calculating future incentive fees. In addition, the Income Incentive Fee was amended to reset the mandatory deferral commencement date used in calculating deferred incentive fees to April 1, 2022.

The Company’s Chief Executive Officer and President is also a portfolio manager for GECM, as well as a Managing Director of Imperial Capital Asset Management, LLC. The Company’s Chief Compliance Officer is also the chief compliance officer and general counsel of GECM, and the president of GEG. The Company’s Chief Financial Officer is also the chief financial officer of GEG.

Management Fee The base management fee is calculated at an annual rate of

1.50
% of the Company’s average adjusted gross assets, including assets purchased with borrowed funds. The base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of the Company’s gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the then current calendar quarter. Base management fees for any partial quarter are prorated.

For the years ended December 31, 2023, 2022 and 2021, management fees amounted to $

3,539
, $

3,205
and $

3,182
, respectively. As of December 31, 2023 and 2022, $

887
and $

850
remained payable, respectively.

Incentive Fee The incentive fee consists of two components that are independent of each other with the result that one component may be payable even if the other is not. One component of the incentive fee is based on income (the “Income Incentive Fee”) and the other component is based on capital gains (the “Capital Gains Incentive Fee”).

The Income Incentive Fee is calculated on a quarterly basis as

20
% of the amount by which the Company’s pre-incentive fee net investment income (the “Pre-Incentive Fee Net Investment Income”) for the quarter exceeds a hurdle rate of

1.75
% (

7.0
% annualized) of the Company’s net assets at the end of the immediately preceding calendar quarter, subject to a “catch-up” provision pursuant to which GECM receives all of such income in excess of the

1.75
% level but less than

2.1875
% (

8.75
% annualized) and subject to a total return requirement (described below). The effect of the “catch-up” provision is that, subject to the total return provision, if pre-incentive fee net investment income exceeds

2.1875
% of the Company’s net assets at the end of the immediately preceding calendar quarter, in any calendar quarter, GECM will receive

20.0
% of the Company’s pre-incentive fee net investment income as if the

1.75
% hurdle rate did not apply. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the then current quarter.

Pre-Incentive Fee Net Investment Income includes any accretion of original issue discount, market discount, PIK interest, PIK dividends or other types of deferred or accrued income, including in connection with zero coupon securities, that the Company and its consolidated subsidiaries have recognized in accordance with GAAP, but have not yet received in cash (collectively, “Accrued Unpaid Income”). Pre-Incentive Fee Net Investment Income does not include any realized capital gains or losses or unrealized capital appreciation or depreciation.

Any Income Incentive Fee otherwise payable with respect to Accrued Unpaid Income (collectively, the “Accrued Unpaid Income Incentive Fees”) is deferred, on a security by security basis, and becomes payable only if, as, when and to the extent cash is received by the Company or its consolidated subsidiaries in respect thereof. Any Accrued Unpaid Income that is subsequently reversed in connection with a write-down, write-off, impairment or similar treatment of the investment giving rise to such Accrued Unpaid Income will, in the applicable period of reversal, (1) reduce Pre-Incentive Fee Net Investment Income and (2) reduce the amount of Accrued Unpaid Income Incentive Fees previously deferred.

The Company will defer cash payment of any Income Incentive Fee otherwise payable to the investment adviser in any quarter (excluding Accrued Unpaid Income Incentive Fees with respect to such quarter) that exceeds (1)

20
% of the Cumulative Pre-Incentive Fee Net Return (as defined below) during the most recent twelve full calendar quarter period ending on or prior to the date such payment is to be made (the “Trailing Twelve Quarters”) less (2) the aggregate incentive fees that were previously paid to the investment adviser during such Trailing Twelve Quarters (excluding Accrued Unpaid Income Incentive Fees during such Trailing Twelve Quarters and not subsequently paid). “Cumulative Pre-Incentive Fee Net Return” during the relevant Trailing Twelve Quarters means the sum of (a) pre-incentive fee net investment income in respect of such Trailing Twelve Quarters less (b) net realized capital losses and net unrealized capital depreciation, if any, in each case calculated in accordance with GAAP, in respect of such Trailing Twelve Quarters. As a result of the amendment effective August 1, 2022, the calculation of the Cumulative Pre-Incentive Fee Net Return begins as of April 1, 2022.

Under the Capital Gains Incentive Fee, the Company is obligated to pay GECM at the end of each calendar year

% of the aggregate cumulative realized capital gains from April 1, 2022 through the end of that year, computed net of aggregate cumulative realized capital losses and aggregate cumulative unrealized depreciation through the end of such year, less the aggregate amount of any previously paid capital gains incentive fees.

In March 2022, GECM waived all accrued and unpaid incentive fees as of March 31, 2022. As of March 31, 2022, there were approximately $ 4.9 million of accrued fees. In connection with the waiver, the Company recognized the reversal of these accrued fees during the period ending March 31, 2022, resulting in a corresponding increase in net income in that period. The incentive fee waiver is not subject to recapture.

For the years ended December 31, 2023, 2022 and 2021, the Company incurred Income Incentive Fees of $

3,132

, $

565

and $(

4,323

), respectively. As of December 31, 2023 and 2022, $

1,431

and $

565

of Income Incentive Fees, respectively remained payable and $

764

was immediately payable after calculating the total return requirement. These payable amounts may include both Accrued Unpaid Income Incentive Fees and amounts deferred under the total return requirement and will become due upon meeting the criteria described above. For the years ended December 31, 2023, 2022 and 2021, the Company did

no

t have any Capital Gains Incentive Fees accrual.

The Investment Management Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GECM and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of GECM's services under the Investment Management Agreement or otherwise as an investment adviser of the Company.

Administration Fees. The Company has an administration agreement (the "Administration Agreement") with GECM to provide administrative services, including, among other things, furnishing the Company with office facilities, equipment, clerical, bookkeeping and record keeping services. The Company will reimburse GECM for its allocable portion of overhead and other expenses of GECM in performing its obligations under the Administration Agreement. Compensation of administrator personnel is allocated based on time allocation for the period. Other overhead costs are based on a combination of time allocation and total headcount.

The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GECM and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of GECM's services under the Administration Agreement or otherwise as administrator for the Company.

For the years ended December 31, 2023, 2022 and 2021, the Company incurred expenses under the Administration Agreement of $

1,522

, $

938

and $

673

, respectively. As of December 31, 2023 and 2022, $

308

and $

188

, remained payable, respectively.

4. FAIR VALUE MEASUREMENT

The fair value of a financial instrument is the amount that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

The fair value hierarchy under ASC 820 prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The levels used for classifying investments are not necessarily an indication of the risk associated with investing in these securities. The three levels of the fair value hierarchy are as follows:

Basis of Fair Value Measurement

Level 1 - Investments valued using unadjusted quoted prices in active markets for identical assets.

Level 2 - Investments valued using other unadjusted observable market inputs, e.g., quoted prices in markets that are not active or quotes for comparable instruments.

Level 3 - Investments that are valued using quotes and other observable market data to the extent available, but which also take into consideration one or more unobservable inputs that are significant to the valuation taken as a whole.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Note 2 should be read in conjunction with the information outlined below.

The table below presents the valuation techniques and the nature of significant inputs generally used in determining the fair value of Level 2 and Level 3 Instruments.

Level 2 Instruments Valuation Techniques and Significant Inputs

Equity, Bank Loans, Corporate Debt, and Other Debt Obligations	The types of instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency may include commercial paper, most government agency obligations, certain corporate debt securities, certain mortgage-backed securities, certain bank loans, less liquid publicly-listed equities, certain state and municipal obligations, certain money market instruments and certain loan commitments. Valuations of Level 2 debt and equity instruments can be verified to quoted prices, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

Level 3 Instruments Valuation Techniques and Significant Inputs

Bank Loans, Corporate Debt, and Other Debt Obligations	Valuations are generally based on discounted cash flow techniques, for which the significant inputs are the amount and timing of expected future cash flows, market yields and recovery assumptions. The significant inputs are generally determined based on an analysis of market comparables, transactions in similar instruments and/or recovery and liquidation analyses.
Equity	Recent third-party investments or pending transactions are considered to be the best evidence for any change in fair value. When these are not available, the following valuation methodologies are used, as appropriate and available: □ Transactions in similar instruments; □ Discounted cash flow techniques; □ Third party appraisals; and □ Industry multiples and public comparables. Evidence includes recent or pending reorganizations (for example, merger proposals, tender offers and debt restructurings) and significant changes in financial metrics, including: □ Current financial performance as compared to projected performance; □ Capitalization rates and multiples; and □ Market yields implied by transactions of similar or related assets.

As noted above, the income and market approaches were used in the determination of fair value of certain Level 3 assets as of December 31, 2023 and 2022. The significant unobservable inputs used in the income approach are the discount rate or market yield used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. An increase in the discount rate or market yield would result in a decrease in the fair value. Included in the consideration and selection of discount rates is risk of default, rating of the investment (if any), call provisions and comparable company valuations. The significant unobservable inputs used in the market approach are based on market comparable transactions and market multiples of publicly traded comparable companies. Increases or decreases in market multiples would result in an increase or decrease, respectively, in the fair value.

The following summarizes the Company's investment assets categorized within the fair value hierarchy as of December 31, 2023:

Type of Investment	Level 1	Level 2	Level 3	Total
Asset				
Debt	$ -	$ 78,054	$ 122,693	$ 200,747
Equity/Other	6,770	-	20,044	26,814
Short Term Investments	10,807	-	-	10,807
Total	$ 17,577	$ 78,054	$ 142,737	238,368
Investment measured at net asset value[1]				3,051
Total Investments, at fair value				$ 241,419

The following summarizes the Company's investment assets categorized within the fair value hierarchy as of December 31, 2022:

Assets	Level 1	Level 2	Level 3	Total
Debt	$ -	$ 80,622	$ 104,333	$ 184,955
Equity/Other	7,958	-	32,044	40,002
Short Term Investments	76,127	-	-	76,127
Total investment assets	$ 84,085	$ 80,622	$ 136,377	$ 301,084

The following is a reconciliation of Level 3 assets for the year ended December 31, 2023:

Level 3	Beginning Balance as of January 1, 2023	Net Transfers In/Out	Purchases[1]	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)[2]	Sales and Settlements[1]	Net Amortization of Premium/ Discount	Ending Balance as of December 31, 2023
Debt	$ 104,333	$ (8,858)	$ 127,395	$ (5,910)	$ 6,253	$ (100,885)	$ 365	$ 122,693
Equity/Other	32,044	-	19,191	(3,273)	2,962	(30,880)	-	20,044
Total investment assets	**$ 136,377**	**$ (8,858)**	**$ 146,586**	**$ (9,183)**	**$ 9,215**	**$ (131,765)**	**$ 365**	**$ 142,737**

The following is a reconciliation of Level 3 assets for the year ended December 31, 2022:

Level 3	Beginning Balance as of January 1, 2022	Net Transfers In/Out	Purchases[1]	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)[2]	Sales and Settlements[1]	Net Amortization of Premium/ Discount	Ending Balance as of December 31, 2022
Debt		(		(		(		
	$ 104,936	$ 6,311)	$ 66,461	$ 60,207)	$ 45,325	$ 46,314)	$ 443	$ 104,333
Equity/Other				(		(		
	49,088	-	12,538	69,384)	61,476	21,674)	-	32,044
Total investment assets		**(**		**(**		**(**		
	$ 154,024	**$ 6,311)**	**$ 78,999**	**$ 129,591)**	**$ 106,801**	**$ 67,988)**	**$ 443**	**$ 136,377**

(1) Purchases may include new deals, additional fundings (inclusive of those on revolving credit facilities), refinancings, capitalized PIK income, and securities received in corporate actions and restructurings. Sales and Settlements may include scheduled principal payments, prepayments, sales and repayments (inclusive of those on revolving credit facilities), and securities delivered in corporate actions and restructuring of investments.

(2) The net change in unrealized appreciation/(depreciation) relating to Level 3 assets still held at December 31, 2023 totaled $(

2,538
) consisting of the following: $(

2,178
) related to debt investments and $(

360
) related to equity/other. The net change in unrealized depreciation relating to Level 3 assets still held at December 31, 2022 totaled $(

19,811
) consisting of the following: $(

11,792
) related to debt investments and $(

8,019
) related to equity/other.

Two investments with an aggregate fair value of $

8,858
were transferred from Level 3 to Level 2 as a result of increased pricing transparency during the year ended December 31, 2023.

Two investments with an aggregate fair value of $

6,311
were transferred from Level 3 to Level 2 as a result of increased pricing transparency during the year ended December 31, 2022.

The following tables below present the ranges of significant unobservable inputs used to value the Company's Level 3 assets as of December 31, 2023 and 2022, respectively. These ranges represent the significant unobservable inputs that were used in the valuation of each type of instrument, but they do not represent a range of values for any one instrument. For example, the lowest yield in 1st Lien Debt is appropriate for valuing that specific debt investment, but may not be appropriate for valuing any other debt investments in this asset class. Accordingly, the ranges of inputs presented below do not represent uncertainty in, or possible ranges of, fair value measurements of the Company's Level 3 assets.

		As of December 31, 2023		
Investment Type	**Fair value**	**Valuation Technique[1]**	**Unobservable Input[1]**	**Range (Weighted Average)[2]**
Debt	$ 69,579	Income Approach	Discount Rate	8.77% - 56.16% (18.31%)
	28,733	Recent Transaction		
	9,268	Market Approach	Earnings Multiple	0.50 - 8.75 (1.95)
	9,001	Income Approach	Implied Yield	3.24% - 18.59% (10.92%)

	6,112	Asset Recovery / Liquidation[3]		
Total Debt				
	$ 122,693			
Equity/Other		Recent Transaction		
	$ 17,477			
		Market Approach	Earnings Multiple	0.10 - 8.75 (4.92)
	2,513			
	54	Asset Recovery / Liquidation[3]		
Total Equity/Other				
	$ 20,044			

	As of December 31, 2022			
Investment Type	**Fair value**	**Valuation Technique[1]**	**Unobservable Input[1]**	**Range (Weighted Average)[2]**
Debt		Income Approach	Discount Rate	
	$ 65,570			9.39% - 33.61% (17.55%)
		Market Approach	Earnings Multiple	
	20,687			0.25 - 9.50 (4.20)
		Income Approach	Implied Yield	
	4,945			3.95% - 26.49% (15.80%)
		Broker Quotes		
	4,883			80.00% - 85.00% (82.50%)
		Recent Transaction		
	4,375			
		Income Approach	Discount Rate	
	3,000			24.00% - 26.00% (25.00%)
		Market Approach	Earnings Multiple	
				4.00 - 5.00 (4.50)
	873	Asset Recovery / Liquidation[3]		
		Options Pricing Model	Volatility and Risk Free Rate	
	-			20.00% and 4.49%

Total Debt				
	$ 104,333			
Equity/Other		Income Approach	Discount Rate	24.00% - 26.00% (25.00%)
	$ 11,638			
		Market Approach	Earnings Multiple	4.00 - 5.00 (4.50)
	11,044	Market Approach	Earnings Multiple	0.12 - 8.50 (4.07)
	4,982	Income Approach	Discount Rate	19.07% - 19.07% (19.07%)
	5	Asset Recovery / Liquidation[3]		
	4,375	Recent Transaction		
	-	Options Pricing Model	Volatility and Risk Free Rate	20.00% and 4.49%
Total Equity/Other				
	$ 32,044			

(1) The fair value of any one instrument may be determined using multiple valuation techniques or unobservable inputs.

(2) Weighted average for an asset category consisting of multiple investments is calculated by weighting the significant unobservable input by the relative fair value of the investment. The range and weighted average for an asset category consisting of a single investment represents the significant unobservable input used in the fair value of the investment.

(3) Investments valued using the asset recovery or liquidation technique include investments for which valuation is based on current financial data without a discount rate applied.

5. DEBT

Revolver

On May 5, 2021, the Company entered into a Loan, Guarantee and Security Agreement (the "Loan Agreement") with City National Bank ("CNB"). The Loan Agreement provides for a senior secured revolving line of credit of up to $

25

million (subject to a borrowing base as defined in the Loan Agreement). The Company may request to increase the revolving line in an aggregate amount not to exceed $

25

million, which increase is subject to the sole discretion of CNB. On November 22, 2023, the Company amended the Loan Agreement to extend the maturity date of the revolving line from May 5, 2024 to May 5, 2027 . Borrowings under the revolving line bear interest at a rate equal to (i) the secured overnight financing rate ("SOFR") plus

3.00

% (reduced from SOFR plus

3.50

% prior to the November 2023 amendment), (ii) a base rate plus

2.00

% or (iii) a combination thereof, as determined by the Company. Additionally, we are required to pay a commitment fee of

0.50

% per annum on any unused portion of the revolving line of credit. As of December 31, 2023, there were

no

borrowings outstanding under the revolving line.

Borrowings under the revolving line are secured by a first priority security interest in substantially all of the Company's assets, subject to certain specified exceptions. The Company has made customary representations and warranties and is required to comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar loan agreements. In addition, the Loan Agreement contains financial covenants requiring (i) net assets of not less than $

65

million, (ii) asset coverage equal to or greater than

150

% and (iii) bank asset coverage equal to or greater than

300

%, in each case tested as of the last day of each fiscal quarter of the Company. Borrowings are also subject to the leverage restrictions contained in the Investment Company Act of 1940, as amended. In May 2022, the interest rate in the Loan Agreement was amended to replace the LIBOR with SOFR.

Unsecured Notes

On September 13, 2017, the Company issued $

28,375

in aggregate principal amount of

6.50

% notes due 2022 (the "GECCL Notes"). On September 29, 2017, the Company issued an additional $

4,256

of the GECCL Notes upon full exercise of the underwriters' over-allotment option. The Company redeemed all of the issued and outstanding GECCL Notes on July 23, 2021 at

100

% of the principal amount plus accrued and unpaid interest thereon from April 30, 2021 through, but excluding, the redemption date, July 23, 2021.

On June 18, 2019, the Company issued $

42,500

in aggregate principal amount of

6.50

% notes due 2024 (the "GECCN Notes"), which included $

2,500

of the GECCN Notes issued in connection with the partial exercise of the underwriters' over-allotment option. On July 5, 2019, the Company issued an additional $

2,500

of the GECCN Notes upon another partial exercise of the underwriters' over-allotment option.

On August 8, 2023, the Company caused redemption notices to be issued to the holders of the GECCN Notes regarding the Company's exercise of its option to redeem, in whole, the issued and outstanding GECCN Notes. The Company redeemed all of the issued and outstanding GECCN Notes on September 7, 2023 at

100
% of the principal amount plus accrued and unpaid interest thereon from June 30, 2023 through, but excluding, the redemption date, September 7, 2023.

On June 23, 2021, the Company issued $

50,000
in aggregate principal amount of

5.875
% notes due 2026 (the “GECCO Notes”). On July 9, 2021, the Company issued an additional $

7,500
of the GECCO Notes upon full exercise of the underwriters’ over-allotment option.

On August 16, 2023, the Company issued $

40,000
in aggregate principal amount of

8.75
% notes due 2028 (the “GECCZ Notes”).

The Notes are our unsecured obligations and rank equal with all of our outstanding and future unsecured unsubordinated indebtedness. The unsecured notes are effectively subordinated, or junior in right of payment, to indebtedness under our Loan Agreement and any other future secured indebtedness that the Company may incur and structurally subordinated to all future indebtedness and other obligations of our subsidiaries. The Company pays interest on the unsecured notes on March 31, June 30, September 30 and December 31 of each year. The GECCM Notes, GECCO Notes and GECCZ Notes will mature on January 31, 2025 , June 30, 2026 and September 30, 2028 ,

respectively. The GECCM Notes and GECCO Notes are currently callable at the Company's option and the GECCZ Notes can be called on or after September 30, 2025. Holders of the unsecured notes do not have the option to have the unsecured notes repaid prior to the stated maturity date. The unsecured notes were issued in minimum denominations of $

25
and integral multiples of $

25
in excess thereof.

As part of the offerings, the Company incurred fees and costs, which are treated as a reduction of the carrying amount of the debt on the Company Statements of Assets and Liabilities. These deferred financing costs presented as a reduction to the Notes payable balance are being amortized into interest expense over the term of the Notes.

The Company may repurchase the Notes in accordance with the Investment Company Act and the rules promulgated thereunder.

Information about the Company's senior securities (including debt securities and other indebtedness) is shown in the following table:

As of	Total Amount Outstanding[1]	Asset Coverage Ratio Per Unit[2]	Involuntary Liquidation Preference Per Unit[3]	Average Market Value Per Unit[4]
December 31, 2016				
8.25 % Notes due 2020	$ 33,646	$ 6,168	N/A	$ 1.02
December 31, 2017				
6.50 % Notes due 2022 ("GECCL Notes")	$ 32,631	$ 5,010	N/A	$ 1.02
December 31, 2018				
GECCL Notes	$ 32,631	$ 2,393	N/A	$ 1.01
GECCM Notes	46,398	2,393	N/A	0.98
December 31, 2019				
GECCL Notes	$ 32,631	$ 1,701	N/A	$ 1.01
GECCM Notes	46,398	1,701	N/A	1.01
GECCN Notes	45,000	1,701	N/A	1.00
December 31, 2020				
GECCL Notes	$ 30,293	$ 1,671	N/A	$ 0.89
GECCM Notes	45,610	1,671	N/A	0.84
GECCN Notes	42,823	1,671	N/A	0.84
December 31, 2021				
GECCM Notes	$ 45,610	$ 1,511	N/A	$ 1.00

GECCN Notes					
	42,823	1,511	N/A		1.00
GECCO Notes					
	57,500	1,511	N/A		1.02
December 31, 2022					
GECCM Notes					
	$ 45,610	$ 1,544	N/A	$	0.99
GECCN Notes					
	42,823	1,544	N/A		1.00
GECCO Notes					
	57,500	1,544	N/A		1.00
Revolving Credit Facility					
	10,000	1,544	N/A		-
December 31, 2023					
GECCM Notes					
	$ 45,610	$ 1,690	N/A	$	0.99
GECCO Notes					
	57,500	1,690	N/A		0.96
GECCZ Notes					
	40,000	1,690	N/A		0.99
Revolving Credit Facility					
	-	1,690	N/A		-

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of Great Elm's total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $

1,000
of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it.

(4) The average market value per unit for the Notes, as applicable, is based on the average daily prices of such Notes and is expressed per $

1
of indebtedness.

The terms of the unsecured notes are governed by a base indenture, dated as of September 18, 2017, by and between the Company and Equiniti Trust Company, LLC (formerly known as American Stock Transfer & Trust Company, LLC), as trustee (as supplemented with respect to each series of notes, the "Indenture"). The Indenture's covenants include restrictions on certain activities in the event the Company falls below the minimum asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act, as well as covenants requiring the Company to provide financial information to the holders of the Notes and the Trustee if the Company ceases to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the Indenture. The Investment Company Act limits, with certain exceptions, the Company's borrowing such that its asset coverage ratio, as defined in the Investment Company Act, is at least 1.5 to 1 after such borrowing.

As of December 31, 2023, the Company's asset coverage ratio was approximately

169.0
%.

As of December 31, 2023 and 2022, the Company was in compliance with all covenants under the indenture.

For the years ended December 31, 2023, 2022 and 2021, the components of interest expense were as follows:

	For the Year Ended December 31,		
	2023	2022	2021
Borrowing interest expense	$ 10,115	$ 9,378	$ 8,927
Amortization of acquisition premium	1,268	1,312	1,501
Acquisition discount expensed at time of redemption	359	-	-
Total	$ 11,742	$ 10,690	$ 10,428
Weighted average interest rate[1]	7.75 %	7.32 %	7.59 %
Average outstanding balance	$ 151,471	$ 146,070	$ 137,336

(1) Annualized.

The fair value of the Company's Notes are determined in accordance with ASC 820, which defines fair value in terms of the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of the Company's Notes is determined by utilizing market quotations at the measurement date as they are Level 1 securities.

	December 31, 2023		
Facility	Commitments	Borrowings Outstanding	Fair Value
Unsecured Debt - GECCM Notes	$ 45,610	$ 45,610	$ 45,793
Unsecured Debt - GECCO Notes	57,500	57,500	56,792

Unsecured Debt - GECCZ Notes			
	40,000	40,000	40,224
Total			
	$ 143,110	$ 143,110	$ 142,809

Facility	December 31, 2022 Commitments	Borrowings Outstanding	Fair Value
Unsecured Debt - GECCM Notes	$ 45,610	$ 45,610	$ 45,081
Unsecured Debt - GECCN Notes	42,823	42,823	42,686
Unsecured Debt - GECCO Notes	57,500	57,500	54,510
Total	$ 145,933	$ 145,933	$ 142,277

6. CAPITAL ACTIVITY

On June 13, 2022, the Company completed a non-transferable rights offering, which entitled holders of rights to purchase

one
new share of common stock for each right held at a subscription price of $

12.50
per share. In total, the Company sold

3,000,567
shares of the Company's common stock for aggregate gross proceeds of approximately $

37,507
.

On February 28, 2022, the Company effected a 6 -for-1 reverse stock split of the Company's outstanding common stock. As a result of the reverse stock split, every six shares of the Company's issued and outstanding common stock were converted into one share of issued and outstanding common stock. Any fractional shares as a result of the reverse stock split were redeemed for cash at the closing market price on the business day immediately prior to the effective date of the reverse stock split. Such fractional shares aggregated to the equivalent of

four
shares and were redeemed for $

0.1
in aggregate.

On February 3, 2022, the Company issued

117,117
shares of common stock (as adjusted for the reverse stock split described above) for $

2,600
based on the most recently published net asset value. This common stock was issued in a private placement exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

On September 20, 2021, the Company issued

138,888
shares of common stock (as adjusted for the reverse stock split described above) for $

3,250
based on the most recently published net asset value and issued

427,351
shares of common stock (as adjusted for the reverse stock split described above) in exchange for a promissory note in aggregate principal amount of $

10,000
. The issuance of the shares was a private placement exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

On January 21, 2021, the Company distributed

79,797
shares of common stock (as adjusted for the reverse stock split described above) as part of the December 2020 distribution.

7. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time. As of December 31, 2023, the Company had approximately $

8,863

in unfunded loan commitments to provide debt financing to certain of its portfolio companies. To the degree applicable, unrealized gains or losses on these commitments as of December 31, 2023 are included in the Company's Consolidated Statements of Assets and Liabilities and the corresponding Consolidated Schedule of Investments. The Company believes that it had sufficient cash and other liquid assets on its balance sheet to satisfy the unfunded commitments. The Company has considered the net decrease in net assets and positive cash flows from operations and has concluded that it has the ability to meet its obligations in the ordinary course of business based upon an evaluation of its cash position and sources of liquidity.

From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company rights under contracts with the Company portfolio companies.

The Company is named as a defendant in a lawsuit filed on March 5, 2016, and captioned Intrepid Investments, LLC v. London Bay Capital, which is pending in the Delaware Court of Chancery. The plaintiff immediately agreed to stay the action in light of an ongoing mediation among parties other than the Company. This lawsuit was brought by a member of Speedwell Holdings (formerly known as The Selling Source, LLC), one of the Company's portfolio investments, against various members of and lenders to Speedwell Holdings. The plaintiff asserts claims of aiding and abetting, breaches of fiduciary duty, and tortious interference against the Company. In June 2018, Intrepid Investments, LLC ("Intrepid") sent notice to the court and defendants effectively lifting the stay and triggering defendants' obligation to respond to the Intrepid complaint. In September 2018, the Company joined the other defendants in a motion to dismiss on various grounds. In February 2019, Intrepid filed a second amended complaint to which defendants filed a renewed motion to dismiss in March 2019. In June 2023, the Court granted in part and denied in part defendants' motion to dismiss. The parties are currently involved in pre-trial discovery on the surviving claims.

8. INDEMNIFICATION

Under the Company's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Company. In addition, in the normal course of business the Company expects to enter into contracts that contain a variety of representations which provide general indemnifications. The Company's maximum exposure under these agreements cannot be known; however, the Company expects any risk of loss to be remote.

9. TAX INFORMATION

The tax character of distributions were as follows:

	For the year ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Distributions paid from:			
Ordinary income	$ 11,403	$ 13,023	$ 9,743
Net long term capital gains	-	-	-
Total taxable distributions	$ 11,403	$ 13,023	$ 9,743

The components of distributable earnings (losses) on a tax basis were as follows:

(in thousands)	As of December 31, 2023	2022	2021
Undistributed ordinary income, net	$ 5,928	$ 3,534	$ 4,797
Capital loss carryforwards	(193,501)	(185,737)	(62,971)
Total undistributed earnings	(187,573)	(182,203)	(58,174)
Unrealized earnings (losses), net	2,441	(17,171)	(112,846)
Total accumulated earnings (losses), net[(1)]	$ (185,132)	$ (199,374)	$ (171,020)

(1) Taxable income is estimated and is not considered final until the Company files its tax return.

The Company's aggregate unrealized appreciation and depreciation on investments based on cost for U.S. federal income tax purposes were as follows:

(in thousands)	As of December 31, 2023	2022
Tax cost	$ 238,978	$ 318,255
Gross unrealized appreciation	13,715	2,230
Gross unrealized depreciation	(11,273)	(19,401)
Net unrealized appreciation (depreciation) on investments	$ 2,441	$ (17,171)

The difference between GAAP-basis and tax basis unrealized gains (losses) is attributable primarily to differences in the tax treatment of underlying fund investments.

In order to present certain components of the Company's capital accounts on a tax-basis, certain reclassifications have been recorded to the Company's accounts. These reclassifications have no impact on the net asset value of the Company's and result primarily from dividend redesignations, certain non-deductible expenses, and differences in the tax treatment of partnership income and defaulted bonds.

(in thousands)	As of December 31, 2023	2022
Paid-in capital in excess of par	$ (312)	$ (252)
Accumulated undistributed net investment income	(1,254)	(2,737)
Accumulated net realized gain (loss)	(942)	2,989

At December 31, 2023, the Company, for federal income tax purposes, had capital loss carryforwards of $

193,501

which will reduce its taxable income arising from future net realized gains on investment transactions, if any, to the extent permitted by the Code, and thus will reduce the amount of distributions to stockholders, which would otherwise be necessary to relieve the Company of any liability for federal income tax. On December 22, 2010, the Modernization Act was signed by the President. The Modernization Act changed the capital loss carryforward

rules as they relate to regulated investment companies. Capital losses generated in tax years beginning after the date of enactment may now be carried forward indefinitely and retain the character of the original loss. Of the capital loss carryforwards at December 31, 2023, $

40,819

are limited losses and available for use subject to annual limitation under Section 382. Of the capital losses at December 31, 2023, $

16,815

are short-term and $

176,686

are long term.

ASC 740 provides guidance on the accounting for and disclosure of uncertainty in tax position. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Based on its analysis of its tax position for all open tax years (fiscal years 2020 through 2023), the Company has concluded that it does

no

t have any uncertain tax positions that met the recognition or measurement criteria of ASC 740. Such open tax years remain subject to examination and adjustment by tax authorities.

10. FINANCIAL HIGHLIGHTS

Below is the schedule of financial highlights of the Company:

	For the Year Ended December 31,				
	2023	2022	2021	2020	2019
Per Share Data:[1]					
Net asset value, beginning of period	$ 11.16	$ 16.63	$ 20.74	$ 51.81	$ 62.02
Net investment income	1.65	1.67	3.02	3.22	6.40
Net realized gains (loss)	(0.62)	(20.16)	(2.37)	(4.39)	0.76
Net change in unrealized appreciation (depreciation)	2.30	16.00	(3.17)	(13.24)	(11.58)
Net increase (decrease) in net assets resulting from operations	3.33	(2.49)	(2.52)	(14.41)	(4.42)
Issuance of common stock	-	(1.03)	0.81	(10.66)	-
Accretion from share buybacks	-	-	-	-	0.51
Distributions declared from net investment income[2]	(1.50)	(1.95)	(2.40)	(6.00)	(6.30)
Net decrease resulting from distributions to common stockholders	(1.50)	(1.95)	(2.40)	(6.00)	(6.30)
Net asset value, end of period	$ 12.99	$ 11.16	$ 16.63	$ 20.74	$ 51.81
Per share market value, end of period	$ 10.65	$ 8.29	$ 18.48	$ 21.60	$ 46.68
Shares outstanding, end of period	7,601,958	7,601,958	4,484,278	3,838,242	1,677,114
Total return based on net asset value[3]	30.98 %	(22.17)%	(8.03)%	(49.51)%	(4.64)%
Total return based on market value[3]	50.53 %	(46.53)%	(1.27)%	(39.98)%	15.17 %

Ratio/Supplemental Data:					
Net assets, end of period	$ 98,739	$ 84,809	$ 74,556	$ 79,615	$ 86,889
Ratio of total expenses to average net assets before waiver [4]	24.92 %	22.14 %	14.69 %	25.84 %	16.46 %
Ratio of total expenses to average net assets after waiver [4],[5]	24.92 %	16.43 %	14.69 %	25.84 %	16.46 %
Ratio of incentive fees to average net assets[4]	3.35 %	0.66 %	(4.91)%	1.68 %	2.80 %
Ratio of net investment income to average net assets[4],[5]	13.42 %	12.30 %	14.02 %	11.77 %	11.18 %
Portfolio turnover	98 %	53 %	66 %	64 %	81 %

(1) The per share data was derived by using the weighted average shares outstanding during the period, except where such calculations deviate from those specified under the instructions to Form N-2. Per share data and shares outstanding have been adjusted for the periods shown to reflect the six-for-one reverse stock split effected on February 28, 2022 on a retrospective basis, as described in Note 2.

(2) The per share data for distributions declared reflects the actual amount of distributions of record per share for the period.

(3) Total return based on net asset value is calculated as the change in net asset value per share, assuming the Company's distributions were reinvested through its dividend reinvestment plan. Total return based on market value is calculated as the change in market value per share, assuming the Company's distributions were reinvested through its dividend reinvestment plan. Total return does not include any estimate of a sales load or commission paid to acquire shares.

(4) Average net assets used in ratio calculations are calculated using monthly ending net assets for the period presented. For the years ending December 31, 2023, 2022, 2021, 2020 and 2019 average net assets were $

93,441
, $

85,029
, $

87,975
, $

60,884
, and $

97,791
, respectively.

(5) Ratio for the year ended December 31, 2022 reflects the impact of the incentive fee waiver described in Note 3.

11. AFFILIATED AND CONTROLLED INVESTMENTS

Affiliated investments are defined by the Investment Company Act, whereby the Company owns between 5% and 25% of the portfolio company's outstanding voting securities and the investments are not classified as controlled investments. The aggregate fair value of non-controlled, affiliated investments at December 31, 2023 represented

1
% of the Company's net assets.

Controlled investments are defined by the Investment Company Act, whereby the Company owns more than 25% of the portfolio company's outstanding voting securities or maintains the ability to nominate greater than

50
% of the board representation. The aggregate fair value of controlled investments at December 31, 2023 represented

47
% of the Company's net assets.

Fair value as of December 31, 2023 along with transactions during the year then ended in these affiliated investments and controlled investments was as follows:

				For the Year Ended December 31, 2023				
Issue[1]	Fair value at December 31, 2022	Gross Additions[2] [5]	Gross Reductions[3] [6]	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Fair value at December 31, 2023	Interest Income[4]	Fee Income	Dividend Income
Non-Controlled, Affiliated Investments									
PFS Holdings Corp.									
1st Lien, Secured Loan	896	-	11	-	94	979	128	-	-
Common Equity (5 % of class)	408	-	-	-	(320)	88	-	-	-
	1,304	-	11	-	(226)	1,067	128	-	-
Totals	**$ 1,304**	**$ -**	**$ 11**	**$ -**	**$ (226)**	**$ 1,067**	**$ 128**	**$ -**	**$ -**
Controlled Investments									
Great Elm Healthcare Financing, LLC									
Subordinated Note	4,375	1,400	5,775	-	-	-	349	-	-
Equity (88 % of class)	4,375	1,400	5,775	-	-	-	-	-	-
	8,750	2,800	11,550	-	-	-	349	-	-
Lenders' Funding, LLC									
Subordinated Note	10,000	-	10,000	-	-	-	385	-	-
Revolver	1,555	7,439	8,994	-	-	-	31	-	-

Equity (63 % of class)	2,205	-	250	(7,000)	5,045	-	-	-	-
	13,760	7,439	19,244	(7,000)	5,045	-	416	-	-
Prestige Capital Finance, LLC									
Subordinated Note	3,000	-	3,000	-	-	-	237	-	-
Equity (80 % of class)	11,638	-	13,457	5,671	(3,852)	-	-	-	1,316
	14,638	-	16,457	5,671	(3,852)	-	237	-	1,316
Sterling Commercial Credit, LLC									
Subordinated Note	8,500	233	8,733	-	-	-	634	-	-
Equity (80 % of class)	6,262	225	5,936	(2,132)	1,581	-	-	-	-
	14,762	458	14,669	(2,132)	1,581	-	634	-	-
Great Elm Specialty Finance									
Subordinated Note	-	30,733	2,000	-	-	28,733	1,274	-	-
Equity (87.5 % of class)	-	17,567	-	-	(90)	17,477	-	-	1,015
	-	48,300	2,000	-	(90)	46,210	1,274	-	1,015
Totals	**$ 51,910**	**$ 58,997**	**$ 63,920**	**$ (3,461)**	**$ 2,684**	**$ 46,210**	**$ 2,910**	**$ -**	**$ 2,331**

(1) Non-unitized equity investments are disclosed with percentage ownership in lieu of quantity .

(2) Gross additions include increases resulting from new or additional portfolio investments, capitalized PIK income, accretion of discounts and the exchange of one or more existing securities for one or more new securities.

(3) Gross reductions include decreases resulting from principal collections related to investment repayments or sales and the exchange of one or more existing securities for one or more new securities.

(4) Income amounts include accrued PIK income.

(5) On September 1, 2023, the Company's investments in Great Elm Healthcare Finance, LLC (“GEHF”), Prestige Capital Finance, LLC (“Prestige”) and Sterling Commercial Credit, LLC (“Sterling”) were contributed in-kind to Great Elm Specialty Finance, LLC (“GESF”) in exchange for equity and subordinated indebtedness in GESF as discussed below.

(6) In July 2023, the Company sold its equity investment in Lenders Funding, LLC (“Lenders Funding”) to the minority member and the outstanding balance of the subordinated note was fully repaid. As a result of the equity sale, Lenders Funding is no longer considered a controlled investment and the outstanding revolver balance has been included in gross reductions in the table above and related income for the period from the date of the equity sale through December 31, 2023 has not been included in interest income from controlled investments.

On September 1, 2023, the Company contributed investments in certain of its operating company subsidiaries and other specialty finance assets to its formerly wholly owned subsidiary, GESF in exchange for equity and subordinated indebtedness in GESF. These included the Company's investments in the equity and subordinated debt of GEHF, Prestige and Sterling, which were formerly controlled investments as defined by the Investment Company Act. In addition, the Company contributed its investments in the Coreweave Compute Acquisition Co. II, LLC delayed draw term loan, Enservco/Heat Waves term loan, ITP Live Production Group term loan, and PIRS Capital, LLC term loan. In connection with these contributions, a strategic investor purchased approximately

12.5

% of the equity interests and subordinated indebtedness in GESF. Through its subsidiaries, GESF provides a variety of financing options along a “continuum of lending” to middle-market borrowers, including receivables factoring, asset-based and asset-backed lending, lender finance and equipment financing. GESF expects to generate both revenue and cost synergies across its specialty finance company subsidiaries.

In accordance with SEC Regulation S-X (“S-X”) Rules 3-09 and 4-08(g), the Company must determine which of its unconsolidated controlled portfolio companies, if any, are considered to be "significant subsidiaries." After performing this analysis, the Company determined that one portfolio company, GESF, is a significant subsidiary for the twelve months ended December 31, 2023 under at least one of the conditions of S-X Rule 1-02(w). Accordingly, unaudited financial information as of and for the twelve months ended December 31, 2023 has been included as follows:

Balance Sheet	**As of December 31, 2023**
Current assets	52,435
Noncurrent assets	3,669
Total Assets	56,104
Current liabilities	1,660
Noncurrent liabilities	34,454
Total Liabilities	36,114
Net Equity	19,990

Statement of Operations	**For the twelve months ended December 31, 2023**
Gross revenues	435
Other income (expense)	348
Net profit from operations	783

Fair value as of December 31, 2022 along with transactions during the year then ended in these affiliated investments and controlled investments was as follows:

				For the Year Ended December 31, 2022					
Issue[1]	Fair value at December 31, 2021	Gross Additions[2]	Gross Reductions[3]	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Fair value at December 31, 2022	Interest Income[4]	Fee Income	Dividend Income
Non-Controlled, Affiliated Investments									
Avanti Communications Group PLC									
1.125 Lien, Secured Loan	$ 3,622	$ 142	$ 4,552	$ -	$ 788	$ -	$ 45	$ -	$ -
1.25 Lien, Secured Loan	649	41	1,339	-	649	-	13	-	-
1.5 Lien, Secured Loan	3,866	-	-	(10,754)	6,888	-	-	-	-
2nd Lien, Secured Bond	-	-	-	(49,370)	49,370	-	-	-	-
Common Equity (9% of class)	-	-	-	(50,660)	50,660	-	-	-	-
	8,137	183	5,891	(110,784)	108,355	-	58	-	-
PFS Holdings Corp.									
1st Lien, Secured Loan	922	-	10	-	(16)	896	97	-	-
Common Equity (5% of class)	1,802	-	-	-	(1,394)	408	-	-	-
	2,724	-	10	-	(1,410)	1,304	97	-	-
Totals	**$ 10,861**	**$ 183**	**$ 5,901**	**$ (110,784)**	**$ 106,945**	**$ 1,304**	**$ 155**	**$ -**	**$ -**
Controlled Investments									
Great Elm Healthcare Financing, LLC									
Subordinated Note	-	4,375	-	-	-	4,375	65	-	-
Equity (88% of class)	-	4,375	-	-	-	4,375	-	-	-

		8,750				8,750	65		
	-		-	-	-			-	-
Lenders' Funding, LLC									
	10,000					10,000	907		
Subordinated Note		-	-	-	-			-	-
	1,933	4,356	4,734			1,555	124		
Revolver				-	-			-	-
Equity (					(				
63	7,309				5,104	2,205			459
% of class)		-	-	-	)		-	-	
					(				
	19,242	4,356	4,734		5,104	13,760	1,031		459
				-	)			-	
Prestige Capital Finance, LLC									
	6,000	2,000	5,000			3,000	266		
Subordinated Note				-	-			-	-
Equity (					(				
80	11,843	320			525	11,638			2,080
% of class)			-	-	)		-	-	
					(				
	17,843	2,320	5,000		525	14,638	266		2,080
				-	)			-	
Sterling Commercial Credit, LLC									
		8,500				8,500	622		
Subordinated Note	-		-	-	-			-	-
Equity (					(				
80		7,843			1,581	6,262			
% of class)	-		-	-	)		-	-	-
					(				
	-	16,343	-	-	1,581	14,762	622	-	-
					)				
Totals									
					(				
	37,085	**31,769**	**9,734**		**7,210**	**51,910**	**1,984**		**2,539**
	$	**$**	**$**	**$ -**	**$**	**$**	**$**	**$ -**	**$**

(1) Non-unitized equity investments are disclosed with percentage ownership in lieu of quantity.

(2) Gross additions include increases resulting from new or additional portfolio investments, capitalized PIK interest, accretion of discounts and the exchange of one or more existing securities for one or more new securities.

(3) Gross reductions include decreases resulting from principal collections related to investment repayments or sales and the exchange of one or more existing securities for one or more new securities.

(4) Interest income includes accrued PIK interest.

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the financial statements were available to be issued. Other than the items discussed below, the Company has concluded that there is no impact requiring adjustment or disclosure in the consolidated financial statements.

The Board set distributions for the quarter ending March 31, 2024 at a rate of $

0.35

per share. The full amount of each distribution will be from distributable earnings. The schedule of distribution payments will be established by GECC pursuant to authority granted by the Board. The distribution will be paid in cash.

On February 8, 2024, the Company entered into a Share Purchase Agreement with Great Elm Strategic Partnership I, LLC ("GESP"), a special purpose vehicle, by which the Company issued

1,850,424

shares of common stock equivalent to $

24

million that was purchased by GESP.

Exhibit 4.11

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES AND EXCHANGE ACT OF 1934

As of February 29, 2024, Great Elm Capital Corp. has four classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our (1) common stock, (2) 6.75% Notes due 2025, (3) 5.875% Notes due 2026 and (4) 8.75% Notes due 2028. Within this exhibit, the terms "we," "us," and "our," refer to Great Elm Capital Corp.

Description of Common Stock

The following summary of our common stock is based on and qualified by our Amended and Restated Articles of Incorporation (the "Charter") and Bylaws. For a complete description of the terms and provisions of our common stock, refer to our Charter and Bylaws, both of which are incorporated by reference as exhibits to this Annual Report on Form 10-K.

Authorized Capital Stock

Our authorized stock consists of 100,000,000 shares of stock, par value $0.01 per share, all of which are initially designated as common stock. There are no outstanding options or warrants to purchase our common stock. No common stock has been authorized for issuance under any equity compensation plans. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

Voting, Dividend and Liquidation Rights

Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock possess exclusive voting power.

There is no cumulative voting in the election of directors, which means that holders of a majority of the outstanding shares of common stock can elect all of our directors, and holders of less than a majority of such common stock will be unable to elect any director.

All of our common stock has equal rights as to earnings, assets and dividends and, when they are issued, will be duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of our common stock if, as and when authorized by our Board and declared by us out of assets legally available therefor.

In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time.

Anti-Takeover Provisions

Classified Board of Directors

Our Board is divided into three classes of directors serving staggered three-year terms. Upon expiration of their terms, directors of each class will be elected to serve for a term ending at the third annual meeting of stockholders following his or her election and until their successors are duly elected and qualify and each year one class of directors will be elected by the stockholders.

Election of Directors

Our Charter and Bylaws provide that the affirmative vote of a plurality of the votes cast in the election of directors at a meeting of stockholders duly called and at which a quorum is present will be required to elect a director. Our Board has the exclusive right to amend the Bylaws to alter the vote required to elect directors.

Number of Directors; Vacancies; Removal

Our Charter provides that the number of directors will be set only by the Board in accordance with our Bylaws. Our Bylaws provide that a majority of our entire Board may at any time increase or decrease the number of directors. However, unless our bylaws are amended, the number of directors may never be less than one nor more than nine. We have elected to be subject to the provision of Subtitle 8 of Title 3 of the Maryland General Corporation Law regarding the filling of vacancies on the Board. Accordingly, except as may be provided by our Board in setting the terms of any class or series of preferred stock, any and all vacancies on our Board may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the Investment Company Act.

Our Charter provides that, subject to the rights of holders of preferred stock, a director may be removed only for cause, as defined in our Charter, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of directors.

Action by Stockholders

Under the Maryland General Corporation Law, unless a corporation's charter provides otherwise (which our Charter does not), stockholder action can be taken only at an annual or special meeting of stockholders or by unanimous written consent in lieu of a meeting. These provisions, combined with the requirements of our Bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our Bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to our Board and the proposal of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by our Board or (3) by a stockholder who was a stockholder of record at the record date set by our Board for the purpose of determining stockholders entitled to vote at the meeting, at the time of giving notice as provided for in our Bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated or on such other business and who has complied with the advance notice procedures of our Bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to the Board at a special meeting may be made only (1) by our Board or (2) provided that the meeting has been called for the purpose of electing directors, by a stockholder who was a stockholder of record at the record date set by our Board for the purpose of determining stockholders entitled to vote at the meeting, at the time of giving notice as provided for in our Bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the advance notice provisions of the Bylaws. The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our Board a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our Board, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our Bylaws do not give our Board any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed. They may also have had the effect of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

Calling of Special Meetings of Stockholders

Our Bylaws provide that special meetings of stockholders may be called by our Board and certain of our officers. Additionally, our Bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders will be called by the

secretary of the corporation upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert to another form of entity, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter generally provides for approval of charter amendments and extraordinary transactions by the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter.

However, our charter provides that approval of the following matters requires the affirmative vote of stockholders entitled to cast at least 80% of the votes entitled to be cast on the matter:

- amendments to the provisions of our Charter relating to the classification of our Board, the power of our Board to fix the number of directors and to fill vacancies on our Board, the vote required to elect or remove a director, the vote required to approve our dissolution, amendments to our Charter and extraordinary transactions and our Board exclusive power to amend our Bylaws;
- Charter amendments that would convert us from a closed-end company to an open-end company or make our common stock a redeemable security (within the meaning of the Investment Company Act);
- our liquidation or dissolution or any amendment to our Charter to effect any such liquidation or dissolution;
- any merger, consolidation, conversion, share exchange or sale or exchange of all or substantially all of our assets that the Maryland General Corporation Law requires be approved by our stockholders; or
- any transaction between us, on the one hand, and any person or group of persons acting together that is entitled to exercise or direct the exercise, or acquire the right to exercise or direct the exercise, directly or indirectly (other than solely by virtue of a revocable proxy), of one-tenth or more of the voting power in the election of our directors generally, or any person controlling, controlled by or under common control with, employed by or acting as an agent of, any such person or member of such group, or collectively, “Transacting Persons,” on the other hand.

However, if such amendment, proposal or transaction is approved by a majority of our continuing directors (in addition to approval by our Board), such amendment, proposal or transaction may be approved by a majority of the votes entitled to be cast on such a matter, except that any transaction that would not otherwise require stockholder approval under the Maryland General Corporation Law will not require further stockholder approval unless another provision of our Charter requires such approval. In either event, in accordance with the requirements of the Investment Company Act, any such amendment, proposal or transaction that would have the effect of changing the nature of our business so as to cause us to cease to be, or to withdraw our election as, a BDC would be required to be approved by a majority of our outstanding voting securities, as defined under the Investment Company Act. The “continuing directors” are defined in our Charter as (1) certain of our current directors named therein, (2) those directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of our current directors then on the Board or (3) any successor directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of continuing directors or the successor continuing directors then in office.

Our Charter and Bylaws provide that our Board will have the exclusive power to make, alter, amend or repeal any provision of our Bylaws.

Other Rights and Preferences

Shares of our common stock have no preemptive, conversion, redemption, generally have no appraisal rights and are freely transferable, except where their transfer is restricted by federal and state securities laws or by contract.

Listing

Our common stock is listed on Nasdaq under the ticker symbol “GECC.”

Description of Notes

The following description of our (1) 6.75% Notes due 2025 (the “2025 Notes”), (2) 5.875% Notes due 2026 (the “2026 Notes”) and (3) 8.75% Notes due 2028 (the “2028 Notes” and, together with the 2025 Notes and the 2026 Notes, the “Notes”), is only a summary of the material provisions of the Notes and the base indenture, dated as of September 18, 2017 (as amended, supplemented or otherwise modified, the “indenture”), between us and Equiniti Trust Company, LLC (formerly known as American Stock Transfer & Trust Company, LLC), as trustee (the “Trustee”).

This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the Trust Indenture Act of 1939 (the “TIA”), to all of the provisions of the indenture and those terms made a part of the indenture by reference to the TIA, and to the full text of the indenture and the related supplemental indentures, which are incorporated by reference as exhibits to this Annual Report on Form 10-K. Reference is made to the indenture for a complete description of the terms and provisions of the Notes, as well as any other capitalized terms used herein for which no definition has been provided.

General

The 2025 Notes will mature on January 31, 2025. The interest rate of the 2025 Notes is 6.75% per year, and interest is paid every March 31, June 30, September 30 and December 31 and the regular record dates for interest payments are every March 15, June 15, September 15 and December 15.

The 2026 Notes will mature on June 30, 2026. The interest rate of the 2026 Notes is 5.875% per year, and interest is paid every March 31, June 30, September 30 and December 31 and the regular record dates for interest payments are every March 15, June 15, September 15 and December 15.

The 2028 Notes will mature on September 30, 2028. The interest rate of the 2028 Notes is 8.75% per year, and interest is paid every March 31, June 30, September 30 and December 31 and the regular record dates for interest payments are every March 15, June 15, September 15 and December 15.

For each series of Notes, interest periods are the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be. If an interest payment date falls on a non- business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment. We issued each series of Notes in minimum denominations of $25 and integral multiples of $25 in excess thereof. Each series of Notes is not subject to any sinking fund and holders of each series of Notes will not have the option to have such Notes repaid prior to the stated maturity date.

The indenture does not limit the amount of debt (including secured debt) that may be issued by us or our subsidiaries under the indenture or otherwise, but does contain a covenant regarding our asset coverage that would have to be satisfied at the time of our incurrence of additional indebtedness. See “-Other Covenants.” Other than the foregoing and as described under “-Other Covenants,” the indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under “-Merger, Consolidation or Sale of Assets” below, the indenture does not contain any covenants or other provisions designed to afford holders of the Notes protection in the event of a highly leveraged transaction involving us or if our credit rating declines as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect your investment in us.

We have the ability to issue indenture securities with terms different from the Notes and, without the consent of the holders thereof, to reopen each series of Notes and issue additional Notes.

Optional Redemption

The 2025 Notes, 2026 Notes and 2028 Notes may be redeemed in whole or in part at any time or from time to time at our option on or after January 31, 2021, June 30, 2023 and September 30, 2025, respectively, upon not less than 30 days nor more than 60 days written notice by mail (or, in the case of the 2026 Notes and the 2028 Notes, electronically delivered through the Depository Trust Company ("DTC")) prior to the date fixed for redemption thereof, at a redemption price equal to 100% of the outstanding principal amount of such series of Notes to be redeemed plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to the date fixed for redemption.

You may be prevented from exchanging or transferring the Notes when they are subject to redemption. In case any Notes are to be redeemed in part only, the redemption notice will provide that, upon surrender of such Note, you will receive, without a charge, a new Note or Notes of authorized denominations representing the principal amount of your remaining unredeemed Notes. Any exercise of our option to redeem the Notes will be done in compliance with the Investment Company Act, to the extent applicable.

If we redeem only some of the Notes, the Trustee or, with respect to global securities, DTC will determine the method for selection of the particular Notes to be redeemed, in accordance with the indenture and the Investment Company Act, to the extent applicable, and in accordance with the rules of any national securities exchange or quotation system on which the Notes are listed. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the Notes called for redemption.

Events of Default

You will have rights if an Event of Default occurs with respect to a series of Notes and the Event of Default is not cured, as described later in this subsection.

The term "Event of Default" with respect to the Notes means any of the following:

- We do not pay the principal of any Note when due and payable.
- We do not pay interest on any Note when due, and such default is not cured within 30 days.
- We remain in breach of any other covenant with respect to the Notes for 60 days after we receive a written notice of default stating we are in breach. The notice must be sent by either the Trustee or holders of at least 25% of the principal amount of the Notes.
- We file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and, in the case of certain orders or decrees entered against us under any bankruptcy law, such order or decree remains undischarged or unstayed for a period of 90 days.
- If, pursuant to Sections 18(a)(1)(c)(ii) and 61 of the Investment Company Act, or any successor provisions thereto of the Investment Company Act, on the last business day of each of 24 consecutive calendar months the Notes have an asset coverage (as such term is used in the Investment Company Act) of less than 100%, as such obligation may be amended or superseded but giving effect to any exemptive relief that may be granted to us by the SEC.

An Event of Default for the Notes does not necessarily constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The Trustee may withhold notice to the holders of the Notes of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

Remedies if an Event of Default Occurs

If an Event of Default has occurred and has not been cured, the Trustee or the holders of at least 25% in principal amount of a series of Notes may declare the entire principal amount of such series of Notes to be due and immediately payable. If an Event of Default referred to in the second to last bullet point above with respect to us has occurred, the entire principal amount of a series of Notes will automatically become due and immediately payable.

This is called a declaration of acceleration of maturity. In certain circumstances, a declaration of acceleration of maturity may be canceled by the holders of a majority in principal amount of a series of Notes if (1) we have deposited with the Trustee all amounts due and owing with respect to such Notes (other than principal that has become due solely by reason of such acceleration) and certain other amounts, and (2) any other Events of Default have been cured or waived.

Except in cases of default, where the Trustee has some special duties, the Trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the Trustee protection reasonably satisfactory to it from expenses and liability (called an “indemnity”). If reasonable indemnity is provided, the holders of a majority in principal amount of a series of Notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the Trustee. The Trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before you are allowed to bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the Notes, the following must occur:

- You must give the Trustee written notice that an Event of Default has occurred with respect to a series of Notes and remains uncured.
- The holders of at least 25% in principal amount of a series of Notes must make a written request that the Trustee take action because of the default and must offer reasonable indemnity to the Trustee against the cost and other liabilities of taking that action.
- The Trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- The holders of a majority in principal amount of a series of Notes must not have given the Trustee a direction inconsistent with the above notice during that 60-day period.

However, holders are entitled at any time to bring a lawsuit for the payment of money due on a series of Notes on or after the due date.

Each year, we will furnish to the Trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the Notes, or else specifying any default.

Merger, Consolidation or Sale of Assets

Under the terms of the indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell all or substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or convey or transfer substantially all of our assets, the resulting entity must agree to be legally responsible for our obligations under the Notes;
- The merger or sale of assets must not cause a default on the Notes and we must not already be in default (unless the merger or sale would cure the default). For purposes of this no-default test, a default would include an Event of Default that has occurred and has not been cured, as described under “Events of Default” above. A default for this purpose would also include any event that would be an Event of Default if the requirements for giving us a notice of default or our default having to exist for a specified period of time were disregarded; and
- We must deliver certain certificates and documents to the Trustee.

Modification or Waiver

There are three types of changes we can make to the indenture and the Notes issued thereunder.

Changes Requiring Holder Approval

First, there are changes that we cannot make to a series of Notes without approval from each affected holder of such series. The following is a list of those types of changes:

- change the stated maturity of the principal of or interest on such series of Notes;
- reduce any amounts due on such series of Notes;
- reduce the amount of principal payable upon acceleration of the maturity of such series of Notes following a default;
- change the place or currency of payment on such series of Notes;
- impair your right to sue for payment;
- reduce the percentage of holders of such series of Notes whose consent is needed to modify or amend the indenture; and
- reduce the percentage of holders of such series of Notes whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults.

Changes Not Requiring Holder Approval

The second type of change does not require any vote by the holders of the Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the Notes in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture and the Notes would require the following approval:

- If the change affects only one series of Notes, it must be approved by the holders of a majority in principal amount of the Notes.
- If the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

The holders of a majority in principal amount of all of the series of debt securities issued under an indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under “-Changes Requiring Your Approval.”

Further Details Concerning Voting

When taking a vote, we will use the following rules to decide how much principal to attribute to a debt security (including each series of Notes):

Debt securities will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption. Debt securities will also not be eligible to vote if they have been fully defeased as described below under “-Defeasance-Full Defeasance.”

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding indenture securities that are entitled to vote or take other action under the indenture. If we set a record date for a vote or other action to be taken by holders of one or more series, that vote or action may be taken only by persons who are holders of outstanding indenture securities of those series on the record date and must be taken within eleven months following the record date.

Defeasance

The following defeasance provisions will be applicable to the Notes. “Defeasance” means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the Notes when due and satisfying any additional conditions noted below, we will be deemed to have been discharged from our obligations under the Notes. In the event of a “covenant defeasance,” upon depositing such funds and satisfying similar conditions discussed below, we would be released from certain covenants under the indenture relating to the Notes. The consequences to the holders of a series of Notes would be that, while they would no longer benefit from certain covenants under the indenture, and while such series of Notes could not be accelerated for any reason, the holders of such Notes nonetheless would be guaranteed to receive the principal and interest owed to them.

Covenant Defeasance

Under current U.S. federal tax law, we can make the deposit described below and be released from some of the restrictive covenants in the indenture under which the particular series was issued. This is called “covenant defeasance.” In that event, you would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay your debt securities. In order to achieve covenant defeasance, we must do the following:

- Since the Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the Notes a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their due dates.

- We must deliver to the Trustee a legal opinion of our counsel confirming that, under current U.S. federal income tax law, we may make the above deposit without causing you to be taxed on the Notes any differently than if we did not make the deposit and just repaid the Notes ourselves at maturity.

- Defeasance must not result in a breach or violation of, or result in a default under, the indenture or any of our other material agreements or instruments.

- No default or Event of Default with respect to a series of Notes shall have occurred and be continuing and no defaults or Events of Default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

- We must deliver to the Trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the Investment Company Act and a legal opinion and officers’ certificate stating that all conditions precedent to covenant defeasance have been complied with.

If we accomplish covenant defeasance for a series of Notes, you can still look to us for repayment of such defeased Notes if there were a shortfall in the trust deposit or the Trustee is prevented from making payment. For example, if one of the remaining Events of Default occurred (such as our bankruptcy) and a series of Notes became immediately due and payable, there might be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Full Defeasance

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the Notes of a particular series (called “full defeasance”) if the following conditions are satisfied in order for you to be repaid:

- Since the Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the Notes a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates.

- We must deliver to the Trustee a legal opinion confirming that there has been a change in current U.S. federal tax law or an IRS ruling that allows us to make the above deposit without causing you to be taxed on

a series of Notes any differently than if we did not make the deposit and just repaid the Notes ourselves at maturity. Under current U.S. federal tax law, the deposit and our legal release from a series of Notes would be treated as though we paid you your share of the cash and notes or bonds at the time the cash and notes or bonds were deposited in trust in exchange for the applicable series of Notes and you would recognize a gain or loss on such Notes at the time of the deposit.

- We must deliver to the Trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the Investment Company Act and a legal opinion and officers' certificate stating that all conditions precedent to defeasance have been complied with.

- Defeasance must not result in a breach or violation of, or constitute a default under, the indenture or any of our other material agreements or instruments.

- No default or Event of Default with respect to a series of Notes shall have occurred and be continuing and no defaults or Events of Default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

If we ever did accomplish full defeasance, as described above, you would have to rely solely on the trust deposit for repayment of the applicable series of Notes. You could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent. If your Notes were subordinated, such subordination would not prevent the Trustee under the indenture from applying the funds available to it from the deposit referred to in the first bullet of the preceding paragraph to the payment of amounts due in respect of such Notes for the benefit of the subordinated debtholders.

Other Covenants

In addition to any other covenants described in this exhibit, as well as standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment, our payment of taxes and related matters, the following covenants will apply to the Notes:

- We agree that for the period of time during which a series of Notes are outstanding, we will not violate, whether or not it is subject to, Section 18 (a)(1)(A) as modified by Sections 61(a)(1) and (2) of the Investment Company Act or any successor provisions thereto of the Investment Company Act, as such obligation may be amended or superseded but giving effect to any exemptive relief that may be granted to us by the SEC. Currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt securities, unless our asset coverage, as defined in the Investment Company Act, equals at least 150% after such borrowings.

- We agree that for the period of time during which a series of Notes are outstanding, we will not declare any dividend (except a dividend payable in our stock), or declare any other distribution, upon a class of our capital stock, or purchase any such capital stock, unless, in every such case, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, we have an asset coverage (as defined in the Investment Company Act) of at least the threshold specified in pursuant to Section 18(a)(1)(B) as modified by Sections 61(a)(1) and (2) of the Investment Company Act or any successor provisions thereto of the Investment Company Act, as such obligation may be amended or superseded (regardless of whether we are subject thereto), after deducting the amount of such dividend, distribution or purchase price, as the case may be, and giving effect, in each case, (i) to any exemptive relief granted to us by the SEC and (ii) to any no-action relief granted by the SEC to another BDC (or to us if we determine to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Sections 61(a)(1) and (2) of the Investment Company Act, as such obligation may be amended or superseded, in order to maintain such BDC's status as a RIC under Subchapter M of the Code.

- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we will furnish to holders of each series of Notes and the Trustee, for the period of time during which a series of Notes are outstanding, our audited annual consolidated

financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable GAAP.

Notwithstanding the restrictions on indebtedness and dividends described above, the indenture may not prohibit us from paying distributions to our stockholders if we incur indebtedness in excess of the limits set forth in Sections 61(a)(1) and (2) of the Investment Company Act or any successor provision if we determine that such indebtedness, which may include indebtedness under a bank credit facility, is not a “senior security” for purposes of determining asset coverage under the Investment Company Act.

Exhibit 10.5

CUSTODY AGREEMENT

AGREEMENT dated as of July 1, 2023, between Great Elm Capital Corp., a corporation organized under the laws of the State of Maryland, having its principal office and place of business at 800 South Street, Suite 230, Waltham, MA 02453 (the "Fund"), and THE NORTHERN TRUST COMPANY (the "Custodian"), an Illinois company with its principal place of business at 50 South LaSalle Street, Chicago, Illinois 60603.

W I T N E S S E T H:

That for and in consideration of the mutual promises hereinafter set forth, the Fund and the Custodian agree as follows:

1.DEFINITIONS.

Whenever used in this Agreement or in any Schedules to this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

(a) "Articles of Incorporation" shall mean the Articles of Incorporation of the Fund, including all amendments thereto.

(b) "Authorized Person" shall be deemed to include the Chairman of the Board of Directors, the Chief Executive Officer, Chief Financial Officer, Chief Compliance Officer, President, and any Vice President, the Secretary, the Treasurer or any other person, whether or not any such person is an officer or employee of the Fund or any Delegate of the Fund, duly authorized by an Authorized Person to give Instructions on behalf of the Fund and listed in the certification annexed hereto as Schedule A or such other certification as may be received by the Custodian from time to time pursuant to Section 24(a).

(c) "Board of Directors" shall mean the Board of Directors of the Fund.

(d) "Book-Entry System" shall mean the Federal Reserve/Treasury book-entry system for United States and federal agency securities, its successor or successors and its nominee or nominees.

(e) "Delegate of the Fund" shall mean and include any entity to whom the Board of Directors of the Fund has delegated responsibility under Rule 17f-5 of the 1940 Act.

(f) "Depository" shall mean The Depository Trust Company, a clearing agency registered with the Securities and Exchange Commission under Section 17(a) of the Securities Exchange Act of 1934, as amended, its successor or successors and its nominee or nominees, the use of which is hereby specifically authorized. The term "Depository" shall further mean and include any other person named in an Instruction and approved by the Fund to act as a depository in the manner required by Rule 17f-4 of the 1940 Act, its successor or successors and its nominee or nominees.

(g) "Eligible Securities Depository" shall have the same meaning as set forth in Rule 17f-7(b)(1).

(h) "Fund" has the meaning given to such term in the preamble to this Agreement.

(i) "Instruction" shall mean written (including telecopied, telexed, or electronically transmitted in a form that can be converted to print) or oral instructions actually received by the Custodian which the Custodian reasonably believes were given by an Authorized Person. An Instruction shall also include any instrument in writing actually received by the Custodian which the Custodian reasonably believes to be genuine and to be signed by any two officers of the Fund, whether or not such officers are Authorized Persons. Except as otherwise provided in this Agreement, "Instructions" may include instructions given on a standing basis.

(j) "1940 Act" shall mean the Investment Company Act of 1940, and the Rules and Regulations thereunder, all as amended from time to time.

(k) "Prospectus" shall include each current prospectus and summary prospectus, as applicable, and statement of additional information with respect to the Fund.

(l) "Rule 17f-5" shall mean Rule 17f-5 under the 1940 Act.

(m) "Rule 17f-7" shall mean Rule 17f-7 under the 1940 Act.

(n) "Shares" refers to the shares of the Fund.

(o) "Security" or "Securities" shall be deemed to include bonds, debentures, notes, stocks, shares, evidences of indebtedness, and other securities, commodity interests and investments from time to time owned and held by the Fund.

(p) "Sub-Custodian" shall mean and include (i) any branch of the Custodian, and (ii) any "eligible foreign custodian," as that term is defined in Rule 17f-5 under the 1940 Act, approved by the Fund or a Delegate of the Fund in the manner required by Rule 17f-5. For the avoidance of doubt, the term "Sub-Custodian" shall not include any central securities depository or clearing agency.

(q) "Transfer Agent" shall mean the person who serves as the transfer agent, dividend disbursing agent and shareholder servicing agent for the Fund.

2.APPOINTMENT OF CUSTODIAN.

(a) The Fund hereby constitutes and appoints the Custodian as custodian of all the Securities and moneys owned by or in the possession of the Fund during the period of this Agreement.

(b) The Custodian hereby accepts appointment as such custodian and agrees to perform the duties thereof as hereinafter set forth.

3.APPOINTMENT AND REMOVAL OF SUB-CUSTODIANS.

(a) The Custodian may appoint one or more Sub-Custodians to act as sub-custodian or sub-custodians of Securities and moneys at any time held in the Fund, upon the terms and conditions specified in this Agreement. The Custodian shall oversee the maintenance by any Sub-Custodian of any Securities or moneys of the Fund.

(b) The Agreement between the Custodian and each Sub-Custodian described in clause (ii) of Section 1(p) and acting hereunder shall contain any provisions necessary to comply with Rule 17f-5 under the 1940 Act.

(c) Prior to the Custodian's use of any Sub-Custodian described in clause (ii) of Section 1(p), the Fund or a Delegate of the Fund must approve such Sub-Custodian in the manner required by Rule 17f-5 and provide the Custodian with satisfactory evidence of such approval.

(d) The Custodian shall promptly take such steps as may be required to remove any Sub-Custodian that has ceased to be an "eligible foreign custodian" or has otherwise ceased to meet the requirements under Rule 17f-5. If the Custodian intends to remove any Sub-Custodian previously approved by the Fund or a Delegate of the Fund pursuant to paragraph 3(c), and the Custodian proposes to replace such Sub-Custodian with a Sub-Custodian that has not yet been approved by the Fund or a Delegate of the Fund, it will so notify the Fund or a Delegate of the Fund and provide it with information reasonably necessary to determine such proposed Sub-Custodian's eligibility under Rule 17f-5, including a copy of the proposed agreement with such Sub-Custodian. The Fund shall at the meeting of the Board of Directors next following receipt of such notice and information, or a Delegate of the Fund shall promptly after receipt of such notice and information, determine whether to approve the proposed Sub-Custodian and will promptly thereafter give written notice of the approval or disapproval of the proposed action.

(e) The Custodian hereby represents to the Fund that in its opinion, after due inquiry, the established procedures to be followed by each Sub-Custodian in connection with the safekeeping of property of the Fund pursuant to this Agreement afford reasonable care for the safekeeping of such property based on the standards applicable in the relevant market.

3A. DELEGATION OF FOREIGN CUSTODY MANAGEMENT.

(a) The Fund hereby delegates to the Custodian the responsibilities set forth in subparagraph (b) below of this Section 3A, in accordance with Rule 17f-5 with respect to foreign custody arrangements for the Fund, except that the Custodian shall not have such responsibility with respect to central depositories and clearing agencies or with respect to custody arrangements in the countries listed on Schedule C, attached hereto, as that Schedule may be amended from time to time by notice to the Fund.

(b) With respect to each arrangement with any Sub-Custodian regarding the assets of the Fund for which the Custodian has responsibility under this Section 3A (a "Foreign Custodian"), the Custodian shall:

(i) determine that the Fund's assets will be subject to reasonable care, based on the standards applicable to custodians in the relevant market, if maintained with the Foreign Custodian, after considering all factors relevant to the safekeeping of such assets;

(ii) determine that the written contract with such Foreign Custodian governing the foreign custody arrangements complies with the requirements of Rule 17f-5 and will provide reasonable care for the Fund's assets;

(iii) establish a system to monitor the appropriateness of maintaining the Fund's assets with such Foreign Custodian and the contract governing the Fund's foreign custody arrangements;

(iv) provide to the Fund's Board of Directors, at least annually, written reports notifying the Board of the placement of the Fund's assets with a particular Foreign Custodian and periodic reports of any material changes to the Fund's foreign custodian arrangements; and

(v) withdraw the Fund's assets from any Foreign Custodian as soon as reasonably practicable, if the foreign custody arrangement no longer meets the requirement of Rule 17f-5.

4.USE OF SUB-CUSTODIANS AND SECURITIES DEPOSITORIES.

With respect to property of the Fund which is maintained by the Custodian in the custody of a Sub-Custodian pursuant to Section 3:

(a) The Custodian will identify on its books as belonging to the particular Fund any property held by such Sub-Custodian.

(b) In the event that a Sub-Custodian permits any of the Securities placed in its care to be held in a foreign securities depository, such Sub-Custodian will be required by its agreement with the Custodian to identify on its books such Securities as being held for the account of the Custodian as a custodian for its customers.

(c) Any Securities held by a Sub-Custodian will be subject only to the instructions of the Custodian or its agents; and any Securities held in a foreign securities depository for the account of a Sub-Custodian will be subject only to the instructions of such Sub-Custodian.

(d) The Custodian will only deposit property of the Fund in an account with a Sub-Custodian which includes exclusively the assets held by the Custodian for its customers, and will cause such account to be designated by such Sub-Custodian as a special custody account for the exclusive benefit of customers of the Custodian.

(e) Before any Securities are placed in a foreign securities depository, the Custodian shall provide the Fund's Board of Directors with an analysis of the custody risks associated with maintaining assets with the Eligible Securities Depository.

(f) The Custodian or its agent shall continue to monitor the custody risks associated with maintaining the Securities with each Eligible Securities Depository and shall promptly notify the Fund's Board of Directors of any material changes in said risks.

5.COMPENSATION.

(a) The Fund will compensate the Custodian for its services rendered under this Agreement in accordance with the fees set forth in the fee schedule annexed hereto as Schedule B (the "Fee Schedule") and incorporated herein. Such Fee Schedule does not include out-of-pocket disbursements of the Custodian for which the Custodian shall be entitled to bill separately.

(b) [Intentionally Omitted].

(c) Any compensation agreed to hereunder may be adjusted from time to time by attaching to Schedule B, or replacing Schedule B with, a revised Fee Schedule, dated and signed by an Authorized Person of each party hereto.

(d) The Custodian will bill for its services to the Fund hereunder as soon as practicable after the end of each calendar quarter, and said billings will be detailed in accordance with the Fee Schedule. The Fund will promptly pay to the Custodian the amount of such billing. The Fund grants to the Custodian a continuing security interest and lien on all property in the Fund to secure any compensation or expense amount owing to the Custodian in connection with the Fund from time to time under this Agreement.

(e) The Custodian (and not the Fund) will be responsible for the payment of the compensation of each Sub-Custodian.

6.CUSTODY OF CASH AND SECURITIES.

(a) Receipt and Holding of Assets. The Fund will deliver or cause to be delivered to the Custodian and any Sub-Custodians all Securities and moneys of the Fund at any time during the period of this Agreement and shall specify the Fund to which the Securities and moneys are to be specifically allocated. The Custodian will not be responsible for such Securities and moneys until actually received by it or by a Sub-Custodian. The Fund may, from time to time in its sole discretion, provide the Custodian with Instructions as to the manner in which, and in what amounts, Securities and moneys of the Fund are to be held on behalf of the Fund in the Book-Entry System or a Depository. Securities and moneys of the Fund held in the Book-Entry System or a Depository will be held in accounts which include only assets of the Custodian that are held for its customers.

(b) Accounts and Disbursements. The Custodian shall establish and maintain a separate account for the Fund and shall credit to the separate account all moneys received by it or a Sub-Custodian for the account of the Fund and shall disburse, or cause a Sub-Custodian to disburse, the same only:

1. In payment for Securities purchased for the Fund, as provided in Section 7 hereof;

2. In payment of dividends or distributions with respect to the Shares of the Fund, as provided in Section 12 hereof;

3. In payment of any indebtedness of the Fund as provided in Section 14 hereof;

4. In payment of fees and in reimbursement of the expenses and liabilities of the Custodian attributable to the Fund, as provided in Sections 5 and 17(h) hereof;

5. Pursuant to Instructions setting forth the name of the Fund and the name and address of the person to whom the payment is to be made, the amount to be paid and the purpose for which payment is to be made.

(c) Fail Float. In the event that any payment made for the Fund under this Section 6 exceeds the funds available in the Fund's account, the Custodian or relevant Sub-Custodian, as the case may be, may, in its discretion, advance the Fund an amount equal to such excess and such advance shall be deemed an overdraft from the Custodian or such Sub-Custodian to

that Fund payable on demand, bearing interest at the rate of interest customarily charged by the Custodian or such Sub-Custodian on similar overdrafts.

(d) Confirmation and Statements. At least monthly, the Custodian shall furnish the Fund with a detailed statement of the Securities and moneys held by it and all Sub-Custodians for the Fund. Such statements comprise the accounting book of record for the assets of each Fund for which the Custodian acts as custodian. Where securities purchased for the Fund are in a fungible bulk of securities registered in the name of the Custodian (or its nominee) or shown on the Custodian's account on the books of a Depository, the Book-Entry System or a Sub-Custodian, the Custodian shall maintain such records as are necessary to enable it to identify the quantity of those securities held for the Fund. In the absence of the filing in writing with the Custodian by the Fund of exceptions or objections to any such statement within 90 days after the date that a material defect is reasonably discoverable, the Fund shall be deemed to have approved such statement.

(e) Registration of Securities and Physical Separation. All Securities held for the Fund which are issued or issuable only in bearer form, except such Securities as are held in the Book-Entry System, shall be held by the Custodian or a Sub-Custodian in that form; all other Securities held for the Fund may be registered in the name of that Fund, in the name of any duly appointed registered nominee of the Custodian or a Sub-Custodian as the Custodian or such Sub-Custodian may from time to time determine, or in the name of the Book-Entry System or a Depository or their successor or successors, or their nominee or nominees. The Fund reserves the right to instruct the Custodian as to the method of registration and safekeeping of the Securities. The Fund agrees to furnish to the Custodian appropriate instruments to enable the Custodian or any Sub-Custodian to hold or deliver in proper form for transfer, or to register in the name of its registered nominee or in the name of the Book-Entry System or a Depository, any Securities which the Custodian or a Sub-Custodian may hold for the account of the Fund and which may from time to time be registered in the name of the Fund. The Custodian shall hold all such Securities specifically allocated to the Fund which are not held in the Book-Entry System or a Depository in a separate account for the Fund in the name of the Fund and physically segregated at all times from those of any other person or persons.

(f) Segregated Accounts. Upon receipt of an Instruction, the Custodian will establish segregated accounts on behalf of the Fund to hold liquid or other assets as it shall be directed by such Instruction and shall increase or decrease the assets in such segregated accounts only as it shall be directed by subsequent Instruction.

(g) Collection of Income and Other Matters Affecting Securities. Except as otherwise provided in an Instruction, the Custodian, by itself or through the use of the Book-Entry System or a Depository with respect to Securities therein maintained, shall, or shall instruct the relevant Sub-Custodian to:

1. Collect all income due or payable with respect to Securities in accordance with this Agreement;

2. Present for payment and collect the amount payable upon all Securities which may mature or be called, redeemed or retired, or otherwise become payable;

3. Surrender Securities in temporary form for derivative Securities;

4. Execute any necessary declarations or certificates of ownership under the federal income tax laws or the laws or regulations of any other taxing authority now or hereafter in effect; and

5. Hold directly, or through the Book-Entry System or a Depository with respect to Securities therein deposited, for the account of each Fund all rights and similar Securities issued with respect to any Securities held by the Custodian or relevant Sub-Custodian for each Fund.

(h) Delivery of Securities and Evidence of Authority. Upon receipt of an Instruction, the Custodian, directly or through the use of the Book-Entry System or a Depository, shall, or shall instruct the relevant Sub-Custodian to:

1. Execute and deliver or cause to be executed and delivered to such persons as may be designated in such Instructions, proxies, consents, authorizations, and any other instruments whereby the authority of the Fund as owner of any Securities may be exercised;

2. Deliver or cause to be delivered any Securities held for the Fund in exchange for other Securities or cash issued or paid in connection with the liquidation, reorganization, refinancing, merger, consolidation or recapitalization of any corporation, or the exercise of any conversion privilege;

3. Deliver or cause to be delivered any Securities held for the Fund to any protective committee, reorganization committee or other person in connection with the reorganization, refinancing, merger, consolidation or recapitalization or sale of assets of any corporation, and receive and hold under the terms of this Agreement in the separate account for each the Fund certificates of deposit, interim receipts or other instruments or documents as may be issued to it to evidence such delivery;

4. Make or cause to be made such transfers or exchanges of the assets specifically allocated to the separate account of the Fund and take such other steps as shall be stated in written Instructions to be for the purpose of effectuating any duly authorized plan of liquidation, reorganization, merger, consolidation or recapitalization of the Fund;

5. Deliver Securities upon sale of such Securities for the account of the Fund pursuant to Section 7;

6. Deliver Securities upon the receipt of payment in connection with any repurchase agreement related to such Securities entered into on behalf of the Fund;

7. Deliver Securities of the Fund to the issuer thereof or its agent when such Securities are called, redeemed, retired or otherwise become payable; provided, however, that in any such case the cash or other consideration is to be delivered to the Custodian or Sub-Custodian, as the case may be;

8. Deliver Securities in connection with any loans of securities made by the Fund, but only against receipt of adequate collateral as agreed upon from time to time by the Custodian and the Fund, which may be in the form of cash or obligations issued by the United States Government, its agencies or instrumentalities;

9. Deliver Securities as security in connection with any borrowings by the Fund requiring a pledge of Fund assets, but only against receipt of the amounts borrowed;

10. Deliver Securities to the Transfer Agent or its designee or to the holders of Shares in connection with distributions in kind, in satisfaction of requests by holders of Shares for repurchase or redemption;

11. Deliver Securities for any other proper business purpose, but only upon receipt of, in addition to written Instructions, a copy of a resolution or other authorization of the Fund certified by an Authorized Person of the Fund or the Delegate of the Fund, specifying the Securities to be delivered, setting forth the purpose for which such delivery is to be made, declaring such purpose to be a proper business purpose, and naming the person or persons to whom delivery of such Securities shall be made.

(i) Endorsement and Collection of Checks, Etc. The Custodian is hereby authorized to endorse and collect all checks, drafts or other orders for the payment of money received by the Custodian for the account of the Fund.

(j) Execution of Required Documents. The Custodian is hereby authorized to execute any and all applications or other documents required by a regulatory agency or similar entity as a condition of making investments in the foreign market under such entity's jurisdiction.

7.PURCHASE AND SALE OF SECURITIES.

(a) Promptly after the purchase of Securities, the Fund or the Delegate of the Fund shall deliver to the Custodian an Instruction specifying with respect to each such purchase: (1) the name of the Fund to which such Securities are to be specifically allocated; (2) the name of the issuer and the title of the Securities; (3) the number of shares or the principal amount purchased and accrued interest, if any; (4) the date of purchase and settlement; (5) the purchase price per unit; (6) the total amount payable upon such purchase; and (7) the name of the person from whom or the broker through whom the purchase was made, if any. The Custodian or specified Sub-Custodian shall receive the Securities purchased by or for the Fund and upon receipt thereof (or upon receipt of advice from a Depository or the Book-Entry System that the Securities have been transferred to the Custodian's account) shall pay to the broker or other person specified by the Fund or its designee out of the moneys held for the account of the Fund the total amount payable upon such purchase; provided that the same conforms to the total amount payable as set forth in such Instruction.

(b) Promptly after the sale of Securities, the Fund or the Delegate of the Fund shall deliver to the Custodian an Instruction specifying with respect to each such sale: (1) the name of the Fund to which the Securities sold were specifically allocated; (2) the name of the issuer and the title of the Securities; (3) the number of shares or principal amount sold, and accrued interest, if any; (4) the date of sale; (5) the sale price per unit; (6) the total amount payable to the Fund upon such sale; and (7) the name of the broker through whom or the person to whom the sale was made. The Custodian or relevant Sub-Custodian shall deliver or cause to be delivered the Securities to the broker or other person designated by the Fund upon receipt of the total amount payable to the Fund upon such sale; provided that the same conforms to the total amount payable to the Fund as set forth in such Instruction. Subject to the foregoing, the Custodian or relevant Sub-Custodian may accept payment in such

form as shall be satisfactory to it, and may deliver Securities and arrange for payment in accordance with the customs prevailing among dealers in Securities.

8.LENDING OF SECURITIES.

If the Fund and the Custodian enter into a separate written agreement authorizing the Custodian to lend Securities, the Custodian may lend Securities pursuant to such agreement. Such agreement must be approved by the Fund in the manner required by any applicable law, regulation or administrative pronouncement, and may provide for the payment of additional reasonable compensation to the Custodian.

9.INVESTMENT IN FUTURES, OPTIONS ON FUTURES AND OPTIONS.

The Custodian shall, pursuant to Instructions (which may be standing instructions), (i) with respect to futures or options on futures, transfer initial margin to a futures commission merchant or safekeeping bank or, with respect to options, transfer collateral to a broker; (ii) pay or demand variation margin to or from a designated futures commission merchant or other broker based on daily marking to market calculations and in accordance with accepted industry practices; and (iii) subject to the Custodian's consent, enter into separate procedural, safekeeping or other agreements with respect to the custody of initial margin deposits or collateral in transactions involving futures contracts or options, as the case may be. The Custodian shall have no custodial or investment responsibility for any assets transferred to a safekeeping bank, futures commission merchant or broker pursuant to this paragraph. In addition, in connection with options transactions in the Fund, the Custodian is authorized to pledge assets of the Fund as collateral for such transactions in accordance with industry practice.

10.PROVISIONAL CREDITS AND DEBITS.

(a) The Custodian is authorized, but shall not be obligated, to credit the account of the Fund provisionally on payable date with interest, dividends, distributions, redemptions or other amounts due. Otherwise, such amounts will be credited to the Fund on the date such amounts are actually received and reconciled to the Fund. In cases where the Custodian has credited the Fund with such amounts prior to actual collection and reconciliation, the Fund acknowledges that the Custodian shall be entitled to recover any such credit on demand from the Fund and further agrees that the Custodian may reverse such credit if and to the extent that Custodian does not receive such amounts in the ordinary course of business.

(b) If the Fund is maintained as a global custody account it shall participate in the Custodian's contractual settlement date processing service ("CSDP") unless the Custodian directs the Fund, or the Fund informs the Custodian, otherwise. Pursuant to CSDP the Custodian shall be authorized, but not obligated, to automatically credit or debit the Fund provisionally on contractual settlement date with cash or securities in connection with any sale, exchange or purchase of securities. Otherwise, such cash or securities shall be credited to the Fund on the day such cash or securities are actually received by the Custodian and reconciled to the Fund. In cases where the Custodian credits or debits the Fund with cash or securities prior to actual receipt and reconciliation, the Custodian may reverse such credit or debit as of contractual settlement date if and to the extent that any securities delivered by the Custodian are returned by the recipient, or if the related transaction fails to settle (or fails, due to market change or other reasons, to settle on terms which provide the Custodian full reimbursement of any provisional credit the Custodian has granted) within a period of time

judged reasonable by the Custodian under the circumstances. The Fund agrees that it will not make any claim or pursue any legal action against the Custodian for loss or other detriment allegedly arising or resulting from the Custodian's good faith determination to effect, not effect or reverse any provisional credit or debit to the Fund.

(c) The Fund acknowledges and agrees that funds debited from the Fund on contractual settlement date including, without limitation, funds provided for the purchase of any securities under circumstances where settlement is delayed or otherwise does not take place in a timely manner for any reason, shall be held pending actual settlement of the related purchase transaction in a non-interest bearing deposit at the Custodian's London Branch; that such funds shall be available for use in the Custodian's general operations; and that the Custodian's maintenance and use of such funds in such circumstances are, without limitation, in consideration of the Custodian's providing CSDP.

(d) The Fund recognizes that any decision to effect a provisional credit or an advancement of the Custodian's own funds under this Agreement will be an accommodation granted entirely at the Custodian's option and in light of the particular circumstances, which circumstances may involve conditions in different countries, markets and classes of assets at different times. The Fund shall make the Custodian whole for any loss which it may incur from granting such accommodations and acknowledges that the Custodian shall be entitled to recover any relevant amounts from the Fund on demand. All amounts thus due to the Custodian shall be paid by the Fund unless otherwise paid on a timely basis and in that connection the Fund grants to the Custodian a continuing security interest and lien on all assets of the Fund to secure such payments and agrees that the Custodian may apply or set off against such amounts any amounts credited by or due from the Custodian to the Fund. If funds in the Fund are insufficient to make any such payment, the Fund shall promptly deliver to the Custodian the amount of such deficiency in immediately available funds when and as specified by the Custodian's written or oral notification to the Fund.

11.CASH.

(a) In connection with the Custodian's custody service, intra-day United States dollar cash receipts, holdings and disbursements of the Fund will be held by the Custodian on its balance sheet in Chicago. Intra-day cash receipts, holdings and disbursements of the Fund denominated in currencies other than United States dollars will be held by the Custodian on the balance sheet of its London Branch. All cash held on the balance sheet of the Custodian's Chicago office or any of its foreign branches will be held by the Custodian as depository bank. Such cash may be commingled with the Custodian's own cash and the cash of its other clients. The Custodian's liability to the Fund in respect of cash of the Fund maintained on the balance sheet of the Custodian's Chicago office or foreign branch shall be that of debtor.

(b) At the end of each business day, the Fund may direct (by standing instruction or otherwise) that United States dollars that remain in the Fund be invested in an off-balance sheet investment vehicle offered by the Custodian for such purpose or invested in interest-bearing deposit obligations of one of the Custodian's foreign branches, provided that the availability of any such on-balance sheet investment option will be in the Custodian's discretion. The Custodian reserves the right to amend the interest rate applicable to United States dollar deposits in respect of which it pays interest. United States dollar cash that is not invested in an off-balance sheet, short-term investment vehicle or in an interest-bearing deposit obligation of the Custodian's foreign branch described above will remain

uninvested on the balance sheet of the Custodian's Chicago office. Further, with respect to non-United States dollars that remain in the Fund at the end of each business day, each Fund hereby directs that such non-United States dollars shall be invested in an interest-bearing deposit account at the Custodian's London Branch unless the Custodian receives other written instructions from the Fund. The Fund acknowledges that: (i) the availability of such on-balance sheet investment option will be available for eligible currencies only and will be in the Custodian's discretion and (ii) the Custodian reserves the right to amend the interest rate applicable to any currency in respect of which the Custodian pays interest.

In connection with the foregoing and to the extent the Fund maintains cash deposits, intra-day or otherwise, of a global separate account at the Custodian's London Branch, the Fund acknowledges and agrees that deposit accounts maintained at foreign branches of United States banks (including, if applicable, accounts in which customer funds for the purchase of securities are held on and after contractual settlement date), are not payable at any office of The Northern Trust Company in the United States; are not insured by the U.S. Federal Deposit Insurance Corporation; may not be guaranteed by any local or foreign governmental authority; are unsecured general credit liabilities; and in the event of the Custodian's insolvency, may be subordinated in priority of payment to deposits payable in the United States. Therefore, beneficial owners of such foreign branch deposits may be unsecured creditors of The Northern Trust Company. Deposit account balances that are owned by United States residents are expected to be maintained in an aggregate amount of at least $100,000 or the equivalent in other currencies.

(c) The Fund further acknowledges and agrees that cash deposits maintained at any of the Custodian's foreign branches are payable only in the currency in which an applicable deposit is denominated, are payable only on the Fund's demand at the branch where the deposit is maintained, and are not payable at any of the Custodian's offices in the United States. The Custodian does not promise or guarantee in any manner any such payment in the United States.

The Fund further acknowledges and agrees that foreign branch deposits are subject to cross-border risk. The Custodian will have no obligation to make payment of foreign branch deposits if and to the extent that the Custodian is prevented from doing so by reason of applicable law or regulation or any Sovereign Risk event affecting the foreign branch or the currency in which the applicable deposit is denominated. "Sovereign Risk" for this purpose means nationalization, expropriation, devaluation, revaluation, confiscation, seizure, cancellation, destruction or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, taxes, levies or other charges affecting the property rights of persons who are not residents of the affected jurisdiction; or acts of war, terrorism, insurrection or revolution; or any other act or event beyond the Custodian's control.

12.PAYMENT OF DIVIDENDS OR DISTRIBUTIONS.

(a) In the event that the Board of Directors of the Fund (or a committee thereof) authorizes the declaration of dividends or distributions with respect to the Fund, an Authorized Person shall provide the Custodian with Instructions specifying the record date and the date of payment of such distribution and the total amount payable to the Transfer Agent or its designee on such payment date.

(b) Upon the payment date specified in such Instructions, the Custodian shall pay the total amount payable to the Transfer Agent or its designee out of the moneys specifically allocated to and held for the account of the appropriate Fund.

13.INTENTIONALLY OMITTED.

14.INDEBTEDNESS.

(a) The the Fund or its designee will deliver to the Custodian with respect to any indebtedness of the Fund with Securities as collateral, a notice or undertaking in the form currently employed by any such bank setting forth the amount which the lender(s) of such indebtedness will loan to the Fund against delivery of a stated amount of collateral. The Fund shall promptly deliver to the Custodian an Instruction stating with respect to each such borrowing: (1) the name of the Fund for which the borrowing is to be made; (2) the name of the lender(s); (3) the amount and terms of the borrowing, which may be set forth by incorporating by reference an attached promissory note, duly endorsed by the Fund, or other loan agreement; (4) the time and date, if known, on which the loan is to be or was entered into (the "borrowing date"); (5) the date on which the loan becomes due and payable; (6) the total amount payable to the Fund on the borrowing date; (7) the market value of Securities to be delivered as collateral for such loan, including the name of the issuer, the title and the number of shares or the principal amount of any particular Securities; (8) whether the Custodian is to deliver such collateral through the Book-Entry System or a Depository; and (9) a statement that such loan is in conformance with the 1940 Act and the Prospectus.

(b) Upon receipt of the Instruction referred to in paragraph (a) above, the Custodian shall deliver on the borrowing date the specified collateral and the executed promissory note, if any, against delivery by the lending bank of the total amount of the loan payable; provided that the same conforms to the total amount payable as set forth in the Instruction. The Custodian may, at the option of the lending bank, keep such collateral in its possession, but such collateral shall be subject to all rights therein given the lending bank by virtue of any promissory note or loan agreement. The Custodian shall deliver as additional collateral in the manner directed by the Fund from time to time such Securities specifically allocated to the Fund as may be specified in the Instruction to collateralize further any transaction described in this Section 14. The Fund shall cause all Securities released from collateral status to be returned directly to the Custodian, and the Custodian shall receive from time to time such return of collateral as may be tendered to it. In the event that the Fund fails to specify in such Instruction all of the information required by this Section 14, the Custodian shall not be under any obligation to deliver any Securities. Collateral returned to the Custodian shall be held hereunder as it was prior to being used as collateral.

15.CORPORATE ACTION.

(a) Whenever the Custodian or any Sub-Custodian receives information concerning Securities held for the Fund which requires discretionary action by the beneficial owner of the Securities (other than a proxy), such as subscription rights, bond issues, stock repurchase plans and rights offerings, or legal notices or other material intended to be transmitted to Securities holders ("Corporate Actions"), the Custodian will give the Fund or its designee notice of such Corporate Actions to the extent that the Custodian's central corporate actions department has actual knowledge of a Corporate Action in time to notify the Fund.

(b) The Custodian shall act on Corporate Actions solely as directed by the Fund or its designee. If the Fund receives a distribution of rights, the Custodian shall hold to expiration, sell or exercise such rights solely as directed by the Fund or its designee. If a corporation whose common stock shares are held in the Fund declares a dividend in such stock, and payment of such dividend results in a fractional share, the Custodian shall promptly sell such fraction in any global market where such fractional share is not permitted.

(c) The Custodian will deliver proxies to the Fund or their designated agent pursuant to special arrangements which may have been agreed to in writing between the parties hereto. Such proxies shall be executed in the appropriate nominee name relating to Securities registered in the name of such nominee but without indicating the manner in which such proxies are to be voted; and where bearer Securities are involved, proxies will be delivered in accordance with an applicable Instruction, if any.

16.PERSONS HAVING ACCESS TO THE FUND.

(a) Neither the Fund nor the Delegate of the Fund including the Fund's investment adviser, or any sub-investment adviser, shall have physical access to the assets of the Fund held by the Custodian or any Sub-Custodian or be authorized or permitted to withdraw any investments of the Fund, nor shall the Custodian or any Sub-Custodian deliver any assets of the Fund to any such person. No officer, director, employee or agent of the Custodian who holds any similar position with the Fund's investment adviser, with any sub-investment adviser of the Fund or with the Fund shall have access to the assets of the Fund.

(b) Nothing in this Section 16 shall prohibit any Authorized Person from giving Instructions to the Custodian so long as such Instructions do not result in delivery of or access to assets of the Fund prohibited by paragraph (a) of this Section 16.

(c) The Custodian represents that it maintains a system that is reasonably designed to prevent unauthorized persons from having access to the assets that it holds (by any means) for its customers.

17.CONCERNING THE CUSTODIAN.

(a) Scope of Services. The Custodian shall be obligated to perform only such services as are set forth in this Agreement or expressly contained in an Instruction given to the Custodian which is not contrary to the provisions of this Agreement.

(b) Standard of Care.

1. The Custodian will use reasonable care, prudence and diligence with respect to its obligations under this Agreement and the safekeeping of property of the Fund. The Custodian shall be liable to, and shall indemnify and hold harmless, the Fund from and against any loss which shall occur as the result of the failure of the Custodian or a Sub-Custodian to exercise reasonable care, prudence and diligence with respect to their respective obligations under this Agreement and the safekeeping of such property. The determination of whether the Custodian or Sub-Custodian has exercised reasonable care, prudence and diligence in connection with their obligations under this Agreement shall be made in light of prevailing standards applicable to professional custodians in the jurisdiction in which such custodial services are performed. In the event of any loss to the Fund by reason of the failure

of the Custodian or a Sub-Custodian to exercise reasonable care, prudence and diligence, the Custodian shall be liable to the Fund only to the extent of the Fund's direct damages and expenses, which damages, for purposes of property only, shall be determined based on the market value of the property which is the subject of the loss at the date of discovery of such loss and without reference to any special condition or circumstances.

2. The Custodian will not be responsible for any act, omission or default of, or for the solvency of, any central securities depository or clearing agency.

3. The Custodian will not be responsible for any act, omission or default of, or for the solvency of, any broker or agent (not referred to in paragraph (b)(2) above) which it or a Sub-Custodian appoints and uses unless such appointment and use is made or done negligently or in bad faith. In the event such an appointment and use is made or done negligently or in bad faith, the Custodian shall be liable to the Fund only for direct damages and expenses (determined in the manner described in paragraph (b)(1) above) resulting from such appointment and use and, in the case of any loss due to an act, omission or default of such agent or broker, only to the extent that such loss occurs as a result of the failure of the agent or broker to exercise reasonable care ("reasonable care" for this purpose to be determined in light of the prevailing standards applicable to agents or brokers, as appropriate, in the jurisdiction where the services are performed).

4. The Custodian shall be entitled to rely, and may act, upon the advice of reputable external counsel (who may be counsel for the Fund) on all matters and shall be without liability for any action reasonably taken or omitted in good faith and without negligence pursuant to such advice.

5. The Custodian shall be entitled to rely upon any Instruction it receives pursuant to the applicable Sections of this Agreement that it reasonably believes to be genuine and to be from an Authorized Person. In the event that the Custodian receives oral Instructions, the Fund or its designees shall seek to have delivered to the Custodian, by the close of business on the same day that such oral Instructions were given to the Custodian, written Instructions confirming such oral Instructions, whether by hand delivery, telex or otherwise. The Fund agrees that the fact that no such confirming written Instructions are received by the Custodian shall in no way affect the validity of the transactions or enforceability of the transactions hereby authorized by the Fund. The Fund agrees that the Custodian shall incur no liability to the Fund in connection with (i) acting in good faith upon oral Instructions given to the Custodian hereunder; provided such instructions reasonably appear to have been received from an Authorized Person or (ii) deciding not to act solely upon oral Instructions; provided that the Custodian first contacts the giver of such oral Instructions and requests written confirmation immediately following any such decision not to act.

6. The Custodian shall supply the Fund or its designees with such daily information regarding the cash and Securities positions and activity of the Fund as the Custodian and the Fund or its designee shall from time to time agree. It is understood that such information will not be audited by the Custodian and the Custodian represents that such information will be the best information then available to the Custodian. The Custodian shall have no responsibility whatsoever

for the pricing of Securities, accruing for income, valuing the effect of Corporate Actions, or for the failure of the Fund or its designee to reconcile differences between the information supplied by the Custodian and information obtained by the Fund or its designee from other sources, including but not limited to pricing vendors and the Fund's investment adviser. Subject to the foregoing, to the extent that any miscalculation by the Fund or its designee of the Fund's net asset value is attributable to the willful misconduct, bad faith or negligence of the Custodian (including any Sub-Custodian) in supplying or omitting to supply the Fund or its designee with information as aforesaid, the Custodian shall be liable to the Fund for any resulting loss (subject to such de minimis rule of change in value as the Board of Directors may from time to time adopt).

(c) Limit of Duties. Without limiting the generality of the foregoing, the Custodian shall be under no duty or obligation to inquire into, and shall not be liable for:

1. The validity of the issue of any Securities purchased by the Fund, the legality of the purchase thereof, or the propriety of the amount specified by the Fund or its designee for payment therefor;

2. The legality of the sale of any Securities by the Fund or the propriety of the amount of consideration for which the same are sold;

3. The legality of the declaration or payment of any dividend or distribution by the Fund; or

4. The legality of any borrowing.

(d) Blanket Bond. The Custodian need not maintain any insurance for the exclusive benefit of the Fund, but hereby warrants that as of the date of this Agreement it is maintaining a bankers Blanket Bond and hereby agrees to notify the Fund in the event that such bond is canceled or otherwise lapses.

(e) Further Limitation of Duties. Consistent with and without limiting the language contained in Section 17(b), it is specifically acknowledged that the Custodian shall have no duty or responsibility to:

1. Question any Instruction or make any suggestions to the Fund or an Authorized Person regarding any Instruction;

2. Supervise or make recommendations with respect to investments or the retention of Securities;

3. Subject to Section 17(b)(3) hereof, evaluate or report to the Fund or an Authorized Person regarding the financial condition of any broker, agent or other party to which Securities are delivered or payments are made pursuant to this Agreement; or

4. Review or reconcile trade confirmations received from brokers.

(f) Amounts Due from or to Transfer Agent. The Custodian shall not be under any duty or obligation to take action to effect collection of any amount due to the Fund from the

Transfer Agent or its designee nor to take any action to effect payment or distribution by the Transfer Agent or its designee of any amount paid by the Custodian to the Transfer Agent in accordance with this Agreement.

(g) No Duty to Ascertain Authority. The Custodian shall not be under any duty or obligation to ascertain whether any Securities at any time delivered to or held by it for the Fund are such as may properly be held by the Fund under the provisions of the Articles of Incorporation and the Prospectus (if applicable).

(h) Indemnification. The Fund agrees to indemnify and hold the Custodian harmless from all direct loss, cost, taxes, charges, assessments, claims, and liabilities (including, without limitation, liabilities arising under the Securities Act of 1933, the Securities Exchange Act of 1934 and the 1940 Act and state or foreign securities laws) and expenses (including reasonable attorneys' fees and disbursements) arising directly from any action taken or omitted by the Custodian (i) at the request or on the direction of or in reliance on the advice of the Fund or (ii) upon an Instruction; provided, that the foregoing indemnity shall not apply to any loss, cost, tax, charge, assessment, claim, liability or expense to the extent the same is attributable to the Custodian's or any Sub-Custodian's negligence, willful misconduct, bad faith or reckless disregard of duties and obligations under this Agreement or any other agreement relating to the custody of Fund property. In no event shall the Fund be responsible for any indirect, special, consequential or punitive damages under any provision of this Agreement, even if advised of the possibility thereof; provided that the foregoing shall not limit the Fund's indemnification obligations under this Agreement to the extent such consequential, special or punitive damages are included in any third party claim in connection with which the Custodian is otherwise entitled to indemnification hereunder.

(i) Taxes. The Fund agrees to hold the Custodian harmless from any liability or loss resulting from the imposition or assessment of any taxes or other governmental charges on the Fund.

(j) Custodian Not Liable for Certain Losses. Without limiting the foregoing, the Custodian shall not be liable for any loss which results from:

1. the general risk of investing;

2. subject to Section 17(b) hereof, investing or holding property in a particular country including, but not limited to, losses resulting from nationalization, expropriation or other governmental actions; regulation of the banking or securities industry; currency restrictions, devaluations or fluctuations; and market conditions which prevent the orderly execution of securities transactions or affect the value of property held pursuant to this Agreement; or

3. consequential, special or punitive damages for any act or failure to act under any provision of this Agreement, even if advised of the possibility thereof.

(k) Inspection of Books and Records. The Custodian shall create and maintain all records relating to its activities and obligations under this Agreement in such manner as will meet the obligations of the Fund under the 1940 Act, with particular attention to Section 31 thereof and Rules 31a-1 and 31a-2 thereunder, and under applicable federal and state laws. All such records shall be the property of the Fund and shall at all times during regular business hours of the Custodian be open for inspection by duly authorized officers,

employees and agents of the Fund and by the appropriate employees of the Securities and Exchange Commission. The Custodian shall, at the Fund's request, supply the Fund with a tabulation of Securities and shall, when requested to do so by the Fund and for such compensation as shall be agreed upon between the Fund and the Custodian, include certificate numbers in such tabulations.

(l) Accounting Control Report. The Custodian shall provide, promptly, upon request of the Fund such reports as are available concerning the internal accounting controls and financial strength of the Custodian.

18.TERM AND TERMINATION.

(a) This Agreement shall become effective on the date first set forth above (the "Effective Date") and shall continue in effect thereafter until terminated in accordance with the rest of this Section 18.

(b) This Agreement may be terminated at any time by either party by providing the other party with at least one hundred twenty (120) days written notice of termination, specifying the date of such termination; provided that neither party may deliver a notice to the other party terminate this Agreement in accordance with this Section 18(b) during the first nine (9) months after the Effective Date.

(c) Either of the parties hereto may terminate this Agreement immediately upon notice to the other party (the "defaulting party") for "cause". For purposes of this Agreement, "cause" shall mean (a) a material breach of this Agreement by the defaulting party that has not been remedied for thirty (30) days following written notice of such breach from the non-breaching party; or (b) a receiver, receiver and manager, examiner or liquidator is appointed by the defaulting party, or the defaulting party makes any composition or arrangement with its creditors.

(d) Upon the date set forth in such notice under Section 18(b) or Section 18(c), this Agreement shall terminate to the extent specified in such notice, and the Custodian shall, upon receipt of Instructions from the Fund, deliver directly to the successor custodian all Securities and moneys then held by the Custodian and specifically allocated to the Fund, after deducting all fees, expenses and other amounts for the payment or reimbursement of which it shall then be entitled with respect to the Fund for periods prior to the effective date of termination. If the Fund fails to designate a successor custodian, the Fund shall, upon the date specified in the notice of termination of this Agreement and upon the delivery by the Custodian of all Securities (other than Securities held in the Book-Entry System which cannot be delivered to the Fund) and moneys of the Fund, be deemed to be its own custodian and the Custodian shall thereby be relieved of all duties and responsibilities pursuant to this Agreement, other than the duty with respect to Securities held in the Book-Entry System which cannot be delivered to the Fund. The Fund shall also pay the Custodian such unpaid compensation and any out-of-pocket or other reimbursable expenses (to the extent not deducted from Fund Securities or money above) which may become due or payable under the terms hereof for periods prior to the date of termination or the date that the provision of services ceases, whichever is later.

19.CONFIDENTIALITY.

(a) "Confidential Information" means any information, correspondence, data, documents, reports, projections, forecasts, statements, records and accounts, whether in written, pictorial, oral, computer printout and other forms, databases, computer programs, screen formats, screen designs, report formats, interactive design techniques, and other related information all of a confidential nature furnished to a party by the other party, for the purposes of this Agreement.

(b) In connection with the performance of its obligations under this Agreement, each party may obtain certain Confidential Information of the other party and each party agrees that it shall use reasonable precautions in accordance with its established policies and procedures to keep such Confidential Information confidential; provided, however, that (i) a party may disclose Confidential Information with the other party's prior written consent (such consent not to be unreasonably withheld) and (ii) any of such Confidential Information may be disclosed to the other party's affiliates or to such other party's or its affiliates' directors, officers, employees, advisors or agents who need to know such information in order for such other party to be able to perform its duties under this Agreement ("Representatives") (it being understood that such Representatives shall be informed of the confidential nature of such information and shall be directed to treat such information in accordance with the terms of this Agreement). The above prohibition of disclosure shall not apply to the extent that the Transfer Agent must disclose such data to its subcontractor or the Fund agent for purposes of providing services under this Agreement.

(c) Other than as permitted herein, each party shall be permitted to disclose the Confidential Information to the extent, and only to such extent, required by law or regulation or requested by any governmental agency or other regulatory authority or in connection with any legal proceedings after (i) promptly notifying the other party of such requirement in order to provide such other party with the opportunity to pursue legal or other action to prevent the release of such Confidential Information and (ii) receiving permission for the disclosure from such other party. Notwithstanding the foregoing, notification to the other party shall not be required in the event that such disclosure is requested by a regulatory authority with supervisory authority over the disclosing party or is prohibited by applicable law or legal process.

(d) For purposes of this Agreement, Confidential Information does not include: (i) information that is or becomes publicly available other than as a result of disclosure by either party or its Representatives in violation of this Agreement, (ii) was within a party's possession prior to its being furnished pursuant hereto or becomes available on a non-confidential basis from a source other than either party or its Representatives, or (iii) was independently developed by the receiving party.

20.NOTICES.

Any notice required or permitted hereunder shall be in writing and shall be deemed effective on the date of personal delivery (by private messenger, courier service or otherwise) or upon confirmed receipt of telex or facsimile, whichever occurs first, or upon receipt if by mail to the parties at the following address (or such other address as a party may specify by notice to the other):

If to the Fund:

c/o Great Elm Capital Management, Inc.

800 South Street, Suite 230
Waltham, MA 02453
Attention: General Counsel

If to the Custodian:

The Northern Trust Company
50 LaSalle Street
Chicago, Illinois 60603
Attention: Head of GFS North America

21.FORCE MAJEURE.

Neither party shall not be responsible or liable for any harm, loss or damage suffered by the Fund, its shareholders or third parties or for any failure or delay in performance of either party's obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond the relevant party's control, including, but not limited to, delays, errors or interruptions caused by the Fund or third parties, any industrial, juridical, governmental, civil or military action, acts of terrorism, insurrection or revolution, nuclear fusion, fission or radiation, failure or fluctuation in electrical power, heat, light, air conditioning or telecommunications equipment, or acts of God (collectively, "Force Majeure"). In the event of Force Majeure, any resulting harm, loss, damage, failure or delay by either party will not give the other party the right to terminate this Agreement. The Custodian agrees to act in accordance with its Business Continuity Plan in effect from time to time, when it is commercially reasonable to do so.

22.ASSIGNABILITY.

This Agreement shall not be assigned by any of the parties hereto without the prior consent in writing of the other party, except that the Custodian may assign this Agreement to a successor of all or a substantial portion of its business, or to a party controlling, controlled by or under common control with the Custodian.

23.NO THIRD PARTY BENEFICIARIES.

Except as explicitly stated elsewhere in this Agreement, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than the Custodian and the Fund, and the duties and responsibilities undertaken pursuant to this Agreement shall be for the sole and exclusive benefit of the Custodian and the Fund. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

24.MISCELLANEOUS.

(a) *Authorized Persons.* Annexed hereto as Schedule A is a certification signed by two of the present officers of each Fund setting forth the names of the present Authorized Persons. Each Fund agrees to furnish to the Custodian a new certification in similar form in the event that any such present Authorized Person ceases to be such an Authorized Person or in the event that other or additional Authorized Persons are elected or appointed. Until such new certification is received by the Custodian, the Custodian shall be fully protected in acting under the provisions of this Agreement upon Instructions which the Custodian reasonably believes were given by an Authorized Person, as identified in the last delivered certification. Unless such certification specifically limits the authority of an Authorized

Person to specific matters or requires that the approval of another Authorized Person is required, the Custodian shall be under no duty to inquire into the right of such person, acting alone, to give any instructions whatsoever under this Agreement.

(b) *Amendments.* This Agreement may be modified or amended from time to time by mutual written agreement between the parties. No provision of this Agreement may be changed, discharged, or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, discharge or termination is sought.

(c) *Severability.* If any provision of this Agreement is determined to be invalid or unenforceable, the balance of the Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstance it shall nevertheless remain applicable to all other persons and circumstances.

(d) *Waiver.* The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver nor shall it deprive such party of the right thereafter to insist upon strict adherence to the term of any term of this Agreement. Any waiver must be in writing signed by the waiving party.

(e) *Headings.* All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

(f) *Governing Law.* This Agreement shall be construed and interpreted under and in accordance with the laws of the State of Illinois.

(g) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .jpg or similar attachment to electronic mail, shall be treated in all manner and respects as an original executed counterpart.

(h) *Entire Agreement.* This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and understanding between the parties relating to the subject matter hereof.

(i) *Personal Liability.* The Fund and the Custodian agree that the obligations of the Fund under this Agreement shall not be binding upon or any member of the Board of Directors or any shareholder, nominee, officer, employee or agent, whether past, present or future, of, the Fund individually, but are binding only upon the assets and property of the Fund. The execution and delivery of this Agreement have been duly authorized by the Fund and signed by an authorized officer of the Fund, acting as such, but neither such authorization by the Fund nor such execution and delivery by such officer shall be deemed to have been made by any member of the Board of Directors or by any officer or shareholder of the Fund individually or to impose any liability on any of them personally, but shall bind only the assets and property of the Fund.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives duly authorized as of the day and year first above written.

GREAT ELM CAPITAL CORP.

By: /s/ Adam Kleinman
Name: Adam Kleinman
Title: President

THE NORTHERN TRUST COMPANY

By: /s/ John K. Barry
Name: John K. Barry
Title: Vice President

Exhibit 14.1
Appendix D

GREAT ELM CAPITAL CORP.

SOX
CODE OF BUSINESS CONDUCT AND ETHICS

As Adopted: June 30, 2017

SOX
CODE OF BUSINESS CONDUCT
AND ETHICS

TABLE OF CONTENTS

Page

SOX CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

Section 406 of the Sarbanes-Oxley Act of 2002 ("***SOX***") and Item 406 of Regulation S-K require that public companies disclose whether or not they have adopted a code of business conduct and ethics for senior financial officers and, if not, to explain why not, and the NASDAQ requires the same for all directors, officers and employees. A code of business conduct and ethics for this purpose is defined as a document setting forth standards that are reasonably designed to deter wrongdoing and to promote, among other matters, honest and ethical conduct, full and accurate disclosures in SEC filings and other public communications, and compliance with applicable laws, rules and regulations.

Ethics are important to Great Elm Capital Corp. (***"GECC", "our", "us",*** or ***"we"***) and to its management. GECC is committed to the highest ethical standards and to conducting its business with the highest level of integrity.

All officers, directors, and employees of GECC and its investment adviser (collectively, the ***"Covered Persons***,***"*** and individually, ***"you"***) are responsible for maintaining this level of integrity and for complying with the policies contained in this Code. If you have a question or concern about what is proper conduct for you or anyone else, please raise these concerns with any member of GECC's management, or follow the procedures outlined in applicable sections of this Code.

Purpose of the Code

This Code is intended to:

- help you recognize ethical issues and take the appropriate steps to resolve these issues;
- deter ethical violations;
- assist you in reporting any unethical or illegal conduct; and
- reaffirm and promote our commitment to a corporate culture that values honesty and accountability.

All Covered Persons will acknowledge in writing that they have received a copy of this Code, read it, and understand that the Code contains our expectations regarding their conduct.

Conflicts of Interest

You must avoid any conflict, or the appearance of a conflict, between your personal interests and our interests. A conflict exists when your personal interests in any way interfere – or even appear to interfere – with our interests, or when you take any action or have any interests that may make it difficult for you to perform your job objectively and effectively. For example, a conflict of interest probably exists if:

- you cause us or our investment adviser, Great Elm Capital Management, Inc. (the ***"Adviser"***), to enter into business relationships with you or a member of your family, or invest in companies affiliated with you or a member of your family;
- you, or a member of your family, receive improper personal benefits as a result of your position with us or the Adviser;
- you use any nonpublic information about us or the Adviser, our customers or our other business partners for your personal gain, or the gain of a member of your family; or
- you use or communicate confidential information obtained in the course of your work for your or another's personal benefit.

Corporate Opportunities

Each of us has a duty to advance the legitimate interests of GECC when the opportunity to do so presents itself. Therefore, you may not:

- take for yourself personally opportunities, including investment opportunities, discovered through the use of your position with us or the Adviser, or through the use of either's property or information;
- use our or the Adviser's property, information, or position for your personal gain or the gain of a family member; or
- compete, or prepare to compete, with us or the Adviser.

Confidentiality

You must not disclose confidential information regarding us, the Adviser, our affiliates, our lenders, our clients, or our other business partners, unless disclosure is authorized or required by law. Confidential information includes all non-public information that might be harmful to, or useful to the competitors of, GECC, our affiliates, our lenders, our clients, or our other business partners. This obligation continues even after you leave GECC, until the information becomes publicly available.

Fair Dealing

You must endeavor to deal fairly with our customers, suppliers and business partners, or any other companies or individuals with whom we do business or come into contact with, including

fellow employees and our competitors. You must not take unfair advantage of these or other parties by means of:

- manipulation;
- concealment;
- abuse of privileged information;
- misrepresentation of material facts; or
- any other unfair-dealing practice.

Protection and Proper Use of Company Assets

Our assets are to be used only for legitimate business purposes. Theft, carelessness and waste have a direct impact on our profitability. You should protect our assets and ensure that they are used efficiently.

Incidental personal use of telephones, fax machines, copy machines, personal computers and similar equipment is generally allowed if there is no significant added cost to us, it does not interfere with your work duties, and is not related to an illegal activity or to any outside business.

Compliance with Applicable Laws, Rules and Regulations

Each of us has a duty to comply with all laws, rules and regulations that apply to our business, including those relating to insider trading. Please talk to our Chief Compliance Officer if you have any questions about how to comply with the above regulations and other laws, rules and regulations.

In addition, we expect you to comply with all our policies and procedures that apply to you. We may modify or update our policies and procedures in the future, and may adopt new company policies and procedures from time to time. You are also expected to observe the terms of any confidentiality agreement, employment agreement or other similar agreement that applies to you.

Equal Opportunity, Harassment

We are committed to providing equal opportunity in all of our employment practices including selection, hiring, promotion, transfer, and compensation of all qualified applicants and employees without regard to race, color, sex or gender, sexual orientation, religion, age, national origin, handicap, disability, citizenship status, or any other status protected by law. With this in mind, there are certain behaviors that will not be tolerated. These include harassment, violence, intimidation, and discrimination of any kind involving race, color, sex or gender, sexual orientation, religion, age, national origin, handicap, disability, citizenship status, marital status, or any other status protected by law.

Accuracy of Company Records

We require honest and accurate recording and reporting of information in order to make responsible business decisions. This includes such data as quality, safety, and personnel records, as well as financial records.

All financial books, records and accounts must accurately reflect transactions and events, and conform both to required accounting principles and to our system of internal controls.

Retaining Business Communications

The law requires us to maintain certain types of corporate records, usually for specified periods of time. Failure to retain those records for those minimum periods could subject us to penalties and fines, cause the loss of rights, obstruct justice, place us in contempt of court, or seriously disadvantage us in litigation.

From time to time we establish retention or destruction policies in order to ensure legal compliance. We expect you to fully comply with any published records retention or destruction policies, provided that you should note the following exception: If you believe, or we inform you, that our records are relevant to any litigation or governmental action, or any potential litigation or action, then you must preserve those records until we determine the records are no longer needed. This exception supersedes any previously or subsequently established destruction policies for those records. If you believe that this exception may apply, or have any questions regarding the possible applicability of that exception, please contact our Chief Compliance Officer.

Political Contributions

No funds of GECC may be given directly to political candidates. You may, however, engage in political activity with your own resources on your own time, subject, however, to any restrictions contained in the Adviser’s policies.

Media Relations

We must speak with a unified voice in all dealings with the press and other media. As a result, our Chief Executive Officer or GECC Investor Relations are the only contacts for media seeking information about GECC. Any requests from the media must be referred to our Chief Executive Officer or GECC Investor Relations.

Intellectual Property Information

Information generated in our business is a valuable asset. Protecting this information plays an important role in our growth and ability to compete. Such information includes business and research plans; objectives and strategies; trade secrets; unpublished financial information; salary and benefits data; lender and other business partner lists. Employees who have access to our intellectual property information are obligated to safeguard it from unauthorized access and:

- Not disclose this information to persons outside of GECC;
- Not use this information for personal benefit or the benefit of persons outside of GECC; and
- Not share this information with other employees except on a legitimate “need to know” basis.

Internet and E-Mail Policy

We provide an e-mail system and Internet access to certain of our employees to help them do their work. You may use the e-mail system and the Internet only for legitimate business purposes in the course of your duties. Incidental and occasional personal use is permitted, but never for personal gain or any improper use. Further, you are prohibited from discussing or posting information regarding GECC in any external electronic forum, including Internet chat rooms or electronic bulletin boards.

Reporting Violations and Complaint Handling

You are responsible for compliance with the rules, standards and principles described in this Code. In addition, you should be alert to possible violations of the Code by GECC’s or the Adviser’s employees, officers and directors, and you are expected to report a violation promptly. Normally, reports should be made to one’s immediate supervisor. Under some circumstances, it may be impractical or you may feel uncomfortable raising a matter with your supervisor. In those instances, you are encouraged to contact our Chief Compliance Officer who will investigate and report the matter to our Chief Executive Officer and/or Board of Directors, as the circumstance dictates. You will also be expected to cooperate in an investigation of a violation.

Anyone who has a concern about our conduct, the conduct of an officer of GECC or its Adviser or our accounting, internal accounting controls or auditing matters, may communicate that concern to the Audit Committee of the Board of Directors by direct communication with our Chief Compliance Officer or by email or in writing. All reported concerns shall be forwarded to the Audit Committee and will be simultaneously addressed by our Chief Compliance Officer in the same way that other concerns are addressed by us. The status of all outstanding concerns forwarded to the Audit Committee will be reported on a quarterly basis by our Chief Compliance Officer. The Audit Committee may direct that certain matters be presented to the full board and may also direct special treatment, including the retention of outside advisors or counsel, for any concern reported to it.

All reports will be investigated, and whenever possible, requests for confidentiality shall be honored. And, while anonymous reports will be accepted, please understand that anonymity may hinder or impede the investigation of a report. All cases of questionable activity or improper actions will be reviewed for appropriate action, discipline or corrective actions. Whenever possible, we will keep confidential the identity of employees, officers or directors who are accused of violations, unless or until it has been determined that a violation has occurred.

There will be no reprisal, retaliation, or adverse action taken against any employee who, in good faith, reports or assists in the investigation of, a violation or suspected violation, or who makes an inquiry about the appropriateness of an anticipated or actual course of action.

For reporting concerns about GECC's or its Adviser's conduct, the conduct of an officer of GECC or its Adviser, or about GECC's or its Adviser's accounting, internal accounting controls or auditing matters, you may use the following means of communication:

ADDRESS: Great Elm Capital Corp.
800 South Street
Suite 230
Waltham, Massachusetts 02453

In the case of a confidential, anonymous submission, employees should set forth their concerns in writing and forward them in a sealed envelope to the Chairperson of the Audit Committee, in care of our Chief Compliance Officer, such envelope to be labeled with a legend such as: "To be opened by the Audit Committee only."

Administration of the Code

The Chief Compliance Officer has overall responsibility for administering the Code and reporting on the administration of and compliance with the Code and related matters to our Board of Directors.

Sanctions for Code Violations

All violations of the Code will result in appropriate corrective action, up to and including dismissal. If the violation involves potentially criminal activity, the individual or individuals in question will be reported, as warranted, to the appropriate authorities.

Application/Waivers

All the directors, officers, and employees of GECC and its Adviser are subject to this Code.

Insofar as other policies or procedures of GECC or its Adviser govern or purport to govern the behavior or activities of all persons who are subject to this Code, they are superseded by this Code to the extent that they overlap or conflict with the provisions of this Code.

Any amendment or waiver of the Code for an executive officer or member of our Boards of Directors must be made by our Board of Directors and disclosed on a Form 8-K filed with the Securities and Exchange Commission within four business days following such amendment or waiver.

Revisions and Amendments

This Code may be revised, changed or amended at any time by our Board of Directors. Following any material revisions or updates, an updated version of this Code will be distributed to you, and will supersede the prior version of this Code effective upon distribution. We may ask you to sign an acknowledgement confirming that you have read and understood the revised version of the Code, and that you agree to comply with the provisions.

SOX CODE OF BUSINESS CONDUCT AND ETHICS
APPENDIX A

Great Elm Capital Corp.

Acknowledgment Regarding
SOX Code of Business Conduct and Ethics

This acknowledgment is to be signed and returned to our Chief Compliance Officer and will be retained as part of your permanent personnel file.

I have received a copy of Great Elm Capital Corp.'s SOX Code of Business Conduct and Ethics, read it, and understand that the Code contains the expectations of Great Elm Capital Corp. regarding conduct. I agree to observe the policies and procedures contained in the SOX Code of Business Conduct and Ethics and have been advised that, if I have any questions or concerns relating to such policies or procedures, I understand that I have an obligation to report to the Audit Committee, the Chief Compliance Officer, or other such designated officer, any suspected violations of the Code of which I am aware. I also understand that the Code is issued for informational purposes and that it is not intended to create, nor does it represent, a contract of employment.

Name (Printed)

Signature

Date

The failure to read and/or sign this acknowledgment in no way relieves you of your responsibility to comply with Great Elm Capital Corp.'s SOX *Code of Business Conduct and Ethics*

Exhibit 14.2

CODE OF ETHICS

TOPICS IN THIS CODE

A. STANDARD OF CONDUCT

The purpose of this Code of Ethics is to set forth certain key guidelines that have been adopted by the Company as office policy for the guidance of all Company personnel and to specify the responsibilities of all Employees of the Company (as defined in B.2 below) to act in accordance with their fiduciary duty to the Company's clients and to comply with applicable federal and state laws and regulations, including, but not limited to, securities laws, governing their conduct. In particular, Employees should be aware of the requirements of the Advisors Act and the 1940 Act. Careful adherence is essential to safeguard the interests of the Company and its clients, which may include pooled investment vehicles ("**private clients**") whose interests are issued pursuant to an exemption to the 1940 Act or funds whose interests are issued pursuant to the 1940 Act ("**1940 Act clients**" and, together with private clients, each, a "**client**" and, collectively, "**clients**"). The Company expects that all Employees will conduct themselves in accordance with high ethical standards, which should be premised on the concepts of integrity, honesty and trust.

As noted, all Employees of the Company must conduct themselves in full compliance with all applicable federal and state laws and regulations concerning the securities industry. It is the responsibility of every Employee to know these laws and regulations and to comply with them. If an Employee needs copies of any laws and regulations concerning the securities business or has any questions about the legality of any transaction, the Employee should consult the Company's Chief Compliance Officer (as defined below). Failure to comply with such laws and regulations or this Code of Ethics may result in sanctions and possibly, depending on the circumstances, immediate dismissal.

Although our fiduciary duties require more than simply avoiding illegal and inappropriate behavior, at a minimum all Employees should be aware that, as a matter of policy and the terms of their employment with the Company, the following types of activities are strictly prohibited:

• Using any device, scheme or artifice to defraud, or engaging in any act, practice, or course of conduct that operates or would operate as a fraud or deceit upon, any client or prospective client or any party to any securities transaction in which the Company or any of its clients is a participant;

• Making any untrue statement of a material fact or omitting to state to any person a material fact necessary in order to make the statements the Company has made to such person, in light of the circumstances under which they are made, not misleading;

• Engaging in any act, practice, or course of business that is fraudulent, deceptive, or manipulative, particularly with respect to a client or prospective client; and

• Causing the Company, acting as principal for its own account or for any account in which the Company or any person associated with the Company (within the meaning of the Investment Advisers Act) has an interest, to sell any security to or purchase any security from a client in violation of any applicable law, rule or regulation of a governmental agency.

B. CONFIDENTIAL INFORMATION

What is confidential information?

An investment adviser has a fiduciary duty to its clients not to divulge or misuse information obtained in connection with its services as an adviser. Therefore, all information, whether of a personal or business nature, that an Employee obtains about a client's affairs in the course of employment with the Company should be treated as confidential and used only to provide services to or otherwise to the benefit of the client. Such information may sometimes include information about non-clients, and that information should likewise be held in confidence. Even the fact that the Company advises a particular client should ordinarily be treated as confidential.

Who is subject to the Company's policies concerning confidential information?

All Company personnel - officers and advisory, marketing, administrative and secretarial staff - are subject to these policies. (For the sake of convenience, this group is sometimes referred to in this Manual as "**Employees**").

What are the duties and responsibilities of Employees with respect to confidential information?

Since an investment adviser has a fiduciary duty to its clients not to divulge information obtained from or about a client in connection with its services as an adviser, Employees must not repeat or disclose confidential information received from or about clients outside the Company *to anyone*, including relatives, friends or strangers. Any misuse of confidential information about a client is a disservice to the client that may cause both the client and the Company substantial injury. Failure to comply with this policy may have very serious consequences for Employees and for the Company, including the possibility that Employees might be criminally prosecuted for misusing the information, as described in Part C below.

What are some steps that Employees can take to assure that confidential information is not disclosed to persons outside the office?

There are a number of steps Employees should take to help preserve client and other confidences, including the following:

• Employees should be sensitive to the problem of inadvertent or accidental disclosure. Careless conversation, naming names or describing details of a current or proposed trade, investment or transaction in a lounge, hallway, elevator or restroom, or in a train, taxi, airplane, restaurant or other public place, can result in the disclosure of confidential information and should be strictly avoided.

• Maintenance of confidentiality requires careful safeguarding of papers and documents, both inside and outside the Company. Documents and papers should be kept in appropriately marked file folders and locked in file cabinets when appropriate. Computer files or disks should be password protected. Employees should review the detailed data security policies and procedures which appear later in the Manual.

• If an Employee uses a speakerphone, the Employee should be careful to refrain from using it in any way that might increase the likelihood of accidental disclosure. Use caution, for example, when participating in a speakerphone conversation dealing with confidential information if the office door is open, or if the speakerphone volume is set too high. The same applies if an Employee knows or suspects that a speakerphone or a second extension phone is being used at the other end of a telephone conversation.

• In especially sensitive situations, it may be necessary to establish barriers to the exchange of information within the Company and to take other steps to prevent the leak of confidential information.

• Employees should be aware that e-mail and information transmitted through the Internet may not be secure from hacking or interception and should be cautious in transmitting confidential information by e-mail or through the Internet. Employees should review the detailed data security policies and procedures as well as policies regarding the use of social media which appear later in the Manual.

C. MATERIAL NONPUBLIC INFORMATION

All Employees are reminded that purchasing or selling securities on the basis of, or while in possession of, material nonpublic information for their own, for a client's or for the Company's account is a crime punishable by imprisonment as well as large fines. "Tipping" another person who engages in such activities is also a crime. The term "material" is described below.

The sanctions for trading securities while in possession of material nonpublic information regarding the issuer of such securities can be severe. In recent years, the Securities and Exchange Commission ("**SEC**") has aggressively sought and prosecuted persons who trade securities on the basis of "inside information." Courts are now authorized to impose fines of up to *three times* the profit gained, or loss avoided, on such transactions. Criminal prosecution is also possible. Willful misuse of material nonpublic information in connection with the trading of securities will result in dismissal from employment by the Company.

Employees should be careful to avoid even the appearance of wrongdoing. Even an innocent purchase or sale of securities by an Employee who is unaware that other Employees possess material nonpublic information about an issuer may damage the Company's reputation and may lead to protracted investigations and audits of both the Company and Employees.

The following sections of this Code of Ethics seek to answer some of the most commonly asked questions about insider trading. In the questions and answers that follow, the term "issuer" refers to an entity, such as a corporation, partnership or state agency that has issued securities, and the term "securities" includes privately held and publicly traded stocks, bonds, options and other investment instruments that the SEC considers to be securities.

Who is subject to the insider trading rules?

All Employees and all persons - friends, relatives, business associates and others - who receive nonpublic material inside information from Employees concerning an issuer of securities (whether such issuer is a client or not) are subject to these rules. It does not matter whether the issuer is public or private. Furthermore, if any Employee gives nonpublic material inside information concerning an issuer of securities to a person outside the Company, and that person trades in securities of that issuer, the Employee and that person may both have civil and criminal liability.

What is material nonpublic information?

Generally speaking, nonpublic information is information about an issuer's business or operations (past, present or prospective) that becomes known to an Employee and which is not otherwise available to the public. Although neither the courts nor the SEC has defined "material" precisely, the word is similar in meaning to "important" or "significant."

While the exact meaning of the word "material" is not entirely clear, it *is* clear that if a person knows information about an issuer which the person believes would influence an investor in any investment decision concerning that issuer's securities and which has not been disclosed to the public, the person should not buy or sell that issuer's securities. Under current court decisions, it makes *no* difference whether the material inside information is good or bad. Needless to say, if

the undisclosed information would influence an Employee's own decision to buy or sell or to trade for a client or the Company, the information probably is material and an Employee should not trade or permit the Company to trade for a client or itself until it has been publicly disclosed.

How does "material nonpublic information" differ from "confidential information"?

Here is an example that should clarify the difference between the two. Suppose the Company is engaged by the president of a publicly-traded corporation to provide advice with respect to her personal pension fund and while working on the matter an Employee learns the amount of alimony she pays to her former spouse. That discovery should be kept confidential, but it almost certainly has no bearing on the value of her corporation's securities (i.e., it is not material) and, in fact, it probably is not "inside information" about the corporation itself. Accordingly, an Employee of the Company could buy or sell securities of that issuer so long as the Employee possessed no material nonpublic information about the corporation. But disclosure of the president's alimony payments would be embarrassing to her and improper.

In other words, confidential information should never be disclosed, but it is not always material nonpublic information. Knowing it is not necessarily an impediment to participating in the securities markets concerning a particular issuer.

Are there certain kinds of information that are particularly likely to be "material nonpublic information"?

Yes. While the following list is by no means complete, information about the following subjects is particularly sensitive:

• Dividends, stock dividends and stock splits.
• Sales and earnings and forecasts of sales and earnings.
• Changes in previously disclosed financial information.
• Corporate acquisitions, tender offers, major joint ventures or merger proposals.
• Significant negotiations, new contracts or changes in significant business relationships.
• Changes in control or a significant change in management.
• Adoption of stock option plans or other significant compensation plans.
• Proposed public or private sales of additional or new securities.
• Significant changes in operations.
• Large sales or purchases of stock by principal stockholders.
• Purchases or sales of substantial corporate assets, or decisions or agreements to make any such purchase or sale.
• Significant increases or declines in backlogs of orders.
• Significant new products to be introduced.
• Write-offs.
• Changes in accounting methods.
• Unusual corporate developments such as major layoffs, personnel furloughs or unscheduled vacations for a significant number of workers.
• Labor slowdowns, work stoppages, strikes, or the pending negotiation of a significant labor contract.
• Significant reductions in the availability of goods from suppliers or shortages of these goods.

• Extraordinary borrowings.
• Major litigation.
• Governmental investigations concerning the Company or any of its officers or directors.
• Financial liquidity problems.
• Bankruptcy proceedings.
• Establishment of a program to repurchase outstanding securities.

If an Employee believes he or she is in receipt of material nonpublic information or has any questions regarding whether such information may constitute material nonpublic information he or she should immediately alert the Company's Chief Compliance Officer.

What is the law regarding the use of material nonpublic information?

Federal law, and the policy of the Company, prohibit any Employee from trading securities on the basis of material nonpublic information, whether obtained in the course of working at the Company or otherwise, for his or her private gain, for the Company's gain or for a client's gain and prohibit any Employee from furnishing such information to others for their private gain. This is true whether or not the information is considered "confidential". When in doubt, the information should be presumed to be material and not to have been disclosed to the public. No trades of securities should be executed for any Employee, any client or for the Company, if the person executing the trade or the Company has material nonpublic information about the issuer.

What is "tipping"?

Under the federal securities laws, it is illegal to disclose (or "tip") material nonpublic information regarding an issuer of securities to another person who subsequently uses that information for his or her profit. In order to minimize this liability, all Company personnel should comply with the policies regarding protection of confidential information described in Part A above, which will include the following measures:

• To reduce the chances of inadvertent tipping of material nonpublic information, any nonpublic information that might be considered material should not be discussed with any person outside the Company. Such information should be regarded as particularly sensitive, confidential information, and the Company's policies for safeguarding such information should be strictly observed.

• Caution must be used when receiving information from securities analysts and members of the press which could be material nonpublic information.

Disclosure outside the Company of confidential information by an Employee, or participation or tipping others to participate in securities transactions when in possession of material nonpublic information, may be a violation of law and subject the employee to severe penalties, including criminal prosecution.

To whom must material nonpublic information be disclosed before it is no longer nonpublic information?

To the public. Public disclosure of material events is usually made by means of an official press release or filing with the SEC. An Employee's disclosure to a broker or other person will *not* be effective, and such Employee may face civil or criminal liability if such Employee (or the person to whom the Employee makes disclosure) trades on the basis of the information. Employees should be aware that in most cases they are not authorized to disclose material events about an issuer to the public and that right usually belongs to the issuer alone.

How does an Employee know whether particular material nonpublic information has been publicly disclosed?

If an Employee sees information in a newspaper or public magazine, that information will clearly have been disclosed. Information in a filing with the SEC or a press release will also have been disclosed. However, the courts have said that one should wait for a reasonable period of time after the publication, filing or release date to assure that the information has been widely disseminated and that the public has had sufficient time to evaluate the news. If any Employee has any questions about whether information has been disclosed, *such Employee should not trade* in the affected securities. An Employee should contact the Company's Chief Compliance Officer for advice in the matter.

What must an Employee do with respect to material nonpublic information that such Employee may learn about an issuer?

In connection with their work at the Company, Employees may come into possession of material nonpublic information with respect to issuers such as information with respect to issuers or securities of issuers which are being analyzed for purchase or sale. This is particularly likely to happen in connection with the recommendation of the purchase or sale of an issuer's securities. All personnel receiving material, nonpublic information have a duty not to disclose *or use* that information in connection with securities transactions. In other words, Employees may not purchase or sell any securities with respect to which they have inside information for their own, the Company's or for a client's account or cause clients to trade on such information until after such information becomes public. The foregoing prohibition applies whether or not the material inside information is the basis for the trade. Employees should be alert for information they receive about issuers which may be material nonpublic information. In addition, whenever Employees come into possession of what they believe may be material nonpublic information about an issuer, they must immediately notify the Chief Compliance Officer because the Company as a whole may have an obligation not to trade in the securities of the issuer. The Chief Compliance Officer shall maintain a list of all issuers about which the Company has inside information and shall circulate such list to the appropriate personnel at the Company so as to prevent any trading in securities of such issuers.

Who is available for additional advice or advice about a particular situation?

The Company's Chief Compliance Officer will oversee matters relating to inside information and prohibitions on insider trading.

D. FIDUCIARY DUTY AND CONFLICTS OF INTEREST

The Company and the Employees have a fiduciary duty to Company clients to act for the benefit of the clients and to take action on the clients' behalf before taking action in the interest of any Employee or the Company. The cornerstones of the fiduciary duty are the obligations to act for the clients' benefit and to treat the clients fairly. Clients may therefore expect their fiduciaries to act for the clients' benefit and not for the fiduciary's own benefit when a conflict of interest between the client and the fiduciary arises. No Employee should ever enjoy an actual or apparent advantage over the account of any client.

This Manual attempts to highlight and address many of the common conflicts of interest that may arise between the Company and its employees on the one hand and clients on the other, and also between different client accounts. It is not possible for every conflict to be addressed in this Manual, however, and Employees should be particularly sensitive to the existence of actual or potential conflicts of interest not addressed herein and should promptly raise any such conflicts of which they become aware with the Chief Compliance Officer.

The manner in which any Employee discharges his or her fiduciary duty and addresses a conflict of interest depends on the circumstances. Sometimes general disclosure of common conflicts of interest may suffice. In other circumstances, explicit consent of the client to the particular transaction giving rise to a conflict of interest may be required or an Employee may be prohibited from engaging in the transaction regardless of whether the client consents.

The client's consent will not in all cases insulate the Employee against a claim of breach of the Employee's fiduciary duty. Full disclosure of all material facts must be given if consent is to be effective. As a result, consents concerning possible future breaches of laws will not usually work. However, waivers of known past violations may be effective. In addition, a client under the control and influence of the Employee or who has come to rely on the Employee's investment decisions cannot effectively consent to a conflict of interest or breach of fiduciary duty. Consent must be competent, informed and freely given.

The duty to disclose and obtain a client's consent to a conflict of interest must always be undertaken in a manner consistent with the Employee's duty to deal fairly with the client. Therefore, even when taking action with a client's consent, each Employee must always seek to assure that the action taken is fair to the client.

Conflicts of interest can arise in any number of situations. As noted, no comprehensive list of all possible conflicts of interest can be provided in this Code of Ethics. However, the following are common examples of conflicts of interest. For example, an Employee may seek to induce a bank to give the Employee a loan in exchange for maintaining excessive cash balances of a client with the bank or may execute trades for a client through a broker-dealer that provides research services for the Company but charges commissions higher than other broker-dealers. In the former case, such activity would be a violation of an Employee's fiduciary duty and might subject the Employee and the Company to liability under the Investment Advisers Act of 1940 (the "**Advisers Act**") and other applicable laws. In the latter case, if the Company determines in good faith that the higher commissions are reasonable in relation to the value of the brokerage and research services provided by a broker or dealer viewed in terms of either a particular transaction or the Company's overall responsibilities with respect to an account as to which the Company exercises investment discretion and appropriate disclosure is made to the client and in the

Company's Form ADV, the payment of higher commissions may be permitted under the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Another common conflict of interest occurs when the Company pays some consideration to a person for recommending the Company as an adviser. In those circumstances, an Employee must make disclosure to any prospective client of any consideration paid for recommending the Company's services to that prospective client and the Company must comply with Rule 206(4)-3 promulgated under the Advisers Act. This Rule governs situations involving cash payments for client solicitations and requires that specific disclosure documents, containing information about the solicitor and the adviser, be provided to a prospective client at the time of the solicitation. See Item XII of this Manual for additional information regarding the Company's "Pay-to-Play" restrictions and reporting requirements.

Employees may negotiate with broker-dealers regarding the commissions charged for their personal transactions but may not enter into any arrangement to pay commissions at a rate that is better than the rate available to clients through similar negotiations.

Gifts and Entertainment Policy

Employees giving or receiving gifts or entertainment to individuals or firms with whom the Firm does, or is likely to do, business with may create, or give the appearance of, a conflict of interest. This policy does not govern gifts and entertainment outside of business or potential business activities of Company. Company's "Gifts and Entertainment Policy" distinguishes between a "Gift" and "Entertainment." Gifts are items (or services) of value that a third party provides to an Employee (or an Employee to a third party) where there is no business communication involved in the enjoyment of the gift. Entertainment contemplates that the giver participates with the recipient in the enjoyment of the item or service. Gifts and/or Entertainment are only appropriate when used to foster and promote business relationships for the Firm. Gifts and/or Entertainment must be customarily associated with ethical business practices and cannot be reasonably interpreted by others as constituting an inducement to take or not take a particular action. If an Employee believes the gift or entertainment might be excessive (even if it falls below the dollar threshold referenced below), he or she must obtain pre-approval from the CCO via Paragon Data Labs CAT Platform (Paragon").

Solicitation of Gifts and/or Entertainment from individuals or firms with whom Company does, or is likely to do, business with is unprofessional and is strictly prohibited. Employees also are prohibited from directly or indirectly entering into direct financial transactions with individuals or firms with whom Company does, or is likely to do business, including making, soliciting or accepting any loans (*e.g.*, Crowdfunding loans) other than accepting personal loans from a recognized lending institution made in the ordinary course of business on usual and customary terms.

Permissible Gifts

Employees may not receive a Gift with a value in excess of $500 per calendar year from anyone with whom Company has or is likely to have any business dealings, without approval by the CCO, via Paragon, except as follows:

- A business Gift given to an Employee from a business or corporate gift list on the same basis as other recipients of the sponsor and not personally selected for an Employee (*e.g*, holiday gifts).
- Gifts such as holiday baskets or food delivered to Company's office, which are received on behalf of Company.
- Promotional items that clearly display the giver's company logo. Examples of promotional items include calendars, hats, mugs, and umbrellas.
- Gifts from a sponsor to celebrate or acknowledge a transaction or event that are given to a wide group of recipients and not personally selected for an Employee (*e.g*, closing dinner Gifts, Gifts given at an industry conference or seminar).
- Employees may receive wedding, graduation or similar types of Gifts from Clients or investors in a Fund that in some cases may be difficult to return to the sender.

This policy generally does not apply to meals or entertainment associated with events held for the purpose of raising funds for a particular charity. Gifts to charity at the request or suggestion of Clients may be permissible at the discretion of the Firm's Employees to make such determination; however, if a gift to a charity included a benefit to a prospective or actual client etc., the value of the benefit is subject to this policy and requires CCO pre-approval via Paragon.

Pre-Approval of Gifts

Employees may not give or receive one or more Gifts with a total value in excess of $500 per calendar year to or from each person or firm with whom Company has or is likely to have business dealings unless pre-approved by the CCO. Furthermore, an Employee may under no circumstances receive or give cash or cash equivalent gifts, such as gift cards, gift certificates, or any item that can be used as, or alongside, hard currency. If an Employee is unable to judge the value of a Gift, or whether a Gift is considered a cash equivalent, he or she must contact the CCO for guidance.

Reporting of Gifts

Each Employee must notify the CCO promptly upon receiving or before giving any Gifts that are not either: 1) Permissible Gifts as outlined above or 2) have not otherwise been pre-approved in accordance with Pre-Approval of Gifts section above.

Furthermore, all cash and cash equivalent gifts must be forfeited to the CCO, who will decide the best course of action of disposing of the gift, which may include, but is not limited to, returning the Gift to the giver or donating the gift to charity.

Permissible Entertainment

As a general rule, Employees may not accept an invitation that involves entertainment that is excessive or not customary. If an Employee believes the meal or entertainment might be excessive, he or she must obtain pre-approval from the CCO. However, Employees may receive entertainment from anyone with whom Company has or is likely to have any business dealings without pre-approval as follows:

- Meals customarily associated with ethical business practices and cannot be reasonably interpreted by others as constituting an inducement to take a particular action are acceptable.
- Spouses and other family members may at times attend business meals. The Employee should monitor trends and unusually high frequency and value of such situations to avoid actual or apparent conflicts of interest.

Pre-Approval of Entertainment

Outside of permissible entertainment, as outlined above, any other entertainment activity which is purported to be paid for by an organization or entity which does or may potentially do business with Company require pre-approval with the CCO via Paragon, including attendance at sporting events, theater/art events, conferences, or other similar events.

Generally, transportation and lodging associated with entertainment activities will be paid by Company or would otherwise require approval by the CCO.

Reporting of Entertainment

Entertainment activities including Permissible Entertainment as defined above do not require reporting unless any entertainment requiring pre-approval in accordance with the Pre-Approval of Entertainment section above was not previously completed.

Government Officials

Given enhanced regulatory scrutiny and jurisdictional considerations with respect to government engagement, any gift or entertainment given to or received from a government official

requires pre-approval by the CCO. Additional restrictions on Gifts may apply to Employees who are registered as “lobbyists” in connection with their solicitation and investor relations activities with pension plans of certain states (*e.g*, CalPERS, CalSTRS) or cities. Such Employees must consult the CCO before accepting Gifts from, or giving Gifts to, representatives of any state or city pension plan.

Outside Business Activities

Pursuant to Company’s “**Outside Business Activities Policy**,” Employees must also obtain the CCO’s written pre-approval, via Paragon, before engaging in outside business activities, whether for compensation or not. An “**Outside Business Activity**” includes being an officer, director, limited or general partner, member of a limited liability company, employee or consultant of any non-Firm entity or organization (including not for profit organizations and political campaigns and organizations. Employees wishing to enter or engage in an Outside Business Activity must obtain the required written approval using the “**Outside Business Activity Pre-Approval and Insider Disclosure Statement,**” the form of which is maintained in Paragon.

In addition, Employees will provide information about potential conflict of interest relationships.

Employees will be required to complete a Quarterly Compliance Attestation in Paragon to confirm that they comply with the Company’s Outside Business Activities Policy.

Service as a Director or Member of Investment Committee

From time-to-time Employees may serve as directors of companies in which clients hold securities as a way of monitoring and/or influencing such investment. Any Employee who wishes to serve as an officer or director of any company, or of any organization where such duties might require involvement in investment decisions, or who wishes to serve on the investment committee of any organization, must (i) report such outside business activity through Paragon and (ii) obtain the prior written consent of the Chief Compliance Officer, which shall be granted in his discretion and only if he is satisfied that such service shall not create a conflict with such Employee’s fiduciary duty to clients. All fees, equity grants and other compensation received by an Employee in his or her capacity as a director of a company in which clients hold securities shall be paid over to such clients pro rata in accordance with such holdings.

If any Employee is faced with any conflict of interest as a result of taking a board position or otherwise, he or she should promptly consult the Company’s Chief Compliance Officer prior to taking any action.

E. FRONTRUNNING

As a general rule, if any Employee knows of a pending “buy” recommendation and buys stock before the Company takes action for its clients, or if any Company Employee is aware of a pending “sell” recommendation and sells stock under such circumstances, such Employee is engaged in a practice known as “frontrunning.”

An Employee or family member residing in that Employee’s household or person or entity over which the Employee has control (the “**Related Person(s)**”) may not engage in the practice of purchasing or selling stock before the Company takes action for its clients. Such activities put the Company and the Employee in a conflict of interest and give the Employee or the Related Person an advantage at the client’s expense. Any trades undertaken for an Employee’s own account, for the account of the Company, for the account of any non-Company client or for a Related Person must be done so as not to disadvantage a Company client in any way. This means that, subject to compliance with the Company’s personal trading policy (described under Item I of this Manual), including the prohibition on trading of company specific securities held by a client of the Company, all Employees and their Related Persons must generally wait to trade a security until all trading in that security for all accounts of the Company’s clients is completed. If all client trades are not completed before an Employee or Related Person trades, the antifraud provisions of the Advisers Act may be violated.

In order to preclude the possibility that material nonpublic information about the Company’s investment decisions and recommendations, and client securities holdings and transactions, could be misused, the Company has taken steps to restrict access to such information to Employees who need such information to perform their duties, including the use of password protection on computer files and limiting physical access to paper storage records. Employees who are not authorized to access such information may be subject to termination if they attempt to do so.

F. UNFAIR TREATMENT OF CERTAIN CLIENTS VIS-A-VIS OTHERS

An Employee who handles one or more clients may be faced with situations in which it is possible to give preference to certain clients over others. Employees must be careful not to give preference to one client over another even if the preferential treatment would benefit the Company or the Employee.

For example, an Employee should not (i) give sale advice to one client ahead of another, or (ii) direct securities of a limited supply and higher potential return to particular clients because they generate larger fees for the Company.

As in other instances, the fiduciary duty of an Employee to a client must govern the Employee’s actions in each situation and the extent of the fiduciary duty of an Employee to a client is determined by the specific relationship between the parties and the reasonable inferences to be drawn from the relationship. In the absence of express or implied agreements between the parties, usage and custom should be used to determine how an Employee should discharge his or her duty. Each situation should be examined closely to determine whether the client has consented to the Employee’s actions favoring another client, taking into account, among other things, differences in investment objectives and risk mandates among clients, and whether the resulting relationship with the client which was not favored is fair and consistent with the securities laws. If both parts

of this test have been satisfied, most likely there has been no breach of fiduciary duty. *If a question arises about action that may give rise to a conflict of interest involving preferential treatment of one client over another, an Employee should consult the Company's Chief Compliance Officer prior to taking any action.*

G. PERSONAL TRADING; TIMELY REPORTING OF TRADES

1. Personal Trading

Set forth below are the Company's policies regarding personal trading. These policies apply to all Access Persons. Under the Advisers Act, Access Persons include any of the Company's partners, officers, directors (or other persons occupying a similar status or performing similar functions) and Employees who have access to nonpublic information regarding clients' purchases or sales of securities, is involved in making securities recommendations to clients or who has access to such recommendations that are nonpublic. Because the Company's primary business is providing investment advice, the Advisers Act presumes that all officers, directors and partners are Access Persons. Because of the Company's size and the range of duties that Employees may have, *all Employees are considered "Access Persons,"* and "Access Person" procedures, standards and restrictions that might be imposed only on a limited subset of Employees in another, larger organization, apply to *all* Employees. Many of the procedures, standards and restrictions in this section govern activities in "Covered Accounts." Covered Accounts include each securities account registered in an Employee's name *and* each account or transaction in which an Employee has any direct *or indirect* "beneficial ownership interest." The term "beneficial ownership interest" has a very broad meaning, discussed more completely below, and can include accounts of corporations owned by the Employee and even accounts owned by certain family members. An Employee has a "beneficial ownership" interest in not only securities he or she owns directly, and not only securities owned by others specifically for his or her benefit, but also (i) securities held by the Employee's spouse, minor children and relatives who live in the Employee's home, and (ii) securities held by another person if by reason of any contract, understanding, relationship, agreement or other arrangement the Employee obtains benefits substantially equivalent to ownership. *Examples of some of the most common of those arrangements are as follows:*

a. By an Employee for his/her own benefit, whether bearer, registered in his/her own name, or otherwise;

b. By others for the Employee's benefit (regardless of whether or how registered), such as securities held for the Employee by custodians, brokers, relatives, executors or administrators;

c. For an Employee's account by a pledge;

d. By a trust in which an Employee has an income or beneficiary interest unless the Employee's only interest is to receive principal if (a) some other beneficiary dies before distribution or (b) if some other person can direct by will a distribution of trust property or income to the Employee;

e. By an Employee as trustee or co-trustee, where either the Employee or any member of his/her immediate family (i.e., spouse, children and their descendants, stepchildren, parents and their ancestors, and stepparents, in each case treating a legal adoption as blood relationship) has an income or remainder interest in the trust;

f. By a trust of which the Employee is the trustee, if the Employee has the power to revoke the trust without obtaining the consent of all the beneficiaries;

g. By any non-public partnership in which the Employee is a partner;

h. By a personal holding company controlled by the Employee alone or jointly with others;

i. In the name of the Employee's spouse unless legally separated;

j. In the name of minor children of the Employee or in the name of any relative of the Employee or of his/her spouse (including an adult child) who is presently sharing the Employee's home. This applies even if the securities were not received from the Employee and the dividends are not actually used for the maintenance of the Employee's home;

k. In the name of any person other than the Employee and those listed in (i) and (j) above, if by reason of any contract, understanding, relationship, agreement, or other arrangement the Employee obtains benefits substantially equivalent to those of ownership;

l. In the name of any person other than the Employee, even though the Employee does not obtain benefits substantially equivalent to those of ownership (as described in (k) above), if the Employee can vest or revest title in himself/herself.

This broad definition of "beneficial ownership" is for purposes of this Code of Ethics only; it does not necessarily apply for purposes of other securities laws or for purposes of estate or income tax reporting or liability. To accommodate potential differences in concepts of ownership for other purposes, an Employee may include in his/her reports a statement declaring that the reporting or recording of any securities transaction shall not be construed as an admission that the reporting person has any direct or indirect beneficial ownership in the security.

Preclearance. No Employee may buy, sell, or pledge a Company Specific Security for any Covered Account without obtaining pre-clearance from the Chief Compliance Officer in Paragon *before* the transaction, specifying the securities involved, the date and the price at which the Employee seeks to transact, and certifying that the Employee does not have any material non-public information regarding such Company Specific Security. A "Company Specific Security" means any security issued directly by a company or economically related to a company (i.e., stocks, bonds and/or derivatives where the underlying security is a single issuer). Company Specific Securities requiring pre-clearance shall also include all private clients, 1940 Act clients and other funds and accounts advised or sub-advised by the Company. Securities for which preclearance is not required are Exchange Traded Funds (ETFs), open and closed ended mutual funds (other than 1940 Act clients), commodities, and currencies, and hedge funds (other than private clients and funds that must be preapproved as set forth below). *Although the securities listed in the preceding sentence do not need preclearance (except as noted therein), each Employee must still report all transactions and positions in such securities per the Employee reporting*

section unless such section also specifically excludes them from having to be reported. It is each Employee's responsibility to obtain pre-approval in Paragon prior to executing the transaction. Transactions effected without preclearance are subject, in the Chief Compliance Officer's discretion (after consultation with other members of management, if appropriate), to being reversed or, if the Employee made profits on the transaction, to disgorgement of such profits. As part of the CCO's pre-clearance review, they may also separately confirm that there are no conflicts with a portfolio manager, as relevant. Additionally, the Chief Compliance Officer's trades shall be approved by the Chief Operating Officer. As part of the CCO's or COO's pre-clearance process, they may also separately confirm that there are no conflicts with a relevant portfolio manager, as needed.

The Chief Compliance Officer need not specify the reasons for any decision to clear or deny clearance for any proposed transaction. As a general matter, due to the difficulty of showing that an Employee did not know of client trading activity or recommendations, the Chief Compliance Officer should not be expected to clear transactions in securities as to which the Company has client activity, although the Chief Compliance Officer may determine that a particular transaction in such a security does not, under the circumstances, create the appearance of impropriety and permit it.[1]

Transaction orders should be placed promptly after approval is given and in any case must be placed within two trading days after the day approval is granted. The applicable portfolio manager or the Chief Compliance Officer may revoke a pre-approval at any time for any reason, and shall in such case promptly notify the Employee.

Policy on Short-Term Trading. Employees are prohibited from engaging in the purchase and sale, or sale and purchase, for a Covered Account of the same (or equivalent) Company Specific Security within any period of 30 calendar days absent approval from the Chief Compliance Officer for such a transaction.

New Issue Securities and Private Placements. No Employee may purchase any equity securities issued in an initial public offering ("**New Issue Securities**") or any securities offered in a "private placement" (including interests in hedge funds or other private funds) for any Covered Account without the prior written approval of the Chief Compliance Officer. In determining whether to approve any such transaction for an Employee, the Chief Compliance Officer will consider, among other factors, whether the investment opportunity should be reserved for client accounts and whether the investment opportunity is being offered to the Investment Employee by virtue of his or her position with the Company.

Securities owned by Company clients. Generally, no Employee may own the same Company Specific Security owned by a Client of the Company. If a Covered Person owns a Company Specific Security before a Client acquires it, they may not engage in any additional trading in the security (i.e., buying or selling) on a trade date on which the Company Specific Security will be traded for any Client. If the Company determines on behalf of a Client that it will not acquire any additional Company Specific Securities of a particular issuer, Employees may purchase such securities for their Covered Accounts with the prior approval of the Chief Compliance Officer.

2. Employee Reporting

Report of Holdings. Each Employee within 10 days of commencement of employment must submit through Paragon an initial holdings report disclosing to the Chief Compliance Officer the identities, amounts, and locations of all securities owned in all Covered Accounts -- *i.e.*, accounts in which he or she has a "beneficial ownership interest." In addition, each Employee must disclose through Paragon similar information within thirty (30) days after the end of each calendar year while employed by the Company. Such reports are automatically generated and distributed by Paragon to all Employees and must be current as of a date note more than 45 days prior to the Employee joining the Company (for an initial report) or the date the report is submitted (for the annual report).

Brokerage Accounts. Each Employee must disclose in Paragon each broker, bank, or other financial institution in which the Employee has a Covered Account (*i.e.*, a securities trading account in which the Employee has any direct or indirect beneficial ownership interest), which receives electronic feeds of all trading activity in such Covered Accounts directly from such brokers, banks or financial institutions on a daily basis. Employees are required to certify that it has disclosed all Covered Accounts in Paragon on a quarterly basis.

***Quarterly Report*s.** Each Employee must report to the Chief Compliance Officer within 30 days after the end of each calendar quarter through Paragon all securities transactions in all of the Employee's Covered Accounts during the preceding quarter.

In filing holdings and transactional reports, Employees must note that:

- Each Employee must file a transactional report every quarter whether or not there were any reportable transactions.

- Transactional reports must show all sales, purchases, *or other acquisitions or dispositions*, including gifts, the rounding out of fractional shares, exercises of conversion rights, exercises or sales of subscription rights and receipts of stock dividends or stock splits.

- Employees need not report holdings or transactions (i) effected pursuant to an automatic investment plan (however, any transaction that overrides or changes the preset contribution schedule or allocations under such plan should be reported), (ii) with respect to securities held in accounts over which the Employee has *no* direct influence or control (such as a blind trust), (iii) in direct obligations of the U.S. Government, (iv) in money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short term debt instruments, (v) shares of money market funds, (vi) shares of open-ended mutual funds *for which the Company does not serve as investment adviser or sub-advisor* (holdings of and transactions in exchange traded funds and closed-end funds must be reported) and (vii) transactions in units of a unit investment trust if the unit investment trust is invested exclusively in unaffiliated open-end mutual funds. Notwithstanding the foregoing, Employees should note that the Company has an obligation to obtain certain further disclosures and affirmations regarding accounts over which an Employee has no direct influence or control. Employees are required to disclose this information to the Company through Paragon.

H. EMPLOYEE'S RESPONSIBILITY TO KNOW THE RULES AND COMPLY WITH APPLICABLE LAWS

Employees are responsible for their actions under the law and therefore required to be sufficiently familiar with the Advisers Act, 1940 Act and other applicable federal and state securities laws and regulations to avoid violating them. It is the policy of the Company to comply with all applicable laws, including securities laws, in all respects. Each Employee must promptly report any violation of the Code of Ethics of which he or she becomes aware to the Chief Compliance Officer, regardless of whether the violation was committed by the Employee or another Employee. The Chief Compliance Officer shall consider whether it is appropriate to protect the confidentiality of the identity of an Employee reporting a violation by another Employee. It is the strict policy of the Company that no Employee shall be subject to any form of retaliation in connection with reporting a violation of the Code of Ethics, and any person found to have engaged in retaliation may be subject to dismissal or other sanction.

Employees must certify in writing on an annual basis using the Company's automated compliance software, that they have read and understood this Manual, that they will conduct themselves professionally in complete accordance with the requirements and standards described here and that they are not aware of any violations of the Code of Ethics during the prior year.

I. DESIGNATION OF AND RESPONSIBILITIES OF COMPLIANCE OFFICER

Adam Kleinman shall serve as the Company's Chief Compliance Officer. It will be the responsibility of the Chief Compliance Officer of the Company to oversee the enforcement of the matters described in this Manual and to educate Employees to their responsibilities herein.

Without limiting the responsibilities of the Chief Compliance Officer specifically addressed in other sections of this Manual, the responsibilities of the Compliance Officer are as follows:

- Overseeing the enforcement of the matters described in this Manual.

- Educating Employees with respect to their responsibilities under this Manual, including reviewing the Manual with new Employees and having Employees recertify each year that they are familiar with the Manual and their obligations hereunder. (The Chief Compliance Officer or his designee will provide new Employees with a copy of this Manual as soon as possible after they join the Company and, upon their request, a copy of the Advisers Act and other applicable laws and regulations.)

- Conducting training for new and existing Employees on the provisions and requirements of this Manual from time to time as the Chief Compliance Officer determines to be appropriate.

- Staying current with significant new legal developments in the area of investment advisory services and conveying such developments to the Company Employees as appropriate.

- Reviewing all Employee trading reports in a timely manner to identify any violation of the

Code of Ethics' approval procedures and any improper trades or any patterns of trading (including achieving execution or results which differ materially from the execution or results obtained for clients) which suggest that an Employee may be engaging in abusive practices, and take such action as he deems necessary to obtain compliance with the policies set forth in this Manual and with applicable laws provided, however, that the trading report of the Chief Compliance Officer shall be reviewed by the Chief Operating Officer or Portfolio Manager of the Company.

• Reviewing this Manual no less frequently than annually and recommending changes as appropriate or necessary. The review shall include consideration of any compliance matters that arose during the prior year, whether the existing policies have proven effective and any changes in the business activities of the Company and any changes in the Advisers Act and related regulations that might necessitate revisions to the Manual. Pursuant to the annual review, the Chief Compliance Officer will document the conclusions of his review in writing.

J. INVESTMENT ADVISER REGISTRATION AND REPORTING

1. Investment Adviser Registration Process

To become and remain registered as an investment adviser with the SEC, the Company must file and periodically update its Form ADV as described below.

Form ADV Part 1. An investment adviser is required to file "**Form ADV Part 1**" (together with Form ADV Part 2A, see below) electronically through the Investment Adviser Registration Depository ("**IARD**") system. The SEC maintains the information submitted and makes it publicly available. The Form ADV Part 1 asks check-the-box questions about the Company, its business practices, its owners and control persons, and those who provide investment advice on its behalf.

Form ADV Part 2. **"Form ADV Part 2"** consists of two parts, Form ADV Part 2A and Part 2B. Form ADV Part 2A, also known as the Company's "**Brochure**," must be filed electronically in a searchable PDF format and will also be publicly available. The contents of the Brochure must be in narrative format and written in plain English. It discusses information about the Company's investment advisory business.

Form ADV Part 2B, also known as the "**Brochure Supplement**," is not required to be filed with the SEC, but must be maintained and updated by the Company. The Brochure Supplement provides biographical information about Employees who provide investment advice to Clients on the Company's behalf.

• Financial Impairment Disclosures. Registered investment advisers with discretionary authority over or custody of client assets are required to disclose in Part 2A of Form ADV all material facts with respect to its financial condition that are reasonably likely to impair its ability to meets its contractual commitments to investors. Although the SEC has not specifically articulated what these material facts may be, they presumably include illiquidity, insolvency, pending bankruptcy and similar circumstances that would likely have a material effect on the Company's ability to operate. Senior management personnel

will monitor the financial stability and liquidity of the Company and make appropriate disclosures in response to Item 18 of the Brochure as appropriate if factors indicate that the Company will have difficulty meeting its contractual obligations to its Clients.

Form ADV Part 3 – Form CRS. The SEC's Customer Relationship Summary (also referred to as Form ADV Part 3 or "**Form CRS**") requires registered investment advisers who have retail investors to prepare and file a "**Relationship Summary**" disclosing: (i) the types of client and customer relationships and services the Company offers; (ii) the fees, costs, conflicts of interest, and required standard of conduct associated with those relationships and services; (iii) whether the Company and its financial professionals currently have a reportable legal or disciplinary history; and (iv) how to obtain additional information about the Company.
A "**Retail Investor**" is defined as "a natural person, or the legal representative of such natural person, who seeks to receive or receives services primarily for personal, family or household purposes." Investment advisers who have Retail Investors must provide their Relationship Summary to all Retail Investors before or at the time they enter into any written or oral investment advisory agreement. The Relationship Summary is required whether or not there is a recommendation and covers any prospective and existing Retail Investors. Advisers must update their Relationship Summary when it becomes materially inaccurate and file it with the SEC in 30 days and deliver the updated relationship summary to Retail Investors in 60 days. Advisers to institutional separate accounts, private funds and registered funds will not be required to deliver Form CRS.

Form CRS is incorporated into Form ADV as Part 3. Advisers must file copies of their Relationship Summaries with the SEC, update the disclosures when the information becomes materially inaccurate, and communicate any changes to Retail Investors who are existing clients or customers.

Amendments to Form ADV. An adviser must file an amendment through the IARD annually ("**Annual Updating Amendment**") to the Form ADV Part 1 and the Brochure no later than 90 days after the end of its fiscal year. The Company also must amend Form ADV Part 1, including corresponding sections of Schedules A, B, C, D, and R (applicable only to Relying Advisers), by filing additional amendments ("**Other-Than-Annual Amendments**") promptly, if:

- The Company is adding or removing a Relying Adviser as part of your umbrella registration;
- Information provided in response to Items 1 (except 1.O. and Section 1.F. of Schedule D), 3, 9 (except 9.A.(2), 9.B.(2), 9.E., and 9.F.), or 11 of Part 1A or Items 1, 2.A. through 2.F., or 2.I. of Part 1B or Sections 1 or 3 of Schedule R becomes inaccurate in any way;
- Information provided in response to Items 4, 8, or 10, or Section 10 of Schedule R becomes materially inaccurate; or
- Information provided in your brochure becomes materially inaccurate (see note below for exceptions).

An adviser submitting an Other-Than-Annual Amendment is not required to update responses to Items 2, 5, 6, 7, 9.A.(2), 9.B.(2), 9.E., 9.F., or 12 of Part 1A, Items 2.H. or 2.J. of

Part 1B, Section 1.F. of Schedule D or Section 2 of Schedule R even if the responses to those items have become inaccurate.

An adviser submitting an Other-Than-Annual Amendment to its Brochure is not required to update:

- Brochure Item 2, “Summary of Material Changes
- The Brochure between Annual Updating Amendments solely because the amount of client assets it manages has changed or because the Company’s fee schedule has changed.
    - However, if an adviser is updating its Brochure for a separate reason in between Annual Updating Amendments, and the amount of client assets it manages listed in response to Brochure Item 4.E., or the fee schedule listed in response to Brochure Item 5.A., has become materially inaccurate, the Company should update that item(s) as part of the Other-Than-Annual Amendment.

2. Form ADV Delivery Requirements

The Brochure Rule Under the Advisers Act’s “**Brochure Rule**” (Advisers Act Rule 204-3), the Company must deliver the Brochure to prospective Clients before or at the time it enters into an advisory contract with the prospective Client. The Company must annually deliver to its Clients an updated Brochure that includes or is accompanied by a summary of material changes, or a summary of material changes that includes an offer to provide a copy of the updated Brochure.

In addition, the Company must deliver to its Clients promptly an updated Brochure whenever there is a new disciplinary event or a material change to disciplinary information already disclosed in response to Brochure Item 9 (*Disciplinary Information*). Additionally, in the General Instructions to Part 2A of Form ADV, the SEC cautions that, as a fiduciary, the Company has an ongoing obligation to inform its Clients of any material information that could affect the advisory relationship. As a result, all changes to the Brochure that are viewed as material would trigger an interim delivery.

The Brochure Supplement. The Company must deliver a Brochure Supplement to each Client before or at the time that the relevant Employee begins to provide investment advisory services to the Client. The Company must update the Brochure Supplement promptly whenever any information in it becomes materially inaccurate.

Account Statements**.** The Company may manage or sub-advise assets through public and private fund structures. Each such fund will be audited annually by a PCAOB registered and inspected firm and on an annual basis the investors will receive audited financial statements within 120 days of the end of the fiscal year. Investors in these funds also receive, from the domestic or offshore administrator, as applicable, un-audited statements of their capital account or net asset value on a monthly basis via e-mail or regular mail, based on their stated preference, at the address provided by such investor to the administrator as part of the subscription process. Investors may contact the Company or the administrator if there are any concerns regarding the accuracy or receipt of such statements.

3. Systemic Risk Reporting on Form PF

The Advisers Act requires registered investment advisers with at least $150 million in private fund regulatory assets under management ("**RAUM**," as defined in the Form ADV General Instructions, generally gross assets) to submit detailed fund financial information on "**Form PF**." Advisers must file Form PF electronically via the IARD system. An Adviser to hedge funds with between $150 million and $1.5 billion of RAUM must complete Section 1 of Form PF including aggregate information about RAUM, performance, borrowings, and derivatives.

An Adviser that manages $1.5 billion or more in hedge fund RAUM ("**Large Hedge Fund Adviser**") on the last day of any month in the previous fiscal quarter (for example, Q1) must file a quarterly Form PF for the current fiscal quarter (Q2) within 60 days of the end of the following fiscal quarter (Q3). Large Hedge Fund Advisers must complete Sections 1 and 2 of Form PF. Section 2 of Form PF requires additional information about the Company's aggregate exposure of hedge fund assets and fund specific information for qualifying hedge funds with net assets under management of $500 million or more.

The SEC has indicated that it can use the information provided in Form PF in its rulemaking, examinations, and enforcement actions. The Company is not currently required to file a Form PF.

4. Compliance Review of Investment Adviser Reporting

The Chief Compliance Officer will ensure that, on an ongoing basis:

- Annual Updating and Other-than-Annual Amendments are timely filed through the IARD system;
- Each part of the Form ADV is maintained current, and events at the Company affecting disclosures to Form ADV are reflected therein on a timely basis;
- Form CRS is filed and the Relationship Summary delivered to Retail Investors timely as applicable.
- The Company's Brochure and Brochure Supplement are updated and distributed to Clients, and prospective Clients, as required;
- For the Company to accurately complete Item 11 of the Form ADV Part 1 regarding its Employees' disciplinary history, Employees must complete and submit the "**Annual Legal and Disciplinary Event Questionnaire**"; and
- As applicable, file Form PF and any amendments thereto are filed in a timely manner.

K. INVESTOR OFFERINGS AND SUITABILITY

1. Introduction

"**Regulation D**" of the Securities Act of 1933 (the "**Securities Act**") provides a safe harbor for issuers (i.e., a private fund) seeking to raise capital by selling securities without registering those securities with the SEC under the Securities Act (a "**Private Placement**"). The Adviser will only accept prospective investors into the Funds if it has a reasonable basis for believing that such investors are suitable for investment based on the prospective investor's financial situation, investment experience, and investment objectives.

2. Private Placements – Regulation D

Regulation D applies to sales primarily to a purchaser who is an "**Accredited Investor**." An Accredited Investor includes:

- A natural person with an individual net worth, or joint net worth with his or her spouse, at the time of purchase in excess of $1 million (excluding the value of the individual's primary residence), or a natural person with an individual income in excess of $200,000 (in excess of $300,000 with his or her spouse) in each of the two (2) most recent years and who has a reasonable expectation of having these income levels in the current year.
- Any private business development company as defined in Section 202(a)(22) of the Advisers Act;
- Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5 million;
- Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- Any trust, with total assets in excess of $5 million, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in the Securities Act;
- Any entity in which all of the equity owners are Accredited Investors;
- Any holders in good standing of the Series 7, Series 65, and Series 82 licenses;
- With respect to investments in a private fund, any natural persons who are "knowledgeable employees" of the fund;
- Any limited liability companies with $5 million in assets may be accredited investors, and add SEC- and state-registered investment advisers, exempt reporting advisers, and rural business investment companies (RBICs) to the list of entities that may qualify;
- Any entity, including Indian tribes, governmental bodies, funds, and entities organized under the laws of foreign countries, which own "investments," as defined in Rule 2a51-1(b) under the Investment Company Act, in excess of $5 million and that was not formed for the specific purpose of investing in the securities offered;
- Any "family office" with at least $5 million in assets under management and their "family clients," as each term is defined under the Advisers Act; and
- The "spousal equivalent" of any accredited investor definition.

3. General Solicitation and General Advertising

Regulation D's Rule 506(b) prohibits general solicitation and general advertising ("**General Solicitation**") by an issuer through various means including: any advertisement,

article, notice or other communication published in any newspaper, magazine, or similar media, broadcast over the television or radio, or available on a publicly accessible internet site. This prohibition also applies to any seminar or meeting whose attendees have been invited by any General Solicitation.

Under Regulation D's Rule 506(c), issuers are permitted to offer securities in a Private Placement using General Solicitation if all purchasers of securities are Accredited Investors and the issuer takes reasonable steps to verify that all purchasers are Accredited Investors.

The Company has chosen to rely on Rule 506(b) and will neither solicit nor advertise to the general public. Should the Company decide to use General Solicitation in the future and rely on Rule 506(c), it will do so in accordance with the conditions set out above.

4. Substantive Pre-Existing Relationship

A "**Substantive Pre-Existing Relationship**" between the issuer and the person solicited is a factor that can be used to establish that no General Solicitation was used in connection with the offering. Pre-qualification questionnaires may be used to establish a Substantive Pre-Existing Relationship. The SEC has indicated that a questionnaire used to determine if a prospective investor is an Accredited Investor is not a General Solicitation.

5. Bad Actor Disqualification Rule

Regulation D's Rule 506(d) disqualifies issuers from relying on the Regulation D safe harbor in connection with a Private Placement if such issuers are affiliated with specified felons and other "bad actors."

The "**Covered Persons**" whose actions could give rise to such disqualification for an issuer, including a private investment fund, include: investment advisers to the issuer and any director, executive officer, general partner or managing member of the investment adviser; executive officers and general partners or management members of the issuer; and beneficial owners of the issuer holding voting securities of 20% or more.

An issuer may not rely on the Rule 506 exemption from registration if the issuer, or an affiliated Covered Person, is subject to a "**Disqualifying Event**." The SEC has set out categories of Disqualifying Events, which generally include actions taken by U.S. courts and/or regulators, including criminal convictions and certain SEC disciplinary orders.

Employees should contact the CCO if they have any questions as to what qualifies as a Disqualifying Event or whether they are deemed a Covered Person. The CCO is responsible for obtaining signed attestations from all Covered Persons and disclosing any Disqualifying Events appropriately.

6. Form D and Blue Sky Laws

Form D filings must be made in a timely manner with respect to each Fund with the SEC and notice filings with any state in which such filing is required. State securities law ("Blue Sky") filings on SEC Form D are required in most states if interests in or shares of a Fund are

sold to an investor located in that particular state. Form D also must be amended annually. The CCO will ensure that such filings are made.

7. Exemption from the Definition of an "Investment Company"

Pooled investment vehicles typically will meet the definition of an "investment company" under the Investment Company Act of 1940 (the "**Company Act**"). A private fund that does not qualify for an exemption from the definition of an investment company may not offer or sell a security in the U.S. without registering under the Company Act. In order to avoid the extensive regulation of the Company Act, an Adviser can rely on certain exemptions from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Company Act. Section 3(c)(1)

- **Section 3(c)(1)**
  - o Section 3(c)(1) of the Company Act is available to a private fund that limits its investors to Accredited Investors and has 100 or fewer beneficial owners of its outstanding securities.

- **Section 3(c)(7)**
  - o Section 3(c)(7) of the Company Act is available to a private investment fund that does not publicly offer its securities and limits its owners to "**Qualified Purchasers**." A Qualified Purchaser is generally defined as any natural person who owns at least $5 million in investments and any other person (i.e., an institutional investor) that, for its own account or the accounts of other Qualified Purchasers, in the aggregate, owns and invests on a discretionary basis at least $25 million.

  o Qualified Purchasers also include the Company's "**Knowledgeable Employees**" defined as any natural person who is:

  (i) An Executive Officer, director, trustee, general partner, advisory board member, or person serving in a similar capacity, of the Adviser; or

  (ii) An Employee (other than an Employee performing solely clerical, secretarial or administrative functions with regard to such company or its investments) who, in connection with his or her regular functions or duties, participates in the Company's investment activities, provided that such Employee has been performing such functions and duties for or on behalf of the Adviser, or substantially similar functions or duties for or on behalf of another company, for at least 12 months.

8. Company's Exemption(s)

The Company's Funds qualify for the exemption under Section 3(c)(7). The Company will rely on the Section 3(c)(7) exemption from the investment company definition and will offer and sell interests in the relevant Funds only to Qualified Purchasers.

L. Limitations on Charging Performance-Based Fees

Advisers Act Rule 205-3 of permits the Company to collect a "**Performance-Based Fee**," a fee based on a share of capital gains or appreciation of a Client's funds, from those Clients that meet the "**Qualified Client**" standard. A prospective investor is deemed to be a Qualified Client if the Company has a reasonable belief that the prospective investor has a net worth in excess of $2.2 million at the time of investment (excluding the value of an individual's primary residence and certain property-related debts) or at least $1.1 million under management with the Company immediately after entering into an investment advisory or limited partnership agreement. The Company will only charge Performance-Based Fees to Clients who meet the Qualified Client standards.

M. Side Letters

In connection with the process of accepting new investors, the Company may enter into "**Side Letters**" on behalf of the Funds with certain investors, which clarify or amend the terms and conditions of the investment in the Funds. All Side Letters must be approved by the CCO. As a result of such Side Letters, certain investors may receive additional benefits such as more favorable fee arrangements or liquidity terms that other investors may not receive. The CCO maintains records of all Side Letters to ensure compliance with their terms and adequate disclosure of any arrangements providing for more favorable treatment to certain investors. When new Side Letters are entered into, the CCO will review the adequacy of existing disclosures regarding the Side Letters to determine whether additional disclosure is required.

N. ERISA

The Employee Retirement Income Security Act ("**ERISA**"), interpreted and enforced primarily by the U.S. Department of Labor, governs pension investments into hedge funds. An investment adviser will become subject to certain ERISA rules if investments into a hedge fund by "**Benefit Plans**" exceed 25% of a class of securities.

It is generally the Company's policy not to sell 25% or more of the value of any class of equity securities of a Client to Benefit Plan investors. The Company will monitor for percentage ownership of Benefit Plan investors through the subscription and redemption process.

O. Compliance Review of Client Offerings and Suitability

A determination of suitability will be made on a case-by-case basis for each prospective Client. Once all the information is gathered from written responses and in-person meetings, the CCO and the Company will determine the suitability of the prospective Client. Pre-existing Clients who make subsequent investments also shall represent in writing that they continue to be suitable based on their current financial condition. The CCO will ensure that only those Clients who meet the Qualified Client standard are charged a Performance-Based Fee.

On at least an annual basis, the Company will submit the "**Bad Actor Disqualification Questionnaire**" to those persons that it reasonably believes are Covered Persons in order to ascertain whether they are subject to a Disqualifying Event.

Employees must contact the CCO if they have any questions regarding whether they are deemed a Covered Person and/or what qualifies as a Disqualifying Event. The CCO is responsible for obtaining signed attestations from all Covered Persons.

P. Client Advisory Agreements

1. Introduction

The Advisers Act imposes various requirements related to the Company's investment management or advisory agreements (an "**Advisory Agreement**"). In addition, the SEC has interpreted the Antifraud Provision to require or prohibit certain clauses in Advisory Agreements.

2. Assignment of Agreements

The Company may not assign an Advisory Agreement without the investor's consent. The definition of assignment is broad and may be deemed to occur if a controlling interest in the Company was transferred to another owner.

3. Notification of Partnership Changes

An investment adviser organized as a partnership must provide in its Advisory Agreements that the adviser will notify the client of a change of partners.

4. Hedge Clauses

The Advisers Act voids any provision of an Advisory Agreement that purports to waive compliance with any provision of the Advisers Act or any other applicable federal securities law.

5. Termination Penalties

The SEC requires an investment adviser that receives its fee in advance to refund to a client that is terminating an Advisory Agreement the pro rata share of the pre-paid fees, less reasonable expenses.

6. Advisory Agreements Policy

The Company's "**Advisory Agreements Policy**" requires that its Advisory Agreements, whether in the form of an investment management agreement or a limited partnership agreement, be in writing and include or exclude the provisions, above. An authorized officer of the manager may execute or amend an advisory agreement with the approval of the board.

7. Compliance Review of Client Advisory Agreements

The CCO will review each Advisory Agreement to be entered into with the Company's prospective clients to ensure that the terms of the Advisory Agreement are consistent with the Advisory Agreements Policy.

Exhibit 21.1

Subsidiaries

Great Elm Specialty Finance, LLC Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-261274 and 333-259701 on Form N-2 of our report dated February 29, 2024, relating to the consolidated financial statements, financial highlights, and related notes of Great Elm Capital Corp. appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
February 29, 2024

Exhibit 31.1

Certification of Chief Executive Officer

I, Matt Kaplan, Chief Executive Officer of Great Elm Capital Corp., a Maryland corporation (the "Registrant"), certify that:

1. I have reviewed this annual report on Form 10-K of the Registrant;

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 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 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.

Dated: February 29, 2024

/s/ Matt Kaplan
Matt Kaplan
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

I, Keri A. Davis, Chief Financial Officer of Great Elm Capital Corp., a Maryland corporation (the "Registrant"), certify that:

1. I have reviewed this annual report on Form 10-K of the Registrant;

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 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 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.

Dated: February 29, 2024

/s/ Keri A. Davis
Keri A. Davis
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with this Annual Report on Form 10-K of Great Elm Capital Corp., a Maryland corporation (the "Registrant"), for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Matt Kaplan, as Chief Executive Officer of the Registrant, and Keri A. Davis, as Chief Financial Officer of the Registrant, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of each of the undersigned's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Registrant.

Dated: February 29, 2024

/s/ Matt Kaplan
Matt Kaplan
Chief Executive Officer
(Principal Executive Officer)

/s/ Keri A. Davis
Keri A. Davis
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 97.1

Great Elm Capital Corp.
Clawback Policy
Effective November 16, 2023

Purpose

As required pursuant to the listing standards of the Nasdaq Stock Market LLC (the "***Stock Exchange***"), Section 10D of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), and Rule 10D-1 under the Exchange Act, the Board of Directors (the "***Board***") of Great Elm Capital Corp. (the "***Company***") has adopted this Clawback Policy (the "***Policy***") to empower the Company to recover Covered Compensation (as defined below) erroneously awarded to a Covered Officer (as defined below) in the event of an Accounting Restatement (as defined below).

Notwithstanding anything in this Policy to the contrary, at all times, this Policy remains subject to interpretation and operation in accordance with the final rules and regulations promulgated by the U.S. Securities and Exchange Commission (the "***SEC***"), the final listing standards adopted by the Stock Exchange, and any applicable SEC or Stock Exchange guidance or interpretations issued from time to time regarding such Covered Compensation recovery requirements (collectively, the "***Final Guidance***"). Questions regarding this Policy should be directed to the Company's Chief Compliance Officer.

Policy Statement

Unless a Clawback Exception (as defined below) applies, the Company will recover reasonably promptly from each Covered Officer the Covered Compensation Received (as defined below) by such Covered Officer in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (each, an "***Accounting Restatement***"). If a Clawback Exception applies with respect to a Covered Officer, the Company may forgo such recovery under this Policy from any such Covered Officer.

Covered Officers

For purposes of this Policy, "***Covered Officer***" is defined as any current or former "Section 16 officer" of the Company within the meaning of Rule 16a-1(f) under the Exchange Act, as determined by the Board or the Compensation Committee of the Board (the "***Committee***"). Covered Officers include, at a minimum, "executive officers" as defined in Rule 3b-7 under the Exchange Act and identified under Item 401(b) of Regulation S-K.

Covered Compensation

For purposes of this Policy:

- "***Covered Compensation***" is defined as the amount of Incentive-Based Compensation (as defined below) Received during the applicable Recovery Period (as defined below) that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received during such Recovery Period had it been determined based on the relevant restated amounts, and computed without regard to any taxes paid.

  Incentive-Based Compensation Received by a Covered Officer will only qualify as Covered Compensation if: (i) it is Received on or after October 2, 2023; (ii) it is Received after such Covered Officer begins service as a Covered Officer; (iii) such Covered Officer served as a Covered Officer at any time during the performance period for such Incentive-Based Compensation; and (iv) it is Received while the Company has a class of securities listed on a national securities exchange or a national securities association.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Covered Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of such Incentive-Based Compensation that is deemed to be Covered Compensation will be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company will maintain and provide to the Stock Exchange documentation of the determination of such reasonable estimate.

• "***Incentive-Based Compensation***" is defined as any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (as defined below). For purposes of clarity, Incentive-Based Compensation includes compensation that is in any plan, other than tax-qualified retirement plans, including long term disability, life insurance, and supplemental executive retirement plans, and any other compensation that is based on such Incentive-Based Compensation, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.

• "***Financial Reporting Measure***" is defined as a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures.

• Incentive-Based Compensation is deemed "***Received***" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

Recovery Period

For purposes of this Policy, the applicable "***Recovery Period***" is defined as the three completed fiscal years immediately preceding the Trigger Date (as defined below) and, if applicable, any transition period resulting from a change in the Company's fiscal year within or immediately following those three completed fiscal years (provided, however, that if a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, such period would be deemed to be a completed fiscal year).

For purposes of this Policy, the "***Trigger Date***" as of which the Company is required to prepare an Accounting Restatement is the earlier to occur of: (i) the date that the Board, applicable Board committee, or officers authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare the Accounting Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare the Accounting Restatement.

Clawback Exceptions

The Company is required to recover all Covered Compensation Received by a Covered Officer in the event of an Accounting Restatement unless (i) one of the following conditions are met and (ii) the Committee has made a determination that recovery would be impracticable in accordance with Rule 10D-1 under the Exchange Act (under such circumstances, a "***Clawback Exception***" applies):

• the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (and the Company has already made a reasonable attempt to recover such erroneously awarded Covered Compensation from such Covered Officer, has documented such reasonable attempt(s) to recover, and has provided such documentation to the Stock Exchange);

• recovery would violate home country law that was adopted prior to November 28, 2022 (and the Company has already obtained an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and provided such opinion to the Stock Exchange); or

• recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code and regulations thereunder. For purposes of clarity, this Clawback Exception only applies to tax-qualified retirement plans and does not apply to other plans, including long term disability, life insurance, and supplemental executive retirement plans, or any other compensation that is based on Incentive-Based Compensation in such plans, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.

Prohibitions

The Company is prohibited from paying or reimbursing the cost of insurance for, or indemnifying, any Covered Officer against the loss of erroneously awarded Covered Compensation. Any action by the Company to recoup or any recoupment of Covered Compensation under this Policy from a Covered Officer shall not be deemed (i) "good reason" for resignation or to serve as a basis for a claim of constructive termination under any benefits or
compensation arrangement applicable to such Covered Officer, or (ii) to constitute a breach of a contract or other arrangement to which such Covered Officer is party.

Administration and Interpretation

The Committee will administer this Policy in accordance with the Final Guidance, and will have full and exclusive authority and discretion to supplement, amend, repeal, interpret, terminate, construe, modify, replace and/or enforce (in whole or in part) this Policy, including the authority to correct any defect, supply any omission or reconcile any ambiguity, inconsistency or conflict in the Policy, subject to the Final Guidance. The Committee will review the Policy from time to time and will have full and exclusive authority to take any action it deems appropriate.

The Committee will have the authority to offset any compensation or benefit amounts that become due to the applicable Covered Officers to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended, and as it deems necessary or desirable to recover any Covered Compensation.

Each Covered Officer, upon being so designated or assuming such position, is required to execute and deliver to the Company's Chief Compliance Officer an acknowledgment of and consent to this Policy, substantially in the form attached hereto or such other form that is reasonably acceptable to and provided by the Company from time to time, (i) acknowledging and consenting to be bound by the terms of this Policy, (ii) agreeing to fully cooperate with the Company in connection with any of such Covered Officer's obligations to the Company pursuant to this Policy, and (iii) agreeing that the Company may enforce its rights under this Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under this Policy.

Disclosure

This Policy, and any recovery of Covered Compensation by the Company pursuant to this Policy that is required to be disclosed in the Company's filings with the SEC, will be disclosed as required by the Securities Act of 1933, as amended, the Exchange Act, and related rules and regulations, including the Final Guidance.

Great Elm Capital Corp.

Clawback Policy Acknowledgment and Consent

The undersigned hereby acknowledges that he or she has received and reviewed a copy of the Clawback Policy (the "***Policy***") of Great Elm Capital Corp. (the "***Company***"), effective as of November 16, 2023, as adopted by the Company's Board of Directors.

Pursuant to such Policy, the undersigned hereby:

- acknowledges that he or she has been designated as (or assumed the position of) a Covered Officer (as defined in the Policy);
- acknowledges and consents to the Policy;
- acknowledges and consents to be bound by the terms of the Policy;
- agrees to fully cooperate with the Company in connection with any of the undersigned's obligations to the Company pursuant to the Policy, including, without limitation, the repayment by or recovery from the undersigned of Covered Compensation (as defined in the Policy); and
- agrees that the Company may enforce its rights under the Policy through any and all reasonable means permitted under applicable law as the Company deems necessary or desirable under the Policy.

ACKNOWLEDGED AND AGREED:

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Name:

Date: