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

Form 10-K/A
Amendment No. 1

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

For the fiscal year ended February 28, 2009

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

For the transition period from to

Commission File No. 001-33376

GSC Investment Corp.
(Exact name of Registrant as specified in its charter)

Maryland	**20-8700615**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

888 Seventh Ave
New York, New York 10019
(Address of principal executive offices)

(212) 884-6200
(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares, par value $0.0001 per share	**The New York Stock Exchange**

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 o No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o 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 o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company o

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of August 29, 2008 was approximately $74.5 million based upon a closing price of $10.80 reported for such date by the New York Stock Exchange. Common shares held by each executive officer and director and by each person who owns 5% or more of the outstanding common shares have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding common shares of the registrant as of May 18, 2009 was 8,291,384.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders held on July 8, 2009, are incorporated by reference into Part III of this Report

EXPLANATORY NOTE

We are filing this Amendment No. 1 (this “Amendment”) to our Annual Report on Form 10–K for the fiscal year ended February 28, 2009 (the “Form 10–K”) previously filed with the Securities and Exchange Commission (“SEC”) on May 29, 2009 for the purpose of correcting the amount shown for “Capital in excess of par value” as of February 28, 2009. In the Form 10–K filed on May 29, 2009, “Capital in excess of par value” was shown to be $110,943,738 instead of $116,943,738. This Amendment shows the correct amount of $116,943,738. There are no other changes to the Form 10–K. As a result of this Amendment, we are also including as exhibits the certifications required under Sections 302 and 906 of the Sarbanes–Oxley Act of 2002. This Amendment does not reflect events occurring after the date of the Form 10–K nor does it modify or update the disclosure contained in the Form 10–K in any way other than as required to reflect the change discussed above. Accordingly, this Amendment should be read in conjunction with our Form 10–K and our other filings made with the SEC subsequent to the filing of our Form 10–K.

TABLE OF CONTENTS

PART IV

Item 15. Exhibits and Consolidated Financial Statement Schedules

Consolidated Financial Statements

The following financial statements of the Company are filed herewith:

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of February 28, 2009 and February 29, 2008

Consolidated Statements of Operations for the years ended February 28, 2009 and February 29, 2008 and for the period from May 12, 2006 (date of inception) to February 28, 2007

Consolidated Schedule of Investments as of February 28, 2009 and February 29, 2008

Consolidated Statements of Changes in Net Assets for the years ended February 28, 2009 and February 29, 2008 and for the period from May 12, 2006 (date of inception) to February 28, 2007

Consolidated Statements of Cash Flows for the years ended February 28, 2009 and February 29, 2008 and for the period from May 12, 2006 (date of inception) to February 28, 2007

Notes to Consolidated Financial Statements

Exhibits

EXHIBIT INDEX

Exhibit Number	Description
3.1	Articles of Incorporation of GSC Investment Corp.(8)
3.2	Amended and Restated Bylaws of GSC Investment Corp.(9)
4.1	Specimen certificate of GSC Investment Corp.'s common stock, par value $0.0001 per share.(4)
4.2	Registration Rights Agreement dated March 27, 2007 between GSC Investment Corp., GSC CDO III L.L.C., GSCP (NJ) L.P. and the other investors party thereto.(8)
4.3	Form of Dividend Reinvestment Plan.(1)
10.1	Amended and Restated Limited Partnership Agreement of GSC Partners CDO Investors III, L.P. dated August 27, 2001.(2)
10.2	Amended and Restated Limited Partnership Agreement of GSC Partners CDO GP III, L.P. dated October 16, 2001.(2)
10.3	Collateral Management Agreement dated November 5, 2001 among GSC Partners CDO Fund III, Limited and GSCP (NJ), L.P.(2)
10.4	Contribution and Exchange Agreement dated October 17, 2006 among GSC Investment LLC, GSC CDO III, L.L.C., GSCP (NJ), L.P., and the other investors party thereto.(1)
10.5	Amendment to the Contribution and Exchange Agreement dated as of March 20, 2007 among GSC Investment LLC, GSC CDO III, L.L.C., GSCP (NJ), L.P., and the other investors party thereto.(11)
10.6	Form of Regulations of American Stock Transfer and Trust Company.(3)
10.7	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Peter K. Barker, as director of GSC Investment LLC.(8)
10.8	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Robert F. Cummings, Jr., as director of GSC Investment LLC.(8)
10.9	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Richard M. Hayden, as director of GSC Investment LLC.(8)
10.10	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Thomas V. Inglesby, as director of GSC Investment LLC.(8)
10.11	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Steven M. Looney, as director of GSC Investment LLC.(8)
10.12	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Charles S. Whitman III, as director of GSC Investment LLC.(8)
10.13	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and G. Cabell Williams, as director of GSC Investment LLC.(8)
10.14	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Richard T. Allorto, Jr., as Chief Financial Officer of GSC Investment LLC.(8)
10.15	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and David L. Goret, as Vice President and Secretary of GSC Investment LLC.(8)
10.16	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Michael J. Monticciolo, as Chief Compliance Officer of GSC Investment LLC.(8)
10.17	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Daniel I. Castro, Jr., as member of the investment committee of GSCP (NJ), LP.(8)
10.18	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Robert F. Cummings, Jr., as member of the investment committee of GSCP (NJ), LP.(8)
10.19	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Richard M. Hayden, as member of the investment committee of GSCP (NJ), LP.(8)
10.20	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Thomas V. Inglesby, as member of the investment committee of GSCP (NJ), LP.(8)
10.21	Indemnification Agreement dated March 20, 2007 between GSC Investment LLC and Thomas J. Libassi, as member of the investment committee of GSCP (NJ), LP.(8)
10.22	Assignment and Assumption Agreement dated March 20, 2007 among GSCP (NJ), L.P. and GSC Investment LLC.(8)
10.23	Investment Advisory and Management Agreement dated March 21, 2007 between GSC Investment LLC and GSCP (NJ) L.P.(8)

[Table of Contents](#)

Exhibit Number	Description
10.24	Custodian Agreement dated March 21, 2007 between GSC Investment LLC and U.S. Bank National Association.(8)
10.25	Administration Agreement dated March 21, 2007 between GSC Investment Corp. and GSCP (NJ) L.P.(8)
10.26	Trademark License Agreement dated March 21, 2007 between GSC Investment Corp. and GSCP (NJ) L.P.(8)
10.27	Notification of Fee Reimbursement dated March 21, 2007.(8)
10.28	Portfolio Acquisition Agreement dated March 23, 2007 between GSC Investment Corp. and GSC Partners CDO Fund III, Limited.(8)
10.29	Credit Agreement dated as of April 11, 2007 among GSC Investment Funding LLC, GSC Investment Corp., GSC (NJ), L.P., the financial institutions from time to time party thereto, the commercial paper lenders from time to time party thereto and Deutsche Bank AG, New York Branch.(5)
10.30	Purchase and Sale Agreement between GSC Investment Corp. and GSC Investment Funding LLC dated as of April 11, 2007.(5)
10.31	Amendment No. 1 to Credit Agreement, dated as of May 1, 2007 among GSC Investment Funding LLC, Deutsche Bank AG, New York Branch, GSC Investment Corp., and GSCP (NJ), L.P.(6)
10.32	Credit Agreement dated as of May 1, 2007 among GSC Investment Funding II LLC, GSC Investment Corp., GSC (NJ), L.P., the financial institutions from time to time party thereto, the commercial paper lenders from time to time party thereto and Deutsche Bank AG, New York Branch.(6)
10.33	Purchase Sale Agreement dated as of May 1, 2007 between GSC Investment Funding II LLC and GSC Investment Corp.(6)
10.34	Purchase and Sale Agreement dated as of May 1, 2007 between GSC Investment Corp. and GSC Partners CDO Fund Limited.(6)
10.35	Amendment to Investment Advisory and Management Agreement dated May 23, 2007 between GSC Investment Corp. and GSCP (NJ), L.P.(7)
10.36	Indemnification Agreement dated October 9, 2007 between GSC Investment Corp. and David Goret, as member of the disclosure committee of GSC Investment Corp.(11)
10.37	Indemnification Agreement dated October 9, 2007 between GSC Investment Corp. and David Rice, as member of the disclosure committee of GSC Investment Corp.(11)
10.38	Agreement Terminating Fee Reimbursement dated as of April 15, 2008 between GSCP (NJ), L.P. and GSC Investment Corp.(10)
10.39	Amendment No. 3 to Credit Agreement, dated as of August 8, 2008 among GSC Investment Funding LLC and Deutsche Bank AG, New York Branch(12)
10.40	Indemnification Agreement dated October 15, 2008 between GSC Investment Corp. and Seth M, Katzenstein, as director of GSC Investment Corp.(13)
10.41	Indemnification Agreement dated October 15, 2008 between GSC Investment Corp. and Seth M. Katzenstein as Chief Executive Officer and President of GSC Investment Corp.(13)
14.1	Code of Ethics of the Company adopted under Rule 17j-1.(3)
21.1	List of Subsidiaries.(11)
31.1	Chief Executive Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer Certification Pursuant to Rule 13a-14 of the Securities Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer and Chief Financial Officer Certification pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to Amendment No. 2 to GSC Investment LLC's Registration Statement on Form N-2, File No. 333-138051, filed on January 12, 2007.

(2) Incorporated by reference to Amendment No. 4 to GSC Investment LLC's Registration Statement on Form N-2, File No. 333-138051, filed on February 23, 2007.

(3) Incorporated by reference to Amendment No. 6 to GSC Investment Corp.'s Registration Statement on Form N-2, File No. 333-138051, filed on March 22, 2007.

(4) Incorporated by reference to GSC Investment Corp's Registration Statement on Form 8-A, File No. 001-333-76, filed on March 21, 2007.

(5) Incorporated by reference to GSC Investment Corp.'s Form 8-K, File No. 001-33376 dated April 11, 2007.

(6) Incorporated by reference to GSC Investment Corp.'s Form 8-K, File No. 001-33376 dated May 1, 2007.

(7) Incorporated by reference to GSC Investment Corp.'s Form 10-K for the fiscal year ended February 28, 2007, file No. 001-33376.

(8) Incorporated by reference to GSC Investment Corp.'s Form 10-Q for the quarterly period ended May 31, 2007, File No. 001-33376.

(9) Incorporated by reference to GSC Investment Corp.'s Form 8-K, File No. 001-33376 dated February 19, 2008.

(10) Incorporated by reference to GSC Investment Corp.'s Form 8-K, File No. 001-33376 dated April 15, 2008.

(11) Incorporated by reference to GSC Investment Corp.'s Form 10-K for the fiscal year ended February 29, 2008, File No. 001-33376.

(12) Incorporated by reference to GSC Investment Corp.'s Form 8-K, File No. 001-33376 dated August 8, 2008.

(13) Incorporated by reference to GSC Investment Corp.'s Form 8-K, File No. 001-33376 dated October 15, 2008.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

	GSC Investment Corp.
Date: July 8, 2009	By: /s/ Seth M. Katzenstein
	Seth M. Katzenstein Director, Chief Executive Officer and President GSC Investment Corp.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of GSC Investment Corp.

We have audited the accompanying consolidated balance sheets of GSC Investment Corp. (the "Company"), including the consolidated schedule of investments as of February 28, 2009 and February 29, 2008, and the related consolidated statements of operations, changes in net assets, and cash flows for the period from May 12, 2006 (date of inception) to February 28, 2007 and for each of the two years ended February 28, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of GSC Investment Corp. at February 28, 2009 and February 29, 2008, and the consolidated results of their operations, changes in their net assets and their cash flows for the period from May 12, 2006 to February 28, 2007 and for each of the two years ended February 28, 2009 in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

New York, NY
May 15, 2009

GSC Investment Corp.

Consolidated Balance Sheets

	As of February 28, 2009	As of February 29, 2008
ASSETS		
Investments at fair value		
Non-control/non-affiliate investments (amortized cost of $137,020,449 and $162,888,724, respectively)	$ 96,462,919	$ 143,745,269
Control investments (cost of $29,905,194 and $30,000,000, respectively)	22,439,029	29,075,299
Affiliate investments (cost of $0 and $0, respectively)	10,527	16,233
Total investments at fair value (amortized cost of $166,925,643 and $192,888,724, respectively)	118,912,475	172,836,801
Cash and cash equivalents	6,356,225	1,072,641
Cash and cash equivalents, securitization accounts	1,178,201	14,580,973
Outstanding interest rate cap at fair value (cost of $131,000 and $131,000, respectively)	39,513	76,734
Interest receivable	3,087,668	2,355,122
Due from manager	—	940,903
Deferred credit facility financing costs, net	529,767	723,231
Management fee receivable	237,370	215,914
Other assets	321,260	39,349
Total assets	$ 130,662,479	$ 192,841,668
LIABILITIES		
Revolving credit facility	$ 58,994,673	$ 78,450,000
Payable for unsettled trades	—	11,329,150
Dividend payable	—	3,233,640
Management and incentive fees payable	2,880,667	943,061
Accounts payable and accrued expenses	700,537	713,422
Interest and credit facility fees payable	72,825	292,307
Due to manager	—	11,048
Total liabilities	$ 62,648,702	$ 94,972,628
STOCKHOLDERS' EQUITY		
Common stock, par value $.0001 per share, 100,000,000 common shares authorized, 8,291,384 and 8,291,384 common shares issued and outstanding, respectively	829	829
Capital in excess of par value	116,943,738	116,218,966
Accumulated undistributed net investment income	6,122,492	455,576
Accumulated undistributed net realized gain/(loss) from investments and derivatives	(6,948,628)	1,299,858
Net unrealized depreciation on investments and derivatives	(48,104,654)	(20,106,189)
Total stockholders' equity	68,013,777	97,869,040
Total liabilities and stockholders' equity	$ 130,662,479	$ 192,841,668
NET ASSET VALUE PER SHARE	$ 8.20	$ 11.80

See accompanying notes to consolidated financial statements.

GSC Investment Corp.

Consolidated Statement of Operations

	For the year ended February 28, 2009	For the year ended February 29, 2008	For the period from May 12, 2006 (date of inception) to February 28, 2007
INVESTMENT INCOME			
Interest from investments			
Non-Control/Non-Affiliate investments	$ 16,572,973	$ 20,115,301	$ —
Control investments	4,393,818	262,442	—
Total interest income	20,966,791	20,377,743	—
Interest from cash and cash equivalents	175,567	366,312	30
Management fee income	2,049,717	599,476	—
Other income	195,135	42,548	—
Total investment income	23,387,210	21,386,079	30
EXPENSES			
Interest and credit facility financing expenses	2,605,367	5,031,233	—
Base management fees	2,680,231	2,938,659	—
Professional fees	1,166,111	1,409,806	35,000
Administrator expenses	960,701	892,112	—
Incentive management fees	1,752,254	711,363	—
Insurance	682,154	586,784	—
Directors fees	295,017	313,726	—
General & administrative	289,477	261,653	—
Cost of acquiring management contract	—	144,000	—
Organizational expense	—	49,542	95,193
Expenses before manager expense waiver and reimbursement	10,431,312	12,338,878	130,193
Expense reimbursement	(1,010,416)	(1,789,028)	—
Total expenses net of expense waiver and reimbursement	9,420,896	10,549,850	130,193
NET INVESTMENT INCOME BEFORE INCOME TAXES	13,966,314	10,836,229	(130,163)
Income tax expense, including excise tax	(140,322)	(88,951)	—
NET INVESTMENT INCOME	13,825,992	10,747,278	(130,163)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain/(loss) from investments			
Non-Control/Non-Affiliate investments	(7,173,118)	2,707,402	—
Control investments	—	428,673	—
Affiliate investments	—	39,147	—
Net realized gain from derivatives	30,454	732,526	—
Net unrealized depreciation on investments	(27,961,244)	(20,051,923)	—
Net unrealized depreciation on derivatives	(37,221)	(54,266)	—
Net loss on investments	(35,141,129)	(16,198,441)	—
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (21,315,137)	$ (5,451,163)	$ (130,163)
WEIGHTED AVERAGE — BASIC AND DILUTED EARNINGS PER COMMON SHARE	$ (2.57)	$ (0.70)	n/a
WEIGHTED AVERAGE COMMON STOCK OUTSTANDING — BASIC AND DILUTED	8,291,384	7,761,965	67

See accompanying notes to consolidated financial statements.

GSC Investment Corp.

Consolidated Schedule of Investments

February 28, 2009

Company (a, c)	Industry	Investment Interest Rate/Maturity	Principal	Cost	Fair Value	% of Stockholders' Equity
Non-control/Non-affiliated investments — 141.8% (b)						
GFSI Inc (d)	Apparel	Senior Secured Notes 10.50%, 6/1/2011	$ 7,082,000	$ 7,082,000	$ 6,616,004	9.7%
Legacy Cabinets, Inc. (d)	Building Products	First Lien Term Loan 5.75%, 8/18/2012	1,437,555	1,420,872	975,956	1.4%
Legacy Cabinets, Inc. (d)	Building Products	Second Lien Term Loan 9.75%, 8/18/2013	1,862,420	1,828,197	450,519	0.7%
		Total Building Products	3,299,975	3,249,069	1,426,475	2.1%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 5.75%, 12/20/2013	32,381	27,281	6,152	0.0%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 5.47%, 12/20/2013	77,141	64,991	14,657	0.0%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 5.16%, 12/20/2014	92,962	78,320	17,663	0.0%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 5.16%, 12/20/2014	92,962	78,320	17,663	0.0%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 5.16%, 12/20/2014	92,962	78,320	17,663	0.0%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 5.75%, 12/20/2013	121,428	102,303	23,071	0.0%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 5.75%, 12/20/2013	231,354	194,916	43,957	0.1%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 7.00%, 12/20/2014	403,388	339,854	76,644	0.1%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 7.00%, 12/20/2014	403,388	339,854	76,644	0.1%
Lyondell Chemical Company (d)	Chemicals	First Lien Term Loan 7.00%, 12/20/2014	403,388	339,854	76,644	0.1%
		Total Chemicals	1,951,354	1,644,013	370,758	0.4%
Hopkins Manufacturing Corporation (d)	Consumer Products	Second Lien Term Loan 7.70%, 1/26/2012	3,250,000	3,246,870	2,627,950	3.9%
Targus Group International, Inc. (d)	Consumer Products	First Lien Term Loan 4.67%, 11/22/2012	3,122,943	2,895,723	2,089,561	3.1%
Targus Group International, Inc. (d)	Consumer Products	Second Lien Term Loan 9.75%, 5/22/2013	5,000,000	4,777,205	3,126,000	4.6%
		Total Consumer Products	11,372,943	10,919,798	7,843,511	11.6%
CFF Acquisition LLC (d)	Consumer Services	First Lien Term Loan 8.57%, 7/31/2013	308,912	308,912	243,793	0.4%
M/C Communications, LLC (d)	Education	First Lien Term Loan 13.12%, 12/31/2010	1,697,164	1,590,350	674,283	1.0%
Advanced Lighting Technologies, Inc. (d)	Electronics	Second Lien Term Loan 8.53%, 6/1/2014	2,000,000	1,771,457	1,503,200	2.2%

See accompanying notes to consolidated financial statements.

GSC Investment Corp.

Consolidated Schedule of Investments

February 28, 2009

Company (a, c)	Industry	Investment Interest Rate/Maturity	Principal	Cost	Fair Value	% of Stockholders' Equity
Group Dekko (d)	Electronics	Second Lien Term Loan 6.45%, 1/20/2012	$ 6,670,000	$ 6,670,000	$ 5,321,326	7.8%
IPC Systems, Inc. (d)	Electronics	First Lien Term Loan 3.71%, 3/31/2014	46,332	42,367	24,621	0.0%
		Total Electronics	8,716,332	8,483,824	6,849,147	10.0%
USS Mergerco, Inc. (d)	Environmental	Second Lien Term Loan 4.73%, 6/29/2013	5,960,000	5,846,833	3,592,092	5.3%
Bankruptcy Management Solutions, Inc. (d)	Financial Services	Second Lien Term Loan 6.70%, 7/31/2013	4,887,500	4,858,282	3,053,221	4.5%
Big Train, Inc. (d)	Food and Beverage	First Lien Term Loan 4.98%, 3/31/2012	2,478,660	1,671,647	1,706,557	2.5%
IDI Acquisition Corp. (d)	Healthcare Services	Senior Secured Notes 10.75%, 12/15/2011	3,800,000	3,623,605	2,428,580	3.6%
PRACS Institute, LTD (d)	Healthcare Services	Second Lien Term Loan 11.13%, 4/17/2013	4,093,750	4,047,419	3,581,213	5.3%
		Total Healthcare Services	7,893,750	7,671,024	6,009,793	8.9%
McMillin Companies LLC (d)	Homebuilding	Senior Secured Notes 9.53%, 4/30/2012	7,700,000	7,294,643	3,489,640	5.1%

See accompanying notes to consolidated financial statements.

Table of Contents

Company (a, c)	Industry	Investment Interest Rate/Maturity	Principal	Cost	Fair Value	% of Stockholders' Equity
Asurion Corporation (d)	Insurance	First Lien Term Loan 3.76%, 7/3/2014	$ 2,000,000	$ 1,704,665	$ 1,493,400	2.2%
Worldwide Express Operations, LLC (d)	Logistics	First Lien Term Loan 6.95%, 6/30/2013	2,820,779	2,815,612	2,133,637	3.1%
Jason Incorporated (d)	Manufacturing	Unsecured Notes 13.00%, 11/1/2010	12,000,000	12,000,000	8,652,000	12.7%
Jason Incorporated (d)	Manufacturing	Unsecured Notes 13.00%, 11/1/2010	1,700,000	1,700,000	1,225,700	1.8%
Specialized Technology Resources, Inc. (d)	Manufacturing	Second Lien Term Loan 7.48%, 12/15/2014	5,000,000	4,769,304	4,602,000	6.8%
		Total Manufacturing	18,700,000	18,469,304	14,479,700	21.3%
Blaze Recycling & Metals, LLC (d)	Metals	Senior Secured Notes 10.88%, 7/15/2012	2,500,000	2,494,342	1,850,500	2.7%
Elyria Foundry Company, LLC (d)	Metals	Senior Secured Notes 13.00%, 3/1/2013	5,000,000	4,853,894	3,753,000	5.5%
Elyria Foundry Company, LLC	Metals	Warrants	—	—	89,610	0.1%
		Total Metals	7,500,000	7,348,236	5,693,110	8.3%
Abitibi-Consolidated Company of Canada (d, e)	Natural Resources	First Lien Term Loan 11.50%, 3/30/2009	2,948,640	2,940,073	2,081,740	3.1%
Grant U.S. Holdings LLP (d, e)	Natural Resources	Second Lien Term Loan 9.81%, 9/20/2013	6,139,928	6,139,764	2,388,432	3.5%
		Total Natural Resources	9,088,568	9,079,837	4,470,172	6.6%
Edgen Murray II, L.P. (d)	Oil and Gas	Second Lien Term Loan 7.24%, 5/11/2015	3,000,000	2,815,938	2,072,700	3.0%
Energy Alloys, LLC (d)	Oil and Gas	Second Lien Term Loan 11.75%, 10/5/2012	6,200,000	6,200,000	5,286,740	7.8%
		Total Oil and Gas	9,200,000	9,015,938	7,359,440	10.8%
Stronghaven, Inc. (d)	Packaging	Second Lien Term Loan 13.00%, 10/31/2010	2,500,000	2,500,000	2,375,500	3.5%
Terphane Holdings Corp. (d, e)	Packaging	Senior Secured Notes 12.50%, 6/15/2009	4,850,000	4,846,976	3,575,420	5.3%
Terphane Holdings Corp. (d, e)	Packaging	Senior Secured Notes 12.50%, 6/15/2009	5,087,250	5,084,820	3,750,321	5.5%
Terphane Holdings Corp. (d, e)	Packaging	Senior Secured Notes 12.02%, 6/15/2009	500,000	499,670	368,600	0.5%
		Total Packaging	12,937,250	12,931,466	10,069,841	14.8%
Custom Direct, Inc. (d)	Printing	First Lien Term Loan 4.21%, 12/31/2013	2,049,694	1,618,148	1,638,526	2.4%
Advanstar Communications Inc. (d)	Publishing	First Lien Term Loan 3.71%, 5/31/2014	1,970,000	1,553,133	807,700	1.2%
Affinity Group, Inc. (d)	Publishing	First Lien Term Loan 3.01%, 6/24/2009	476,261	468,285	418,872	0.6%
Affinity Group, Inc. (d)	Publishing	First Lien Term Loan 2.98%, 6/24/2009	511,811	503,239	450,137	0.7%
Brown Publishing Company (d)	Publishing	Second Lien Term Loan 8.76%, 9/19/2014	1,203,226	1,198,390	288,774	0.4%
Network Communications, Inc. (d)	Publishing	Unsecured Notes 10.75%, 12/1/2013	5,000,000	5,082,100	2,503,000	3.7%
Penton Media, Inc. (d)	Publishing	First Lien Term Loan 3.35%, 2/1/2013	4,897,651	3,723,761	2,008,037	3.0%
		Total Publishing	14,058,949	12,528,908	6,476,520	9.6%
GXS Worldwide, Inc. (d)	Software	Second Lien Term Loan 8.63%, 9/30/2013	1,000,000	887,940	773,299	1.2%
Sub Total Non-control/Non-affiliated investments				137,020,449	96,462,919	141.8%

See accompanying notes to consolidated financial statements.

Company (a, c)	Industry	Investment Interest Rate/Maturity	Principal	Cost	Fair Value	% of Stockholders' Equity
Control investments — 33.0% (b)						
GSC Partners CDO GP III, LP (h)	Financial Services	100% General Partnership interest	$ —	$ —	$ 98,412	0.1%
GSC Investment Corp. CLO 2007 LTD. (f, h)	Structured Finance Securities	Other/Structured Finance Securities 12.15%, 1/21/2020	30,000,000	29,905,194	22,340,617	32.9%
Sub Total Control investments				29,905,194	22,439,029	33.0%
Affiliate investments — 0.0% (b)						
GSC Partners CDO GP III, LP (g)	Financial Services	6.24% Limited Partnership interest		—	10,527	0.0%
TOTAL INVESTMENT ASSETS — 174.8% (b)				**$ 166,925,643**	**$ 118,912,475**	**174.8%**

Outstanding interest rate cap	Interest rate	Maturity	Notional	Cost	Fair value	% of Stockholders' Equity
Interest rate cap	8.0%	2/9/2014	$40,000,000	$ 87,000	$ 27,682	0.0%
Interest rate cap	8.0%	11/30/2013	26,433,408	44,000	11,831	0.0%
Sub Total Outstanding interest rate cap				$ 131,000	$ 39,513	0.1%

(a) All of the Fund's equity and debt investments are issued by eligible portfolio companies, as defined in the Investment Company Act of 1940, except Abitibi-Consolidated Company of Canada, Grant U.S. Holdings LLP, GSC Investment Corp. CLO 2007, Terphane Holdings Corp., and GSC Partners CDO GP III, LP.

(b) Percentages are based on net assets of $68,013,777 as of February 28, 2009.

(c) Fair valued investment (see Note 2 to the consolidated financial statements).

(d) All or a portion of the securities are pledged as collateral under a revolving securitized credit facility (see Note 7 to the consolidated financial statements).

(e) Non-U.S. company. The principal place of business for Terphane Holdings Corp is Brazil, and for Abitibi-Consolidated Company of Canada and Grant U.S. Holdings LLP is Canada.

(f) 12.15% represents the modeled effective interest rate that is expected to be earned over the life of the investment.

(g) As defined in the Investment Company Act, we are an "Affiliate" of this portfolio company because we own 5% or more of the portfolio company's outstanding voting securities. Transactions during the period in which the issuer was an Affiliate are as follows:

Company	Purchases	Redemptions	Sales (cost)	Interest Income	Management fee income	Net Realized gains/(losses)	Net Unrealized gains/(losses)
GSC Partners CDO GP III, LP	$—	$—	$—	$—	$—	$—	$(5,706)

(h) As defined in the Investment Company Act, we are an "Affiliate" of this portfolio company because we own 5% or more of the portfolio company's outstanding voting securities. In addition, as defined in the Investment Company Act, we "Control" this portfolio company because we own more than 25% of the portfolio company's outstanding voting securities. Transactions during the period in which the issuer was both an Affiliate and a portfolio company that we Control are as follows:

Company	Purchases	Redemptions	Sales (cost)	Interest Income	Management fee income	Net Realized gains/(losses)	Net Unrealized gains/(losses)
GSC Investment Corp. CLO 2007 LTD.	$—	$—	$—	$4,393,818	$2,049,717	$—	$(6,479,722)
GSC Partners CDO GP III, LP	$—	$—	$—	$ —	$ —	$—	$ (61,741)

See accompanying notes to consolidated financial statements.

GSC Investment Corp.

Consolidated Schedule of Investments

February 29, 2008

Company (a, c)	Industry	Investment Interest Rate/Maturity	Principal	Cost	Fair Value	% of Stockholders' Equity
Non-control/Non-affiliated investments — 146.9% (b)						
EuroFresh Inc. (d)	Agriculture	Unsecured Notes 11.50%, 1/15/2013	$ 7,000,000	$ 6,890,639	$ 3,850,000	3.9%
GFSI Inc (d)	Apparel	Senior Secured Notes 10.50%, 6/1/2011	8,425,000	8,421,760	8,003,750	8.2%
Key Safety Systems (d)	Automotive	First Lien Term Loan 6.68%, 3/8/2014	2,500,000	1,837,500	1,875,000	1.9%
SILLC Holdings, LLC (d)	Automotive	Second Lien Term Loan 9.86%, 5/24/2011	23,049,210	22,865,049	20,283,305	20.7%
		Total Automotive	25,549,210	24,702,549	22,158,305	22.6%
Legacy Cabinets, Inc. (d)	Building Products	First Lien Term Loan 8.56%, 8/18/2012	1,871,500	1,847,290	1,403,625	1.4%
Legacy Cabinets, Inc. (d)	Building Products	Second Lien Term Loan 12.31%, 8/18/2013	2,400,000	2,354,989	1,560,000	1.6%
		Total Building Products	4,271,500	4,202,280	2,963,625	3.0%
Hopkins Manufacturing Corporation (d)	Consumer Products	Second Lien Term Loan 11.82%, 1/26/2012	3,250,000	3,245,793	3,152,500	3.2%
Targus Group International, Inc. (d)	Consumer Products	First Lien Term Loan 7.61%, 11/22/2012	3,408,271	3,095,060	2,851,701	2.9%
Targus Group International, Inc. (d)	Consumer Products	Second Lien Term Loan 13.35%, 5/22/2013	5,000,000	4,743,768	4,016,500	4.1%
		Total Consumer Products	11,658,271	11,084,621	10,020,701	10.2%
Affinity Group, Inc. (d)	Consumer Services	First Lien Term Loan 5.62%, 6/24/2009	481,233	449,953	444,371	0.4%
Affinity Group, Inc. (d)	Consumer Services	First Lien Term Loan 5.74%, 6/24/2009	518,767	485,047	479,859	0.5%
CFF Acquisition LLC (d)	Consumer Services	First Lien Term Loan 8.77%, 7/31/2013	406,228	406,228	365,605	0.4%
		Total Consumer Services	1,406,228	1,341,228	1,289,835	1.3%
M/C Communications, LLC (d)	Education	First Lien Term Loan 5.54%, 12/31/2010	1,736,766	1,571,773	1,545,721	1.6%
Group Dekko (d)	Electronics	Second Lien Term Loan 9.38%, 1/20/2012	6,670,000	6,670,000	6,336,500	6.5%
IPC Systems, Inc. (d)	Electronics	First Lien Term Loan 7.09%, 5/31/2014	49,750	44,647	40,497	0.0%
		Total Electronics	6,719,750	6,714,647	6,376,997	6.5%
USS Mergerco, Inc. (d)	Environmental	Second Lien Term Loan 9.08%, 6/29/2013	5,960,000	5,827,121	5,066,000	5.2%
Bankruptcy Management Solutions, Inc. (d)	Financial Services	Second Lien Term Loan 9.37%, 7/31/2013	4,937,500	4,902,101	3,555,000	3.6%
Realogy Corp. (d)	Financial Services	First Lien Term Loan 6.11%, 10/10/2013	21,106	19,693	17,746	0.0%
Realogy Corp. (d)	Financial Services	First Lien Term Loan 7.51%, 10/10/2013	78,394	73,147	65,733	0.1%
		Total Financial Services	5,037,000	4,994,941	3,638,479	3.7%
CCM Merger Inc. (d)	Gaming	First Lien Term Loan 6.35%, 7/13/2012	2,000,000	1,670,000	1,730,000	1.8%
IDI Acquisition Corp. (d)	Healthcare Services	Senior Secured Notes 10.75%, 12/15/2011	3,800,000	3,574,228	3,040,000	3.1%
PRACS Institute, LTD (d)	Healthcare Services	Second Lien Term Loan 11.41%, 4/17/2013	3,000,000	3,000,000	3,000,000	3.1%
		Total Healthcare Services	6,800,000	6,574,228	6,040,000	6.2%

See accompanying notes to consolidated financial statements.

GSC Investment Corp.

Consolidated Schedule of Investments

February 29, 2008

Company (a, c)	Industry	Investment Interest Rate/Maturity	Principal	Cost	Fair Value	% of Stockholders' Equity
McMillin Companies LLC (d)	Homebuilding	Senior Secured Notes 9.53%, 4/30/2012	$ 7,700,000	$ 7,194,636	$ 5,912,060	6.0%
Asurion Corporation (d)	Insurance	First Lien Term Loan 6.10%, 7/3/2014	2,000,000	1,665,000	1,699,600	1.7%
Worldwide Express Operations, LLC (d)	Logistics	First Lien Term Loan 7.89%, 6/30/2013	2,973,362	2,966,658	2,687,919	2.7%
Jason Incorporated (d)	Manufacturing	Unsecured Notes 13.00%, 11/1/2008	12,000,000	12,000,000	11,712,000	12.0%
Jason Incorporated (d)	Manufacturing	Unsecured Notes 13.00%, 11/1/2008	3,400,000	3,400,000	3,318,400	3.4%
		Total Manufacturing	15,400,000	15,400,000	15,030,400	15.4%
Blaze Recycling & Metals, LLC (d)	Metals	Senior Secured Notes 10.88%, 7/15/2012	2,500,000	2,493,087	2,218,750	2.3%
Elyria Foundry Company, LLC (c, d)	Metals	Senior Secured Notes 13.00%, 3/1/2013	3,000,000	2,893,873	2,910,000	3.0%
		Total Metals	5,500,000	5,386,960	5,128,750	5.3%
Grant U.S. Holdings LLP (d, e)	Natural Resources	Second Lien Term Loan 12.75%, 9/20/2013	5,365,592	5,365,393	4,167,456	4.3%

See accompanying notes to consolidated financial statements.

Company (a, c)	Industry	Investment Interest Rate/Maturity	Principal	Cost	Fair Value	% of Stockholders' Equity
Edgen Murray II, L.P. (d)	Oil and Gas	Second Lien Term Loan 9.32%, 5/11/2015	$ 2,000,000	$ 1,947,348	$ 1,600,000	1.6%
Energy Alloys, LLC (d)	Oil and Gas	Second Lien Term Loan 12.15%, 10/5/2012	6,200,000	6,200,000	6,138,000	6.3%
		Total Oil and Gas	8,200,000	8,147,348	7,738,000	7.9%
Atlantis Plastics Films, Inc. (d)	Packaging	First Lien Term Loan 8.71%, 9/22/2011	6,516,244	6,491,835	4,298,114	4.4%
Stronghaven, Inc. (d)	Packaging	Second Lien Term Loan 11.00%, 10/31/2010	2,500,000	2,500,000	2,500,000	2.6%
Terphane Holdings Corp. (d, e)	Packaging	Senior Secured Notes 12.50%, 6/15/2009	4,850,000	4,853,648	4,447,450	4.5%
Terphane Holdings Corp. (d, e)	Packaging	Senior Secured Notes 12.50%, 6/15/2009	5,087,250	5,094,096	4,665,008	4.8%
Terphane Holdings Corp. (d, e)	Packaging	Senior Secured Notes 15.11%, 6/15/2009	500,000	498,536	459,500	0.5%
		Total Packaging	19,453,494	19,438,114	16,370,073	16.8%
Advanstar Communications Inc. (d)	Publishing	First Lien Term Loan 7.09%, 5/31/2014	1,990,000	1,516,878	1,492,500	1.5%
Brown Publishing Company (d)	Publishing	Second Lien Term Loan 11.09%, 9/19/2014	1,203,226	1,197,520	1,070,871	1.1%
Network Communications, Inc. (d)	Publishing	Unsecured Notes 10.75%, 12/1/2013	5,000,000	5,095,198	4,400,000	4.5%
Penton Media, Inc. (d)	Publishing	First Lien Term Loan 5.37%, 2/1/2013	2,962,500	2,134,841	2,325,563	2.4%
		Total Publishing	11,155,726	9,944,437	9,288,934	9.5%
QCE LLC (d)	Restaurants	First Lien Term Loan 7.03%, 5/5/2013	992,443	804,673	859,456	0.9%
Claire's Stores, Inc. (d)	Retail	First Lien Term Loan 6.47%, 5/29/2014	2,786,000	2,579,717	2,179,209	2.2%
Sub Total Non-control/Non-affiliated investments				162,888,724	143,745,269	146.9%
Control investments — 29.7% (b)						
GSC CDO III, LLC (g)	Financial Services	100% General Partnership interest		—	160,153	0.2%
GSC Investment Corp. CLO 2007 LTD. (g)	Structured Finance Securities	Other/Structured Finance Securities 20.36%, 1/21/2020	30,000,000	30,000,000	28,915,146	29.5%
Sub Total Control investments				30,000,000	29,075,299	29.7%
Affiliate investments — 0.0% (b)						
GSC Partners CDO GP III, LP (f)	Financial Services	6.24% Limited Partnership interest		—	16,233	0.0%
TOTAL INVESTMENT ASSETS — 176.6% (b)				**$ 192,888,724**	**$ 172,836,801**	176.6%

Outstanding interest rate cap	Interest rate	Maturity	Notional	Cost	Fair value	% of Stockholders' Equity
Interest rate cap	8.0%	2/9/2014	$ 40,000,000	$ 87,000	$ 50,703	0.1%
Interest rate cap	8.0%	11/30/2013	46,637,408	44,000	26,031	0.0%
Sub Total Outstanding interest rate cap				$ 131,000	$ 76,734	0.1%

See accompanying notes to consolidated financial statements.

(a) All of the Fund's equity and debt investments are issued by eligible portfolio companies, as defined in the Investment Company Act of 1940, except Atlantis Plastics Films, Inc., Grant U.S. Holdings LLP, GSC Investment Corp. CLO 2007, Terphane Holdings Corp., and GSC Partners CDO GP III, LP.

(b) Percentages are based on net assets of $97,869,040 as of February 29, 2008.

(c) Fair valued investment (see Note 2 to the consolidated financial statements).

(d) All or a portion of the investment is pledged as collateral under a revolving securitized credit facility (see Note 7 to the consolidated financial statements).

(e) Non-U.S. company. The principal place of business for Terphane Holdings Corp is Brazil, and for Grant U.S. Holdings LLP is Canada.

(f) As defined in the Investment Company Act, we are an "Affiliate" of this portfolio company because we own 5% or more of the portfolio company's outstanding voting securities. Transactions during the period in which the issuer was an Affiliate are as follows:

Company	Purchases	Redemptions	Sales (cost)	Interest Income	Management fee income	Net Realized gains/(losses)	Net Unrealized gains/(losses)
GSC Partners CDO GP III, LP	$2,045,067	$2,084,214	$—	$—	$—	$39,147	$16,233

(g) As defined in the Investment Company Act, we are an "Affiliate" of this portfolio company because we own 5% or more of the portfolio company's outstanding voting securities. In addition, as defined in the Investment Company Act, we "Control" this portfolio company because we own more than 25% of the portfolio company's outstanding voting securities. Transactions during the period in which the issuer was both an Affiliate and a portfolio company that we Control are as follows:

Company	Purchases	Redemptions	Sales (cost)	Interest Income	Management fee income	Net Realized gains/(losses)	Net Unrealized gains/(losses)
GSC Investment Corp. CLO 2007 LTD.	$30,000,000	$ —	$—	$262,442	$215,914	$ —	$(1,084,854)
GSC Partners CDO GP III, LP	$13,574,694	$14,003,367	$—	$ —	$ —	$ 428,673	$ 160,153

See accompanying notes to consolidated financial statements.

GSC Investment Corp.

Consolidated Statements of Changes in Net Assets

	For the year ended February 28, 2009	For the year ended February 29, 2008	For the period from May 12, 2006 (date of inception) to February 28, 2007
OPERATIONS:			
Net investment income	$ 13,825,992	$ 10,747,278	$ (130,163)
Net realized gain/(loss) from investments	(7,173,118)	3,175,222	—
Net realized gain from derivatives	30,454	732,526	—
Net unrealized depreciation on investments	(27,961,244)	(20,051,923)	—
Net unrealized depreciation on derivatives	(37,221)	(54,266)	—
Net decrease in net assets from operations	(21,315,137)	(5,451,163)	(130,163)
SHAREHOLDER DISTRIBUTIONS:			
Distributions declared	(8,540,126)	(12,851,645)	—
Net decrease in net assets from shareholder distributions	(8,540,126)	(12,851,645)	—
CAPITAL SHARE TRANSACTIONS:			
Issuance of common stock, net	—	116,301,011	1,000
Net increase in net assets from capital share transactions	—	116,301,011	1,000
Total increase/(decrease) in net assets	(29,855,263)	97,998,203	(129,163)
Net assets at beginning of year/period	97,869,040	(129,163)	—
Net assets at end of year/period	$ 68,013,777	$ 97,869,040	$ (129,163)
Net asset value per common share	$ 8.20	$ 11.80	n/a
Common shares outstanding at end of period	8,291,384	8,291,384	67

See accompanying notes to consolidated financial statements.

GSC Investment Corp.
Consolidated Statements of Cash Flows

	For the year ended February 28, 2009	For the year ended February 29, 2008	For the period from May 12, 2006 (date of inception) to February 28, 2007
Operating activities			
NET DECREASE IN NET ASSETS FROM OPERATIONS	$ (21,315,137)	$ (5,451,163)	$ (130,163)
ADJUSTMENTS TO RECONCILE NET INCREASE IN NET ASSETS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES:			
Paid-in-kind interest income	(819,905)	(365,592)	—
Net accretion of discount on investments	(1,323,644)	(765,255)	—
Amortization of deferred credit facility financing costs	193,464	502,468	—
Net realized (gain) loss from investments	7,173,118	(3,175,222)	—
Net realized (gain) from derivatives	—	(732,526)	—
Net unrealized (appreciation) depreciation on investments	27,961,244	20,051,923	—
Unrealized depreciation on derivatives	37,221	54,266	—
Proceeds from sale and redemption of investments	49,193,508	141,772,158	—
Purchase of investments	(28,259,995)	(314,002,526)	—
(Increase) decrease in operating assets and liabilities:			
Cash and cash equivalents, securitization accounts	13,402,772	(14,580,973)	—
Interest receivable	(732,546)	(2,355,122)	—
Due from manager	940,903	(940,903)	—
Management fee receivable	(21,456)	(215,914)	—
Other assets	(281,911)	(39,349)	—
Deferred offering costs	—	808,617	(808,617)
Payable for unsettled trades	(11,329,150)	11,329,150	—
Management and incentive fees payable	1,937,606	943,061	—
Accounts payable and accrued expenses	(12,885)	608,422	105,000
Interest and credit facility fees payable	(219,482)	292,307	—
Due to manager	(11,048)	(62,762)	73,810
Accrued offering costs	—	(760,000)	760,000
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	36,512,677	(167,084,935)	30
Financing activities			
Contribution from member	—	—	1,000
Issuance of shares of common stock	—	108,750,000	—
Offering costs and sales load	—	(8,068,750)	—
Borrowings on debt	7,800,000	167,958,119	—
Paydowns on debt	(27,255,327)	(89,508,119)	—
Credit facility financing cost	—	(1,225,699)	—
Cost of interest rate cap	—	(131,000)	—
Payments of cash dividends	(11,773,766)	(9,618,005)	—
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(31,229,093)	168,156,546	1,000
CHANGE IN CASH AND CASH EQUIVALENTS	5,283,584	1,071,611	1,030
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,072,641	1,030	—
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 6,356,225	$ 1,072,641	$ 1,030
Supplemental Information:			
Interest paid during the period	$ 2,631,385	$ 4,236,458	n/a
Supplemental non-cash information			
Issuance of common stock for acquisition of investments in GSC CDO III, LLC and GSC Partners CDO GP III, L.P.	$ —	$ 15,619,761	n/a
Paid-in-kind interest income	$ 819,905	$ 365,592	n/a
Net accretion of discount on investments	$ 1,323,644	$ 765,255	n/a
Amortization of deferred credit facility financing costs	$ 193,464	$ 502,468	n/a

See accompanying notes to consolidated financial statements.

GSC INVESTMENT CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Basis of Presentation

GSC Investment Corp. (the “Company”, “we” and “us”) is a non-diversified closed end management investment company incorporated in Maryland that has elected to be treated and is regulated as a business development company (“BDC”) under the Investment Company Act of 1940 (the “1940 Act”). We commenced operations on March 23, 2007 and completed our initial public offering (“IPO”) on March 28, 2007. We have elected to be treated as a regulated investment company (“RIC”) under subchapter M of the Internal Revenue Code. We expect to continue to qualify and to elect to be treated for tax purposes as a RIC. Our investment objectives are to generate both current income and capital appreciation through debt and equity investments by primarily investing in private middle market companies and select high yield bonds.

GSC Investment, LLC (the “LLC”) was organized in May 2006 as a Maryland limited liability company. As of February 28, 2007, the LLC had not yet commenced its operations and investment activities.

On March 21, 2007, the Company was incorporated and concurrently, the LLC was merged with and into the Company in accordance with the procedure for such merger in the LLC’s limited liability company agreement and Maryland law. In connection with such merger, each outstanding common share of the LLC was converted into an equivalent number of shares of common stock of the Company and the Company is the surviving entity.

We are externally managed and advised by our investment adviser, GSCP (NJ), L.P. (individually and collectively with its affiliates, “GSC Group” or the “Manager”), pursuant to an investment advisory and management agreement.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U. S. generally accepted accounting principles (“GAAP”) and include the accounts of the Company and its special purpose financing subsidiaries, GSC Investment Funding, LLC and GSC Investment Funding II, LLC. The consolidated financial statements reflect all adjustments and reclassifications which, in the opinion of management, are necessary for the fair presentation of the results of the operations and financial condition for the periods presented. All intercompany accounts and transactions have been eliminated in consolidation. All references made to the “Company,” “we,” and “us” in the financial statements encompassing of these consolidated subsidiaries, except as stated otherwise.

Note 2. Summary of Significant Accounting Policies

Use of Estimates in the Preparation of Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, liquid investments in a money market fund. Cash and cash equivalents are carried at cost which approximates fair value.

Cash and cash equivalents, Securitization Accounts

Cash and cash equivalents, securitization accounts include amounts held in designated bank accounts in the form of cash and short-term liquid investments in money market funds representing payments received on securitized investments or other reserved amounts associated with the Company’s securitization facilities. The Company is required to use a portion of these amounts to pay interest expense, reduce borrowings, or pay other amounts in accordance with the related securitization agreements. Cash held in such accounts may not be available for the general use of the Company.

Risk Management

In the ordinary course of its business, the Company manages a variety of risks, including market risk and credit risk. Market risk is the risk of potential adverse changes to the value of investments because of changes in market conditions such as interest rate movements and volatility in investment prices.

Credit risk is the risk of default or non-performance by portfolio companies equivalent to the investment's carrying amount.

The Company is also exposed to credit risk related to maintaining all of its cash and cash equivalents including those in securitization accounts at a major financial institution and credit risk related to the derivative counterparty.

The Company has investments in lower rated and comparable quality unrated high yield bonds and bank loans. Investments in high yield investments are accompanied by a greater degree of credit risk. The risk of loss due to default by the issuer is significantly greater for holders of high yield securities, because such investments are generally unsecured and are often subordinated to other creditors of the issuer.

Investment Classification

The Company classifies its investments in accordance with the requirements of the 1940 Act. Under the 1940 Act, "Control Investments" are defined as investments in companies in which we own more than 25% of the voting securities or maintain greater than 50% of the board representation. Under the 1940 Act, "Affiliated Investments" are defined as those non-control investments in companies in which we own between 5% and 25% of the voting securities. Under the 1940 Act, "Non-affiliated Investments" are defined as investments that are neither Control Investments or Affiliated Investments.

Investment Valuation

The fair value of the Company's assets and liabilities which qualify as financial instruments under Statement of Financial Accounting Standards No. 107, *"Disclosure About Fair Value of Financial Instruments,"* approximates the carrying amounts presented in the consolidated balance sheet.

Investments for which market quotations are readily available are fair valued at such market quotations obtained from independent third party pricing services and market makers subject to any decision by our board of directors to make a fair value determination to reflect significant events affecting the value of these investments. We value investments for which market quotations are not readily available as stated above at fair value as determined in good faith by our board of directors based on input from our Manager, our audit committee and, if our board or audit committee so request, a third party independent valuation firm. Determinations of fair value may involve subjective judgments and estimates. The types of factors that may be considered in a fair value pricing include the nature and realizable value of any collateral, the portfolio company's ability to make payments, market yield trend analysis, the markets in which the portfolio company does business, comparison to publicly traded companies, discounted cash flow and other relevant factors.

We undertake a multi-step valuation process each quarter when valuing investments for which market quotations are not readily available, as described below:

- Each investment is initially valued by the responsible investment professionals and preliminary valuation conclusions are documented and discussed with our senior management; and
- An independent valuation firm engaged by our board of directors reviews at least one quarter of these preliminary valuations each quarter so that the valuation of each investment for which market quotes are not readily available is reviewed by the independent valuation firm at least annually.

In addition, all our investments are subject to the following valuation process.

- The audit committee of our board of directors reviews each preliminary valuation and our investment adviser and independent valuation firm (if applicable) will supplement the preliminary valuation to reflect any comments provided by the audit committee; and
- Our board of directors discuss the valuations and determine the fair value of each investment in good faith based on the input of our investment adviser, independent valuation firm (if applicable) and audit committee.

Our equity investment in GSC Investment Corp. CLO 2007, Ltd. ("GSCIC CLO") is carried at fair value, which is based on a discounted cash flow model that utilizes prepayment, re-investment and loss assumptions based on historical experience and projected performance, economic factors, the characteristics of the underlying cash flow, and comparable yields for similar CLO equity, when available, as determined by our investment advisor and recommended to our board of directors.

Because such valuations, and particularly valuations of private investments and private companies, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates. The determination of fair value by our board of directors may differ materially from the values that would have been used if a ready market for these investments existed. Our net asset value could be materially affected if the determinations regarding the fair value of our investments were materially higher or lower than the values that we ultimately realize upon the disposal of such investments.

We account for derivative financial instruments in accordance with Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities”, (“FAS 133”) as amended. FAS 133 requires recognizing all derivative instruments as either assets or liabilities on the consolidated balance sheet at fair value. The Company values derivative contracts at the closing fair value provided by the counterparty. Changes in the values of derivative contracts are included in the consolidated statement of operations.

Income Recognition

Purchases and sales of investments and the related realized gains or losses are recorded on a trade-date basis. Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis to the extent that such amounts are expected to be collected. The Company stops accruing interest on its investments when it is determined that interest is no longer collectible. If any cash is received after it is determined that interest is no longer collectible, we will treat the cash as payment on the principal balance until the entire principal balance has been repaid, before any interest income is recognized. Discounts and premiums on investments purchased are accreted/amortized over the life of the respective investment using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discounts and amortizations of premium on investments.

Loans are generally placed on non-accrual status when there is reasonable doubt that principal or interest will be collected. Accrued interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as principal depending upon management’s judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management’s judgment, are likely to remain current. The Company may make exceptions to this if the loan has sufficient collateral value and is in the process of collection.

Interest income on our investment in GSCIC CLO is recorded using the effective interest method in accordance with the provision of EITF 99-20, based on the anticipated yield and the estimated cash flows over the projected life of the investment. Yields are revised when there are changes in actual or estimated cash flows due to changes in prepayments and/or re-investments, credit losses or asset pricing. Changes in estimated yield are recognized as an adjustment to the estimated yield over the remaining life of the investment from the date the estimated yield was changed.

Paid-in-Kind Interest

The Company includes in income certain amounts that it has not yet received in cash, such as contractual paid-in-kind interest (“PIK”), which represents contractually deferred interest added to the investment balance that is generally due at maturity. We stop accruing PIK if we do not expect the issuer to be able to pay all principal and interest when due.

Organizational Expenses

Organizational expenses consist principally of professional fees incurred in connection with the organization of the Company and have been expensed as incurred.

Deferred Credit Facility Financing Costs

Financing costs incurred in connection with each respective credit facility have been deferred and are being amortized using the straight line method over the life of each respective facility.

Indemnifications

In the ordinary course of its business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, management feels that the likelihood of such an event is remote.

Income Taxes

The Company has filed an election to be treated for tax purposes as a RIC under Subchapter M of the Code and, among other things, intends to make the requisite distributions to its stockholders which will relieve the Company from federal income taxes. Therefore, no provision has been recorded for federal income taxes.

In order to qualify as a RIC, among other requirements, the Company is required to timely distribute to its stockholders at least 90% of its investment company taxable income, as defined by the Code, for each fiscal tax year. The Company will be subject to a nondeductible U.S. federal excise tax of 4% on undistributed income if we do not distribute at least 98% of our investment company taxable income in any calendar year and 98% of our capital gain net income for each one-year period ending on October 31.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions into the next tax year and pay a 4% excise tax on such income, as required. 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, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. For the year ended February 28, 2009 provisions of $140,322 were recorded for Federal excise taxes. As of February 28, 2009, the entire $140,322 was unpaid and included in accounts payable on the accompanying consolidated balance sheet. This amount was paid subsequent to year end.

The Company has adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109 ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB No. 109, Accounting for Income Taxes, and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In May 2007, the FASB issued Staff Position, FIN 48-1, Definition of Settlement in FASB Interpretation No. 48 ("FSP FIN 48-1"), which provides guidance on how an enterprise should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. FSP FIN 48-1 is effective with the initial adoption of FIN 48. The adoption of FIN 48 and FSP FIN 48-1 did not have a material impact on our consolidated financial statements.

Dividends

Dividends to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend is determined by the board of directors. Net realized capital gains, if any, are generally distributed at least annually, although we may decide to retain such capital gains for reinvestment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of our dividend distributions on behalf of our stockholders unless a stockholder elects to receive cash. As a result, if our board of directors authorizes, and we declare, a cash dividend, then our stockholders who have not ''opted out'' of our dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of our common stock, rather than receiving the cash dividends. If the Company's common stock is trading below net asset value at the time of valuation, the plan administrator will receive the dividend or distribution in cash and will purchase common stock in the open market, on the New York Stock Exchange or elsewhere, for the account of each Participant.

New Accounting Pronouncements

In February 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities ("FAS 159"), which provides companies with an option to report selected financial assets and liabilities at fair value. The objective of FAS 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. FAS 159 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect of the company's choice to use fair value on its earnings. FAS 159 also requires entities to display the fair value of the selected assets and liabilities on the face of the balance sheet. FAS 159 does not eliminate disclosure requirements of other accounting standards, including fair value measurement disclosures in FAS 157. This statement is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007. The Company did not elect fair value measurement for assets or liabilities other than portfolio investments, which are already measured at fair value, therefore, the adoption of this statement did not have a significant effect on the Company's financial position or its results of operations.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("FAS 161"). The objective of FAS 161 is to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. FAS 161 improves transparency about the location and amounts of derivative instruments in an entity's financial statements; how derivative instruments and related hedged items are accounted for under FAS 133; and how derivative instruments and related hedged items affect its financial position, financial performance, and cash flows. FAS 161 achieves these improvements by requiring disclosure of the fair values of derivative instruments and their gains and losses in a tabular format. It also provides more information about an entity's liquidity by requiring disclosure of derivative features that are credit risk related. Finally, it requires cross-referencing within footnotes to enable financial statement users to locate important information about derivative instruments. FAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company did not early adopt FAS 161. Management is currently evaluating the enhanced disclosure requirements and the impact on our consolidated financial statements of adopting FAS 161.

In October 2008, the FASB issued FASB Staff Position ("FSP") No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*. FSP No. 157-3 clarifies the application of FAS No. 157 in a market that is not active. More specifically, FSP No. 157-3 states that significant judgment should be applied to determine if observable data in a dislocated market represents forced liquidations or distressed sales and are not representative of fair value in an orderly transaction. FSP No. 157-3 also provides further guidance that the use of a reporting entity's own assumptions about future cash flows and appropriately risk-adjusted discount rates is acceptable when relevant observable inputs are not available. In addition, FSP No. 157-3 provides guidance on the level of reliance of broker quotes or pricing services when measuring fair value in a non active market stating that less reliance should be placed on a quote that does not reflect actual market transactions and a quote that is not a binding offer. The guidance in FSP No. 157-3 is effective upon issuance for all financial statements that have not been issued and any changes in valuation techniques as a result of applying FSP No. 157-3 are accounted for as a change in accounting estimate.

In April 2009, the FASB issued FASB Staff Position No. FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" (FSP 157-4). FSP 157-4 provides additional guidance for estimating fair value under Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" when there is an inactive market or the market is not orderly. This FSP is effective for interim and annual periods ending after June 15, 2009.

In April 2009, the FASB issued FASB Staff Position No. FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" ("FSP FAS 115-2 and FAS 124-2"), amends current other-than-temporary impairment guidance in GAAP for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the financial statements. This FSP does not amend existing recognition and measurement guidance related to other-than-temporary impairments of equity securities. The provisions of FSP FAS 115-2 and FAS 124-2 are effective for interim and annual periods ending after June 15, 2009.

Note 3. Investments

The Company adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157") as of March 1, 2008, which among other matters, requires enhanced disclosures about investments that are measured and reported at fair value. As defined in FAS 157, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FAS 157 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Based on the observability of the inputs used in the valuation techniques the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Investments carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 – Valuations based on inputs other than quoted prices in active markets, which are either directly or indirectly observable.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The inputs into the determination of fair value may require significant management judgment or estimation. Even if observable-market data is available, such information may be the result of consensus pricing information or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level III information, assuming no additional corroborating evidence.

In addition to using the above inputs in investment valuations, we continue to employ the valuation policy approved by our board of directors that is consistent with FAS 157 (see Note 2). Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading, in determining fair value.

The following table presents fair value measurements of investments as of February 28, 2009 (dollars in thousands):

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Non-control/non-affiliate investments	$ —	$ —	$ 96,463	$ 96,463
Control investments	—	—	22,439	22,439
Affiliate investments	—	—	10	10
Total investments at fair value	$ —	$ —	$ 118,912	$ 118,912

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the year ended February 28, 2009 (dollars in thousands):

	Level 3
Balance as of February 29, 2008	$ 172,837
Net unrealized losses	(27,961)
Purchases and other adjustments to cost	23,230
Sales and redemptions	(49,194)
Net transfers in and/or out	—
Balance as of February 28, 2009	$ 118,912

Purchases and other adjustments to cost include new investments at cost, effects of refinancing/restructuring, accretion income from discount on debt securities, and PIK.

Sale and redemptions represent net proceeds received and realized gains and losses from investments sold during the period.

Net transfers in and/or out represent existing investments that were either previously categorized as a higher level and the inputs to the model became unobservable or investments that were previously classified as the lowest significant input became observable during the period. These investments are recorded at their end of period fair values.

The composition of our investments as of February 28, 2009, at amortized cost and fair value were as follows (dollars in thousands):

	Investments at Amortized Cost	Investments at Fair Value	Fair Value Percentage of Total Portfolio
First lien term loans	$ 24,901	$ 17,117	14.4%
Second lien term loans	57,558	41,043	34.5
Senior secured notes	35,780	25,832	21.7
Unsecured notes	18,782	12,381	10.4
Structured Finance Securities	29,905	22,341	18.8
Equity/limited partnership interest	—	198	0.2
Total	$ 166,926	$ 118,912	100.0%

The composition of our investments as of February 29, 2008, at amortized cost and fair value were as follows (dollars in thousands):

	Investments at Amortized Cost	Investments at Fair Value	Fair Value Percentage of Total Portfolio
First lien term loans	$ 29,660	$ 26,362	15.3%
Second lien term loans	70,819	62,446	36.1
Senior secured notes	35,024	31,657	18.3
Unsecured notes	27,386	23,281	13.5
Structured Finance Securities	30,000	28,915	16.7
Equity/limited partnership interest	—	176	0.1
Total	$ 192,889	$ 172,837	100.0%

Note 4. Investment in GSC Investment Corp. CLO 2007, Ltd.

On January 22, 2008, we invested $30 million in all of the outstanding subordinated notes of GSC Investment Corp. CLO 2007, Ltd., (the "GSCIC CLO"), a $400 million CLO managed by us that invests primarily in senior secured loans. Additionally, we entered into a collateral management agreement with GSCIC CLO pursuant to which we will act as collateral manager to it. In return for our collateral management services, we are entitled to a senior collateral management fee of 0.10% and a subordinate collateral management fee of 0.40% of the outstanding principal amount of GSCIC CLO's assets, to be paid quarterly to the extent of available proceeds. We are also entitled to an incentive management fee equal to 20% of excess cash flow to the extent the GSCIC CLO subordinated notes receive an internal rate of return equal to or greater than 12%. For the years ended February 28, 2009 and February 29, 2008, we accrued $2.0 and $0.6 million in management fees and $4.4 and $0.3 million in interest income, respectively. We did not accrue any amounts related to the incentive management fee as the 12% hurdle rate has not yet been achieved.

Note 5. Income Taxes

The Company intends to operate so as to qualify to be taxed as a RIC under Subchapter M of the Code and, as such, will not be subject to federal income tax on the portion of taxable income and gains distributed to stockholders.

The Company owns 100% of GSC Investment Corp. CLO 2007, Ltd. ("CLO"), an Exempted Company incorporated in the Cayman Islands. For financial reporting purposes, the CLO is not included as part of the consolidated financial statements. For federal income tax purposes, the Company has requested and received approval from the Internal Revenue Service to treat the CLO as a disregarded entity. As such, for federal income tax purposes and for purposes of meeting the RIC qualification and diversification tests, the results of operations of the CLO are included with those of the Company.

To qualify as a RIC, the Company is required to meet certain income and asset diversification tests in addition to distributing at least 90% of its investment company taxable income, as defined by the Code. Because federal income tax regulations differ from accounting principles generally accepted in the United States, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary in nature. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes. During the year ended February 28, 2009, the Company reclassified for book purposes amounts arising from permanent book/tax differences primarily related to nondeductible excise tax and meals & entertainment, market discount, interest income with respect to the CLO which is consolidated for tax purposes, and the tax character of distributions as follows (dollars in thousands):

Accumulated net investment income/(loss)	$ 381
Accumulated net realized gains (losses) on investments	(1,106)
Additional paid-in-capital	725

For income tax purposes, distributions paid to shareholders are reported as ordinary income, return of capital, long term capital gains or a combination thereof. The tax character of distributions paid for the year ended February 28, 2009 was as follows (dollars in thousands):

Ordinary income (a)	$ 8,540
Capital gains	—
Return of capital	—
Total reported on tax Form 1099-DIV	$ 8,540

(a) Ordinary income is reported on Form 1099-DIV as non-qualified.

For federal income tax purposes, the cost of investments owned at February 28, 2009 was $526.3 million.

At February 28, 2009, the components of distributable earnings on a tax basis as detailed below differ from the amounts reflected per the Company's Statement of Assets and Liabilities by temporary book/tax differences primarily arising from the consolidation of the CLO for tax purposes, market discount and original issue discount income and amortization of organizational expenditures (dollars in thousands).

Accumulated capital gains/(losses)	$ (3,195)
Other temporary differences	(119)
Undistributed ordinary income	6,312
Unrealized depreciation	(146,540)
Components of distributable earnings	$(143,542)

The Company has incurred capital losses of $3.2 million for the year ended February 28, 2009. Such capital losses will be available to offset future capital gains if any and if unused, will expire on February 28, 2017.

Management has analyzed the Company's tax positions taken on federal income tax returns for all open tax years (fiscal years 2008-2009), and has concluded that no provision for income tax is required in the Company's financial statements.

Note 6. Agreements

On March 21, 2007, the Company entered into an investment advisory and management agreement (the "Management Agreement") with GSC Group. The initial term of the Management Agreement is two years, with automatic, one-year renewals at the end of each year subject to certain approvals by our board of directors and/or our stockholders. Pursuant to the Management Agreement, our investment adviser implements our business strategy on a day-to-day basis and performs certain services for us, subject to oversight by our board of directors. Our investment adviser is responsible for, among other duties, determining investment criteria, sourcing, analyzing and executing investments transactions, asset sales, financings and performing asset management duties. Under the Management Agreement, we have agreed to pay our investment adviser a management fee for investment advisory and management services consisting of a base management fee and an incentive fee.

The base management fee of 1.75% is calculated based on the average value of our total assets (other than cash or cash equivalents but including assets purchased with borrowed funds) at the end of the two most recently completed fiscal quarters, and appropriately adjusted for any share issuances or repurchases during the applicable fiscal quarter.

The incentive fee consists of the following two parts:

The first, payable quarterly in arrears, equals 20% of our pre-incentive fee net investment income (not including excise taxes), expressed as a rate of return on the value of the net assets at the end of the immediately preceding quarter, that exceeds a 1.875% quarterly (7.5% annualized) hurdle rate measured as of the end of each fiscal quarter. Under this provision, in any fiscal quarter, our investment adviser receives no incentive fee unless our pre-incentive fee net investment income, as defined above, exceeds the hurdle rate of 1.875%. Amounts received as a return of capital are not included in calculating this portion of the incentive fee. Since the hurdle rate is based on net assets, a return of less than the hurdle rate on total assets may still result in an incentive fee.

The second, payable at the end of each fiscal year equals 20% of our net realized capital gains, if any, computed net of all realized capital losses and unrealized capital depreciation, in each case on a cumulative basis, less the aggregate amount of such incentive fees paid to the investment adviser through such date.

We will defer cash payment of any incentive fee otherwise earned by our investment adviser if, during the most recent four full fiscal quarter period ending on or prior to the date such payment is to be made, the sum of (a) our aggregate distributions to our stockholders and (b) our change in net assets (defined as total assets less liabilities) (before taking into account any incentive fees payable during that period) is less than 7.5% of our net assets at the beginning of such period. These calculations will be appropriately pro rated for the first three fiscal quarters of operation and adjusted for any share issuances or repurchases during the applicable period. Such incentive fee will become payable on the next date on which such test has been satisfied for the most recent four full fiscal quarters or upon certain terminations of the investment advisory and management agreement.

For the years ended February 28, 2009 and February 29, 2008, we incurred $2.7 and $2.9 million in base management fees and $1.8 and $0.7 million in incentive fees related to pre-incentive fee net investment income, respectively. For the years ended February 28, 2009 and February 29, 2008, we incurred no incentive management fees related to net realized capital gains. As of February 28, 2009, $0.6 million of base management fees and $2.3 million of incentive fees were unpaid and included in management and incentive fees payable in the accompanying consolidated balance sheet.

As of February 28, 2009, the end of the fourth quarter of fiscal year 2009, the sum of our aggregate distributions to our stockholders and our change in net assets (defined as total assets less liabilities) (before taking into account any incentive fees payable during that period) was less than 7.5% of our net assets at the beginning of the fourth fiscal quarter of fiscal year 2008. Accordingly, the payment of the incentive fee for the quarter ended February 28, 2009 will be deferred. The total deferred incentive fee payable at February 28, 2009 is $2.3 million.

On March 21, 2007, the Company entered into a separate administration agreement (the "Administration Agreement") with GSC Group, pursuant to which GSC Group, as our administrator, has agreed to furnish us with the facilities and administrative services necessary to conduct our day-to-day operations and provide managerial assistance on our behalf to those portfolio companies to which we are required to provide such assistance. Our allocable portion is based on the proportion that our total assets bears to the total assets or a subset of total assets administered by our administrator.

For the years ended February 28, 2009 and February 29, 2008, we expensed $1.0 and $0.9 million of administrator expenses, respectively, pertaining to bookkeeping, record keeping and other administrative services provided to the Company in addition to our allocable portion of rent and other overhead related expenses. GSC Group has agreed not to be reimbursed by the Company for any expenses incurred in performing its obligations under the Administration Agreement until the Company's total assets exceeds $500 million. Additionally, the Company's requirement to reimburse GSC Group is capped such that the amounts payable, together with the Company's other operating expenses, will not exceed an amount equal to 1.5% per annum of the Company's net assets attributable to the Company's common stock. Accordingly, for the years ended February 28, 2009 and February 29, 2008, we have recorded $1.0 and $1.8 million in expense waiver and reimbursement, respectively, under the Administration Agreement in the accompanying consolidated statement of operations.

On March 23, 2007, the Manager provided the Company with a Notification of Fee Reimbursement (the “Expense Reimbursement Agreement”). The Expense Reimbursement Agreement provides for the Manager to reimburse the Company for operating expenses to the extent that our total annual operating expenses (other than investment advisory and management fees, interest and credit facility expenses, and organizational expense) exceed an amount equal to 1.55% of our net assets attributable to common stock. The Manager is not entitled to recover any reimbursements under this agreement in future periods. The term of the Expense Reimbursement Agreement is for a period of 12 months beginning March 23, 2007 and for each twelve months period thereafter unless otherwise agreed by the Manager and the Company. For the year ended February 28, 2009, we have recorded $49,715 in expense waiver and reimbursement under the Expense Reimbursement Agreement in the accompanying consolidated statement of operations. On April 15, 2008, the Manager and the Company agreed not to extend the agreement for an additional twelve month period and terminated the Expense Reimbursement Agreement as of March 23, 2008.

Note 7. Borrowings

As a BDC, we are only allowed to employ leverage to the extent that our asset coverage, as defined in the 1940 Act, equals at least 200% after giving effect to such leverage. The amount of leverage that we employ at any time depends on our assessment of the market and other factors at the time of any proposed borrowing.

On April 11, 2007, we formed GSC Investment Funding LLC (“GSC Funding”), a wholly owned consolidated subsidiary of the Company, through which we entered into a revolving securitized credit facility (the “Revolving Facility”) with Deutsche Bank AG, as administrative agent, under which we may borrow up to $100 million. A significant percentage of our total assets have been pledged under the Revolving Facility to secure our obligations thereunder. Under the Revolving Facility, funds are borrowed from or through certain lenders at prevailing commercial paper rates or, if the commercial paper market is at any time unavailable, at prevailing LIBOR rates, plus 0.70% payable monthly. As of February 28, 2009, there was $59.0 million outstanding under the Revolving Facility and the Company continues to be in compliance with all of the limitations and requirements of the Revolving Facility. As of February 29, 2008, there was $78.5 million outstanding under the Revolving Facility. For the years ended February 28, 2009 and February 29, 2008, we recorded $2.4 and $4.0 million of interest expense and $193,464 and $155,946 of amortization of deferred financing costs related to the Revolving Facility, respectively, and the interest rates on the outstanding borrowings ranged from 1.51% to 4.99%.

On May 1, 2007, we formed GSC Investment Funding II LLC (“GSC Funding II”), a wholly owned consolidated subsidiary of the Company, through which we entered into a $25.7 million term securitized credit facility (the “Term Facility” and, together with the Revolving Facility, the “Facilities”) with Deutsche Bank AG, as administrative agent, which was fully drawn at closing. A significant percentage of our total assets were pledged under the Term Facility to secure our obligations thereunder. The Term Facility bears interest at prevailing commercial paper rates or, if the commercial paper market is at any time unavailable, at prevailing LIBOR rates, plus 0.70%, payable quarterly. For the year ended February 29, 2008, we recorded $0.6 million of interest expense and $0.3 of amortization of deferred financing costs related to the Term Facility.

Each of the Facilities contain limitations as to how borrowed funds may be used, such as restrictions on industry concentrations, asset size, payment frequency and status, average life, collateral interests and investment ratings. The Facilities also include certain requirements relating to portfolio performance the violation of which could result in the early amortization of the Facilities, limit further advances (in the case of the Revolving Facility) and, in some cases, result in an event of default, allowing the lenders to accelerate repayment of amounts owed thereunder.

On December 12, 2007, the Company consolidated its Facilities by using the proceeds of a draw under the Revolving Facility to repay and terminate the Term Facility and transferring all assets in GSC Funding II to GSC Funding. The Company’s aggregate indebtedness and cost of funding were unchanged as a result of this consolidation.

In March 2009 we amended the Revolving Credit Facility to increases the portion of the portfolio that can be invested in “CCC” rated investments in return for an increased interest rate and expedited amortization. As a result of these transactions, we expect to have additional cushion under our Borrowing Base (as defined below) that will allow us to better manage our capital in times of declining asset prices and market dislocation. If we are not able to obtain new sources of financing, however, we expect our portfolio will gradually de-lever as principal payments are received, which may negatively impact our net investment income and ability to pay dividends.

At February 28, 2009, we had $59.0 million in borrowings under the Revolving Facility. At February 29, 2008, we had $78.5 million in borrowings under the Revolving Facility and $21.5 million of undrawn commitments remaining. The actual amount that may be outstanding at any given time (the “Borrowing Base”) is dependent upon the amount and quality of the collateral securing the Revolving Facility. Our Borrowing Base was $59.9 million at February 28, 2009 versus $83.6 million at February 29, 2008. The decline in our Borrowing Base during this period is mainly attributable to the decline in the value of the pledged collateral and the downgrade of certain public ratings or private credit estimates of the pledged collateral.

For purposes of determining the Borrowing Base, most assets are assigned the values set forth in our most recent quarterly report filed with the SEC. Accordingly, the February 28, 2009 Borrowing Base relies upon the valuations set forth in the quarterly report for the quarter ended November 30, 2008. The valuations presented in this annual report will not be incorporated into the Borrowing Base until after this report is filed with the SEC.

A Borrowing Base violation will occur if our outstanding borrowings exceed the Borrowing Base at any time. We can cure a Borrowing Base violation by reducing our borrowing below the Borrowing Base (by, e.g., selling collateral and repaying borrowings) or pledging additional collateral to increase the Borrowing Base. If we fail to cure a Borrowing Base violation within the specified time, a default under the Revolving Facility shall occur.

Note 8. Interest Rate Cap Agreements

In April and May 2007, pursuant to the requirements of the Facilities, GSC Funding and GSC Funding II entered into interest rate cap agreements with Deutsche Bank AG with notional amounts of $34 million and $60.9 million at costs of $75,000, and $44,000, respectively. In May 2007 GSC Funding increased the notional under its agreement from $34 million to $40 million for an additional cost of $12,000. The agreements expire in February 2014 and November 2013 respectively. These interest rate caps are treated as free-standing derivatives under FAS 133 and are presented at their fair value on the consolidated balance sheet and changes in their fair value are included on the consolidated statement of operations.

The agreements provide for a payment to the Company in the event LIBOR exceeds 8%, mitigating our exposure to increases in LIBOR. With respect to calculating the payments under these agreements, the notional amount is determined based on a pre-determined schedule set forth in the respective agreements which provides for a reduction in the notional at specified dates until the maturity of the agreements. As of February 28, 2009 we did not receive any such payments as the LIBOR has not exceeded 8%. At February 28, 2009, the total notional outstanding for the interest rate caps was $66.4 million with an aggregate fair value of $0.04 million, which is recorded in outstanding interest cap at fair value on the Company’s consolidated balance sheet. For the year ended February, 28, 2009, the Company recorded $0.04 million of unrealized depreciation on derivatives in the consolidated statement of operations related to the change in the fair value of the interest rate cap agreements.

The table below summarizes our interest rate cap agreements as of February 28, 2009 (dollars in thousands):

Instrument	Type	Notional	Interest Rate	Maturity	Fair Value
Interest Rate Cap	Free Standing Derivative	$40,000	8.0%	Feb 2014	$ 28
Interest Rate Cap	Free Standing Derivative	26,433	8.0	Nov 2013	12
	Net fair value				$ 40

The table below summarizes our interest rate cap agreements as of February 29, 2008 (dollars in thousands):

Instrument	Type	Notional	Interest Rate	Maturity	Fair Value
Interest Rate Cap	Free Standing Derivative	$40,000	8.0%	Feb 2014	$ 51
Interest Rate Cap	Free Standing Derivative	46,637	8.0	Nov 2013	26
	Net fair value				$ 77

Note 9. Directors Fees

The independent directors receive an annual fee of $40,000. They also receive $2,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each board meeting and receive $1,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each committee meeting. In addition, the chairman of the Audit Committee receives an annual fee of $5,000 and the chairman of each other committee receives an annual fee of $2,000 for their additional services in these capacities. In addition, we have purchased directors’ and officers’ liability insurance on behalf of our directors and officers. Independent directors have the option to receive their directors’ fees in the form of our common stock issued at a price per share equal to the greater of net asset value or the market price at the time of payment. No compensation is paid to directors who are “interested persons.” For the year ended February 28, 2009 we accrued $0.3 million for directors fees expense and $18,017 for reimbursement of out-of-pocket expenses. As of February 28, 2009, $5,250 in directors fees expense was unpaid and included in accounts payable and accrued expenses in the consolidated balance sheet. As of February 28, 2009, we had not issued any common stock to our directors as compensation for their services.

Note 10. Stockholders' Equity

On May 16, 2006, GSC Group capitalized the LLC, by contributing $1,000 in exchange for 67 shares, constituting all of the issued and outstanding shares of the LLC.

On March 20, 2007, the Company issued 959,955 and 81,362 shares of common stock, priced at $15.00 per share, to GSC Group and certain individual employees of GSC Group, respectively, in exchange for the general partnership interest and a limited partnership interest in GSC Partners CDO III GP, LP, collectively valued at $15.6 million. At this time, the 67 shares owned by GSC Group in the LLC were exchanged for 67 shares of GSC Investment Corp.

On March 28, 2007, the Company completed its IPO of 7,250,000 shares of common stock, priced at $15.00 per share, before underwriting discounts and commissions. Total proceeds received from the IPO, net of $7.1 million in underwriter's discount and commissions, and $1.0 million in offering costs, were $100.7 million.

Note 11. Earnings Per Share

The following information sets forth the computation of the weighted average basic and diluted net decrease in net assets per share from operations for the years ended February 28, 2009, and February 29, 2008 (dollars in thousands except per share amounts):

	February 28, 2009	February 29, 2008
Basic and diluted		
Net decrease in net assets from operations	$ (21,315)	$ (5,451)
Weighted average common shares outstanding	8,291,384	7,761,965
Earnings per common share-basic and diluted	$ (2.57)	$ (0.70)

Note 12. Dividend

The following table summarizes dividends declared during the years ended February 28, 2009 and February 29, 2008 (dollars in thousands except per share amounts):

Date Declared	Record Date	Payment Date	Amount Per Share *	Total Amount
May 22, 2008	May 30, 2008	June 13, 2008	$0.39	$ 3,234
August 19, 2008	August 29, 2008	September 15, 2008	0.39	3,234
December 8, 2008	December 18, 2008	December 29, 2008	0.25	2,072
Total dividends declared			$1.03	$ 8,540

Date Declared	Record Date	Payment Date	Amount Per Share *	Total Amount
May 21, 2007	May 29, 2007	June 6, 2007	$0.24	$ 1,990
August 14, 2007	August 24, 2007	August 31, 2007	0.36	2,985
November 15, 2007	November 30, 2007	December 3, 2007	0.38	3,151
December 28, 2007	January 18, 2008	January 28, 2008	0.18	1,492
February 20, 2008	February 29, 2008	March 10, 2008	0.39	3,234
Total dividends declared			$1.55	$12,852

* Amount per share is calculated based on the number of shares outstanding at the date of declaration.

Note 13. Financial Highlights

The following is a schedule of financial highlights for the years ended February 28, 2009 and February 29, 2008:

	February 28, 2009	February 29, 2008
Per share data:		
Public offering cost at IPO, March 23, 2007	$ —	$ 15.00
Sales load	—	(0.85)
Offering cost	—	(0.12)
Net asset value at beginning of period/IPO	11.80	14.03
Net investment income (1)	1.67	1.30
Net realized gains (losses) on investments and derivatives	(0.86)	0.47
Net unrealized depreciation on investments and derivatives	(3.38)	(2.45)*
Net decrease in stockholders' equity	(2.57)	(0.68)
Distributions declared from net investment income	(1.03)	(1.37)
Distributions declared from net realized capital gains	—	(0.18)
Total distributions to stockholders	(1.03)	(1.55)
Net asset value at end of period	$ 8.20	$ 11.80
Net assets at end of period	$68,013,777	$97,869,040
Shares outstanding at end of period	8,291,384	8,291,384
Per share market value at end of period	$ 1.99	$ 11.04
Total return based on market value (2)	(72.64)%	(16.07)%
Total return based on net asset value (3)	(21.78)%	(11.00)%

* Net unrealized depreciation on investments and derivatives per share amount includes the net loss incurred prior to the IPO.

Ratio/Supplemental data:		
Ratio of net investment income to average net assets (4)	15.19%	8.11%
Ratio of operating expenses to average net assets (4)	7.12%	5.91%
Ratio of incentive management fees to average net assets	2.05%	0.64%
Ratio of credit facility related expenses to average net assets	3.05%	4.51%
Ratio of total expenses to average net assets (4)	12.23%	11.05%

(1) Net investment income excluding expense waiver and reimbursement equals $1.55 and $1.08 per share for the years ended February 28, 2009 and February 29, 2008, respectively.

(2) For the year ended February 28, 2009, the total return based on market value equals the decrease in market value at February 28, 2009, of $9.05 per share over the price per share at February 29, 2008, of $11.04, plus the declared dividend of $0.39 per share for stockholders of record on May 30, 2008, the declared dividend of $0.39 per share for stockholders of record on August 29, 2008, and the declared dividend of $0.25 per share for stockholders of record on December 29, 2008, divided by the February 29, 2008 price per share. For the year ended February 29, 2008, the total return based on market value equals the decrease in market value at February 29, 2008 of $3.96 per share over the IPO offering price per share at March 23, 2007 of $15.00, plus the declared dividend of $0.24 per share for stockholders of record on May 29, 2007, the declared dividend of $0.36 per share for stockholders of record on August 24, 2007, the declared dividend of $0.38 per share for stockholders of record on November 30, 2007, the declared dividend of $0.18 per share for stockholders of record on January 28, 2008, and the declared dividend of $0.39 per share for stockholders of record on March 10, 2008, divided by the IPO offering price per share. Total return based on market value is not annualized.

(3) For the year ended February 28, 2009, the total return based on net asset value equals the change in net asset value during the period plus the declared dividend of $0.39 per share for stockholders of record on May 30, 2008, the declared dividend of $0.39 per share for stockholders of record on August 29, 2008, and the declared dividend of $0.25 per share for stockholders of record on December 29, 2008, divided by the beginning net asset value during the period. For the year ended February 29, 2008, the total return based on net asset value equals the change in net asset value during the period plus the declared dividend of $0.24 per share for stockholders of record on May 29, 2007, the declared dividend of $0.36 per share for stockholders of record on August 24, 2007, the declared dividend of $0.38 per share for stockholders of record on November 30, 2007, the declared dividend of $0.18 per share for stockholders of record on January 28, 2008, and the declared dividend of $0.39 per share for stockholders of record on March 10, 2008,divided by the beginning net asset value during the period. Total return based on net asset value is not annualized.

(4) For the year ended February 28, 2009, incorporating the expense waiver and reimbursement arrangement, the ratio of net investment income, operating expenses, total expenses to average net assets is 16.21%, 5.94%, and 11.04%, respectively. For the year ended

February 29, 2008, incorporating the expense waiver and reimbursement arrangement, the ratio of net investment income, operating expenses, total expenses to average net assets is 9.63%, 4.31%, and 9.45%.

Note 14. Related Party Transaction

On March 20, 2007, the Company issued 959,955 and 81,362 shares of common stock, priced at $15.00 per share, to GSC Group and certain individual employees of GSC Group, respectively, in exchange for the general partnership interest and a limited partnership interest in GSC Partners CDO III GP, LP, collectively valued at $15.6 million. Additionally, GSC Group assigned its rights to act as collateral manager for GSC Partners CDO Fund III, Limited ("CDO III") to the Company. The Company paid GSC Group $0.1 million to acquire the rights to act as collateral manager and expected to receive collateral management fees of $0.2 million. For the year ended February 29, 2008 we received $0.4 million of management fee income from CDO III and received distributions of $16.1 million from our partnership interests resulting in a realized gain of $0.5 million. As of February 28, 2009, the fair value of the general partnership interest and limited partnership interest is $108,939.

On January 10, 2008, GSC Group notified our Dividend Reinvestment Plan Administrator that it was electing to receive dividends and other distributions in cash (rather than in additional shares of common stock) with respect to all shares of stock held by it and the investment funds under its control. For the year ended February 29, 2008, GSC Group received 35,911 of additional shares under the dividend reinvestment plan. As of February 28, 2009, GSC Group and its affiliates own approximately 12% of the outstanding common shares of the Company.

On January 22, 2008, we entered into a collateral management agreement with GSCIC CLO pursuant to which we will act as collateral manager to it. In return for our collateral management services, we are entitled to a senior collateral management fee of 0.10% and a subordinate collateral management fee of 0.40% of the outstanding principal amount of GSCIC CLO's assets, to be paid quarterly to the extent of available proceeds. We are also entitled to an incentive management fee equal to 20% of excess cash flow to the extent the GSCIC CLO subordinated notes receive an internal rate of return equal to or greater than 12%. We do not expect to enter into additional collateral management agreements in the near future.

In April 2009, our investment adviser withheld a scheduled principal amortization payment under its credit facility, resulting in a default thereunder. Our investment adviser has initiated discussions with its secured lenders regarding a consensual restructuring of its obligations under such credit facility. While we are not directly affected by our investment adviser's default, if it is unable to restructure its credit facility, or an acceleration of the outstanding principal balance by the lenders occurs, the ability of the investment adviser to retain key individuals and perform its investment advisory duties for us could be significantly impaired.

Note 15. Selected Quarterly Data (Unaudited)

	2009			
	Qtr 4	Qtr 3	Qtr 2	Qtr 1
	($ in thousands, except per share numbers)			
Interest and related portfolio income	$ 5,480	$ 6,361	$ 5,835	$5,715
Net investment income	3,288	3,887	3,455	3,195
Net realized and unrealized loss	(17,296)	(11,438)	(6,023)	(384)
Net increase (decrease) in net assets resulting from operations	(14,008)	(7,551)	(2,567)	2,811
Net investment income per common share at end of each quarter	$ 0.40	$ 0.47	$ 0.42	$ 0.39
Net realized and unrealized loss per common share at end of each quarter	$ (2.09)	$ (1.38)	$ (0.73)	$ (0.05)
Dividends declared per common share	$ —	$ 0.25	$ 0.39	$ 0.39
Net asset value per common share	$ 8.20	$ 10.14	$ 11.05	$11.75

	2008			
	Qtr 4	Qtr 3	Qtr 2	Qtr 1
	($ in thousands, except per share numbers)			
Interest and related portfolio income	$ 5,520	$ 5,882	$ 5,882	$4,102
Net investment income	2,562	3,070	3,157	1,958
Net realized and unrealized gain (loss)	(11,972)	(2,009)	(3,939)	1,722
Net increase (decrease) in net assets resulting from operations	(9,410)	1,061	(782)	3,680
Net investment income per common share at end of each quarter	$ 0.32	$ 0.37	$ 0.38	$ 0.23
Net realized and unrealized gain (loss) per common share at end of each quarter	$ (1.46)	$ (0.24)	$ (0.47)	$ 0.21
Dividends declared per common share	$ 0.57	$ 0.38	$ 0.36	$ 0.24
Net asset value per common share	$ 11.80	$ 13.51	$ 13.76	$14.21

Note 16. Subsequent Events

Following the end of the fiscal year ended February 28, 2009, AbitibiBowater Inc. and certain of its subsidiaries, which includes the Company's $2.1 million investment in Abitibi-Consolidated Company of Canada ("Abitibi"), filed voluntary petitions on April 16, 2009 in the United States under Chapter 11 of the United States Bankruptcy Code and sought creditor protection under the Companies Creditors Arrangement Act in Canada.

CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Seth M. Katzenstein, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of GSC Investment Corp.;

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 company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the company'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 company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company's ability to record, process, summarize and report financial information; and

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

Date: July 8, 2009

/s/ Seth M. Katzenstein
Seth M. Katzenstein
Chief Executive Officer and President

CERTIFICATION PURSUANT TO
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Richard T. Allorto, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K/A of GSC Investment Corp.;

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 company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the company'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 company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company's ability to record, process, summarize and report financial information; and

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

Date: July 8, 2009

/s/ Richard T. Allorto, Jr.
Name: Richard T. Allorto, Jr.
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with the accompanying Annual Report of GSC Investment Corp. on Form 10-K/A (the “Report”) for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Seth M. Katzenstein, the Chief Executive Officer and President and Richard T. Allorto, Jr., the Chief Financial Officer of GSC Investment Corp., each certifies that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of GSC Investment Corp.

Date: July 8, 2009

/s/ Seth M. Katzenstein
Name: Seth M. Katzenstein
Chief Executive Officer and President

/s/ Richard T. Allorto, Jr.
Name: Richard T. Allorto, Jr.
Chief Financial Officer