



# Shareholder Presentation

Financial Results  
For Fiscal Quarter  
Ended May 31, 2009

## **Important Notice**

This presentation should be read in conjunction with our financial statements and related notes and other information appearing in our Quarterly Report on Form 10-Q for the quarter ended May 31, 2009 (the "10-Q") and our Annual Report on Form 10-K for the fiscal year ended February 28, 2009 (the "10-K"). In addition to historical information, this presentation contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking information due to the factors discussed in in Part I, Item 1A in the 10-K and Part II, Item 1A in the 10-Q.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements.

The forward-looking statements contained in this presentation include statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the impact of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- our regulatory structure and tax treatment, including our ability to operate as a business development company and a regulated investment company;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments; and
- continued access to our revolving credit facility.

You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date of this presentation.

## **Note Regarding the Calculation of Assets Under Management**

The AUM of the corporate credit group represents (i) the principal balance of assets held in CLOs, adjusted for defaulted securities and excess "Caa / CCC" rated securities plus the market value of equity securities, all as measured under the relevant account documents and (ii) the market value of each investment held by GSC Investment Corp. plus available cash.

## I. Introduction

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## Financial Highlights

(at May 31, 2009)

### First Quarter 2010 Operating Results

Investment portfolio: \$121.2 million  
 Net assets: \$73.4 million  
 Net asset value: \$8.85 per share

- Operating results for the quarter ended May 31, 2009
  - Net investment income: \$2.6 million or \$0.31 per share
  - Net gain on investments: \$2.8 million or \$0.34 per share, primarily due to unrealized appreciation on the value of the portfolio due to positive changes in the fair value of investments
  - Net increase in net assets from operations: \$5.4 million or \$0.65 per share

### Attractive Risk- Adjusted Portfolio

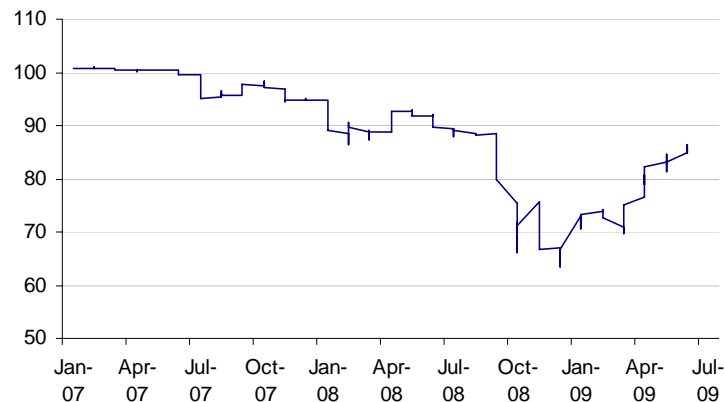
- 10.3% current yield on investment portfolio
- Corporate Debt Portfolio<sup>1</sup>:
  - 42 investments across 35 portfolio companies with an average investment of \$2.9 million
  - 74% senior secured loans and notes

<sup>1</sup> Excludes the investments in GSCIC CLO 2007, Ltd. and GSC Partners CDO GP III, LP.

## Market Update

- The flow-name loan market composite rebounded by 19 points to 85.2 since the end of 2008 mainly due to a reversal of the technical trends that drove the leverage loan market in 2008
- Technical factors that have led to turnaround:
  - Lack of forced sellers in the market and significant cash inflows in the high yield and leveraged loan markets, driven by easing concerns about the global financial system
  - CLOs are staying fully invested to avoid prepaying liabilities and are chasing B2 or better rated names higher
- Fundamental factors, however, continue to weigh on the market as increasing defaults and weak economic data worry market participants

**Standard & Poor's Flow Name Composite Index**  
Weekly: Jan 2007 to June 2009



Source: Data from Standard & Poor's LCD

- High yield bond spreads have tightened from 1,706bps at the end of 2008 to 987bps as of June 25, 2009, driven by the same technicals that have supported the loan market<sup>1</sup>
  - So far this year, high yield mutual funds have received over \$16bn of inflows

<sup>1</sup> Source: CSFB High Yield Index

## II. Portfolio Review

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## Portfolio Review

(at May 31, 2009; dollars in millions)

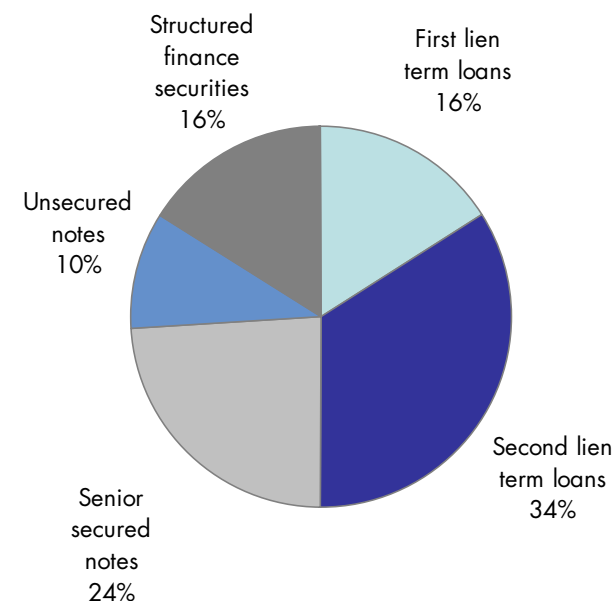
Portfolio Composition	
Total Portfolio	
Size	\$121.2
Weighted average yield <sup>1</sup>	10.3%
First Lien Term Loans	
Size	\$19.8
Average yield	7.7%
Second Lien Term Loans	
Size	\$40.8
Average yield	9.3%
Senior Secured Notes	
Size	\$28.6
Average yield	11.6%
Unsecured Notes	
Size	\$12.7
Average yield	12.3%
Structured Finance Securities	
Size	\$19.2
Average yield	11.2%

## Asset Class Diversification<sup>2</sup>

**74% Secured Loans and Notes**

**62% Middle Market Companies<sup>3,4</sup>**

**57% Floating Rate Collateral<sup>4</sup>**



<sup>1</sup> Weighted average yield and average yield calculated based on original cost

<sup>2</sup> Equity/Limited Partnership Interest represents less than 1% of portfolio

<sup>3</sup> Companies with LTM EBITDA of less than \$50mm at the time of initial acquisition

<sup>4</sup> Excludes Structured Finance Securities and Equity/Limited Partnership Interest

## Portfolio Review

(at May 31, 2009; dollars in millions)

### Issuer Diversification

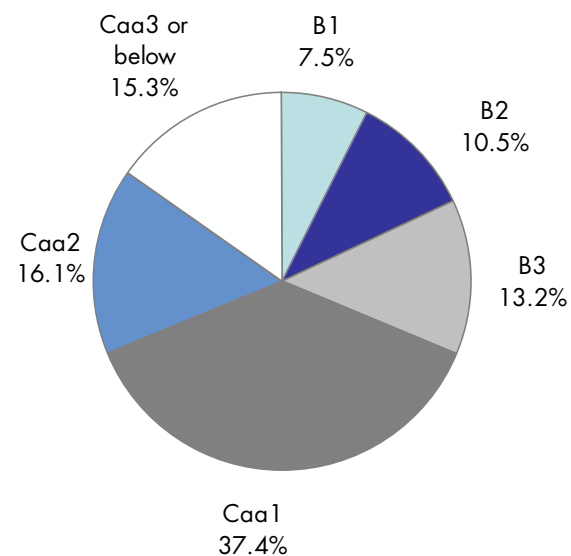
#### Corporate Debt Investments

- 42 investments
- 35 portfolio companies
- \$2.9 average investment by portfolio company

	<b>Issuer</b>	<b>Mkt</b>	<b>%</b>
1	GNV CLO	\$19.2	15.8%
2	Jason Incorporated*	9.8	8.1
3	Terphane Holdings Corp.*	8.6	7.1
4	Gear for Sports	6.8	5.6
5	Energy Alloys	5.9	4.8
6	Group Dekko*	5.4	4.5
7	Targus Group International	4.8	4.0
8	Specialized Technology Resources	4.7	3.9
9	Elyria Foundry Company	4.5	3.7
10	USS Mergerco	4.3	3.6
	Other	<u>47.2</u>	<u>38.9%</u>
	Total	\$121.2	100.0%

\* Watch List name

### Ratings Profile<sup>1</sup>



<sup>1</sup> Based on the Moody's public asset rating or private credit estimate for each obligation

## Portfolio Review

(at May 31, 2009)

### Industry Diversification

Structured Finance Securities	15.8%
Manufacturing	11.9
Packaging	9.1
Publishing	6.7
Oil and Gas	6.6
Consumer Products	6.2
Electronics	5.8
Apparel	5.6
Healthcare Services	5.5
Metals	5.2
Environmental	3.6
Homebuilding	3.2
Financial Services	2.6
Natural Resources	2.5
Logistics	2.0
Insurance	1.5
Food and Beverage	1.4
Printing	1.4
Building Products	1.4
Chemicals	0.7
Software	0.7
Education	0.4
Consumer Services	<u>0.2</u>
Total	100.0%

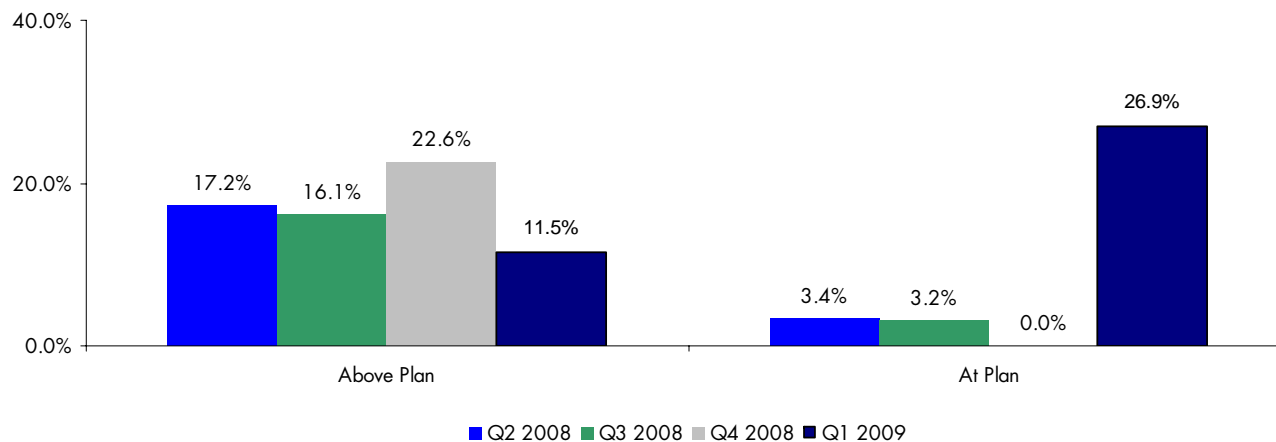
### Geographic Diversification<sup>1</sup>

Midwest	27.2%
Southeast	20.8
Other	15.9
West	14.0
Northeast	11.8
International	9.6
Mid Atlantic	<u>0.7</u>
Total	100.0%

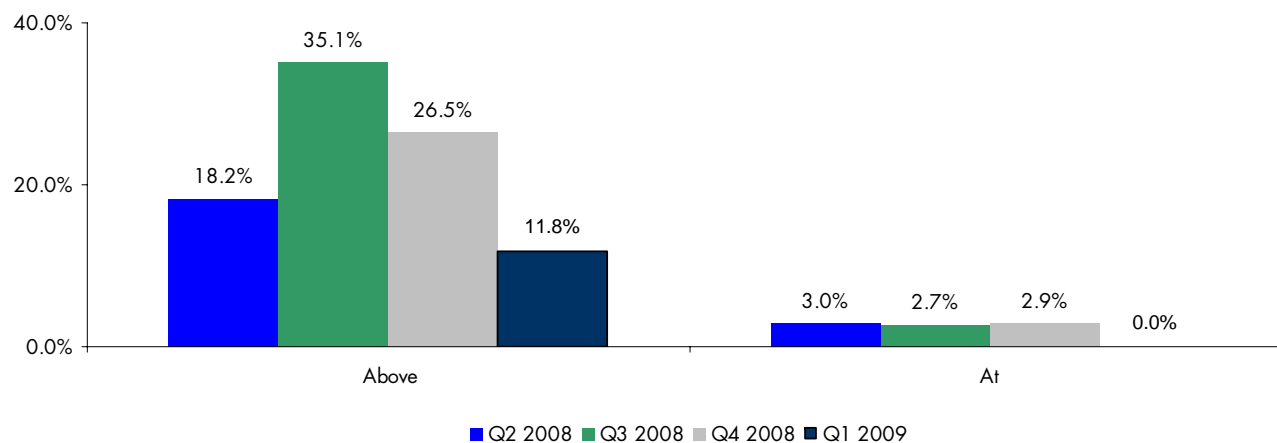
<sup>1</sup> Based on corporate headquarters

## Performance for Balance Sheet Investments

### Company Performance to Plan



### Quarter over Quarter EBITDA Comparison



## Average Investment Leverage<sup>1</sup>

(at May 31, 2009)

- Defensive credit strategy
- Increasing, but still reasonable leverage throughout portfolio

	Number of Securities	Leverage Ahead of Security	Leverage After CapEx Ahead of Security
First Lien Loans	14	0.2x	0.4x
Second Lien Loans	15	3.6x	4.1x
Senior Secured Notes	6	4.8x	5.3x
Unsecured Notes	2	2.2x	3.0x
<b>Weighted Average</b>		<b>2.5x</b>	<b>2.9x</b>

	Leverage Through Security	Leverage After CapEx Through Security
First Lien Loans	5.9x	7.0x
Second Lien Loans	5.2x	6.1x
Senior Secured Notes	10.2x	15.2x
Unsecured Notes	4.9x	6.3x
<b>Weighted Average</b>	<b>6.3x</b>	<b>8.0x</b>

<sup>1</sup> Leverage defined as debt divided by earnings before interest, taxes, depreciation, and amortization (EBITDA). Excludes issuers with negative EBITDA based on information provided by portfolio companies

**Watch List***(dollars in millions)*

Issuer	Security	At May 31, 2009		
		Principal	Cost	Fair Value
Abitibi Consolidated	First Lien Term Loan	\$2.9	\$2.9	\$2.3
Advanstar	First Lien Term Loan	2.0	1.6	1.0
Affinity	First Lien Term Loan	1.0	1.0	0.9
Blaze Metals and Recycling LLC	Senior Secured Notes	2.5	2.5	1.7
Brown Publishing	Second Lien Term Loan	1.2	1.2	0.3
Grant Forest Products, Inc.	Second Lien Term Loan	6.2	6.2	0.8
Group Dekko	Second Lien Term Loan	6.7	6.7	5.4
IDI Acquisition	Senior Secured Notes	3.8	3.6	3.2
Jason Incorporated	Unsecured Notes	13.7	13.7	9.8
Legacy Cabinets, Inc.	First Lien Term Loan	1.4	1.4	1.1
Legacy Cabinets, Inc.	Second Lien Term Loan	1.9	1.8	0.6
LyondellBasell	First Lien Term Loan	2.0	1.6	0.8
M/C Communications	First Lien Term Loan	1.7	1.6	0.5
McMillin Companies LLC	Senior Secured Notes	7.7	7.3	3.8
Network Communications	Unsecured Notes	5.0	5.1	2.9
Penton Media	First Lien Term Loan	4.9	3.8	2.9
Stronghaven, Inc.	Second Lien Term Loan	2.5	2.5	2.4
Terphane Holdings Corp.	Senior Secured Notes	10.4	10.4	8.6
Worldwide Express	First Lien Term Loan	2.8	2.8	2.4
<b>Total</b>		<b>\$80.2</b>	<b>\$77.7</b>	<b>\$51.4</b>

*The criteria used to compile the Watch List and the individual investments which are included on the Watch List may change at any time for any reason, all of which are in the Company's sole discretion*

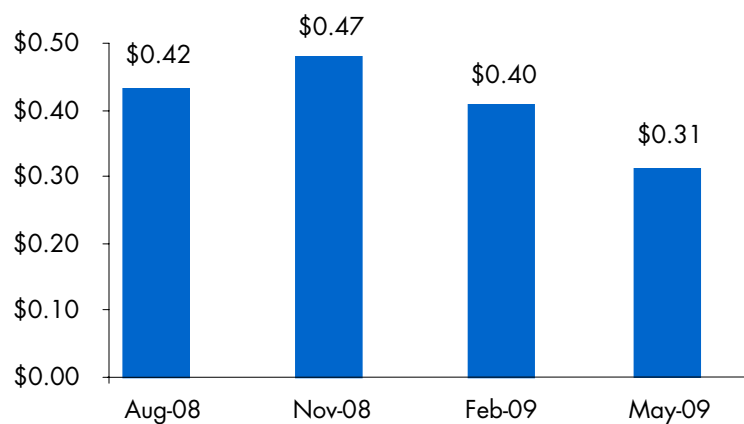
## **III. Financial Results**

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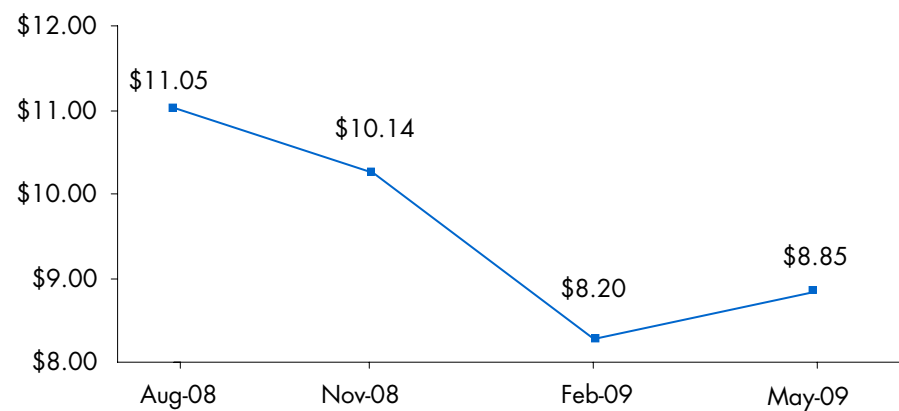
The following information is a summary only. Investors are urged to review our Quarterly Report on Form 10-Q for the quarter ended May 31, 2009, particularly the financial statements and related notes, the management discussion and analysis of financial condition and results of operations, and the quantitative and qualitative disclosures about market risk set forth therein, the Annual Report on Form 10-K for the fiscal year ended February 28, 2009 and any Current Reports on Form 8-K, filed with the Securities and Exchange Commission, for important information regarding the business of the Company, its financial condition, risk factors, and the results of its operations for the indicated periods.

## Financial Highlights

### Net Investment Income Per Share



### Net Asset Value Per Share



## Financial Results

(at May 31, 2009)

### First Quarter 2010 Operating Results

Investment portfolio: \$121.2 million

Net assets: \$73.4 million

Net asset value: \$8.85 per share

- Operating results for the quarter ended May 31, 2009
  - Net investment income: \$2.6 million or \$0.31 per share
  - Net gain on investments: \$2.8 million or \$0.34 per share, primarily due to unrealized appreciation on the value of the portfolio due to positive changes in the fair value of investments
  - Net increase in net assets from operations: \$5.4 million or \$0.65 per share
  
- Investments made during the period: \$0.0 million
- Redemptions of investments during the period: \$0.3 million

### First Quarter 2010 Portfolio Activity

## Income Statement

(dollars in millions, except per share data)

	For the Three Months Ended May 31, 2009	For the Three Months Ended May 31, 2008
Investment income	\$4.8	\$5.7
Net investment income	\$2.6	\$3.2
Realized and unrealized gain/(loss) on investments:		
Net realized loss from investments and derivatives	(0.0)	(0.3)
Net unrealized appreciation/(depreciation) on investments and derivatives	2.8	(0.1)
Net gain	<u>\$5.4</u>	<u>\$2.8</u>
Weighted average - basic and diluted earnings per common share	<u>\$0.65</u>	<u>\$0.34</u>
Net investment income per common share (basic and diluted)	<u>\$0.31</u>	<u>\$0.39</u>
Weighted average common stock outstanding (basic and diluted)	8,291,384	8,291,384

## Summary Balance Sheet

(dollars in millions, except per share data)

	May 31, 2009	February 28, 2009
<b>Assets</b>		
Total investments at fair value	\$121.2	\$118.9
Cash	10.6	7.5
Other assets	4.0	4.3
Total assets	<u>\$135.8</u>	<u>\$130.7</u>
<b>Liabilities</b>		
Revolving credit facility	\$57.8	\$59.0
Other liabilities	4.6	3.7
Total liabilities	<u>\$62.4</u>	<u>\$62.7</u>
<b>Stockholders' Equity</b>		
Total stockholders' equity	<u>\$73.4</u>	<u>\$68.0</u>
Total liabilities and stockholders' equity	<u>\$135.8</u>	<u>\$130.7</u>
Net asset value per share	<u>\$8.85</u>	<u>\$8.20</u>

## Unrealized Gain (Loss) Analysis

(dollars in thousands)

<b>Issuer</b>	<b>Pricing Methodology</b>	<b>Cost</b>	<b>Fair value</b>	<b>Total Unrealized Gain (Loss)</b>	<b>Q1 Change in Unrealized Gain (Loss)</b>
GSCIC CLO	Fair Value	\$29,233	\$19,208	(\$10,025)	(\$2,461)
Grant U.S. Holdings LLP	Fair Value	6,189	795	(5,394)	(1,643)
Targus Group International	Fair Value	7,695	4,839	(2,856)	(399)
Terphane Holdings Corp.	Fair Value	10,435	8,568	(1,867)	870
Penton Media, Inc.	Market Price	3,770	2,915	(855)	861
IDI Acquisition Corp.	Fair Value	3,638	3,207	(431)	764
USS Mergerco, Inc.	Fair Value	5,852	4,328	(1,524)	731
Elyria Foundry Company	Fair Value	4,858	4,534	(324)	687
Energy Alloys, LLC	Fair Value	6,200	5,873	(327)	586
Lyondell Chemical	Market Price	1,643	816	(827)	446
<b>Total - Top 10</b>		<b>79,513</b>	<b>55,083</b>	<b>(24,430)</b>	<b>442</b>
Remaining Portfolio		86,954	66,140	(20,814)	2,327
<b>Total Portfolio</b>		<b>\$166,467</b>	<b>121,223</b>	<b>(\$45,244)</b>	<b>\$2,769</b>

## IV. Company Highlights

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## Company Highlights

### Attractive Risk-Adjusted Debt Portfolio

- 10.3% current yield on investment portfolio
- Corporate Debt Portfolio<sup>1</sup>:
  - 42 investments and 35 portfolio companies with an average investment of \$2.9 million
  - 74% senior secured loans and notes

### Experienced Credit-Focused Management Team

- GSC Investment Corp.'s advisor, GSC Group, is a leading U.S. loan manager
  - \$3.5 billion of AUM across 10 investment vehicles<sup>2</sup>
  - Purchased over \$14.5 billion of loans and high yield bonds since 2000
  - Provided capital to more than 850 companies and over 250 sponsors

<sup>1</sup> Excludes the investments in GSCIC CLO 2007, Ltd. and GSC Partners CDO GP III, LP.

<sup>2</sup> As of March 31<sup>st</sup>, 2009. Please see page 1 for additional information on the calculation of assets under management.