Confidential Treatment Requested By The Gladstone Companies, Inc.
Pursuant to 17 C.F.R. 200.83

PART II – INFORMATION REQUIRED IN OFFERING CIRCULAR

An offering statement pursuant to Regulation A relating to these securities has been filed with the Securities and Exchange Commission. Information contained in this Preliminary Offering Circular is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted before the offering statement filed with the Commission is qualified. This Preliminary Offering Circular shall not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sales of these securities in any state in which such offer, solicitation or sale would be unlawful before registration or qualification under the laws of any such state. We may elect to satisfy our obligation to deliver a Final Offering Circular by sending you a notice within two business days after the completion of our sale to you that contains the URL where the Offering Circular was filed may be obtained.

SUBJECT TO COMPLETION, DATED MARCH 6, 2020
PRELIMINARY OFFERING CIRCULAR

THE GLADSTONE COMPANIES

1521 Westbranch Drive, Suite 100
McLean, Virginia 22102
(703) 287-5800
www.gladstonecompanies.com

6.0% Senior Secured Bonds

The Gladstone Companies, Inc. is offering a maximum of $50,000,000 in the aggregate of its 6.0% senior secured bonds, or the "Bonds," pursuant to this offering circular. No public market currently exists for our Bonds and we do not expect a public market to develop. The purchase price per Bond is $1,000, with a minimum purchase amount of $10,000. The Bonds will bear interest at a rate equal to 6.0% per year payable to the record holders of the Bonds quarterly in arrears on January 30th, April 30th, July 30th and October 30th of each year, beginning on the first such date that follows the first full calendar quarter after the initial closing in the offering. The Bonds will mature on [•], 2025. We may redeem the Bonds in whole or in part at any time or from time to time on or after [•], 2023 (or at any time, if our Board of Directors determines, in its sole discretion, that the proceeds of this offering are insufficient for the intended use of proceeds) at the redemption price discussed under the caption "*Description of Bonds—Optional Redemption*". In addition, holders of the Bonds can require us to repurchase the Bonds upon the occurrence of a Change of Control Repurchase Event (as defined herein) at the redemption price discussed under the caption "*Description of Bonds—Change of Control Repurchase Event*". Bondholders will have no right to put (that is, require us to redeem) any of the Bonds prior to their maturity date except in the case of a holder's death, subject to notice, discounts and other provisions contained in this offering circular. See "*Description of Bonds—Redemption Upon Death*".

The Bonds will be secured by a senior blanket lien on the ownership interest we hold in the Future Gladstone Funds which are raised with the proceeds of this offering, or the "collateral." We expect to use a portion of the proceeds from this offering to launch one or more of the Future Gladstone Funds. The Bonds will rank pari passu, or equal, in right of payment with all of our other senior secured indebtedness from time to time outstanding and senior in right of payment to our future indebtedness from time to time outstanding that is expressly subordinated to the Bonds, senior to all of our unsecured indebtedness to the extent of the value of the Bonds' security interest in our ownership interest of the Future Gladstone Funds, and structurally junior to all existing and future indebtedness and other obligations of our subsidiaries.

The Bonds will be offered to prospective investors on a "reasonable best efforts" basis through our affiliated dealer manager, Gladstone Securities, LLC, or our "managing broker-dealer." Our managing broker-dealer may engage additional broker-dealers, or "selling group members," who are members of the Financial Industry Regulatory Authority, Inc., or "FINRA," to assist in the sale of the Bonds. At each closing date, the proceeds for such closing will be disbursed to us and Bonds relating to such proceeds will be issued to their respective purchasers. We expect to commence the sale of the Bonds as of the date on which the offering statement is declared qualified by the U.S. Securities and Exchange Commission, or the "SEC," and will terminate on the date, or the "Termination Date," that is the earlier of (1) [•], 2023 (unless earlier terminated or extended by our Board of Directors) and (2) the date on which all $50,000,000 of our Bonds offered pursuant to this offering circular are sold.

Investing in our Bonds involves risks. Please read "*Risk Factors*" beginning on page 10 of this offering circular.

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The SEC does not pass upon the merits of or give its approval to any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering circular or other solicitation materials. These securities are offered pursuant to an exemption from registration with the SEC; however, the SEC has not made an independent determination that the securities offered are exempt from registration.

	Per Bond	Maximum Offering(1)
Offering price	$ 1,000	$ 50,000,000
Selling commissions(2)(3)	$ 60	$ 3,000,000
Dealer manager fee(2)(3)	$ 30	$ 1,500,000
Proceeds, before expenses, to us(4)	$ 910	$ 45,500,000

(1) Assumes that all Bonds offered are sold.
(2) The maximum selling commissions and the dealer manager fee will equal 6.0% and 3.0%, respectively, of aggregate gross proceeds in the offering. Each is payable to our managing broker-dealer. We or our affiliates also may provide permissible forms of non-cash compensation to registered representatives of our managing broker-dealer and to broker-dealers that are members of the FINRA and authorized by our managing broker-dealer to sell the Bonds, which we refer to as participating broker-dealers. The value of such items will be considered underwriting compensation in connection with the offering, and the corresponding payments of our dealer manager fee will be reduced by the aggregate value of such items. The combined selling commissions, dealer manager fee and such non-cash compensation will not exceed 10.0% of the aggregate gross proceeds of this offering, which is referred to as FINRA's 10.0% cap. Our managing broker-dealer will repay to us any excess payments made to our managing broker-dealer over FINRA's 10.0% cap if the offering is terminated prior to obtaining the maximum offering proceeds. See "*Plan of Distribution*" in this offering circular. The selling commissions and the dealer manager fee may be reduced or eliminated with regard to Bonds sold to or for the account of certain categories of purchasers. See "*Plan of Distribution*" in this offering circular.
(3) Our managing broker-dealer may reallow all or a portion of its selling commissions attributable to participating broker-dealers. In addition, our managing broker-dealer also may reallow a portion of its dealer manager fee earned on the proceeds raised by a participating broker-dealer, to such participating broker-dealer as a non-accountable marketing or due diligence allowance. The amount of the reallowance to any participating broker-dealer will be determined by the managing broker-dealer in its sole discretion.
(4) Before deducting estimated offering expenses of $400,000 payable by us in connection with this offering.

The managing broker-dealer is not required to sell any specific number of Bonds or dollar amount of the Bonds, but will use its "reasonable best efforts" to sell the Bonds offered. There will be a minimum permitted purchase of $10,000, or 10 Bonds, but purchases of less than $10,000 may be made in our discretion in consultation with our managing broker-dealer. Should the offering continue beyond [•], 2021 (which is the one-year anniversary of the qualification date of the offering statement of which this offering circular forms a part), we will further supplement the offering circular accordingly, if required. We may terminate this offering at any time, or may offer pursuant to a new offering statement, including a follow-on offering statement.

We will sell the Bonds through Depository Trust Company, or "DTC," settlement, or "DTC Settlement,"or, under special circumstances, through Direct Registration System settlement, or "DRS Settlement." See "*Plan of Distribution.*"

Generally, no sale may be made to you in this offering if the aggregate purchase price you pay is more than 10% of the greater of your annual income or net worth. Different rules apply to accredited investors and non-natural persons. Before making any representation that your investment does not exceed applicable thresholds, we encourage you to review Rule 251(d)(2)(i)(C) of Regulation A. For general information on investing, we encourage you to refer to www.investor.gov.

OFFERING CIRCULAR FORMAT IS BEING FOLLOWED.

Gladstone Securities, LLC

as Dealer Manager

The date of this offering circular is [•], 2020

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This offering circular is solely an offer with respect to our Bonds and is not an offer, directly or indirectly, of any securities of any of the Existing Gladstone Funds (as defined below) we advise, manage or sponsor or any funds we may advise, manage or sponsor in the future. **An investment in our Bonds is not an investment in any of our funds, and the assets and revenues of the Existing Gladstone Funds are not directly available to us, our bondholders or our stockholders.** In addition, interests in certain of our funds only may be offered privately to certain sophisticated and accredited investors on the basis of exemptions from the registration requirements of the federal securities laws.

This offering circular does not constitute an offer of, or an invitation to purchase, any of our Bonds in any jurisdiction in which such offer or invitation would be unlawful. We and the managing broker-dealer are offering to sell, and seeking offers to buy, our Bonds only in jurisdictions where such offers and sales are permitted.

You should rely only on the information contained in this offering circular. Neither we nor the managing broker-dealer have authorized anyone to provide any information or to make any representations other than those contained in this offering circular. Neither we nor the managing broker-dealer take any responsibility for, or can provide any assurance as to the reliability of, any other information that others may give you. The information in this offering circular is current only as of the date of this offering circular, regardless of the time of delivery of this offering circular or any sale of our Bonds.

Defined Terms

Except where the context requires otherwise, in this offering circular:

- "Company," "we," "us" and "our" refer to The Gladstone Companies, Inc., formerly known as Gladstone Holding Corporation until a name change effective September 14, 2018, and its consolidated subsidiaries, including the Administrator Subsidiary, the Adviser Subsidiary and the Broker-Dealer Subsidiary;
- "1940 Act" refers to the Investment Company Act of 1940, as amended;
- "Administrator Subsidiary" refers to Gladstone Administration, LLC, a wholly-owned subsidiary of the Company that currently provides administrative services to the Existing Gladstone Funds;
- "Adviser Subsidiary" refers to Gladstone Management Corporation, a wholly-owned subsidiary of the Company and a registered investment adviser that currently advises the Existing Gladstone Funds;
- "BDC" refers to a business development company regulated under the 1940 Act;
- "Broker-Dealer Subsidiary" refers to Gladstone Securities LLC, a wholly-owned subsidiary of the Company that is registered as a broker dealer with the SEC and is a member of FINRA and insured by the SIPC and provides certain investment banking services to the Existing Gladstone Funds;
- "Code" refers to the Internal Revenue Code of 1986, as amended;
- "Existing Gladstone Funds" and "our funds" refer to GAIN, GLAD, GOOD and LAND, each of which is managed by the Adviser Subsidiary;
- "Future Gladstone Funds" refers to the three new funds that we expect to launch and manage through the Adviser Subsidiary: Gladstone Retail, Gladstone Farming and Gladstone Partners;
- "GAIN" refers to Gladstone Investment Corporation and its consolidated subsidiaries (Nasdaq: GAIN);
- "GLAD" refers to Gladstone Capital Corporation and its consolidated subsidiaries (Nasdaq: GLAD);
- "Gladstone BDCs" and "our BDCs" refers collectively to GAIN and GLAD;
- "Gladstone Farming" refers to Gladstone Farming L.P., a limited partnership to be formed in Delaware that is expected to be a privately offered fund that invests in agricultural operations in the United States;
- "Gladstone Partners" refers to Gladstone Partners L.P., a Delaware limited partnership that is expected to a privately offered fund that will invest alone or co-invest in new portfolio companies with the Gladstone BDCs;
- "Gladstone REITs" refers collectively to LAND and GOOD;
- "Gladstone Retail" refers to Gladstone Retail Corporation, a corporation to be formed in Maryland that is expected to be a REIT that invests in retail properties;
- "GOOD" refers to Gladstone Commercial Corporation and its consolidated subsidiaries (Nasdaq: GOOD);

- "LAND" refers to Gladstone Land Corporation and its consolidated subsidiaries (Nasdaq: LAND);
- "lower middle market" generally refers to companies with annual EBITDA of $3 million to $20 million;
- "REIT" refers to a real estate investment trust under Section 856 of the Code;
- "SEC" refers to the U.S. Securities and Exchange Commission;
- "senior executives" refers to our founders (David Gladstone and Terry Lee Brubaker), the presidents of the Existing Gladstone Funds (David A.R. Dullum, Robert (Bob) G. Cutlip and Robert (Bob) L. Marcotte), who are also our Executive Vice Presidents, the president of the Administrator Subsidiary (Michael LiCalsi), who is also our General Counsel and Secretary, and other key executive officers;
- "SIPC" refers to the Securities Investor Protection Corporation; and
- "TGC LTD" refers to The Gladstone Companies, Ltd., a Cayman Islands exempted company, controlled by our Chairman, President and Chief Executive Officer, David Gladstone, which owns all of our voting securities and will continue to do so following the completion of this offering.

Performance Information Used In this Offering Circular

Except where the context requires otherwise, in this offering circular:

- "assets under management" is defined as the sum of the total assets of the Existing Gladstone Funds;
- "incentive fees" refers to performance-based fees that the Adviser Subsidiary earns for advisory services provided to our funds, and for the Existing Gladstone Funds, generally consist of two parts: an income-based incentive fee and a capital gains-based incentive fee;
- "investment advisory fees" (also referred to throughout this offering circular as "base management fees") refer to fees that the Adviser Subsidiary earns for advisory services provided to the Existing Gladstone Funds, which are generally based on a measure of adjusted gross assets for the Gladstone BDCs and measure of adjusted stockholders' equity for the Gladstone REITs;
- "EBITDA" refers to earnings before interest, taxes, depreciation and amortization;
- "FFO" refers to funds from operations; and
- "hurdle rate" refers to a specified minimum rate of return on investments that a fund must exceed in order for the Adviser Subsidiary to receive certain incentive fees.

Many of the terms used in this offering circular, including assets under management, may differ from the calculations of other asset managers and as a result this measure may not be comparable to similar measures presented by other asset managers. In addition, our definition of assets under management is not based on any definition of assets under management that is set forth in the agreements governing the funds that we manage.

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OFFERING CIRCULAR SUMMARY

This summary highlights information contained elsewhere in this offering circular and does not contain all the information you should consider before investing in our Bonds. You should read this entire offering circular carefully, especially the sections entitled "Risk Factors," "Special Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and the historical consolidated financial statements and the related notes thereto, before you decide to invest in our Bonds.

The Gladstone Companies, Inc.

Founded in 2001, we are a leading alternative asset manager with assets under management of approximately $2.7 billion as of June 30, 2019. Our assets under management are invested across a diverse range of alternative strategies, including private debt, private equity, real estate and real assets. We seek to deliver superior returns to stockholders through a careful, disciplined, value-oriented investment approach across multiple alternative asset classes, which we believe will generate diversified fee income. We believe that this investment approach across the Existing Gladstone Funds and Future Gladstone Funds has and will continue to provide long-term stability and predictability to our business, thereby mitigating the risks arising out of different economic cycles. Over the 18 years since the inception of GLAD, we have continued to cultivate strong relationships with investors in the Existing Gladstone Funds through our asset management business by providing objective and insightful solutions and practical advice to such funds. We believe our diversified businesses, coupled with our track record of investment performance, investment approach and investor relationships, position us to continue to perform well in a variety of market conditions, while growing our assets under management and developing complementary businesses.

As of December 31, 2019, we had 29 executive officers, managing directors and directors and also employed 41 other investment and administrative professionals through our Adviser Subsidiary and Administrator Subsidiary at our headquarters in McLean, Virginia (a suburb of Washington, D.C.) and our offices in New York, New York, Chicago, Illinois, Seattle, Washington, Dallas, Texas and Salinas, California. Our business is intellectual capital intensive, and we believe that the depth and breadth of the experience of our professionals is a key reason for our success.

The Existing Gladstone Funds, which we currently advise through the Adviser Subsidiary, specialize in investments in alternative asset classes:

- GAIN is a BDC that primarily invests in debt and equity securities of lower middle market private businesses operating in the United States (including in connection with management buyouts, recapitalization or, to a lesser extent, refinancing of existing debt facilities);
- GLAD is a BDC that primarily invests in debt securities of established private lower middle market companies in the United States;
- GOOD is a REIT that focuses on acquiring, owning and managing primarily office and industrial properties; and
- LAND is a REIT that focuses on acquiring, owning and leasing farmland.

We have grown assets under management through the Adviser Subsidiary from approximately $132.2 million as of September 30, 2001 to approximately $2.7 billion as of June 30, 2019, representing a compound annual growth rate, or CAGR, of 19%. Assets under management have doubled over the past five years primarily as a result of the ability of the Existing Gladstone Funds to raise additional capital and effectively deploy such capital in new investments. The growth of our assets under management is also partially due to the appreciation of certain investments over time and, to a limited extent, interest earned on certain investments and the redeployment of gains received upon the exit of investments.

In addition to the asset management services provided by the Adviser Subsidiary, our Broker-Dealer Subsidiary earns fees by generally providing investment banking, due diligence, dealer manager, mortgage placement, and other financial services to the Existing Gladstone Funds and certain portfolio companies of the Gladstone BDCs.

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Each of the Existing Gladstone Funds is a permanent capital vehicle, which means that a significant portion of our revenue base is recurring. The long-term nature of our capital has enabled and continues to enable us to invest assets with a long-term focus over different points in a market cycle, which we believe is an important component in generating attractive returns. For the year ended June 30, 2019, approximately 37.1% of our total fee revenue was comprised of investment advisory and loan servicing fees. Investment advisory fees, which are generally based on the amount of invested capital in funds we manage, are more predictable and less volatile than incentive fees.

We primarily generate revenue from fees earned pursuant to advisory agreements, or, in each case, an Advisory Agreement, our Adviser Subsidiary has with each of the Existing Gladstone Funds. Each Existing Gladstone Fund pays a base management fee (which is based on a measure of adjusted gross assets in the case of the Gladstone BDCs and LAND and on a measure of stockholders' equity in the case of GOOD) and performance-based incentive fees. The current base management fees paid to the Adviser Subsidiary by each of the Existing Gladstone Funds are summarized in the following table:

Investment Advisory Fees

GAIN	Annual fee of 2% of average gross assets(1)
GLAD	Annual fee of 1.75% of average gross assets(1)
GOOD	Annual fee of 1.5% of total adjusted stockholders' equity(1)
LAND	Annual fee of 0.50% of Gross Tangible Real Estate(1)(2)

(1) As defined in the applicable Advisory Agreement.
(2) Prior to the quarter ending March 31, 2020, LAND's base management fee was 2% of total adjusted common equity.

Incentive fees are earned by the Adviser Subsidiary pursuant to a given Advisory Agreement when an Existing Gladstone Fund meets certain income or realized capital gains thresholds. Incentive fees are recognized as income when all contingencies, including realization of specified minimum hurdle rates, have been exceeded. Through June 30, 2019, the Adviser Subsidiary has earned income-based incentive fees but has not earned any capital gains-based incentive fees. The following tables summarizes the basis for the incentive fee arrangements payable to the Adviser Subsidiary by each of the Existing Gladstone Funds:

	Income-Based Incentive Fee	Capital Gains-Based Incentive Fee
GAIN	All of the pre-incentive fee net investment income generated quarterly in excess of a hurdle rate of 1.75% of net assets up to threshold of 2.1875% of net assets (7% to 8.75% annualized) and 20% of the pre-incentive fee net investment income generated quarterly in excess of such 2.1875% threshold (8.75% annualized)	20% of certain net realized capital gains.
GLAD	All of the pre-incentive fee net investment income generated quarterly in excess of a hurdle rate of 1.75% of net assets up to a threshold of 2.1875% of net assets (7% to 8.75% annualized) and 20% of the pre-incentive fee net investment income in excess of such 2.1875% threshold (8.75% annualized)	20% of certain net realized capital gains.
GOOD	15% of Core FFO (as defined in the applicable Advisory Agreement) generated quarterly in excess of a hurdle rate of 2% of adjusted stockholders' equity (8% annualized)	15% of certain net realized capital gains.
LAND	All of FFO generated quarterly in excess of a hurdle rate of 1.75% of total adjusted common equity up to a threshold of 2.1875% of total adjusted common equity (7% to 8.75% annualized), plus 20% of FFO in excess of such 2.1875% threshold (8.75% annualized)	15% of certain net realized capital gains.

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In addition to fees received by our Adviser Subsidiary pursuant to the Advisory Agreements, our Adviser Subsidiary and our Broker-Dealer Subsidiary earn fees for providing investment banking, due diligence, dealer manager, mortgage placement, and other financial services. All fees received by our Administrator Subsidiary are reimbursement for the allocable portion of each Existing Gladstone Fund's corporate overhead which primarily includes rent and the salaries and benefits expenses of the Administrator's employees that serve the respective Existing Gladstone Fund; therefore, ultimately, we do not generate net income from the fees generated by the Administrator Subsidiary.

Our Business Model

We, through our subsidiaries, provides the following services: asset management, financial services, and administrative services.

Asset Management

Our Adviser Subsidiary is a leading alternative asset manager, currently managing the Existing Gladstone Funds, which are four publicly-traded, Nasdaq-listed companies that invest in alternative asset classes.

- **GLAD (BDC – Debt Securities of Private Companies):** We are the adviser to GLAD, a BDC that primarily invests in debt securities of established private lower middle market companies in the in U.S. GLAD was established in 2001 and is an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. In addition, it has elected to be treated as a regulated investment company, or RIC, for federal tax purposes under the Code. Pursuant to its Advisory Agreement, since GLAD's inception through June 30, 2019, the Adviser Subsidiary earned an aggregate of approximately $121.8 million in investment advisory and loan servicing fees, or $72.6 million net of credits to our Adviser Subsidiary, and approximately $56.0 million in incentive fees, or $33.0 million net of credits to our Adviser Subsidiary.
- **GAIN (BDC – Debt and Equity Securities (including Buyouts) of Private Companies).** We are the adviser to GAIN, a BDC that invests in debt and equity securities of lower middle market private businesses operating in the U.S. (including in connection with management buyouts, recapitalization or, to a lesser extent, refinancing of existing debt facilities). GAIN was established in 2005 and, like GLAD, is an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. In addition, it has elected to be treated as a RIC for federal tax purposes under the Code. Pursuant to its Advisory Agreement, since GAIN's inception through June 30, 2019, the Adviser Subsidiary earned an aggregate of approximately $138.5 million in investment advisory and loan servicing fees, or $64.5 million net of credits to our Adviser Subsidiary, and approximately $37.8 million in incentive fees, or $37.4 million net of credits to our Adviser Subsidiary.
- **GOOD (REIT – Office and Industrial Properties):** We are the adviser to GOOD, a diversified, national operation, with investments in a variety of sectors and geographic locations. GOOD was established in 2003 and is an externally-managed REIT focused on acquiring, owning, and managing primarily office and industrial properties. Pursuant to its Advisory Agreement, since GOOD's inception through June 30, 2019, the Adviser Subsidiary earned an aggregate of approximately $40.2 million in investment advisory fees, or $39.8 million net of credits to our Adviser Subsidiary, and approximately $41.8 million in incentive fees, or $23.1 million net of credits to our Adviser Subsidiary.
- **LAND (REIT – Farmland):** We are the adviser to LAND, a diversified, national operation, with investments in a variety of sectors and geographic locations. LAND was established in 2013 and is an externally-managed, natural resource REIT focused on acquiring, owning and leasing farmland. Pursuant to its Advisory Agreement, since LAND's inception through June 30, 2019, the Adviser Subsidiary earned an aggregate of approximately $11.3 million in investment advisory fees, or $9.2 million net of credits to our Adviser Subsidiary, and approximately $1.7 million in incentive fees, or $0.8 million net of credits to our Adviser Subsidiary.

See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures and Indicators"* for additional information regarding the investment advisory and incentive fees for each Existing Gladstone Fund. For a more detailed review of each fund's performance, see "*Business—The Historical Investment Performance of Our Funds*"

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Financial Services

Financial services generally include receiving transaction-based compensation or other compensation for providing advice on a variety of strategic and financial matters, such as mergers, acquisitions and divestitures, restructurings and reorganizations and capital raising and capital structure. We provide financial services through our Adviser Subsidiary and through our Broker-Dealer Subsidiary. The Broker-Dealer Subsidiary earns fees generated from providing dealer manager, investment banking, mortgage placement, and other services to us, the Existing Gladstone Funds and certain portfolio companies of GLAD and GAIN. We incur third-party securities trade costs associated with the Broker-Dealer Subsidiary that largely offset the associated securities trade commission revenue we earn.

Administrative Services

Our Administrator Subsidiary provides administrative services to the Existing Gladstone Funds as well as our Adviser Subsidiary and Broker-Dealer Subsidiary. Pursuant to administration agreements with the Existing Gladstone Funds, or the Administration Agreements, the Administrator Subsidiary allocates the costs of administrative services and overhead and receives administrative fee payments from the Existing Gladstone Funds. Additionally, the Administrator Subsidiary is responsible for producing the financial statements and asset valuations, and handling compliance, legal, and other duties for the Company, the Existing Gladstone Funds, and our subsidiaries.

Competitive Strengths

Diversified, National Alternative Asset Manager Delivering Significant Growth. Alternative asset management is the fastest growing segment of the asset management industry, and we are one of the leading mid-sized independent alternative asset managers in the U.S. Our asset management business is diversified across a broad variety of alternative asset classes and investment strategies and have national reach and scale. From the time our Adviser Subsidiary entered the asset management business in 2001 through June 30, 2019, the Existing Gladstone Funds have raised approximately $2.2 billion of capital. Our assets under management have grown from approximately $132.2 million as of September 30, 2001 to approximately $2.7 billion as of June 30, 2019, representing a CAGR of approximately 19%. We believe that the strength and breadth of our franchise, supported by our people, investment approach and track record of success, provide a distinct advantage when raising capital, evaluating opportunities, making investments, building value and realizing returns.

Stable Earnings Model. We believe we have a stable earnings model based on:

We manage permanent capital. As of June 30, 2019, 100% of our assets under management were in permanent capital vehicles with no fund termination or maturity. None of the Existing Gladstone Funds has a requirement to return capital to investors. This has enabled and continues to enable us to invest assets with a long-term focus over different points in a market cycle, which we believe is an important component in generating attractive returns. We believe our management of long-term capital also leaves us well-positioned during economic downturns, when the fundraising environment for alternative assets may be more challenging.

We have a diverse capital base. We have a well-balanced and diverse capital base, which we believe is the result of our demonstrated expertise across alternative capital vehicles. For our fiscal year ended June 30, 2019, approximately 24.46%, 39.01%, 20.07%, and 5.46% of our total fee revenue was generated from GLAD, GAIN, GOOD and LAND, respectively.

A significant portion of our revenue is generated from management fees. Management fees, which are generally based on the amount of invested capital in funds we manage, are more predictable and less volatile than performance-based fees. For the year ended June 30, 2019, approximately 37.09% of our total fee revenue was comprised of base management fees. For the years ended June 30, 2017, 2018 and 2019, base management fees averaged 41.36% of our total fee revenue.

Strong Middle Market Presence. Our core business of investing in alternative assets includes substantial exposure to the U.S. middle market, defined as U.S. businesses with $10 million to $1 billion in annual revenue. According to the National Center for The Middle Market, middle market businesses generated $6 trillion in accrued revenue which is 33% of the private sector GDP and employed 48 million people in the United States. In addition, according the National Center for the Middle Market's fourth quarter 2019 report, the year-over-year revenue growth rate of middle market companies was 7.5% as compared to 4.3% for companies comprising the S&P 500. In addition, the projected revenue growth rate of middle market companies for the 12-month period ending December 31, 2020 is projected to be at 4.9% with an estimated 73% of middle market companies projecting increased revenue over the same period.

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Strong Industry and Corporate Relationships. We believe that the strength of our relationships with investment banking firms, other financial intermediaries and leading businesses and corporate executives provides us with a competitive advantage in identifying transactions, securing investment opportunities and generating exceptional returns. As a result of these various relationships, we believe that we are less reliant on auction processes in making investments than many of our competitors, thereby providing us with a wider array of attractive investment opportunities.

Demonstrated Investment Track Record. Over our history we have established a record of generating attractive total returns across our asset management business, as shown in the table below. We believe that the average investment returns we have generated for investors in our funds through all types of economic conditions and all cycles of the equity and debt capital markets is a primary reason why we have been able to consistently grow our assets under management across all of our funds.

	As of June 30, 2019	
	Number of Years	Total Percentage Return (1)
GLAD	1	20%
GAIN	1	3%
GOOD	1	19%
LAND	1	-5%
GLAD	3	71%
GAIN	3	103%
GOOD	3	59%
LAND	3	18%
GLAD	5	52%
GAIN	5	140%
GOOD	5	80%
LAND	5	6%

(1) The table above provides the total percentage return on a $100 investment in common stock of the Existing Gladstone Funds, assuming a reinvestment of all dividends, for one year, three years and five years, rounded to the nearest whole percent based on reported closing stock price as of June 30 of each year.

See "*Business—The Historical Investment Performance of Our Funds*" for information regarding the calculation of investment returns, valuation methodology and factors affecting our investment performance. The historical information presented above and elsewhere in this offering circular with respect to the investment performance of our funds is provided for illustrative purposes only. The historical investment performance of the Existing Gladstone Funds is no guarantee of future performance of the Existing Gladstone Funds or any other fund we may manage in the future.

Diverse Base of Longstanding Investors. Over the past 18 years of our asset management activities, we have built long-term relationships with many individual retail investors and their advisers, as well as U.S. based institutional investors, many of which invest in several of the Existing Gladstone Funds. Through the Existing Gladstone Funds, our senior executives have a long history of raising significant amounts of capital on a national basis across a broad range of asset classes, and we believe that the strength and breadth of our relationships with individual and institutional investors provide us with a competitive advantage in raising additional capital for the Existing Gladstone Funds as well as the Future Gladstone Funds.

Seasoned Management Team. Our executive officers and senior management average more than 28 years of experience in the business of the fund they help manage and are key drivers in the growth of our business. Our 29 executive officers, managing directors and directors have more than 800 years of combined business experience. This team is supported by approximately 41 other professionals with a variety of backgrounds in investment banking, leveraged finance, private equity, real estate, farmland, accounting, corporate and securities law, asset valuation, taxes, and other applicable disciplines. We believe that the extensive experience and financial acumen of our management and professionals provide us with a significant competitive advantage.

Distinct Advisory Perspective. We are not engaged in activities that might conflict with our role as a trusted financial advisor. We believe that this makes us particularly well-suited to represent boards and special committees in the increasing number of situations where they are looking to retain a financial advisor who is devoid of such conflicts. In addition, we believe that our ability to view financial advisory client assignments from both the client's and an owner's perspective often provides unique insights into how best to maximize value while also achieving our clients' strategic objectives.

Demonstrated History of Legal and Regulatory Compliance. We have a proven track record of launching and managing publicly traded BDC and REIT vehicles, each of which is subject to distinctive compliance and regulatory challenges. Rigorous legal and compliance analysis of our businesses and investments is important to our culture and our history of regulatory and legal compliance across all of our vehicles is a core strength of our firm.

Growth Strategy

As we expand our business, we intend to apply the same core principles and strategies to which we have adhered since our inception:

Organically Grow Our Existing Funds. Alternative assets are experiencing increasing demand from a range of investors, which we and many industry participants believe is part of a long-term trend to enhance portfolio diversification and to meet desired return objectives. We have demonstrated our ability to deliver strong risk-adjusted investment returns in alternative assets throughout market cycles since our inception in 2001, and we believe each of our investment strategies are well positioned to benefit from long-term positive industry momentum. By continuing to deliver strong investment and operations management performance, we expect to grow the assets under management in the Existing Gladstone Funds by deepening and broadening relationships with our current high-quality investor base as well as attracting new investors.

Expand Our Product Offerings. We intend to grow our investment platform to include additional investment products that are complementary to the Existing Gladstone Funds. As we expand our product offerings, we expect to leverage the investor base of the Existing Gladstone Funds, and to attract new investors. Finally, we expect to leverage our direct origination platform, underwriting process and active credit management capabilities to grow related investment product offerings. There are a number of complementary strategies that we are currently pursuing across our investment groups. We intend to use most of the net proceeds from this offering to form one or more of the Future Gladstone Funds, which are the following three new funds that we intend to invest in and manage directly or through our subsidiaries:

- **Gladstone Retail**. We intend to invest up to $20 million of the proceeds of this offering as seed capital in Gladstone Retail. Once launched, Gladstone Retail will seek to purchase and own retail properties, which we define as locations that are open to the public and provide a product or service.
- **Gladstone Farming**. We intend to invest up to $20 million of the proceeds of this offering as seed capital in Gladstone Farming. Once launched, Gladstone Farming will seek to purchase agricultural operations across the United States that are focus on high-value crops such as organic vegetables, fruits and nuts and those of which may be converted to organic.
- **Gladstone Partners**: We intend to invest up to $10 million of the proceeds of this offering as seed capital in Gladstone Partners, a Delaware limited partnership formed on February 4, 2003. Once launched, Gladstone Partners will seek to invest alone or co-invest in new portfolio companies with the Gladstone BDCs.

We intend to review other categories in connection with establishing additional funds in the future; however, we currently have no plans for any new funds other than the Future Gladstone Funds**.**

Diversify and Grow Client Base. The growing demand for alternative assets provides an opportunity for us to attract new investors across a variety of channels. As we continue to expand our product offering and our geographic presence, we expect to be able to attract new investors to our funds. In addition to retail investors, which have historically comprised a significant portion of our assets under management, in recent periods we have extended our investment strategies and marketing efforts increasingly to institutional investors.

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Organizational Structure

We were formed as a Delaware company on December 7, 2009. We are managed by our Board of Directors who are elected by TGC LTD, which owns all of our common stock. The sole shareholder of TGC LTD is currently David Gladstone. TGC LTD will not have any business activities other than its ownership of our common stock. As the sole voting stockholder of the Company, TGC LTD has the right to elect and remove members of our Board of Directors, or Directors.

We conduct substantially all of our business activities through our subsidiaries, including the Adviser Subsidiary, the Broker-Dealer Subsidiary and the Administrator Subsidiary. We expect that our fee-generating asset management business generally will be operated through the Adviser Subsidiary. The administration services will generally be provided by the Administrator Subsidiary and financial services work will be completed by our Adviser Subsidiary or Broker-Dealer Subsidiary. A portion of our business also may be conducted by us directly or indirectly through new funds or partnerships. We expect that a substantial portion of our revenues will be derived from the Existing Gladstone Funds, which are publicly-traded entities that have elected to be taxed as RICs or REITs for U.S. federal income tax purposes.

Corporate Information

Our principal executive offices are located at 1521 Westbranch Drive, Suite 100, McLean, Virginia 22102, and our phone number is (703) 287-5800. Our website is *www.gladstonecompanies.com*. Information contained on or accessible through our website is not incorporated by reference into this offering circular and should not be considered a part of this offering circular.

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THE OFFERING

Issuer	The Gladstone Companies, Inc.
Securities Offered	$50,000,000 aggregate principal amount of the Bonds.
Offering price	$1,000 per Bond.
Minimum Investment	$10,000, but purchases of less than $10,000 may be made at our discretion in consultation with our managing broker-dealer.
Maturity date	[•], 2025
Interest rate	6.0% per annum
Interest Payment Dates	January 30, April 30, July 30 and October 30, beginning on the first such date that follows the first full calendar quarter after the initial closing in the offering.
Security and Ranking	The Bonds will be secured by a senior blanket lien on the ownership interest we hold in the Future Gladstone Funds which are raised with the proceeds of this offering, or the "collateral." We expect to use a portion of the proceeds from this offering to launch one or more of the Future Gladstone Funds. The Bonds will rank pari passu, or equal, in right of payment with all of our other senior secured indebtedness from time to time outstanding and senior in right of payment to our future indebtedness from time to time outstanding that is expressly subordinated to the Bonds, senior to all of our unsecured indebtedness to the extent of the value of the Bonds' security interest in our ownership interest of the Future Gladstone Funds, and structurally junior to all existing and future indebtedness and other obligations of our subsidiaries.
Use of proceeds	We estimate that the net proceeds we will receive from this offering will be approximately $45,500,000 if we sell the maximum offering amount, after deducting estimated the maximum selling commissions and the dealer manager fee, but before offering expenses payable by us. We intend to use the net proceeds for growth strategies, which are expected to include: (i) providing initial capital to launch one or more of the Future Gladstone Funds; (ii) using proceeds for working capital to supplement our existing line of credit; (iii) investing in other general partnership interests or other controlling interests in other new affiliated funds or other growth initiatives either directly or through our Adviser Subsidiary; (iv) providing additional capital to the Existing Gladstone Funds; and (v) for other general corporate purposes. See "*Use of Proceeds.*"
Redemption Upon Death	Within 45 days of the death of a Bondholder who is a natural person, the estate of such Bondholder, or legal representative of such Bondholder may request that we repurchase, in whole but not in part and without penalty, the Bonds held by such Bondholder by delivering to us a written notice requesting such Bonds be redeemed. In the event a Bond is held jointly by two or more natural persons, the estate or legal representative of either such Bondholder shall only have the right to request that the Company repurchase such Bond if each such Bondholder is deceased. Upon receipt of redemption request in the event of death, we will designate a date for the redemption of such Bonds, which date shall not be later than the 15th day of the month next following the month in which we receive facts or certifications establishing to the

	reasonable satisfaction of the Company supporting the right to be redeemed. On the designated date, we will redeem such Bonds at a price per Bond that is equal to all accrued and unpaid interest, to but not including the date on which the Bonds are redeemed, plus the then outstanding principal amount of such Bond.
Optional Redemption	We may redeem some or all of the Bonds at any time, or from time to time, on or after [•], 2023 at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus any accrued, but unpaid interest to, but excluding, the redemption date. See "*Description of Bonds—Optional Redemption.*" In addition, we may redeem some or all of the Bonds at any time, or from time to time, in the event that the Board of Directors, in its sole discretion, determines that the proceeds of this offering are insufficient for the intended use of proceeds, if the intended use of proceeds is no longer viable, or such other determination that such a redemption is in our best interests. See "*Description of Bonds—Optional Redemption.*"
Sinking Fund	The Bonds will not be subject to any sinking fund. A sinking fund is a reserve fund accumulated over a period of time for the retirement of debt.
Certain Covenants Events of Default	The indenture governing the Bonds will contain events of default, the occurrence of which may result in the acceleration of our obligations under the Bonds in certain circumstances. Events of default, other than payment defaults, will be subject to our right to cure within a certain number of days of such event of default. We will have the right to cure any payment default within 90 days before the trustee may declare a default and exercise the remedies under the indenture. See "*Description of Bonds – Events of Default*".
Form	The Bonds will be evidenced by global bond certificates deposited with a nominee holder or directly on the books and records of UMB Bank, N.A., or UMB Bank. It is anticipated that the nominee holder will be DTC, or its nominee, Cede & Co., for those purchasers purchasing through a DTC participant subsequent to the Bonds gaining DTC eligibility.
Liquidity	This is a Tier 2, Regulation A offering where the offered securities will not be listed on a registered national securities exchange upon qualification. This offering is being conducted pursuant to an exemption from registration under Regulation A of the Securities Act of 1933, as amended, or the Securities Act. After qualification, we may apply for these qualified securities to be eligible for quotation on an alternative trading system or over -the -counter market, if we determine that such market is appropriate given the structure of the Bonds and our company and our business objectives. There is no guarantee that the Bonds will be publicly listed or quoted or that a market will develop for them.
Governing Law Risk factors	The indenture and the Bonds will be governed by the laws of the State of New York. See "*Risk Factors*" for a discussion of some of the risks you should carefully consider before deciding to invest in our Bonds.

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RISK FACTORS

Investing in our Bonds involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this offering circular, including our consolidated financial statements and related notes, before making an investment decision. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. In such case, the trading price of our Bonds could decline, and you may lose all or part of your original investment.

Risks Related to Our Business

Unfavorable market conditions could adversely affect our business in many ways, including by reducing the fees revenue and distributions received from the Existing Gladstone Funds or reducing the ability of our funds to raise or deploy capital on favorable terms, or at all.

Our business is materially affected by conditions in the global financial markets and economic and political conditions throughout the world that are outside our control, such as interest rates, availability and cost of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation and asset managers), trade barriers, commodity prices, currency exchange rates and controls, national and international political circumstances (including wars, terrorist acts or security operations), natural disasters and/or pandemics. These factors are outside our control and may affect the level and volatility of asset prices or securities prices and the liquidity and the value of investments held by our funds, and we may not be able to or may choose not to manage our or our funds' exposure to these conditions. The market conditions surrounding each of our businesses and funds, and in particular GAIN and the Gladstone REITs, have been favorable for a number of years. Future market conditions may not continue to be as favorable. In the event of a market downturn, each of our businesses and funds could be affected in different ways.

Our Existing Gladstone Funds may be affected by the inability to find suitable investments for the funds to effectively deploy capital, which could adversely affect our ability to raise new funds and thus our assets under management, or by reduced opportunities to exit and realize value from their investments, which could adversely affect incentive fees earned by our Adviser Subsidiary. In addition, during periods of adverse economic conditions, we and our funds may have difficulty accessing financial markets, which could make it more difficult or impossible for us to obtain funding for additional investments and harm our assets under management and operating results. Our profitability may also be adversely affected if we or the funds we manage are unable to scale back our costs within a time frame or amount sufficient to match any decreases in revenue relating to changes in market and economic conditions.

During periods of difficult market conditions or slowdowns in a particular sector, companies in which our funds' invest may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these companies may also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due (including obligations to our funds), increasing the risk of default with respect to debt investments held by our funds (including the Gladstone BDCs). As a result, a general market downturn, or a specific market dislocation, may result in lower investment returns for our funds, which would adversely affect our revenues and results of operations. Poor performance of our funds may result in lower base management and/or incentive fees earned by our Adviser Subsidiary and/or their ability to pay distributions on our investments in such funds, each of which could materially and adversely affect our business and results of operations.

We depend highly on our senior executives, and the loss of their services would have a material adverse effect on our business, results and financial condition.

We depend on the efforts, skill, reputations and business contacts of our senior executives. Accordingly, our success will depend on the continued service of these individuals, who are not party to employment agreements (other than Messrs. Gladstone and Brubaker) and are not obligated to remain employed with us. The loss of the services of any of our senior executives could have a material adverse effect on our revenues, net income and cash flows and could harm our ability to maintain or grow assets under management in the Existing Gladstone Funds or raise additional funds in the future.

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Our senior executives possess substantial experience and expertise and have strong business relationships with investors in our funds and other members of the business community. As a result, the loss of these personnel could jeopardize our relationships with investors in our funds, our clients and members of the business community and result in the reduction of assets under management or fewer investment opportunities. Further, if any of our senior executives were to join or form a competing firm, that event could have a material adverse effect on our business, results of operations and financial condition.

We derive a substantial portion of our revenues from the Advisory Agreements that may not be renewed or may be terminated on short notice or upon a change in control of the Adviser Subsidiary.

The boards of directors of the Existing Gladstone Funds annually review and approve the Advisory Agreements with our Adviser Subsidiary. With respect to the Gladstone REITs, the Advisory Agreements may be terminated without cause upon 120 days' prior written notice to our Adviser Subsidiary and after the affirmative vote of at least two-thirds of such fund's independent directors.

The Gladstone BDCs are (and any BDC or other fund regulated by the 1940 Act that we manage in the future will be) subject to certain provision of the 1940 Act. The 1940 Act requires the Advisory Agreement for each BDC must be approved annually by such funds' board of directors (including a majority of the independent directors) following an initial two-year term. The board of directors of a BDC may refuse to reapprove an Advisory Agreement or may terminate an Advisory Agreement, without penalty, at any time, upon 60 days' notice. In addition, the Advisory Agreement with each BDC can be terminated by the majority of such BDC's stockholders.

In addition, as required by the 1940 Act, the Advisory Agreement of each Gladstone BDC terminates automatically upon its "assignment," as interpreted under the 1940 Act. A change in control of the Adviser Subsidiary or a change in control of us, as the Adviser Subsidiary is wholly owned by us, could be deemed to create an assignment of such Advisory Agreements. All of our voting shares are owned by TGC LTD, which is wholly owned by Mr. Gladstone. We assume that Mr. Gladstone will continue to own more than 50% of our voting shares through his ownership of TGC LTD so long as he is employed by us. However, if Mr. Gladstone no longer holds 50% of our voting shares or of TGC LTD, or if another person were to own more than 25% of the voting shares of the Company or TGC LTD, whether due to a third-party purchase, Mr. Gladstone's death or otherwise, an "assignment" would be deemed to occur. We cannot be certain that consents required for such assignment of the Advisory Agreements with the Gladstone BDCs will be obtained in advance of such a change of control.

Termination of any of the Advisory Agreements would affect the fees we earn from the relevant funds and the underlying portfolio companies, which would have a material adverse effect on our financial condition and results of operations.

Poor performance of the Existing Gladstone Funds would cause a decline in our revenue, income and cash flow and could adversely affect our ability to raise capital for future funds.

In the event that any of the Existing Gladstone Funds were to perform poorly, our revenue, income and cash flow would decline because the value of our assets under management would decrease, which would result in a reduction in management fees, and our incentive fees would decrease, resulting in a reduction in the incentive fees we earn. Moreover, we could experience losses on our investments of our own principal (as a result of our ownership of shares in three of the Existing Gladstone Funds and in possible future funds) as a result of poor investment performance by our funds. Poor performance of our funds could make it more difficult for us to raise new capital, as investors might decline to invest in future funds or sell the shares they already own in the Existing Gladstone Funds. Investors and potential investors in our funds continually assess our funds' performance, and our ability to raise capital for existing and future funds will depend on our funds' continued satisfactory performance.

Our use of leverage to finance our business will expose us to substantial risks, just as our funds' use of leverage to finance investments exposes them and us to substantial risks.

In the future we may use a significant amount of borrowings to finance our business operations. Our current line of credit contains, and we expect that any future credit agreements would contain, financial and operating covenants that may limit our ability to conduct our business. To the extent we service our debt from our cash flow, such cash will not be available for our operations or other purposes. The portion of our cash flow used to service those obligations could be substantial, which could make it difficult for us to meet our debt service requirements or force us to modify our operations. As such, if we do incur substantial indebtedness in the future, it may make it more difficult for us to withstand or respond to adverse or changing business, regulatory and economic conditions or to take advantage of new business opportunities or make necessary capital expenditures.

These risks are exacerbated by our funds' use of leverage to finance investments. If we were to incur substantial leverage, coupled with our reliance on funds utilizing leverage to finance investments, it could also cause us to suffer a decline in the credit ratings assigned to our debt by rating agencies, to the extent our debt is rated, which might well result in an increase in our borrowing costs and could otherwise adversely affect our business in a material way, particularly if our credit ratings were to be below investment grade.

Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, or the operations of our funds or the businesses in which they invest, compromise or corrupt of confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.

Maintaining our network security is of critical importance because our systems store highly confidential financial models, information about our funds and information about our funds' portfolio companies. Although we have implemented, and will continue to implement, security measures, our technology platform may be vulnerable to intrusion, computer viruses or similar disruptive problems caused by cyber-attacks. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources or those of our funds or their portfolio companies. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. As our reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided to us by third-party service providers. We have implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, do not guarantee that a cyber incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident. In addition, any such incident, disruption or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties, disrupt our operations, and damage our reputations, resulting in a loss of confidence in our services, which could adversely affect our business.

We are dependent on information systems, and systems failures could significantly disrupt our business.

Our business is dependent on our and third parties' communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our operating results and negatively affect our business.

Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. The possibility of increased regulatory focus could result in additional burdens on our business.

Our asset management business is subject to extensive regulation. In particular, we are subject to regulation by the SEC under the federal securities laws (including the 1940 Act and the Investment Advisers Act of 1940, as amended, or the Advisers Act). In addition, many of the activities that we or our funds engage in are subject to or potentially subject to (in the absence of certain exemptions that we rely on and must comply with) the jurisdiction and regulatory oversight of various other federal regulatory agencies (including the Commodity Futures Trading Commission and the Department of Labor), various self-regulatory organizations (including FINRA and the National Futures Association) and various state regulatory authorities.

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The various legal statutes and regulatory rules to which we are subject are extremely complex, and compliance with them can be a time-consuming and difficult task. For example, the Advisers Act imposes numerous obligations on investment advisers, including record keeping, advertising and operating requirements, disclosure obligations and prohibitions on misleading or fraudulent activities. The Advisers Act also imposes an overriding fiduciary duty on investment advisers. The 1940 Act imposes similar obligations on BDCs, as well as additional detailed operational requirements that must be strictly adhered to by their investment advisers and other service providers. A failure to comply with the obligations imposed by the Advisers Act, the 1940 Act or other regulatory agencies could result in investigations, sanctions and reputational damage. In addition, we may from time to time rely on exemptions from various requirements of the 1940 Act and the U.S. Employee Retirement Income Security Act of 1974, as amended, in conducting our asset management activities. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. If for any reason these exemptions were to become unavailable to us, we could become subject to regulatory action or third-party claims and our business could be materially and adversely affected.

Many of these regulators, including U.S. and self-regulatory organizations, as well as state securities commissions in the U.S., are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer or investment adviser from registration or memberships. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing clients or fail to gain new asset management or financial advisory clients. Lastly, the requirements imposed by our regulators are designed primarily to ensure the integrity of the financial markets and to protect investors in our funds and are not designed to protect holders of our Bonds. Consequently, these regulations often serve to limit our activities.

In addition, the regulatory environment in which our funds operate may affect our business. The regulatory environment in which we operate is subject to further regulation. We may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business.

Valuation methodologies for certain assets in our funds can be subject to significant subjectivity and the fair value of assets established pursuant to such methodologies may never be realized, which could result in significant losses for our funds and adversely impact our results of operations.

There are no readily ascertainable market prices for a large number of the investments held by our funds. We determine the value of each such investment based on its fair value. The fair value of investments held by a BDC or a REIT is determined using a number of methodologies described in the funds' valuation policies. While we have made valuation determinations historically with the assistance of independent valuation firms, fair value measurements involve subjective judgments and estimates. Because there is significant uncertainty in the valuation of, or in the stability of the value of, illiquid investments, the fair values of such investments as reflected in a fund's net asset value do not necessarily reflect the prices that would actually be obtained by us on behalf of the fund when such investments are realized. Realizations at values significantly lower than the values at which investments have been reflected in previously reported SEC filings would result in losses for the applicable fund, which in turn could result in a decline in base management fees and the loss of potential incentive fees earned by the Adviser Subsidiary. Also, a situation where asset values turn out to be materially different than values previously reported by the fund could cause investors to lose confidence in us, which would result in difficulty in raising additional funds or sales of stock in certain of our funds, which would adversely affect our ability to increase assets under management.

Our inability to retain and motivate our executive officers and other key personnel and to recruit, retain and motivate new executive officers and other key personnel could adversely affect our business, results and financial condition.

Our most important asset is our people, and our continued success and growth depend to a substantial degree on our ability to retain and motivate our executive officers and other key personnel and to strategically recruit, retain and motivate new talented personnel, including new executive officers. However, we may not be successful in our efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is extremely competitive. There is no guarantee that the non-competition and non-solicitation agreements to which our executive officers are subject, together with our other arrangements with them, will prevent them from leaving us, joining our competitors or otherwise competing with us or that these agreements will be enforceable in all cases. In addition, these agreements will expire after a certain period of time, at which point each of our executive officers would be free to compete against us and solicit investors in our funds, clients and employees.

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To recruit and retain existing and future executive officers and other key personnel, we may need to increase the level of compensation for certain individuals. Accordingly, as we promote or hire new executive officers and other key personnel over time, the level of compensation we pay is likely to increase, which would cause our total employee compensation and benefits expense to increase and adversely affect our profitability.

Employee misconduct could harm us by impairing our ability to attract and retain investors, portfolio companies and tenants and subjecting us to significant legal liability and reputational harm.

There is a risk that our employees could engage in misconduct that adversely affects our business and may result in litigation at the Existing Gladstone Funds. We are subject to a number of obligations and standards arising from our asset management business and our authority over the assets managed by the Existing Gladstone Funds. The violation of these obligations and standards by any of our employees would adversely affect the funds and us. Our business often requires that we deal with confidential matters of great significance to our funds and the portfolio companies or real estate properties in which our funds may invest. If our employees were improperly to use or disclose confidential information, we could suffer serious harm to our reputation, financial position and current and future business relationships. It is not always possible to detect or deter employee misconduct, and the extensive precautions we take to detect and prevent this activity may not be effective in all cases. If one of our employees were to engage in misconduct or were to be accused of such misconduct, our business and our reputation could be adversely affected. Negative impacts to our reputation could adversely affect our ability to attract investors and raise additional funds, the willingness of counterparties to do business with us or result in potential litigation against us. This could result in a loss of assets under management and related base management fees and adversely affect our business, results of operations and financial condition.

Our failure to appropriately address conflicts of interest could damage our reputation and adversely affect our businesses.

As we have expanded our business and as we continue to expand the number and scope of our businesses, we have confronted and will continue to confront potential conflicts of interest relating to such funds' investment activities. Certain of the Existing Gladstone Funds (and Future Gladstone Funds) may have overlapping investment objectives, including funds that have different fee structures, and potential conflicts may arise with respect to our decisions regarding how to allocate investment opportunities (and related fees) among those funds. We may also cause different funds to invest in a single portfolio company. Furthermore, as the fair value of the investments held by our funds affects the calculation of the base management fees earned under the Advisory Agreements, conflicts of interest may exist in the valuation of our funds' investments. In addition, our daily operations may create conflicts of interest. For example, a decision to receive material non-public information about a potential portfolio company while pursuing an investment opportunity for a particular fund gives rise to a potential conflict of interest when it results in our having to restrict the ability of other funds to take any action.

Though we believe we have appropriate means to resolve these conflicts, our judgment on any particular allocation or resolution of any other conflict could be challenged. If we fail to appropriately address any such conflicts, it could negatively impact our reputation, which could adversely affect our ability to attract investors and raise additional funds, the willingness of counterparties to do business with us or result in potential litigation against us. This could result in a loss of assets under management and related base management fees and adversely affect our business and financial condition.

Further, our management personnel serve various management roles in the respective Existing Gladstone Funds and may make decisions in favor of the Existing Gladstone Funds that are not in our interests. We expect that agreement and conflicts between us and the Existing Gladstone Funds will be subject to the review of our Board of Directors, but this mechanism may not protect us from the effects of conflicts.

The asset management business is intensely competitive.

The asset management business is intensely competitive, with competition based on a variety of factors, including investment performance, the quality of service provided to clients, brand recognition and business reputation. Our asset management business competes with a number of private equity funds, specialized investment funds, hedge fund sponsors, traditional asset

managers, commercial banks, investment banks and other financial institutions, corporate buyers and other parties, including, primarily, other BDCs and REITs. A number of factors serve to increase our competitive risks:

- many of our competitors in some of our businesses have greater financial, technical, marketing and other resources and more personnel than we do;
- several of our competitors have recently raised funds, or are expected to raise funds, with significant amounts of capital, and many of those funds have similar investment objectives to our funds, which may create additional competition for investment opportunities and may reduce the size and duration of pricing inefficiencies that many alternative investment strategies seek to exploit;
- some of these competitors may also have a lower cost of capital and access to funding sources that are not available to us or the funds that we manage, which may create competitive disadvantages for us with respect to investment opportunities;
- some of our competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make on behalf of our funds or through proprietary accounts;
- our competitors that are corporate buyers may be able to achieve synergistic cost savings in respect of an investment, which may provide them with a competitive advantage in bidding for an investment;
- there are relatively few barriers to entry impeding new investment funds, including a relatively low cost of entering these businesses, and the successful efforts of new entrants into our various lines of business, including major commercial and investment banks and other financial institutions, have resulted in increased competition; and
- other industry participants will from time to time seek to recruit our investment professionals and other employees away from us.

We may lose investment opportunities in the future if we do not match investment prices, structures and terms offered by competitors. Alternatively, we may experience decreased rates of return and increased risks of loss if we match investment prices, structures and terms offered by competitors. In addition, if interest rates were to rise or there were to be a prolonged bull market in equities, the attractiveness of our funds relative to investments in other investment products could decrease. This competitive pressure could adversely affect our ability to make successful investments and limit our ability to raise future funds, either of which would adversely impact our ability to increase our assets under management and our business, revenue, results of operations and cash flow.

In addition, certain passive products and asset classes, such as index funds and certain types of exchange-traded funds, many of which have lower fee structures, have become increasingly popular with investors. In order to continue to grow our assets under management, we must provide investment products and services that are viewed as appropriate in relation to the fees charged, which may require us to demonstrate that our strategies can outperform such passive products. If investors view our fees as high relative to the market or the returns provided, we may choose to reduce our fee levels in order to attract additional investors and grow assets under managements. In addition, as part of their annual review of the Advisory Agreements, the board of directors of each Existing Gladstone Fund will compare our fees to those of our competitors and if such board views our fees as excessive in relation to our peers or our performance, we may choose to reduce our fee levels in order to retain the applicable Advisory Agreement. Any reduction of fees charged pursuant the Advisory Agreements could negatively impact our results of operations.

Dependence on leverage by certain of our funds and by our funds' portfolio companies subjects us to volatility and contractions in the debt financing markets and could adversely affect our ability to achieve attractive rates of return on those investments.

Our funds and our funds' portfolio companies rely on the use of leverage. If our funds or their portfolio companies raise capital in the structured credit, leveraged loan and high yield bond markets, the results of their operations may suffer if such markets experience dislocations, contractions or volatility. Any such events could adversely impact the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any economic downturn could adversely affect the financial resources of our funds and their investments (in particular those investments that depend on credit from third parties or that otherwise participate in the credit markets) and their ability to make principal and interest payments on, or refinance, outstanding debt when due. Moreover, these events could affect the terms of available debt financing with, for example, higher rates, higher equity requirements and/or more restrictive covenants.

The absence of available sources of sufficient debt financing for extended periods of time or an increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive for our funds to finance investments. Certain investments may also be financed through borrowings on fund-level debt facilities, which may or may not be available for a refinancing at the end of their respective terms. Finally, the interest payments on the indebtedness used to finance our funds' investments are generally deductible expenses for income tax purposes, subject to limitations under applicable tax law and policy. Any change in such tax law or policy to eliminate or substantially limit these income tax deductions, as has been discussed from time to time in various jurisdictions, would reduce the after-tax rates of return on the affected investments, which may have an adverse impact on our businesses and financial results.

Similarly, our funds' portfolio companies regularly utilize the corporate debt markets to obtain additional financing for their operations. If they have credit ratings, they are typically non-investment grade and those that do not have credit ratings would likely benon-investment grade if they were rated. If the credit markets render such financing difficult to obtain or more expensive, this may negatively impact the operating performance of those portfolio companies and, therefore, the investment returns of our funds. In addition, if the markets make it difficult or impossible to refinance debt that is maturing in the near term, some of our funds' portfolio companies may be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection. Any of the foregoing circumstances could have a material adverse effect on our business, results of operations and financial condition.

Our funds may choose to use leverage as part of their respective investment programs. The use of leverage poses a significant degree of risk and enhances the possibility of a significant loss to investors. A fund may borrow money from time to time to make investments or may enter into derivative transactions with counterparties that have embedded leverage. The interest expense and other costs incurred in connection with such borrowing may not be recovered by returns on such investments and may be lost, and the timing and magnitude of such losses may be accelerated or exacerbated, in the event of a decline in the market value of such investments. Gains realized with borrowed funds may cause the fund's net asset value to increase at a faster rate than would be the case without borrowings. However, if investment results fail to cover the cost of borrowings, the fund's net asset value could also decrease faster than if there had been no borrowings. In addition, as BDCs registered under the 1940 Act, the Gladstone BDCs are each permitted to issue senior securities in amounts such that its asset coverage ratio equals at least 150% after each issuance of senior securities. Each of GLAD's and GAIN's ability to pay dividends will be restricted if its asset coverage ratio falls below at least 150% and any amounts that it uses to service its indebtedness are not available for dividends to its common stockholders. An increase in interest rates could also decrease the value of fixed-rate debt investments that our funds make. Any of the foregoing circumstances could have a material adverse effect on our business, results of operations and financial condition.

An investment strategy focused primarily on privately held lower middle market companies presents certain challenges, including the lack of publicly available information about these companies.

The Gladstone BDCs have historically invested primarily in privately held lower middle market companies. Investments in these companies pose certain incremental risks as compared to investments in larger and/or public companies:

- have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress;
- may have limited financial resources and may be unable to meet their obligations under debt that the Gladstone BDCs hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Gladstone BDCs realizing any guarantees they may have obtained in connection with their investment;
- may have shorter operating histories, narrower product lines and smaller market shares and may be more dependent on a single or a few suppliers than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the private company and, in turn, on the applicable Gladstone BDC and us; and

- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position.

In addition, our executive officers, Directors or employees may, in the ordinary course of business, be named as defendants in litigation arising from our funds' investments in portfolio companies. Finally, limited public information generally exists about private companies and these companies may not have third-party debt ratings or audited financial statements. We must therefore rely on the ability of the Adviser Subsidiary to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies. Additionally, these companies and their financial information will not generally be subject to the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, and other rules that govern public companies. If we are unable to uncover all material information about these companies, our funds may lose money on such investments, which could adversely affect the fees that we earn pursuant to the applicable Advisory Agreement.

Prepayments of debt investments by our funds' portfolio companies could adversely impact our results of operations.

We are subject to the risk that the investments our funds make in portfolio companies may be repaid prior to maturity. When this occurs, any future investment in a new portfolio company using the proceeds of such repayment may be at lower yields than the debt securities being repaid and the applicable fund could experience significant delays in reinvesting these amounts. As a result, the results of operations of the affected fund could be materially adversely affected if one or more portfolio companies elect to prepay amounts owed to such fund, which could in turn have a material adverse effect on the incentive fees that the Adviser Subsidiary receives and our results of operations.

Our funds' portfolio companies may incur debt that ranks equally with, or senior to, such fund's investments in such companies.

The Gladstone BDCs pursue a strategy focused on investing primarily in the debt of privately-owned U.S. companies. The portfolio companies of the Gladstone BDCs may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which such funds invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which the applicable Gladstone BDC is entitled to receive payments with respect to the debt instruments in which it has invested. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to a Gladstone BDC's investment in that portfolio company would typically be entitled to receive payment in full before the applicable BDC receives any distribution in respect of its investment.

In addition, even though the Gladstone BDCs have structured some of their investments as senior loans, if one of their respective portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which the applicable Gladstone BDC has actually provided managerial assistance (which it is required by the 1940 Act to offer) to that portfolio company, a bankruptcy court might recharacterize the BDC's debt investment and subordinate all or a portion of its claims to that of other creditors. After repaying such senior creditors, such portfolio company may not have any remaining assets to use to repay its obligation to the applicable Gladstone BDC. The Gladstone BDCs may also be subject to lender liability claims for actions taken by them with respect to a borrower's business, in instances in which the BDC exercised control over the borrower or as a result of actions taken in rendering significant managerial assistance. Furthermore, in the case of debt ranking equally with debt securities in which a Gladstone BDC has invested, such BDC would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization, or bankruptcy of a portfolio company. The failure of a Gladstone BDC to recoup all of the principal amount of its investments and any interest due on such investments could negatively impact such BDC's gross assets and/or net income, which in turn could negatively impact the base management and incentive fees, respectively, that the Adviser Subsidiary earns from such BDC.

Changes in interest rates, changes in the method for determining the London Interbank Offered Rate, or LIBOR, and the potential replacement of LIBOR may affect our and our funds' cost of capital and net investment income.

General interest rate fluctuations and changes in credit spreads on floating rate loans may have a substantial negative impact on our funds and their investments and, accordingly, may have a material adverse effect on our results of operations. The majority of our funds' debt investments have, and are expected to have, variable interest rates that reset periodically based on benchmarks such as LIBOR, the federal funds rate or prime rate. An increase in interest rates may make it more difficult for a fund's portfolio companies to service their obligations under the debt investments that the fund holds and increase defaults even where the

fund's investment income increases. Rising interest rates could also cause borrowers to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults by a fund's portfolio companies. Additionally, as interest rates increase and the corresponding risk of a default by borrowers increases, the liquidity of higher interest rate loans may decrease as fewer investors may be willing to purchase such loans in the secondary market in light of the increased risk of a default by the borrower and the heightened risk of a loss of an investment in such loans. Decreases in credit spreads on debt that pays a floating rate of return would have an impact on the income generation of our funds' floating rate assets. Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. Trading prices tend to fluctuate more for fixed rate securities that have longer maturities.

Conversely, if interest rates decline, borrowers may refinance their loans at lower interest rates, which could shorten the average life of the loans and reduce the associated returns on the investment, as well as require us to incur management time and expense to re-deploy such proceeds, including on terms that may not be as favorable as the existing loans.

In addition, because each of our funds borrows to fund its investments, a portion of a fund's net investment income is dependent upon the difference between the interest rate at which it borrows funds and the interest rate at which it invests those funds. Portions of a fund's investment portfolio and borrowings may have floating rate components. As a result, a significant change in market interest rates could have a material adverse effect on a fund's net investment income and, as a result, the incentive fees earned by the Adviser Subsidiary. In periods of rising interest rates, our and our funds cost of funds could increase, which would reduce our and their net investment income. We may hedge against interest rate fluctuations by using standard hedging instruments such as interest rate swap agreements, futures, options and forward contracts, subject to applicable legal requirements, including all necessary registrations (or exemptions from registration) with the Commodity Futures Trading Commission. These activities may limit our or our funds' ability to participate in the benefits of lower interest rates with respect to the hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

As a result of concerns about the accuracy of the calculation of LIBOR, a number of British Bankers' Association, or the BBA, member banks entered into settlements with certain regulators and law enforcement agencies with respect to the alleged manipulation of LIBOR. Actions by the BBA, regulators or law enforcement agencies as a result of these or future events, may result in changes to the manner in which LIBOR is determined. Potential changes, or uncertainty related to such potential changes may adversely affect the market for LIBOR-based securities, including LIBOR-indexed, floating-rate debt securities held by our funds and our and their borrowings. In addition, changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for LIBOR-based securities or the value of LIBOR-indexed, floating-rate debt securities and borrowings.

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate, or SOFR, a new index calculated by short-term repurchase agreements, backed by U.S. Treasury securities. Although there have been a few issuances utilizing SOFR or the Sterling Over Night Index Average, an alternative reference rate that is based on transactions, it is unknown whether these alternative reference rates will attain market acceptance as replacements for LIBOR. Any transition away from LIBOR to alternative reference rates is complex and could have a material adverse effect on our business, financial condition and results of operations, including as a result of any changes in the value of our funds' investments, changes to the documentation for certain of our funds' investments and the pace of such changes, disputes and other actions regarding the interpretation of current and prospective loan documentation or modifications to processes and systems.

If LIBOR ceases to exist, we may need to renegotiate any credit agreements extending beyond 2021 with our funds' portfolio companies that utilize LIBOR as a factor in determining the interest rate and may also need to renegotiate the terms of our funds' credit agreements. Any such renegotiations may have a material adverse effect on the business, financial condition and results of operations of our funds, which could adversely impact the fees that our Adviser Subsidiary earns and/or distributions that we receive on our investments in the funds.

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The Gladstone BDCs generally do not control the business operations of their portfolio companies and, due to the illiquid nature of those investments, may not be able to dispose of such investments.

Investments by the Gladstone BDCs generally consist of debt instruments and equity securities of companies that neither we nor the BDC control. Therefore, neither we nor the applicable Gladstone BDC will generally be involved in the day-to-day operations and decision-making of such portfolio companies, even though we may have board representation or board observation rights, and our debt agreements may impose certain restrictive covenants on our borrowers. As a result, the Gladstone BDCs are subject to the risk that its portfolio companies may make business decisions with which we and the Gladstone BDC disagree, and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve the interests of the Gladstone BDCs as debt investors. Due to the lack of liquidity for our funds' investments in private companies, they may not be able to dispose of their interests in their portfolio companies as readily as we would like or at an appropriate valuation. If the portfolio company makes a decision that negatively impacts the market value of the securities held by a Gladstone BDC or the portfolio company's ability to service its debt obligation, the total asset value of the applicable Gladstone BDC's investment portfolio and/or its net income could be adversely affected which in turn could negatively impact the management and incentive fees, respectively, that the Adviser Subsidiary earns from such BDC.

Our funds may face risks relating to undiversified investments.

While diversification is generally an objective of our funds, there can be no assurance as to the degree of diversification, if any, that will be achieved in any fund investments. Difficult market conditions or slowdowns affecting a particular asset class, geographic region or other category of investment could have a significant adverse impact on a fund if its investments are concentrated in that area, which would result in lower investment returns. This lack of diversification may expose a fund to losses disproportionate to economic conditions or market declines in general if there are disproportionately greater adverse movements in the particular investments. If a fund holds investments concentrated in a particular issuer, security, asset class or geographic region, such fund may be more susceptible than a more widely diversified investment portfolio to the negative consequences of a single corporate, economic, political or regulatory event. Accordingly, a lack of diversification on the part of a fund could adversely affect a fund's performance and, as a result, our results of operations and financial condition.

If we get commitments from third-party investors in private funds, such investors may not satisfy their contractual obligation to fund capital calls when requested, which could adversely affect a fund's operations and performance.

If we start private funds and seek investors for such funds, investors in such private funds may make capital commitments to those funds that we are entitled to call from those investors at any time during prescribed periods. In such event we will depend on investors fulfilling and honoring their commitments when we call capital from them for those funds to consummate investments and otherwise pay their obligations when due. Any investor that did not fund a capital call would be subject to several possible penalties, including having a meaningful amount of its existing investment forfeited in that fund. However, the impact of the penalty is directly correlated to the amount of capital previously invested by the investor in the fund and if an investor has invested little or no capital, for instance early in the life of the fund, then the forfeiture penalty may not be as meaningful. Investors may also negotiate for lesser or reduced penalties at the outset of the fund, thereby limiting our ability to enforce the funding of a capital call. Third-party investors in private funds often use distributions from prior investments to meet future capital calls. In cases where valuations of existing investments fall and the pace of distributions slows, investors may be unable to make new commitments to third-party managed funds such as those advised by us. A failure of investors to honor a significant amount of capital calls for any particular fund or funds could have a material adverse effect on the operation and performance of those funds and adversely affect our ability to increase assets under management.

Our business depends in large part on our funds' ability to raise capital from investors. If we were unable to raise such capital, we would be unable to grow assets under management, collect management fees or deploy such capital into investments, which would materially and adversely affect our business, results of operations and financial condition.

Our or our funds' ability to raise capital from investors depends on a number of factors, including many that are outside our control. Investors may downsize their investment allocations to private funds, REITs or BDCs or to rebalance a disproportionate weighting of their overall investment portfolio among asset classes. Poor performance of our funds could also make it more difficult for us to raise new capital. Our investors and potential investors continually assess our funds' performance independently and relative to market benchmarks and our competitors, and our ability to raise capital for existing and future funds depends on our funds' performance. If economic and market conditions deteriorate, we may be unable to raise sufficient amounts of capital to support the investment activities of future funds. If we were unable to successfully raise capital in our funds and therefore increase our assets under management, our business, results of operations and financial condition would be adversely affected.

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Rapid growth of our businesses may be difficult to sustain and may place significant demands on our administrative, operational and financial resources.

Our assets under management have grown significantly in the past and we are pursuing further growth. Our rapid growth has placed, and planned growth, if successful, will continue to place, significant demands on our legal, accounting and operational infrastructure, and has increased expenses. In addition, we are required to continuously develop our systems and infrastructure in response to the increasing sophistication of the asset management market and legal, accounting, regulatory and tax developments. Our future growth will depend in part on our ability to maintain an operating platform and management system sufficient to address our growth and will require us to incur significant additional expenses and to commit additional management and operational resources. As a result, we face significant challenges:

- in maintaining adequate financial, regulatory (legal, tax and compliance) and business controls;
- in implementing new or updated information and financial systems and procedures; and
- in training, managing and appropriately sizing our work force and other components of our businesses on a timely and cost-effective basis.

Present and future BDCs for which we serve as investment adviser are subject to regulatory complexities that limit the way in which they do business and may subject them to a higher level of regulatory scrutiny.

The Gladstone BDCs, and other BDCs for which we may serve as investment adviser in the future, operate under a complex regulatory environment. Such BDCs require the application of complex tax and securities regulations and may entail a higher level of regulatory scrutiny.

In addition, the Gladstone BDCs are subject to complex rules under the 1940 Act, including rules that restrict certain of our funds from engaging in transactions with GLAD and GAIN. Under the regulatory and business environment in which they operate, the Gladstone BDCs must periodically access the capital markets to raise cash to fund new investments in excess of their repayments to grow. This results from the Gladstone BDCs each being required to generally distribute to their respective stockholders at least 90% of its investment company taxable income to maintain its RIC status, combined with regulations under the 1940 Act that, subject to certain exceptions, generally prohibit GLAD and GAIN from issuing and selling their common stock at a price below net asset value per share and from incurring indebtedness (including for this purpose, preferred stock), if their asset coverage, as calculated pursuant to the 1940 Act, equals less than 150% after such incurrence. If our BDCs are found to be in violation of the 1940 Act, they could lose their status as BDCs.

The Gladstone REITs are subject to certain risks associated with real estate ownership and lending, which could reduce the value of their investments and stockholders' equity.

The investments of the Gladstone REITs or any Future Gladstone Fund may include industrial, office, retail and agricultural property. The performance of the Gladstone REITs, and the value of their investments, are subject to risks inherent to the ownership and operation of these types of properties, including:

- changes in the general economic climate, including the credit market;
- changes in local conditions, such as an oversupply of space, reduction in demand for real estate or natural disasters;
- changes in interest rates and the availability of financing;
- competition from other available space;
- changes in laws and governmental regulations, including those governing real estate usage, zoning and taxes, and the related costs of compliance with laws and regulations; and
- variations in the occupancy rate of our properties.

Adverse changes in any of the above factors could negatively impact the stockholders' equity and/or income of the Gladstone REITs, which in turn could negatively impact the fees the Adviser Subsidiary earns from such REIT and/or distributions made on our investments in the REITs.

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If the Gladstone REITs or Gladstone BDCs fail to qualify as REITs or RICs, respectively, their operations and distributions to their stockholders would be adversely impacted, and our revenue could therefore be materially and adversely impacted.

Each of the Gladstone REITs and Gladstone BDCs intend to continue to be organized and to operate to qualify as a REIT or a RIC, respectively, under the Code. Both REITs and RICs generally are not taxed at the corporate level on income they currently distribute to their stockholders. Qualification as a REIT or RIC involves the application of highly technical and complex rules, and for a REIT or a RIC to maintain their status as such, the entity must meet, among other things, certain source of income, asset diversification and annual distribution requirements. The determination of various factual matters and circumstances not entirely within the control of the Gladstone REITs and Gladstone BDCs may affect their ability to continue to qualify as REITs and RICs, respectively. In addition, new legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws, possibly with retroactive effect, with respect to qualification as a REIT or RIC or the federal income tax consequences of such qualification. If the Gladstone REITs or Gladstone BDCs were to fail to qualify as REITs or RICs, respectively, in any taxable year, among other adverse effects, they would become subject to corporate income tax, which would reduce their net income and their cash available for distributions to their stockholders. One of our sources of revenue is our distributions received through the ownership we have in the Gladstone REITs and the Gladstone BDCs, and therefore our revenue could be adversely impacted. Further, a reduction in a Gladstone REIT or Gladstone BDC's net income could negatively impact the fees the Adviser Subsidiary earns from such entity.

Recent changes in U.S. Generally Accepted Accounting Principles, or GAAP, regarding operating leases may make the leasing of our properties less attractive to prospective tenants, and reduce potential lease terms.

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update2016-02, "Leases: Amendments to the FASB Accounting Standards Codification," or ASU 2016-02. Under the new leasing standard, a lessee is required to record aright-of-use asset and a lease liability for all leases with a term greater than 12 months regardless of their classification. GOOD and LAND adopted ASU 2016-02 effective January 1, 2019. The standard will affect lessee accounting for most current and prospective tenants and may encourage current and prospective tenants to enter into shorter term leases, or acquire real estate, to lessen the impact to their balance sheets, both which would negatively impact the operations of our current REITs and possibly our future REITs.

The Gladstone REITs are subject to the credit risk of their tenants, which in the event of bankruptcy, could adversely affect results of operations.

The Gladstone REITs are subject to the credit risk of their tenants. Any bankruptcy of a tenant or borrower could cause:

- the loss of lease or mortgage payments;
- an increase in the costs incurred to carry the property occupied by such tenant;
- a reduction in the value of the stock we hold in the Gladstone REITs; or
- a decrease in distributions to the Gladstone REITs stockholders, including us.

Under bankruptcy law, a tenant who is the subject of bankruptcy proceedings has the option of continuing or terminating any unexpired lease. If a bankrupt tenant terminates a lease with the Gladstone REITs, any claim we might have for breach of the lease (excluding a claim against collateral securing the lease) will be treated as a general unsecured claim. The REIT's claim would likely be capped at the amount the tenant owed for unpaid rent prior to the bankruptcy unrelated to the termination, plus the greater of one year's lease payments or 15% of the remaining lease payments payable under the lease (but no more than three years' lease payments). In addition, due to the long-term nature of the leases of our current REITs and terms providing for the repurchase of a property by the tenant, a bankruptcy court could re-characterize a net lease transaction as a secured lending transaction. If that were to occur, the Gladstone REITs would not be treated as the owner of the property, but might have additional rights as a secured creditor.

In addition, the Gladstone REITs may enter into sale-leaseback transactions, whereby they would purchase a property and then lease the same property back to the person from whom they purchased it. In the event of the bankruptcy of a tenant, a transaction structured as a sale-leaseback may be re-characterized as either a financing or a joint venture, either of which outcomes could adversely affect the REIT's operations. Either of these outcomes could adversely affect the Gladstone REITs' cash flow and ability to pay distributions to their stockholders, including us.

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The Gladstone REITs may be unable to renew leases, lease vacant space orre-lease space as leases expire, which could adversely affect our business.

If the Gladstone REITs cannot renew leases, they may be unable tore-lease properties to other tenants at rates equal to or above the current market rate. Even if they can renew leases, tenants may be able to negotiate lower rates as a result of market conditions. Market conditions may also hinder the ability to lease vacant space in newly developed or redeveloped properties. In addition, the Gladstone REITs may enter into or acquire leases for properties that are suited to the needs of a particular tenant. Such properties may require renovations, tenant improvements or other concessions in order to lease them to other tenants if the initial leases terminate. The REIT may be required to expend substantial funds for tenant improvements and tenant refurbishments to re-lease the vacated space and may not have sufficient sources of funding available to use in the future for such purposes and therefore may have difficulty in securing a replacement tenant. Any of these factors could adversely impact a REIT's financial condition, results of operations or cash flow, negatively impacting fees that our Adviser Subsidiary earns from the REIT, or its ability to pay dividends to its stockholders, including us.

Net leases may not result in fair market lease rates over time, thereby failing to maximize income and distributions to stockholders.

A large portion of the rental income from our current REITs comes from net leases, which frequently provide the tenant greater discretion in using the leased property than ordinary property leases, such as the right to sublease the property, subject to our approval, to make alterations in the leased premises and to terminate the lease prior to its expiration under specified circumstances. Further, net leases are typically for longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years. As a result, engaging in net leases could negatively impact the REIT's income (and fees that our Adviser Subsidiary earns) and distributions to its stockholders, including us.

The value of the real estate related securities in which we have invested may be volatile.

The value of real estate related securities, including those of REITs, fluctuates in response to issuer, political, market and economic developments. In the short term, equity prices can fluctuate dramatically in response to these developments. Different parts of the market and different types of equity securities can react differently to these developments and they can affect a single issuer, multiple issuers within an industry or economic sector or geographic region or the market as a whole. The real estate industry is sensitive to economic downturns. The value of securities of companies engaged in real estate activities can be affected by changes in real estate values and rental income, property taxes, interest rates and tax and regulatory requirements. In addition, the value of a REIT's equity securities can depend on the structure and amount of cash flow generated by the REIT.

The Gladstone REITs are subject to the risks inherent in the ownership and operation of real estate.

Investments in the Gladstone REITs will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include those associated with the burdens of ownership of real property, general and local economic conditions, changes in supply of and demand for competing properties in an area (as a result for instance of overbuilding), the financial resources of tenants, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, changes in government regulations, changes in real property tax rates, changes in interest rates, the reduced availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy, natural disasters, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks, war and other factors that are beyond our control. In addition, if the Gladstone REITs acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing, they will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of our fund, such as weather or labor conditions or material shortages) and the availability of both permanent financing on favorable terms.

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Our asset management activities involve investments in relatively high-risk, illiquid assets, and we may fail to realize any profits from these activities for a considerable period of time or lose some or all of our principal investments.

Our funds invest in companies and equity and debt that are not publicly traded. The ability of many of our funds, particularly those that make or will make private equity investments, to dispose of investments is heavily dependent on the private and public equity markets. For example, the ability to realize any value from an investment may depend upon the ability to find a buyer for all the equity of a company or to complete an initial public offering of the portfolio company in which such investment is held. Even if the securities are publicly traded, large holdings of securities can often be disposed of only over a substantial length of time, exposing the investment returns to risks of downward movement in market prices during the intended disposition period. Accordingly, under certain conditions, our funds may be forced to either sell securities at lower prices than they had expected to realize or defer—potentially for a considerable period of time—sales that they had planned to make. We have made, and expect to continue to make, significant principal investments in our current and future funds. Contributing capital to these funds is risky, and we may lose some or all of the principal amount of our investments.

To the extent that our investments in the Future Gladstone Funds are in the form of general partnership interests, such investments are subject to unlimited liability.

We expect that some portion of our investments in the Future Gladstone Funds may take the form of general partnership interests. A general partner generally has unlimited liability for the obligations of the partnership, such as debt. As such, the portion of investments that take the form of general partnership interests are subject to complete loss to satisfy the debts of the partnership and as the result of any settlement or judgment against the partnership or otherwise.

We are subject to substantial litigation risks and may face significant liabilities and damage to our professional reputation as a result of litigation allegations and negative publicity.

The investment decisions we make in our asset management business and the activities of our investment professionals on behalf of portfolio companies of our funds may subject them and us to the risk of third-party litigation arising from investor dissatisfaction with the performance of those funds, the activities of their portfolio companies and a variety of other litigation claims. In addition, to the extent investors in our funds suffer losses resulting from fraud, gross negligence, willful misconduct or other similar misconduct, investors may have remedies against us, our funds, our executive officers or our affiliates under the federal securities law and/or state law. While the executive officers are generally indemnified with respect to their conduct in connection with the management of the business and affairs of our funds, such indemnity does not extend to actions determined to have involved fraud, gross negligence, willful misconduct or other similar misconduct.

Any finding of substantial legal liability could materially adversely affect our business, financial condition or results of operations or cause significant reputational harm to us, which could seriously harm our business. We depend to a large extent on our business relationships and our reputation for integrity and high-caliber professional services to pursue investment opportunities for our funds. As a result, allegations of improper conduct by private litigants or regulators, whether the ultimate outcome is favorable or unfavorable to us, as well as negative publicity and press speculation about us, our investment activities or the private equity industry in general, whether or not valid, may harm our reputation, which may be more damaging to our business than to other types of businesses.

Potential conflicts of interest may arise between holders of our Bonds and our fund investors.

Our subsidiaries that serve as the advisors to, or the general partners of, our funds may have fiduciary duties and/or contractual obligations to those funds and their investors. As a result, we expect to take actions with respect to the purchase or sale of investments in our funds, the structuring of investment transactions for the funds or otherwise in a manner consistent with such duties and obligations. However, such actions may not be in our short-term best interest and may adversely affect our near-term results of operations or cash flows. For example, we may decline to make a particular investment for a fund because it would cause the fund to be too heavily invested in a single industry and instead make an investment with a slightly lower yield in a different industry in order to manage risk. Such an action could result in our Adviser Subsidiary earning lower incentive fees, which may in turn have an adverse effect on the price of our Bonds and/or on the interests of our holders of our Bonds. Additionally, to the extent we fail to appropriately deal with any such conflicts of interest, it could negatively impact our reputation and ability to raise additional funds.

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The Existing Gladstone Funds may not be permitted to enter into certain transactions or make certain investments under their respective Conflict of Interest Policies or applicable law.

Under the current conflict of interest policies of the Existing Gladstone Funds, without the approval of a majority of their respective independent Directors, the Existing Gladstone Funds are prohibited from, among other things, purchasing any real property owned by or, with respect to the REITs, co-investing with the Adviser Subsidiary, any of its affiliates or any business in which the Adviser Subsidiary or any of its subsidiaries have invested and other entities advised by the Adviser Subsidiary, subject to certain limited exceptions, so long as that entity does not control the portfolio company and the transaction is approved by both companies' board of directors. If any of the Existing Gladstone Funds decides to change its policy on co-investments with the Adviser Subsidiary or its affiliates, such fund will seek its stockholders' approval. If an Existing Gladstone Fund cannot or will not enter into a transaction with us or one of our affiliates or make an investment with us or one of our affiliates, our business, results of operations and financial condition could be adversely affected.

Generally, BDCs are prohibited under the 1940 Act from knowingly participating in certain transactions with their affiliates without prior approval of their board of directors who are not interested persons and, in some cases, prior approval by the SEC. The SEC has interpreted the prohibition on transactions with affiliates to prohibit "joint transactions" among entities that share a common investment adviser. On July 26, 2012, the SEC granted an exemptive order that permits GAIN, GLAD and any future BDC or closed-end management investment company that is advised by the Adviser Subsidiary (or sub-advised by the Adviser Subsidiary if it also controls the fund), or any combination of the foregoing, toco-invest subject to the conditions contained therein. In order for Gladstone Partners to co-invest with the Gladstone BDCs, such exemptive order would need to be amended to allow for co-investment with proprietary accounts. There is no assurance that the SEC would approve such an amendment on favorable terms or at all.

Risks Related to Our Organizational Structure

Holders of our Bonds do not elect our Board of Directors and will have no ability to influence decisions regarding our business.

Our Board of Directors, through the services of our officers, will manage all of our operations and activities. Our certificate of incorporation provides that the Board of Directors will be responsible for the oversight of our business and operations. Holders of our common stock will have the sole power to elect and remove our Directors. All of our common stock is owned by TGC LTD, which is currently wholly-owned by our Chairman, President and Chief Executive Officer, David Gladstone.

Holders of our Bonds do not elect our Board of Directors and will have no voting rights on matters affecting our business and therefore no ability to influence decisions regarding our business.

Our organizational documents do not limit our ability to enter into new lines of business, and we may, from time to time, expand into new investment strategies, geographic markets and businesses, including the Future Gladstone Funds, each of which may result in additional risks and uncertainties in our businesses.

We currently generate substantially all of our revenue from asset management and financial advisory services. We intend, to the extent that market conditions warrant, to seek to grow our businesses and expand into new investment strategies, geographic markets and businesses, including the Future Gladstone Funds. Moreover, our organizational documents do not limit us to the asset management business. To the extent that we make strategic investments or acquisitions in new geographic markets or businesses, undertake other related strategic initiatives or enter into a new line of business, we may face numerous risks and uncertainties, including risks associated with the following:

- the required investment of capital and other resources;
- the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk;
- the combination or integration of operational and management systems and controls;
- the loss of clients due to the perception that we are no longer focusing on our core business, including the Existing Gladstone Funds;
- new investment strategies and funds, including the Future Gladstone Funds, may provide for less profitable fee structures and arrangements than our existing investment strategies and funds, such as the Existing Gladstone Funds; and

- the broadening of our geographic footprint, including the risks associated with conducting operations in certain foreign jurisdictions where we currently have no presence.

Further, entry into certain lines of business may subject us to new laws and regulations with which we are not familiar or from which we are currently exempt, and may lead to increased litigation and regulatory risk. If a new business generates insufficient revenue or if we are unable to efficiently manage our expanded operations, our results of operations may be adversely affected.

Our strategic initiatives may include joint ventures, which may subject us to additional risks and uncertainties in that we may be dependent upon, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under our control. We may elect to participate in joint venture opportunities in the future if we believe that operating in such a structure is in our best interests. There can be no assurances that we will be able to identify acceptable joint venture partners in the future or that our participation in any joint venture opportunities will be successful. In addition, we may from time to time explore opportunities to grow our business via other acquisitions, partnerships, investments or other strategic transactions. There can be no assurance that we will successfully identify, negotiate or complete such transactions, or that any completed transactions will produce favorable financial results.

If we are unable to successfully enter into new lines of business or expand into new investment strategies, geographic markets and businesses, including the Future Gladstone Funds, we may not be able to implement our growth strategy successfully.

Our growth strategy is based, in part, on the selective development or acquisition of asset management businesses, advisory businesses or other businesses complementary to our existing business where we think we can add substantial value or generate substantial returns, including the Future Gladstone Funds and other new businesses discussed under the heading "*Business—Our Growth Strategy*" in this offering circular . The success of this strategy will depend on, among other things: (a) the availability of suitable opportunities, (b) the level of competition from other companies that may have greater financial resources, (c) our ability to value potential development or acquisition opportunities accurately and negotiate acceptable terms for those opportunities, (d) our ability to obtain requisite approvals and licenses from the relevant governmental authorities and to comply with applicable laws and regulations without incurring undue costs and delays, (e) our ability to identify and enter into mutually beneficial relationships with venture partners and (f) our ability to properly manage conflicts of interest. Moreover, even if we are able to identify and successfully complete an acquisition, we may encounter unexpected difficulties or incur unexpected costs associated with integrating and overseeing the operations of the new businesses. If we are not successful in implementing our growth strategy, our business, financial results may be adversely affected.

The control of our Board of Directors will be under the complete control of our Chairman, President and Chief Executive Officer and such control may be transferred to a third party without the consent of holders of our Bonds.

TGC LTD, which is wholly owned by our Chairman, President and Chief Executive Officer (Mr. Gladstone), will own all outstanding shares of common stock after the offering is completed. Therefore, Mr. Gladstone will control 100% of the voting shares. As such, he may transfer any or all of such voting shares to a third party in a sale transaction (which may trigger an assignment and termination of certain of the Advisory Agreements), including a merger or consolidation, without the consent of holders of our Bonds. See "*Risk Related to our Business –We derive a substantial portion of our revenues from the Advisory Agreement that may not be renewed or may be terminated on short notice or upon a change in control of the Adviser Subsidiary*." Furthermore, at any time, Mr. Gladstone may sell or transfer all or part of his common stock without the approval of the holders of our Bonds, subject to certain restrictions as described elsewhere in this offering circular. The prospective transfer of common stock could lead to our Board of Directors being comprised of different members, and a new board of directors may form funds that have investment objectives and governing terms that differ materially from those of our current funds. Similarly, a new owner could also have a different investment philosophy, employ investment professionals who are less experienced, be unsuccessful in identifying investment opportunities or have a track record that is not as successful as Mr. Gladstone's track record. If any of the foregoing were to occur, we could experience difficulty in making new investments, and the value of our existing investments, our business, our results of operations and our financial condition could materially suffer.

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If we were deemed to be an "investment company" under the 1940 Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

A person will generally be deemed to be an "investment company" for purposes of the 1940 Act if:

- it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or
- absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.

We believe that we are engaged primarily in the business of providing asset management services and not in the business of investing, reinvesting or trading in securities. However, some of the securities we own and hold in our line of business may be deemed to be "investment securities," as contemplated by Section 3(a)(1)(C) of the 1940 Act described in the second bullet point above. Such securities may include our investments in the Gladstone BDCs advised by the Adviser Subsidiary. As of June 30, 2019, we owned or were entitled to acquire investment securities having a value of approximately 11% of the fair value of our total assets (excluding government securities and cash items) on an unconsolidated basis, which is well below the 40% threshold. Further, we intend to continue to closely monitor any future investments to help ensure we remain below the 40% threshold. Accordingly, we do not believe we are, or following this offering will be, an inadvertent investment company by virtue of the 40% of asset value test in section 3(a)(1)(C) of the 1940 Act as described in the second bullet point above. In addition, we believe we are not an "investment company" under section 3(b)(1) of the 1940 Act because we are primarily engaged in a non-investment company business.

The 1940 Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. Among other things, the 1940 Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. We intend to conduct our operations so that we will not be deemed to be an investment company under the 1940 Act. If anything were to happen which would cause us to be deemed to be an investment company under the 1940 Act, requirements imposed by the 1940 Act, including limitations on our capital structure, ability to transact business with affiliates and ability to compensate key employees, could make it impractical for us to continue our business as currently conducted, impair the agreements and arrangements between and among us, our subsidiaries, funds and our executive officers, or any combination thereof, and materially adversely affect our business, financial condition and results of operations. In addition, we may be required to limit the amount of investments that we make as a principal or otherwise conduct our business in a manner that does not subject us to registration and other requirements of the 1940 Act; however, there is no guarantee that our efforts to avoid such status as an investment company will be successful.

We may be unable to invest the proceeds of this offering in attractive investment opportunities.

We intend to use a portion of the proceeds from this offering to launch the Future Gladstone Funds. Our management believes it is in our best interests to avoid investments that would subject us to registration and regulation under the 1940 Act. Accordingly, management intends to conduct our business in a manner that would not subject us to registration and regulation under the 1940 Act. Therefore, the investment opportunities available to us may be severely restricted and we may be unable to invest the proceeds from this offering in attractive investment opportunities.

Risks Related to the Bonds and to this Offering

The collateral securing the Bonds may be diluted under certain circumstances.

The indenture governing the Bonds permits us to incur, subject to certain limitations, additional indebtedness secured by liens on the collateral that rank *pari passu* with the liens securing the Bonds, including additional Bonds under the indenture. The rights of Bondholders would be diluted by any increase in indebtedness secured by the collateral.

The Bonds are not obligations of our subsidiaries or the Existing Gladstone Funds and will be effectively subordinated to any future obligations of our subsidiaries, if any. Structural subordination increases the risk that we will be unable to meet our obligations on the Bonds.

The Bonds are obligations exclusively of The Gladstone Companies, Inc. and not of any of our subsidiaries or the Existing Gladstone Funds. The Existing Gladstone Funds and our subsidiaries are not and any future subsidiaries are not expected to be guarantors of the Bonds and the Bonds are not required to be guaranteed by any subsidiaries we may acquire or form in the future. The

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Bonds are also effectively subordinated to all of the liabilities of our subsidiaries, to the extent of their assets, since our subsidiaries are separate and distinct legal entities with no obligation to pay any amounts due under our indebtedness, including the Bonds, or to make any funds available to make payments on the Bonds. Our right to receive any assets of any subsidiary in the event of a bankruptcy or liquidation of the subsidiary, and therefore the right of our creditors to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors, in each case to the extent that we are not recognized as a creditor of such subsidiary. In addition, even where we are recognized as a creditor of a subsidiary, our rights as a creditor with respect to certain amounts are subordinated to other indebtedness of that subsidiary, including secured indebtedness to the extent of the assets securing such indebtedness.

The Bonds be protected by limited restrictive covenants, which in turn may allow us to engage in a variety of transactions that may impair our ability to fulfill our obligations under the Bonds.

The indenture governing the Bonds [will contain limited financial covenants and] will not restrict us from paying dividends, incurring debt, directly or indirectly (including debt of our subsidiaries), of up to [____]% of any loans or other assets owned by us, directly or indirectly, or issuing other securities. Because the indenture will contain limited covenants or other provisions designed to afford the Bondholders protection in the event of a highly leveraged transaction involving us including as a result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us, except to the extent described under "*Description of Bonds – Certain Covenants*," we may engage in transactions that may impair our ability to fulfill our obligations under the Bonds.

Some significant restructuring transactions that may adversely affect you may not constitute a "Change of Control Repurchase Event" under the indenture, in which case we would not be obligated to offer to repurchase the Bonds.

Upon the occurrence of a "Change of Control Repurchase Event" (as defined under "*Description of Bonds– Offer to Repurchase Upon a Change of Control Repurchase Event*"), you will have the right, at your option, to require us to repurchase your Bonds for cash. However, the definition of Change of Control Repurchase Event contained in the indenture will be limited to certain transactions. As a result, the Change of Control Repurchase Event provision of the indenture will not afford protection to Bondholders in the event of other transactions that could adversely affect the Bonds. In the event of any such transaction, Bondholders would not have the right to require us to repurchase their Bonds, even though such a transaction could increase the amount of our indebtedness, or may otherwise adversely affect our ability to make payments to Bondholders.

We have no minimum offering amount, and our objectives may become more difficult to reach depending on the amount of funds raised in this offering.

While we believe we will be able to reach our objectives regardless of the amount raised in this offering, if we sell fewer Bonds than we anticipate, we may not be able to launch each of the three Future Gladstone Funds in a timely manner or at all. In addition, we may have more difficulty finding a sufficient number of smaller investments such that each Future Gladstone Fund has a diverse portfolio, which in turn may adversely affect our ability to attract other investors to the Future Gladstone Funds and grow our assets under management. This would negatively impact our results of operations and our ability to make payments to Bondholders.

Our trustee shall be under no obligation to exercise any of the rights or powers vested in it by the indenture at the request, order or direction of any of the Bondholders, pursuant to the provisions of the indenture, unless such Bondholders shall have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby.

The indenture governing the Bonds provides that if an event of default occurs and is not cured, the trustee will be required, in the exercise of its power, to use the degree of care of a reasonable person in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any Bondholder, unless the Bondholder has offered to the trustee security and indemnity reasonably satisfactory to it against any loss, liability or expense.

The Bonds will have limited transferability and liquidity.

Prior to this offering, there was no active market for the Bonds. Although we will be permitted to apply for quotation of the Bonds on an alternative trading system or over -the -counter market, we may choose not to apply for such quotation and, even if we do so apply, we do not know the extent to which investor interest will lead to the development and maintenance of a liquid trading

market. Further, the Bonds will not be quoted on an alternative trading system or over -the -counter market until after the termination of this offering, if at all. We do not currently intend to apply for quotation of the Bonds on an alternative trading system or over -the -counter market. Therefore, investors may be required to bear the financial risk of an investment in the Bonds for an indefinite period of time.

Alternative trading systems and over -the -counter markets, as with other public markets, may from time to time experience significant price and volume fluctuations. In the event that we determine to the apply for quotation of the Bonds, the market price of the Bonds may be similarly volatile, and Bondholders may from time to time experience a decrease in the value of their Bonds. The price of the Bonds could be subject to wide fluctuations in response to a number of factors, including those listed in this "*Risk Factors*" section of this offering circular.

No assurance can be given that the market price of the Bonds will not fluctuate or decline significantly in the future or that Bondholders will be able to sell their Bonds when desired on favorable terms, or at all. Further, the sale of the Bonds may have adverse federal income tax consequences.

We may make decisions about the use of the proceeds of this offering with which you disagree.

We intend to use substantially all of the offering proceeds, after the payment of commissions, fees and expenses, in the launch of the Future Gladstone Funds. While we have established the general investment objectives of each Future Gladstone Fund as described elsewhere in this offering circular, the final terms of each Future Gladstone Fund, including the terms of the investment advisory and incentive fees to be payable to us under an investment advisory agreement will be determined in connection with the launch of such fund. As such, you will be unable to evaluate the final transaction terms concerning such Future Gladstone Fund before we make our investment of seed capital. This increases the risk that we may not generate the returns that you seek by investing in the Bonds.

We rely on our managing broker-dealer to sell the Bonds pursuant to this offering. If our managing broker-dealer is not able to market the Bonds effectively, we may be unable to raise sufficient proceeds to meet our business objectives.

We have engaged the Broker-Dealer Subsidiary to act as our managing broker-dealer for this offering, and we rely on our managing broker-dealer to use its best efforts to sell the Bonds offered hereby. It would also be challenging and disruptive to locate an alternative managing broker-dealer for this offering. Without improved capital raising, our portfolio will be smaller relative to our general and administrative costs and less diversified than it otherwise would be, which could adversely affect the value of your investment in us.

The optional redemption provision may materially adversely affect your return.

Under certain circumstances, we may redeem all or a portion of the Bonds on or after [•], 2023 (or at any time, if our Board of Directors determines, in its sole discretion, that the proceeds are insufficient for the intended use of proceeds). See "*Description of Bonds—Optional Redemption*" for more information. If redeemed, you may be unable to reinvest the money you receive in the redemption at a rate that is equal to or higher than the rate of return on the Bonds.

We may have to liquidate some of our investments at inopportune times to redeem Bonds in the event of the death, disability or bankruptcy of a Bondholder.

The Bonds carry a redemption right in the event of death, disability or bankruptcy of the Bondholder. As a result, one or more Bondholders may elect to have their Bonds redeemed prior to maturity. In such an event, we may not have access to the necessary cash to redeem such Bonds, and we may be required to liquidate certain assets or divert funds from other productive uses in order to make such redemptions. Our investments are not intended to liquid, and as a result any such liquidation may be at a price that represent a discount to the actual value of such investment.

We will incur significant cost as a result of being a Tier 2 Regulation A issuer.

We incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a Tier 2 Regulation A issuer. In addition, we expect that our management will spend a significant amount of time assessing the effectiveness of our internal control over financial reporting. We do not anticipate that these costs or the amount of time our management will be required to spend will be significantly less if we sell substantially less than all of the Bonds we are offering.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering circular contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "outlook," "target," "estimate," "forecast," "project," by future conditional verbs such as "will," "should," "would," "could" or "may," or by variations of such words or by similar expressions. These statements are not historical facts, but instead represent our current expectations, plans or forecasts and are based on the beliefs and assumptions of management and the information available to management at the time that these disclosures were prepared.

Forward-looking statements are subject to numerous assumptions, risks (both known and unknown) and uncertainties, and other factors which change over time. Such factors include:

- reductions in assets under management by our Adviser Subsidiary based on investment performance, adverse changes in the economy and the capital markets and other factors;
- the loss of an Advisory Agreement with an Existing Gladstone Fund;
- our ability to maintain historical returns of the Existing Gladstone Funds and sustain our historical growth;
- our ability to retain key investment professionals or members of our senior management team;
- our reliance on the technology systems supporting our operations;
- availability of capital to the Existing Gladstone Funds;
- our ability to successfully launch and grow the Future Gladstone Funds and develop new strategies and funds in the future;
- the concentration of our investments in lower middle market businesses and real estate in the U.S.;
- the ability of our investment teams to identify appropriate investment opportunities;
- our exposure to potential litigation (including administrative or tax proceedings) or regulatory actions;
- our ability to implement effective information and cyber security policies, procedures and capabilities;
- our determination that we are not required to register as an "investment company" under the 1940 Act;
- the fluctuation of our expenses and results of operations;
- our ability to respond to recent trends in the asset management industry;
- changes in governmental regulation (including regulation specific to the asset management industry), tax rates and similar matters and our ability to respond to such changes;
- the degree and nature of competition in the asset management industry;
- the level of control over us retained by David Gladstone;
- our status as an emerging growth company and a controlled company;
- our ability to deploy the proceeds of this offering and any changes to our business as a result of the proposed use of proceeds; and
- other risks and factors listed under "Risk Factors" and elsewhere in this offering circular.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this offering circular. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Therefore, you should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date they are made. We do not assume any duty and do not undertake to update our forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. Because forward-looking statements are subject to assumptions, risks, uncertainties, and other factors, actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements and future results could differ materially from our historical performance.

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MARKET AND INDUSTRY DATA AND FORECASTS

This offering circular includes market and industry data and forecasts that we have derived from independent consultant reports, publicly available information, various industry publications, other published industry sources and our internal data, estimates and forecasts. Independent consultant reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable.

Our internal data, estimates and forecasts are based upon information obtained from investors in our funds, partners, trade and business organizations and other contacts in the markets in which we operate and our management's understanding of industry conditions. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors.

USE OF PROCEEDS

We estimate that the net proceeds we will receive from this offering, will be approximately $45,100,000 if we sell the maximum offering amount, after deducting the maximum selling commissions and the dealer manager fee and estimated offering expenses of approximately $400,000 payable by us.

We intend to use the net proceeds for growth strategies, which are expected to include: (i) providing initial capital to launch one or more of the Future Gladstone Funds; (ii) using proceeds for working capital to supplement our existing line of credit; (iii) investing in other general partnership interests or other controlling interests in other new affiliated funds or other growth initiatives either directly or through our Adviser Subsidiary; (iv) providing additional capital to the Existing Gladstone Funds; and (v) for other general corporate purposes. No portion of the proceeds will be used to redeem or repurchase shares of our capital stock outstanding prior to this offering or to compensate our officers or directors.

The following table reflects our expected use of proceeds in connection with the Future Gladstone Funds in order of our proposed investment priority.

Future Gladstone Fund	Expected Initial Investment
Gladstone Retail	Up to $20 million
Gladstone Farming	Up to $20 million
Gladstone Partners	Up to $10 million

There is no assurance that we will be able to utilize the net proceeds of this offering in the manner or amounts contemplated herein, or at all. We have not determined a likely order for the intended investments described above and may determine not to pursue one or more of the above uses of proceeds. Pending application of any portion of the net proceeds of this offering as described above, we intend to invest in government securities or in medium-term liquid bonds that have a first lien.

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SELECTED HISTORICAL FINANCIAL DATA

The following selected historical consolidated financial data of the Company should be read together with "*Organizational Structure*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the historical consolidated financial statements and related notes thereto included elsewhere in this offering circular.

We derived the selected historical consolidated statement of operations data of the Company for each of the years ended June 30, 2019 and 2018 and the selected historical consolidated balance sheet data as of June 30, 2019 and 2018 from the audited consolidated financial statements of the Company, which are included elsewhere in this offering circular. The historical results are not necessarily indicative of the results expected for any future periods.

	Year Ended June 30,	
	2019	**2018**
Consolidated Statements of Operations Data:		
Revenues (Related Party)		
Gross fees	$ 75,854,429	$ 64,678,069
Credits (1)	(23,576,967)	(18,431,351)
Revenues	52,277,462	46,246,718
Operating Expenses		
Salaries and employee benefits	37,709,688	34,702,393
Rent	709,051	661,217
Depreciation	101,527	107,562
Securities trade costs	5,529,337	151,130
Other operating expenses	2,658,248	2,854,125
Total expenses	46,707,851	38,476,427
Income from operations	**5,569,611**	**7,770,291**
Net income	**$ 4,352,675**	**$ 4,622,832**

(1) Our Adviser Subsidiary has historically, on a non-contractual, unconditional, and irrevocable basis, voluntarily credited certain fees it earns from the Existing Gladstone Funds. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures and Indicators"* and Note 2 – *Summary of Significant Accounting Policies – Investment Advisory and Incentive Fee Credits* for additional information concerning such credits.

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Pursuant to 17 C.F.R. 200.83

	Year Ended June 30,	
	2019	2018
Income from operations per share attributable to Common Stock—basic and diluted	$ 55,696.11	$ 77,702.91
Net income per share attributable to Common Stock—basic and diluted	$ 43,526.75	$ 46,228.32
Weighted average shares of Common Stock outstanding—basic and diluted	100	100

	As of June 30,	
	2019	2018
Balance sheet data:		
Cash	$33,511,153	$28,778,588
Accounts receivable, related parties	9,658,670	9,602,021
Total assets	55,120,653	49,691,928
Total liabilities	33,811,591	32,735,541
Total owner's equity	21,309,062	16,956,387
Total liabilities and owner's equity	55,120,653	49,691,928

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the historical consolidated financial statements and the related notes included elsewhere in this offering circular. The historical consolidated financial data discussed below reflect our historical results of operations and financial position.

The following discussion and analysis contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events may differ significantly from those expressed or implied in such forward-looking statements due to a number of factors, including those included in the section entitled "Risk Factors" contained elsewhere in this offering circular describing key risks associated with our business, operations and industry. Amounts and percentages presented throughout our discussion and analysis of financial condition and results of operations may reflect rounding adjustments and consequently totals may not appear to sum. The items discussed below have had significant effects on many items within our consolidated financial statements and affect the comparison of the current period's activity with those of prior periods.

Overview

We are a leading alternative asset manager and provider of other administrative and financial services. We currently primarily provide these services to the four Existing Gladstone Funds, which are four publicly traded, Nasdaq-listed companies invested in alternative asset classes:

- GLAD, a BDC, primarily invests in debt securities of established private lower middle market companies in the United States;
- GAIN, a BDC, primarily invests in debt and equity securities of lower middle market private businesses operating in the United States (including in connection with management buyouts, recapitalizations or, to a lesser extent, refinancings of existing debt facilities);
- GOOD, a REIT, focuses on acquiring, owning and managing primarily office and industrial properties; and
- LAND, a REIT, focuses on acquiring, owning and leasing farmland.

We primarily generate revenue from fees earned pursuant to advisory, administrative, broker-dealer and other agreements our subsidiaries have with the Existing Gladstone Funds and to other affiliated entities. These fees are generated through:

- the Adviser Subsidiary, an investment adviser registered with the SEC, which currently advises the Existing Gladstone Funds;
- the Broker-Dealer Subsidiary, a broker dealer registered with FINRA and insured by the SIPC, which currently provides certain investment banking services to the Existing Gladstone Funds; and
- the Administrator Subsidiary, which currently provides administrative services to the Existing Gladstone Funds, including accounting, valuation, legal, compliance, and other services.

Our assets under management have grown from approximately $132.2 million as of September 30, 2001 to approximately $2.7 billion as of June 30, 2019, representing a CAGR of 19% per year. Since inception of GLAD in 2001 through June 30, 2019, the Existing Gladstone Funds have invested in 544 businesses or properties for an aggregate amount of approximately $5.3 billion and paid $1.0 billion in common stock dividends or distributions to their investors.

As of the date of this offering circular, we manage our operations on an aggregated, single segment basis for purposes of assessing performance and making operating decisions, and, accordingly, have only one reportable and operating segment. We provide asset management services through the Adviser Subsidiary and all of our revenues are generated within the U.S.

Our Adviser Subsidiary has managed the Existing Gladstone Funds with a perspective of achieving successful growth over the long-term. In establishing and growing our various funds, and in determining the types of investments to be made by our funds, our management has consistently sought to focus on the best outcomes for our businesses and the Existing Gladstone Funds that we manage over a period of years, rather than on the short-term effect on our revenue, net income or cash flow. We intend to maintain this long-term focus after this offering. We believe that this approach will continue to significantly affect our revenue, net income and cash flow as a result of the timing of new investments and realizations of investments by the Existing Gladstone Funds, the Future Gladstone Funds and any other business or funds we may manage in the future.

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Asset Management (Existing Gladstone Funds)

- **GLAD (BDC – Debt Securities of Private Companies):** We are the adviser to GLAD, a BDC that primarily invests in debt securities of established private lower middle market companies in the in U.S. GLAD was established in 2001 and is an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. In addition, it has elected to be treated as a RIC for federal tax purposes under the Code.
- **GAIN (BDC – Debt and Equity Securities (including Buyouts) of Private Companies).** We are the adviser to GAIN, a BDC that invests in debt and equity securities of lower middle market private businesses operating in the U.S. (including in connection with management buyouts, recapitalization or, to a lesser extent, refinancing of existing debt facilities). GAIN was established in 2005 and, like GLAD, is an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. In addition, it has elected to be treated as a RIC for federal tax purposes under the Code.
- **GOOD (REIT – Office and Industrial Properties):** We are the adviser to GOOD, a diversified, national operation, with investments in a variety of sectors and geographic locations. GOOD was established in 2003 and is an externally-managed REIT focused on acquiring, owning, and managing primarily office and industrial properties.
- **LAND (REIT – Farmland):** We are the adviser to LAND, a diversified, national operation, with investments in a variety of sectors and geographic locations. LAND was established in 2013 and is an externally-managed, natural resource REIT focused on acquiring, owning and leasing farmland.

Our asset management business is operated through our Adviser Subsidiary, a registered investment adviser with the SEC, which has advisory agreements in place to manage all of the Existing Gladstone Funds. Our investment advisory business generated income before taxes of $5.8 million for the year ended June 30, 2019.

Financial Services

We provide financial services through our Adviser Subsidiary and through our Broker-Dealer Subsidiary. The Broker-Dealer Subsidiary earns fees generated from providing dealer manager, investment banking, mortgage placement, and other services to us, the Existing Gladstone Funds and certain portfolio companies of GLAD and GAIN. We incur third-party securities trade costs associated with the Broker-Dealer Subsidiary that largely offset the associated securities trade commission revenue we earn.

Administrative Services

Our Administrator Subsidiary is a party to administration agreements with each of the Existing Gladstone Funds, as well as being a party to substantially similar agreements with us and our subsidiaries. Our Administrator Subsidiary provides accounting, legal, compliance, treasury, valuation, regulatory and other services pursuant to such agreements.

Our Revenues and Expenses

Our revenue is primarily derived from fees (pursuant to advisory agreements) our Adviser Subsidiary receives for managing the Existing Gladstone Funds. Such fees include investment advisory fees (also called base management fees) which are based upon assets or stockholders' equity under management; loan servicing fees for serving as the servicer pursuant to line of credit agreements; performance-based incentive fees for meeting certain income or realized capital gains thresholds; and, investment banking fees for providing investment banking, due diligence and management or advisory services. Our Broker-Dealer Subsidiary also receives fees for other financial services it provides to certain of the Existing Gladstone Funds and portfolio companies thereof, including distribution, investment banking, due diligence, dealer manager, mortgage placement and other financial services.

Historically, our most significant expense is the payment of salaries, bonuses and benefits for our employees, each of which is directly employed by either the Adviser Subsidiary or the Administrator Subsidiary.

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Business Environment

As an asset management firm, our businesses are materially affected by conditions in the financial markets and economic conditions generally in the U.S. and, to a lesser extent, globally. Our diverse mix of businesses has allowed us to generate attractive returns across different business climates. Generally, business conditions characterized by low inflation, low or declining interest rates and strong equity markets provide a positive climate for us to generate attractive returns on existing investments. Since the Existing Gladstone Funds are closed-end funds with no requirement to return invested equity capital, we have generally been able to produce stable revenues. However, during periods of market volatility the fair value of the assets owned by the Existing Gladstone Funds will increase or decrease accordingly, which impacts the base management fees. In addition, during market downturns, certain portfolio companies and tenants of the Existing Gladstone Funds may no longer be able to make the payments due under the applicable agreement with an Existing Gladstone Fund, which may impact the income of the applicable Existing Gladstone Fund and incentive fees.

Market Conditions

Our ability to grow revenues in our asset management business largely depends upon the growth in assets under management and income in the Existing Gladstone Funds, Future Gladstone Funds, and in other businesses or funds we may manage in the future. Such growth will depend upon our ability to attract new capital and investors to our funds and our ability to successfully invest our funds' capital. Our ability to grow our revenues in our financial services business (through our Broker-Dealer Subsidiary) depends largely on the ability of GLAD and GAIN (and in the future, Gladstone Partners) to invest in new portfolio companies and the Broker-Dealer Subsidiary's ability to source mortgages for GOOD and LAND, and the Broker-Dealer Subsidiary's ability to provide effective dealer manager services to certain of the Existing Gladstone Funds' and Future Gladstone Funds' registered, non-listed issuances of stock, if any.

The global economy has experienced economic uncertainty in recent years. Economic uncertainty impacts our business in many ways, including through changing spreads, structures and purchase multiples, as well as the overall supply of investment capital. See "*Risk Factors — Risks Related to Our Business*." As interest rates remain relatively low and public equities are not able to meet expected returns, we see increasing investor demand for alternative investments to achieve higher yields. As a result, some investors have increased their allocation to private markets relative to other asset classes. In addition, the opportunities in private markets have expanded as firms have created new vehicles and products in which to access private markets across different geographies and opportunity sets.

Trends Affecting our Business

In addition to general market conditions, we believe the following trends will impact our future performance:

- *Increasing Importance of Alternative Assets.* Over the past several years, investor groups of all types have meaningfully increased their capital allocations to alternative investment strategies. Based on a published report, PricewaterhouseCoopers estimates alternative investments (which includes private equity, hedge funds and investments in real estate, infrastructure and commodities in a variety of vehicles) will grow at a 9.6% CAGR versus mutual fund investments at 6.3% CAGR for the period between 2012 and 2025. We expect this current trend will continue as the combination of volatile returns in public equities and low-yields on traditional fixed income investments shifts investor focus to the lower correlated and absolute levels of returns offered by alternative assets. PricewaterhouseCoopers forecasts that global assets under management in alternative assets will nearly double to $21.1 trillion by 2025. In particular, real assets, private equity and private debt strategies are expected to achieve significant growth as investors diversify to reduce volatility and achieve higher yields.
- *Increasing Demand for Alternative Assets from Retail Investors.* Defined contribution pension plans and retail investors are demanding more exposure to alternative investment products to seek differentiated returns as well as to satisfy a desire for current yield due to changing demographics. We have benefited from this growing demand, given its diverse alternative offerings through publicly traded vehicles. With an established market presence, we believe we are well positioned to take advantage of the growing opportunity in the retail channel.
- *Shifting Asset Allocation Policies of Institutional Investors.* We believe that the growing pension liability gap is driving investors to seek higher return strategies and that institutional investors, such as insurance companies, are increasingly rotating away from core fixed income products towards more liquid alternative credit and absolute return-oriented products to achieve their return hurdles. According to Ernst & Young, institutional investors allocated

an estimated 25% of the global portfolio towards alternative strategies in 2019, up from approximately 12% in 2009. The increase in allocation has also been accompanied by a change in allocation strategy to a more balanced approach between private equity and non-private equity alternative investments. Our combination of credit expertise, total return and multi-strategy product offerings are particularly well suited to benefit from these asset allocation trends.

- *The strength and liquidity of the U.S. and relevant global equity and debt markets.* These markets affect the value of the underlying investments of the Existing Gladstone Funds and Future Gladstone Funds, which in turn affect the assets under management and income of those funds and the base management fees and the incentive fees we earn. Furthermore, changes in supply and demand for real estate assets could affect our ability to increase the value of our investments in GOOD and LAND. In addition, certain of our funds may use leverage in order to increase investment returns, which ultimately affects our current income and ability to attract additional capital. U.S. and relevant global debt markets have been particularly robust in recent years, contributing to our ability to finance acquisitions by the Existing Gladstone Funds at attractive rates, leverage ratios and terms. A reduction in leverage ratios or a tightening of covenants and other credit terms could also negatively impact the assets under management or income of our Existing Gladstone Funds and our Future Gladstone Funds and the fees the Adviser Subsidiary earns under the Advisory Agreements.

- *Interest Rate Risk.* Fluctuations in interest rates may affect the performance of the Existing Gladstone Funds and Future Gladstone Funds. Historical trends in these markets are not necessarily indicative of future performance in these funds. Current interest rates and credit spreads are near long-term historical lows. Increases in rates and spreads could have a negative impact on our returns as the incremental cash flow required to service debt of the Existing and Future Gladstone Funds would reduce their income and affect the performance based incentive fees that the Adviser Subsidiary earns. However, we believe that we and the Existing Gladstone Funds are well-positioned for a rising interest rate environment, as a majority of the assets that we manage are floating rate loans.

- *Competition among alternative asset managers.* Our ability to grow our revenue is dependent on our continued ability to source attractive investments for the funds we manage and to deploy the capital that we have raised. Our transaction volume is largely based on relationships that we cultivate in the debt, equity, real estate and natural resource markets. Deviations from these relationships can occur in any given year for a number of reasons. We compete against a number of other public and private asset managers that are larger than us or have more diversified sources of revenue or stronger relationships in the sectors in which we operate. A significant decrease in the quality or quantity of investment opportunities or an increase in competition from new alternative asset management entrants could adversely affect our ability to source investments with returns that meet the investment objectives of the funds we manage.

- *Unpredictable global macroeconomic conditions.* Global economic conditions, including political environments, financial market performance, interest rates, credit spreads or other conditions beyond our control, all of which affect the performance of the assets underlying investments, are unpredictable and could negatively affect the our performance and that of the funds that we manage and their and our ability to raise funds in the future.

- *Increasing regulatory requirements*. The complex regulatory and tax environment for asset managers could restrict our operations and subject us to increased compliance costs and administrative burdens, as well as restrictions on our business activities.

We believe recent market conditions have created favorable environments for our asset management and financial advisory businesses during the periods presented. Changes in these market conditions could have negative effects on our asset management and financial advisory businesses in future periods, and those effects could be material. For a more detailed description of how economic and global financial market conditions can materially affect our financial performance and condition, see "*Risk Factors—Risks Related to Our Business*." Our historical results of operations are not indicative of the expected future operating results following this offering.

Certain Financial Measures and Indicators

Consolidation

We consolidate the financial results of entities we control through a majority voting interest (including the Adviser Subsidiary, the Broker-Dealer Subsidiary, and the Administrator Subsidiary) as well as entities that are determined to be variable

interest entities where we are deemed to be the primary beneficiary of the entity. While the Adviser Subsidiary is the investment adviser to the Existing Gladstone Funds, it does not hold a majority of the voting interests in any of the Existing Gladstone Funds, and thus, for accounting purposes and reporting purposes, we do not consolidate the Existing Gladstone Funds in our financial statements. The base management fees and incentive fee compensation received from the advisory agreements between our Adviser Subsidiary and the Existing Gladstone Funds are the only aspects of the Existing Gladstone Funds that are recorded in our financial statements, along with our ownership interest in shares of common stock of the Existing Gladstone Funds.

Revenues

Investment Advisory Fees (Base Management Fees). Investment advisory fees are earned from services provided by the Adviser Subsidiary to the Existing Gladstone Funds pursuant to the terms of the Advisory Agreements. Investment advisory fee revenue is recognized as the advisory services are provided, and any unpaid amounts are classified as accounts receivable, related party. Additionally, pursuant to the requirements of the 1940 Act, our Adviser Subsidiary makes available significant managerial assistance to portfolio companies of GLAD and GAIN. The Adviser Subsidiary may also provide other services to such portfolio companies under certain agreements and may receive fees for services other than managerial assistance. Our Adviser Subsidiary non-contractually, unconditionally, and irrevocably credits 100% of these fees against the investment advisory fee that GLAD and GAIN would otherwise be required to pay to our Adviser Subsidiary; however, pursuant to the terms of the Advisory Agreements with each of GLAD and GAIN, a small percentage of certain of such fees is retained by our Adviser Subsidiary in the form of reimbursement, at cost, for tasks completed by personnel of the Adviser Subsidiary, primarily for the valuation of portfolio companies of GLAD and GAIN.

Loan Servicing Fees. Certain of GLAD's and GAIN's loan investments are held in their respective wholly-owned subsidiaries. Loan servicing fees represent amounts earned by the Adviser Subsidiary for acting as the servicer pursuant to the terms of the line of credit agreements between the relevant subsidiary and its creditor banks. Since GLAD and GAIN own these loans indirectly (through their 100% ownership of the relevant subsidiary), all loan-servicing fees earned by the Adviser Subsidiary are credited directly against the investment advisory fees otherwise due and payable to the Adviser Subsidiary by GLAD and GAIN. Loan servicing fee revenue is recognized when it is earned.

Performance-Based Incentive Fees. Incentive fees are earned by the Adviser Subsidiary pursuant to a given Advisory Agreement when an Existing Gladstone Fund meets certain income or realized capital gains thresholds. Incentive fees are recognized as income when all contingencies, including realization of specified minimum hurdle rates, have been exceeded. Any calculated amount above the required minimum hurdle rates, as specified in the respective Advisory Agreement, is allocated by the Existing Gladstone Fund to the Adviser Subsidiary. The incentive fees are not subject to reversal or clawback under the terms of the Advisory Agreements. To date the Adviser Subsidiary has not earned any such capital gains-based incentive fees.

In accordance with GAAP, the Existing Gladstone Funds accrue a capital gains-based incentive fee as if their investments had been liquidated at their fair values as of the end of the reporting period, even though they are not payable to the Adviser Subsidiary until such capital gains are realized and become contractually due under the terms of the applicable Advisory Agreement. As of June 30, 2019, GAIN had accrued $21.7 million of capital gains-based incentive fees payable to the Adviser Subsidiary, none of which has been recorded by us as revenue or a receivable since the required realized capital gains thresholds had not been achieved. To the extent we receive capital gains-based incentive fees, they would give rise to an obligation under our income and capital gains-based carried interest plans that exist between the Adviser Subsidiary and certain of its current or former employees and officers that operate the respective funds, or Carried Interest Plans, for which the Company would record compensation expense when this obligation becomes estimable and probable.

Under the terms of the Carried Interest Plans, a significant portion of the incentive fees earned, net of credits against those fees, are paid out as compensation. The Adviser Subsidiary may retain certain unallocated portions of the incentive fees under the agreements from time to time at its discretion. Our ability to continue to generate incentive fees and other fees is an important element of our business, and these items have historically accounted for a significant portion of our revenue and related expenses.

Administration Fees. The Administrator Subsidiary has entered into an Administration Agreement with each of the Existing Gladstone Funds and its other affiliates, pursuant to which it furnishes such funds and other companies with accounting, valuation, legal, compliance, and other services. Pursuant to the Administration Agreements, the Existing Gladstone Funds and the Administrator Subsidiary's other affiliates collectively pay the costs and expenses of the Administrator Subsidiary to perform the

administrative services, which are primarily rent and the salaries, benefits and expenses of the Administrator Subsidiary's employees, including the chief financial officer and treasurer, chief compliance officer, chief valuation officer, and general counsel and secretary (and the staffs of all of the foregoing) of each of the Existing Gladstone Funds and the Administrator Subsidiary's other affiliates. Administration fee revenue is recognized when it is earned.

Investment Banking Fees (Other Financial Services Fees): Investment banking fees include fees (1) received by the Broker-Dealer Subsidiary for providing investment banking and due diligence services to certain portfolio companies of GLAD and GAIN, (2) received by the Adviser Subsidiary for providing management or advisory services to certain portfolio companies of GLAD and GAIN and (3) received by the Adviser Subsidiary for providing mortgage placement services to GOOD and LAND. Due to uncertainty surrounding the closing of related deals, these fees are recognized when the transaction occurs and the fees are collected. Such fees may be received in advance and, if so, are recorded as deferred revenue in our consolidated balance sheets and are refundable until earned. To the extent that the Adviser Subsidiary receives any fees directly from a portfolio company of either GLAD or GAIN for any such services, 100% of such fees are credited against the investment advisory fees otherwise due to the Adviser Subsidiary pursuant to the applicable Advisory Agreement.

Securities Trade Commissions. Securities trade commission income includes dealer manager and broker dealer commissions received by the Broker-Dealer Subsidiary pursuant to its role in distributing certain shares of preferred stock of LAND through the independent broker dealer network. The Broker-Dealer Subsidiary provides certain sales, promotional and marketing services to LAND in connection with the offering of such preferred stock and LAND pays the Broker-Dealer Subsidiary (1) selling commissions of up to 7.0% of the gross proceeds from sales of the preferred stock and (2) a dealer manager fee of up to 3.0% of the gross proceeds from sales. Fees are generated and earned on a trade-date basis, when the Broker-Dealer Subsidiary's obligation to LAND is satisfied.

Fee Credits. Fee credits historically consist of non-contractual, unconditional and irrevocable waivers of loan servicing fees, investment advisory fees and incentive fees otherwise due to the Adviser Subsidiary from the Existing Gladstone Funds under the Advisory Agreements. Such credits are either related to: (1) certain investment banking fees received by the Adviser Subsidiary from portfolio companies of GLAD and GAIN, (2) loan servicing fees received by the Adviser Subsidiary from certain subsidiaries of GLAD and GAIN, (3) a portion of the annual review fees received by the Adviser Subsidiary from certain portfolio companies of GLAD and GAIN, (4) other amounts granted to allow the Existing Gladstone Funds to comply with the requirements of their credit facilities or maintain the desired level of distributions to their stockholders, or (5) a reduction in the investment advisory fees received in connection with syndicated loan investments held by GLAD or GAIN. Revenues are presented net of any related fee credits.

Operating Expenses

Salaries and Employee Benefits Expense. Our employee compensation and benefits expense reflects compensation (primarily salary and bonus) of our employees through our Adviser Subsidiary and Administrator Subsidiary. Our compensation arrangements with our employees contain a significant performance-based bonus component. Therefore, as our revenues increase, our compensation costs also rise. In addition, our compensation costs reflect increased headcount as we expand geographically and create new products and businesses. Historically, all payments for services rendered by our management and selected other individuals engaged in our businesses have been accounted for as employee compensation and benefits expense. As a result, our employee compensation and benefits expense has reflected payments for services rendered by these individuals.

Operating Expenses Other Than Salaries and Employee Benefits Expense. The operating expenses other than salaries and employee benefits expenses consist primarily of rent, depreciation, telecommunications, office expenses, professional services and other third-party expenses incurred in connection with operating our business lines. We also incur third-party securities trade costs associated with the Broker-Dealer Subsidiary.

Net Gains from Investment Activities. We expect to generate realized and unrealized gains from underlying investments in the Future Gladstone Funds. Net gains (losses) from our investment activities reflect a combination of internal and external factors. The external factors affecting the net gains associated with our investing activities vary by asset class but are broadly driven by the market considerations discussed above. The key external measures that we monitor for purposes of deriving net gains from our investing activities include: price/earnings ratios and EBITDA multiples for benchmark public companies and comparable transactions and capitalization rates for real estate property investments. These measures generally represent the relative value at which comparable entities have either been sold or at which they trade in the public marketplace. Other than the information from our

managing directors, we refer to these measures generally as exit multiples. Internal factors that are managed and monitored include a variety of cash flow and operating performance measures, most commonly EBITDA and net operating income. The management of the portfolio companies that the Existing Gladstone Funds invest in are incentivized to maximize these key measures and do so by pursuing strategies to improve the operating investment performance and the capital structures of the companies. In all cases in the Existing Gladstone Funds (and our interests in the Future Gladstone Funds) entitle us to an incentive fee (pursuant to the existing advisory agreement between our Adviser Subsidiary and each of the Existing Gladstone Funds) when investors in the fund achieve specified cumulative investment returns.

Non-Operating Income (Dividends from Marketable Securities, Realized Gains from Marketable Securities and Unrealized Gains from Marketable Securities). These amounts relate to income or losses associated with investments classified asavailable-for-sale that have been held for the benefit of our deferred compensation plan. In October 2018, we terminated our deferred compensation plan and ceased permitting participants to make further contributions into the plan. As of January 3, 2020, all remaining obligations were valued, the trust was liquidated and the obligations were paid to participants in a subsequent payroll. See Note 7 to the consolidated financial statements for further information.

Income Taxes. U.S. federal income tax legislation enacted in December 2017, commonly referred to as The Tax Cuts and Jobs Act, or TCJA, reduced the U.S. federal corporate tax rate from 35.0% to 21.0% effective on January 1, 2018, resulting in a blended rate of 27.55% for the fiscal year ended June 30, 2018. The U.S. federal corporate tax rate for the fiscal year ended June 30, 2019 and future years is 21.0%. As a result of the termination of our deferred compensation plan and distribution of its assets in January 2020, the payments to participants will give rise to income tax deductions in our future tax returns that are currently recognized as deferred tax assets.

Operating Metrics

The alternative asset management business is a complex business that is unusual due to its ability to support rapid growth without requiring substantial capital investment. However, there also can be volatility associated with its earnings and cash flow. Since our inception, we have developed and used various supplemental operating metrics to assess and monitor the operating performance of our various alternative asset management businesses in order to monitor the effectiveness of our value creating strategies.

Our assets under management increase primarily as a result of the Existing Gladstone Funds raising additional capital, either in the form of equity by selling additional shares of capital stock to investors or in the form of debt via long term mortgages on the real estate held by certain of the Existing Gladstone Funds, the revolving lines of credit available to the Existing Gladstone Funds and the issuance of notes by certain of the Existing Gladstone Funds. In the future, our assets under management will include the assets described above as well as the fair market value of assets or the total asset value of Future Gladstone Funds.

We intend to continue to manage our business as we have in the past, using traditional financial measures and our key operating performance metrics, since we believe that these metrics measure the productivity of our investment activities. See "*Selected Historical Financial Data*."

Results of Operations for the Years Ended June 30, 2019 and 2018

Following is a discussion of our consolidated results of operations for the years ended June 30, 2019 and 2018. The following tables set forth information regarding our results of operations and certain key operating metrics for the years ended June 30, 2019 and 2018:

	Year Ended June 30,	
	2019	2018
Revenues (Related Party)		
Investment advisory and loan servicing fees	$19,388,476	$19,864,217
Incentive fees	12,264,680	13,341,161
Administration fees	5,516,197	4,810,152
Investment banking fees	8,521,862	7,489,952
Annual review fees	578,003	530,030
Property management fees	295,551	139,308

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Securities trade commissions	5,586,140	50,000
Other income	126,553	21,898
Total revenues	52,277,462	46,246,718
Operating expenses		
Salaries and employee benefits	37,709,688	34,702,393
Rent	709,051	661,217
Depreciation	101,527	107,562
Telecommunications	522,802	478,335
Office expenses	379,243	358,940
Professional services	569,998	737,025
Securities trade costs	5,529,337	151,130
Interest expense	194	21,886
Other operating expenses	1,186,011	1,257,939
Total expenses	46,707,851	38,476,427
Income from operations	5,569,611	7,770,291
Dividends from marketable securities	341,562	181,472
Realized gain on marketable securities	174,290	256,072
Unrealized (loss) gain on marketable securities	(243,147)	68,199
Net income before income taxes	5,842,316	8,276,034
Income tax provision	(1,489,641)	(3,653,202)
Net income	$ 4,352,675	$ 4,622,832
Net income per share attributable to common stock—basic and diluted	$ 43,526.75	$ 46,228.32
Weighted average shares of common stock outstanding—basic and diluted	100	100

Revenues – Investment Advisory and Loan Servicing Fees

The following tables reflect the components by Existing Gladstone Fund of investment advisory and loan servicing fees for the fiscal years ended June 30, 2019 and 2018:

2019	GLAD	GAIN	GOOD	LAND[1]	Total
Base management fees	$ 7,195,097	$12,812,329	$5,058,535	$ 3,308,478	$ 28,374,439
Loan servicing fees	5,050,967	6,839,215	—	—	11,890,182
Loan servicing fee credit	(5,050,967)	(6,839,215)	—	—	(11,890,182)
Credit for fees received from portfolio companies and other fee waivers	(1,187,838)	(5,770,917)	—	(1,648,381)	(8,607,136)
Fee reduction on senior syndicated loans	(378,827)	—	—	—	(378,827)
Investment advisory and loan servicing fee revenue	$ 5,628,432	$ 7,041,412	$5,058,535	$ 1,660,097	$ 19,388,476

2018	GLAD	GAIN	GOOD	LAND[1]	Total
Base management fees	$ 6,824,678	$11,390,145	$5,127,420	$2,410,549	$ 25,752,792
Loan servicing fees	4,891,139	6,453,815	—	—	11,344,954
Loan servicing fee credit	(4,891,139)	(6,453,815)	—	—	(11,344,954)

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Credit for fees received from portfolio companies and other fee waivers	(1,245,422)	(4,093,689)	—	(174,014)	(5,513,125)
Fee reduction on senior syndicated loans	(375,450)	—	—	—	(375,450)
Investment advisory and loan servicing fee revenue	$ 5,203,806	$ 7,296,456	$5,127,420	$2,236,535	$19,864,217

(1) On January 14, 2020, LAND amended and restated its existing Advisory Agreement with the Advisory Subsidiary to change the calculation of the base management fee from an annual rate of 2.0% of total adjusted common equity (as defined in the Advisory Agreement in effect at such time) to an annual rate of 0.5% of Gross Tangible Real Estate (as defined in the current Advisory Agreement) commencing with the quarter ending March 31, 2020.

Incentive Fees

The following tables reflect the components by Existing Gladstone Fund of incentive fees for the fiscal years ended June 30, 2019 and 2018:

2019	GLAD	GAIN	GOOD	LAND	Total
Incentive fees	$ 5,549,080	$5,420,850	$3,367,474	$ 628,098	$ 14,965,502
Incentive fee waiver	(1,922,745)	—	—	(778,077)	(2,700,822)
Incentive fee revenue	$ 3,626,335	$5,420,850	$3,367,474	$(149,979)	$12,264,680

2018	GLAD	GAIN	GOOD	LAND	Total
Incentive fees	$ 5,382,005	$6,163,931	$2,732,168	$260,879	$ 14,538,983
Incentive fee waiver	(1,144,250)	—	—	(53,572)	(1,197,822)
Incentive fee revenue	$ 4,237,755	$6,163,931	$2,732,168	$207,307	$13,341,161

Credits to Investment Advisory and Loan Servicing Fees and Incentive Fees

The following tables reflect the components by Existing Gladstone Fund of credits granted against investment advisory and loan servicing fees and incentive fees for the fiscal years ended June 30, 2019 and 2018:

2019	GLAD	GAIN	GOOD	LAND	Total
Credit for fees received from portfolio companies and other fee waivers	$(1,187,838)	$ (5,770,917)	$ —	$(1,648,381)	$ (8,607,136)
Loan servicing fee credit	(5,050,967)	(6,839,215)	—	—	(11,890,182)
Fee reduction on senior syndicated loans	(378,827)	—	—	—	(378,827)
Incentive fee waiver	(1,922,745)	—	—	(778,077)	(2,700,822)
Total credits	$(8,540,377)	$(12,610,132)	$ —	$(2,426,458)	$(23,576,967)

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2018	GLAD	GAIN	GOOD	LAND	Total
Credit for fees received from portfolio companies and other fee waivers	$(1,245,422)	$ (4,093,689)	$ —	$(174,014)	$ (5,513,125)
Loan servicing fee credit	(4,891,139)	(6,453,815)	—	—	$(11,344,954)
Fee reduction on senior syndicated loans	(375,450)	—	—	—	$ (375,450)
Incentive fee waiver	(1,144,250)	—	—	(53,572)	$ (1,197,822)
Total credits	$(7,656,261)	$(10,547,504)	$ —	$(227,586)	$(18,431,351)

Revenues (which is net of credits) were $52.3 million for the year ended June 30, 2019, an increase of $6.0 million, or 13%, versus the year ended June 30, 2018. The overall increase was the result of $11.2 million of increases in gross fees offset by $5.2 million of increases in fee credits.

Gross base management fees and loan servicing fees for the year ended June 30, 2019 increased $3.2 million, or 9%, to $40.3 million versus the year ended June 30, 2018, primarily due to increased assets under management of GAIN and GLAD and increases in stockholders' equity of GOOD and LAND year-over-year, on which fees were based. The portion of fees related to base management fees increased to $28.4 million for the year ended June 30, 2019 from $25.8 million for the year ended June 30, 2018, primarily as a result of growth in assets under management of GAIN and GLAD and stockholders' equity of GOOD and LAND. Assets under management increased year over year primarily because of additional capital offerings by GOOD and LAND and their ability to redeploy the proceeds from such offerings in additional assets.

Loan servicing fees increased by $0.6 million, or 5%, to $11.9 million year-over-year. Since GLAD and GAIN own indirectly the loans subject to the loan servicing fees, all loan-servicing fees earned by the Adviser Subsidiary are credited directly against the investment advisory fees otherwise due and payable to the Adviser Subsidiary by GLAD and GAIN. Investment advisor and loan servicing fee revenue (which is net of credits) decreased $0.5 million, or 2%, to $19.4 million due to an increase in non-contractual, unconditional and irrevocable fee waivers.

Gross incentive fees for the year ended June 30, 2019 increased $0.4 million, or 3%, to $15.0 million compared with the prior year due to a $1.2 million combined increased in income-based incentive fees earned by our Adviser Subsidiary from GLAD and GOOD and a capital gains-based incentive fee from LAND, offset by decreased income-based incentive fees earned from GAIN of $0.6 million. Incentive fee credits relate to non-contractual voluntary waivers of incentive fee income credited against incentive fees earned from GLAD and LAND to support such funds maintaining distributions to their respective stockholders. Incentive fee revenue (which is net of credits) decreased $1.1 million, or 8%, to $12.3 million due to an increase in non-contractual, unconditional and irrevocable fee waivers.

Administration fees represent reimbursement of the expense of our Administrator Subsidiary for providing administrative services to the Existing Gladstone Funds. Administrative fees increased $0.7 million, or 15%, to $5.5 million for the year ended June 30, 2019 compared to the year prior due primarily to salary, bonus and benefit increases from an increase in headcount and market-based compensation adjustments. The administration fees earned by the Administrator Subsidiary are charged based on and entirely offset by the expenses of the Administrator Subsidiary. As a result, the administration fee revenue earned by the Administrator Subsidiary does not directly affect our operating or net income.

Investment banking fees typically include revenues earned for services offered to the portfolio companies of the Existing Gladstone Funds for transaction structuring and loan financing. For the year ended June 30, 2019, we saw an increase in investment banking fees of $1.0 million, or 14%, due mainly to an increased dollar volume of transactions by GAIN compared to the prior year.

Securities trade commissions include dealer manager and broker-dealer commissions received by the Broker-Dealer Subsidiary pursuant to its role in distributing certain shares of preferred stock of its affiliates through an independent broker-dealer network. Fees are generated and earned on a trade-date basis. Fee revenue increased from $0.05 million for the year ended June 30, 2018 to $5.6 million for the year ended June 30, 2019, as a result of an increase in the number of shares of non-traded preferred stock sold by LAND year-over-year. Due to our reliance on the independent selling network, securities trade costs almost entirely offset the related securities trade commissions.

Operating Expenses

Operating expenses were $46.7 million for the year ended June 30, 2019, an increase of $8.2 million, or 21%, versus the year ended June 30, 2018. The change was primarily due to an increase of $3.0 million, or 9%, in salaries and employee benefits of the Adviser Subsidiary from the net addition of personnel to support the growth of each of our business areas including office

openings and expansion of LAND in California and from market adjustments to compensation, and from higher bonus and incentive compensation driven by our favorable financial performance. Securities trade costs increased by $5.4 million, which relates to a corresponding increase in securities trade commissions. Professional services decreased by $0.2 million primarily due to lower legal fees.

Dividends, Realized and Unrealized Gains on Marketable Securities

Dividends, realized gains and unrealized gains from marketable securities held in oumon-qualified elective deferred compensation plan decreased by $0.2 million for the year ended June 30, 2019 compared to the prior year primarily due to an unrealized loss on the carrying value of the investments.

Income Tax Provision

We recorded an income tax provision of $1.5 million for the fiscal year ended June 30, 2019, a combined federal and state effective tax rate of 25.5% of net income before income taxes. This compares to an income tax provision of $3.7 million for the fiscal year ended June 30, 2018, an effective tax rate of 44.1% of net income before income taxes. The TCJA was enacted on December 22, 2017. Among other things, the TCJA reduced the U.S. federal corporate tax rate from 35% to 21% effective on January 1, 2018, resulting in a blended rate of 27.55% for the fiscal year ended June 30, 2018. We recognized a provisional amount of $1.1 million of income tax expense for the fiscal year ended June 30, 2018 relating to the revaluation of deferred tax asset balances due to the change in tax rates enacted in the period, which increased its effective tax rate. The U.S. federal corporate tax rate for periods prior to January 1, 2018 was 35%, and 21% for periods thereafter. The current and prior period effective tax rates differ from the federal statutory tax rate of 21% due primarily to the TCJA impact on the deferred tax asset and the effect of state taxes.

In October 2018, we terminated our deferred compensation plan and ceased permitting participants to make further contributions into the plan. As of January 3, 2020, all remaining obligations were valued and the trust was liquidated, and the obligations were paid to participants in a subsequent payroll. These payments to participants will give rise to income tax deductions in our current or future tax returns that are currently recognized as deferred tax assets.

See Notes 5 and 6 to the consolidated financial statements included elsewhere in this offering circular for further disclosure of the elements of the tax expense and the tax assets and liabilities.

Net Income

Our net income decreased by $0.3 million, or 6%, to $4.4 million during the year ended June 30, 2019 compared to the prior year due primarily to higher bonuses and incentive compensation.

Liquidity and Capital Resources

Historical Liquidity and Capital Resources

On a historical basis, we have drawn on the capital resources of our Chairman, President and Chief Executive Officer, David Gladstone, together with the committed capital from our lines of credit provided by banks and the fee income earned by our subsidiaries in order to fund our operating expenses. In addition, we require capital resources to support the working capital needs of our businesses as well as to fund growth and investments in new business initiatives. We have multiple sources of liquidity to meet these capital needs, including accumulated earnings of our subsidiaries as well as access to the committed credit facilities described in Note 4 to the Financial Statements.

Our historical statements of cash flows reflect the cash flows of our operating business. We have managed our historical liquidity and capital requirements by focusing on our cash flows. Our primary cash flow activities are: (1) receiving cash flow from operations; (2) receiving income from investment activities of the Adviser Subsidiary; (3) funding capital expenditures; and (4) borrowings and repayments under our $2.0 million line of credit.

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Cash Flows

The following table sets forth our cash flows for the years ended June 30, 2019 and 2018:

	Year Ended June 30,	
(In thousands)	**2019**	**2018**
Net cash provided by operating activities	$5,531	$8,236
Net cash used in investing activities	(798)	(125)
Net cash used in financing activities	0	(536)
Net increase in cash	$4,733	$7,575

Operating Activities

Our net cash flow provided by operating activities was $5.5 million and $8.2 million for the years ended June 30, 2019 and 2018, respectively. These amounts primarily include income produced from our operations plus changes in our other operating assets and liabilities. Cash from operations of $5.5 million for the year ended June 30, 2019 included $4.4 million of net income plus $2.3 million of increases in accrued payroll and $0.7 million of net decreases in other assets or increases in other liabilities, reduced by $1.9 million of decreases in income taxes payable. Cash from operations of $8.2 million for the year ended June 30, 2018 included $4.6 million of net income plus $5.1 million of increases in accrued payroll and $1.4 million of net decreases in other assets or increases in other liabilities, reduced by $2.9 million of decreases in accounts receivable, related parties.

Investing Activities

Our net cash flow used in investing activities was $0.8 million and $0.1 million for the years ended June 30, 2019 and 2018, respectively. Our investing activities included purchases of furniture, equipment and leasehold improvements and net investments in securities related to our deferred compensation plan; and in the fiscal year ended June 30, 2018 included collection of a note receivable.

Financing Activities

Our net cash flow used in financing activities was $0.5 million in the year ended June 30, 2018 related to repayments of notes payable.

Our Future Sources of Cash and Liquidity Needs

We expect that our primary liquidity needs will be cash to: (1) provide capital to facilitate the growth of our existing asset management and financial services businesses; (2) provide capital to facilitate our expansion into new businesses that are complementary to our existing asset management and financial services businesses and that can benefit from being affiliated with us; (3) pay operating expenses, including cash compensation to our employees; (4) fund capital expenditures; (5) repay borrowings and related interest costs; (6) pay income taxes; and (7) make dividends to our stockholder. Taking into account generally expected market conditions, we believe that the sources of liquidity described below will be sufficient to fund our working capital requirements.

Our initial source of liquidity will consist of the net proceeds from this offering. See "*Use of Proceeds.*" In the future we expect to also receive cash from time to time from: (1) cash generated from operations; (2) incentive income realizations; and (3) realizations on the investments that we will make. In the future, we may also issue additional securities to investors and our employees with the objective of increasing our available capital which would be used for purposes similar to those noted above.

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Recent Accounting Pronouncements

See Note 2 — *Summary of Significant Accounting Policies* in the *Notes to Consolidated Financial Statements* included elsewhere in this offering circular for a description of recent accounting pronouncements.

Off Balance Sheet Arrangements

We had no off-balance sheet arrangements as of June 30, 2019.

Contractual Obligations, Commitments and Contingencies

We lease our primary office space and certain office equipment under agreements that expire in various years through 2025. In connection with certain lease agreements, we are responsible for escalation payments. The contractual obligation table below includes only guaranteed minimum lease payments for such leases and does not project potential escalation or other lease-related payments. These leases are classified as cancellable operating leases for financial statement purposes and as such are not recorded as liabilities on the combined statement of financial condition as of June 30, 2019.

The following table summarizes the contractual payments due under cancellable operating leases by fiscal year:

Rental Agreements for Office Space

Fiscal Year Ended June 30,	Amount
2020	$ 726,066
2021	741,186
2022	762,511
2023	780,338
2024	803,860
2025	686,587
Total contractual repayments	**$4,500,548**

Guarantee

As of June 30, 2019, we guaranteed the entire line of credit which the Adviser Subsidiary had available to it. There were no borrowings outstanding as of June 30, 2019. Under the current extension dated January 15, 2020, availability under the line is $2 million through January 15, 2021.

Indemnifications

In many of our service contracts, we agree to indemnify the third-party service provider under certain circumstances. The terms of the indemnities vary from contract to contract and the amount of indemnification liability, if any, cannot be determined and has not been included in the table above or recorded in our financial statements as of June 30, 2019.

Qualitative and Quantitative Disclosures about Market Risk

Our primary exposure to market risk is related to our role as parent to the investment adviser to the Existing Gladstone Funds and general partner (in the Future Gladstone Funds) and the sensitivity to movements in the fair value of their investments, including the effect on base management and incentive fees, financial services fees and investment income.

The market price of investments may significantly fluctuate during the period of investment. Investments may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of an investment may decline due to general market conditions which are not specifically related to such investment, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment in general. They may also decline due to factors that affect a particular industry (or industries), such as labor shortages or increased production costs and competitive conditions within an industry.

The Existing Gladstone Funds' investments are diversified across a variety of industries and geographic locations, and as such we are broadly exposed to the market conditions and business environments referred to above. As a result, although our funds are exposed to market risks, we continuously seek to limit concentration of exposure in any particular sector so as to minimize fluctuations to our revenue.

Effect on Investment Advisory Fees

Investment advisory fees are generally based on a fixed percentage of average total assets for GAIN and GLAD, adjusted stockholders' equity for GOOD and total adjusted common equity for LAND prior to the quarter ending March 31, 2020 and gross cost of tangible real estate owned by LAND thereafter. As a result, investment advisory fees may be affected by changes in the market value of our funds' underlying investments. The overall impact of a short-term change in market value may be mitigated by a number of factors including fee definitions that are not based on market value, definitions which include certain adjustments, market value definitions that exclude the impact of realized and/or unrealized gains and losses, market value definitions based on beginning of the period values or a form of average market value including daily, monthly or quarterly averages as well monthly or quarterly payment terms.

Effect on Incentive Fees

Incentive fees are based on certain specific hurdle rates as defined in the applicable Advisory Agreement. The incentive fee entitles the Adviser Subsidiary (or an affiliate) to an allocation of income or capital gains, as applicable, from an Existing Gladstone Fund. The incentive fee is typically structured as a net profits interest in the applicable fund. In the case of the Existing Gladstone Funds, the incentive fee is calculated on a "realized gain" basis, and the Adviser Subsidiary is generally entitled to 15% to 20% of the net realized income and gains (generally taking into account unrealized losses) generated by such fund. Net realized income or loss is not netted between or among funds. Changes in the fair values of funds' investments may materially impact performance fees depending on the respective funds' performance relative to applicable hurdles or benchmarks.

Credit Risk

We are party to agreements providing for various financial services and transactions that contain an element of risk in the event that the counterparties are unable to meet the terms of such agreements. In such agreements, we depend on the respective counterparty to make payment or otherwise perform. We generally endeavor to minimize our risk of exposure by limiting to reputable financial institutions the counterparties with which we enter into financial transactions. In other circumstances, availability of financing from financial institutions may be uncertain due to market events, and we may not be able to access these financing markets.

Interest Rate Risk

We currently have limited debt exposure. However, we remain subject to financial market risks including changes in interest rates. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our operations.

The Gladstone BDCs are subject to financial market risks, including changes in interest rates. Because our BDCs borrow money to make investments, their net investment income is dependent upon the difference between the rates at which they borrow funds and the rates at which they invest those funds. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on their net investment income and thus the income-based incentive fees that our Adviser Subsidiary earns. The Gladstone BDCs use a combination of debt and equity capital to finance their investing activities. They may use interest rate risk management techniques to limit their exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act.

The Gladstone BDCs make direct or indirect investments in companies that utilize leverage in their capital structure, including leverage incurred by the company resulting from the structuring of the fund's investment in the portfolio company. The degree of leverage employed varies amongst portfolio companies based on market conditions and the portfolio company's financial situation. The Gladstone BDCs do not monitor leverage employed by their portfolio companies in the aggregate. However, for companies under our funds' control or over which our funds' have significant influence, it is our policy to endeavor to cause the portfolio company to maintain appropriate controls over its liquidity and interest rate exposures.

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In addition, the Gladstone REITs are exposed to interest rate risk. Certain of their leases contain escalations based on market indices, and the interest rate on certain of their borrowings are variable. Although LAND and GOOD seek to mitigate this risk by structuring such provisions of their loans and leases to contain a minimum interest rate or escalation rate, as applicable, these features do not eliminate this risk. To that end, they may enter into derivative contracts to attempt to manage their exposure to interest rate fluctuations.

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BUSINESS

Overview

We were formed on December 7, 2009 as a Delaware corporation to continue the asset management business conducted through predecessor entities since 2001. Our sole stockholder is TGC LTD, which is controlled by David Gladstone, our Chairman, President and Chief Executive Officer.

Through our wholly-owned subsidiaries, we are an independent U.S. alternative asset manager with assets under management of approximately $2.7 billion as of June 30, 2019. Our alternative asset management businesses include the management, through our Adviser Subsidiary, of (1) GAIN, a BDC that primarily invests in debt and equity securities of lower middle market private businesses operating in the United States (including in connection with management buyouts, recapitalization or, to a lesser extent, refinancing of existing debt facilities); (2) GLAD, a BDC that primarily invests in debt securities of established private lower middle market companies in the United States; (3) GOOD, a REIT that focuses on acquiring, owning and managing primarily office and industrial properties; and (4) LAND, a REIT that focuses on acquiring, owning and leasing farmland. We also provide various administrative and financial services, including investment banking, due diligence, dealer manager, mortgage placement, and other financial services through our Broker-Dealer Subsidiary.

We have grown our assets under management significantly, from approximately $132.2 million as of September 30, 2001 to approximately $2.7 billion as of June 30, 2019, representing a CAGR of approximately 19%. Our Adviser Subsidiary oversees the investments of the four Existing Gladstone Funds which have collectively invested approximately $5.3 billion in 544 businesses or properties through June 30, 2019. As of June 30, 2019, we had 29 executive officers, managing directors and directors and also employed 41 other investment and administrative professionals through our Adviser Subsidiary and Administrator Subsidiary at our headquarters in McLean, Virginia (a suburb of Washington, D.C.) and our offices in New York, New York, Chicago, Illinois, Seattle, Washington, Dallas, Texas and Salinas, California. All such personnel are directly employed by either our Adviser Subsidiary or our Administrator Subsidiary.

The alternative asset management industry has experienced significant growth in worldwide assets under management in the past ten years and is expected to grow to $14.0 trillion by 2023 based on *The Future of Alternatives* report published by Preqin in October 2018. Their assessment is driven by the following:

- the track record of alternatives including their ability to deliver superior risk-adjusted returns;
- investors' ability to find alpha in private capital alternatives better than in public markets;
- a steady increase in private capital as a source to fund businesses throughout their lifecycles;
- growing opportunities for alternative asset managers in private debt as traditional lenders decline; and
- alternative asset management vehicles have been the fastest growing segment of the asset management industry in part because many investors have sought to diversify their investment portfolios to include alternative asset strategies and alternative asset managers have generally delivered superior returns with a lower correlation to the broader market than traditional asset management strategies.

Alternative asset management vehicles have been the fastest growing segment of the asset management industry in part because many investors have sought to diversify their investment portfolios to include alternative asset strategies and alternative asset managers have generally delivered superior returns with a lower correlation to the broader market than traditional asset management strategies.

We seek to deliver superior returns to investors in our funds through a disciplined, value-oriented investment approach. We believe that this investment approach, implemented across our broad and expanding range of alternative asset classes and investment strategies, helps provide stability and predictability to our business over different economic cycles and has contributed to our growth of assets under management over an extended period of time. Our investment personnel have cultivated strong relationships with clients in our financial advisory business through our Adviser Subsidiary, where we endeavor to provide objective and insightful solutions and advice that our clients can trust. We believe our scaled, diversified businesses, coupled with our long track record of investment performance, proven investment approach and strong client relationships, position us to continue to perform well in a variety of market conditions, expand our assets under management and add complementary businesses.

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Assets Under Management

Assets under management were $2.7 billion at June 30, 2019, an increase of $219.6 million, or 8.8%, compared to $2.5 billion at June 30, 2018. The following table sets forth assets under management by Existing Gladstone Fund as of June 30, 2019 and June 30, 2018.

(in millions)	June 30, 2019	June 30, 2018
GAIN	$ 641.95	$ 639.04
GLAD	415.34	415.42
GOOD	969.79	912.01
LAND	628.72	475.21
Other Investments(1)	55.12	49.69
Total	$ 2,710.92	$ 2,491.37

(1) Other Investments consist of the assets of The Gladstone Companies, Inc. and its subsidiaries.

Assets under management have increased since 2018 primarily as a result of the ability of the Existing Gladstone Funds to raise additional capital and effectively deploy such capital in new investments. The growth of our assets under management is also partially due to the appreciation of certain investments over time and, to a limited extent, interest earned on certain investments and the redeployment of gains received upon the exit of investments.

The following tables provide a roll-forward of assets under management by Existing Gladstone Fund for the year ended June 30, 2019:

	Year Ended June 30, 2019					
(in millions)	GAIN	GLAD	GOOD	LAND	Other Investments	Total
Beginning Balance	$ 639.04	$ 415.42	$912.01	$475.21	$ 49.69	$2,491.37
Investment Purchases and Additions	133.23	134.45	101.41	147.30	—	516.39
Investment Repayments and Sales	(185.73)	(112.40)	(8.50)	(14.20)	—	(320.83)
Change in Fund Value	55.41	(22.13)	(35.13)	20.41	5.43	23.99
Ending Balance	$ 641.95	$ 415.34	$969.79	$628.72	$ 55.12	$2,710.92

Competitive Strengths

Diversified, National Alternative Asset Management. Alternative asset management is the fastest growing segment of the asset management industry, and we are one of the leading mid-sized independent alternative asset managers in the U.S. Our asset management business is diversified across a broad variety of alternative asset classes and investment strategies and has national reach and scale. From the time our Adviser Subsidiary entered the asset management business in 2001 through June 30, 2019, the Existing Gladstone Funds have raised approximately $2.2 billion of capital. Our assets under management have grown from approximately $132.2 million as of September 30, 2001 to approximately $2.7 billion as of June 30, 2019, representing a CAGR of approximately 19%. We believe that the strength and breadth of our franchise, supported by our people, investment approach and track record of success, provide a distinct advantage when raising capital, evaluating opportunities, making investments, building value and realizing returns.

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Stable Earnings Model. We believe we have a stable earnings model based on:

*All of the capital that we currently manage is long-term in nature.*As of December 31, 2019, 100% of our assets under management were in permanent capital vehicles with no fund termination or maturity. None of the Existing Gladstone Funds has a requirement to return capital to investors. This has enabled and continues to enable us to invest assets with a long-term focus over different points in a market cycle, which we believe is an important component in generating attractive returns. We believe our long-term capital also leaves us well-positioned during economic downturns, when the fundraising environment for alternative assets has historically been more challenging than during periods of economic expansion.

We have a diverse capital base from four distinct funds. For the fiscal year ended June 30, 2019, approximately 24.46%, 39.01%, 20.07%, and 5.46% of our total fee revenue was generated from GLAD, GAIN, GOOD and LAND, respectively. We have a well-balanced and diverse capital base, which we believe is the result of our demonstrated expertise across alternative capital vehicles.

A significant portion of our revenue is generated from management fees. Management fees, which are generally based on the amount of invested capital in funds we manage, are more predictable and less volatile than performance-based fees. For the year ended June 30, 2019, approximately 37.09% of our total fee revenue was comprised of base management fees. For the years ended June 30, 2017, 2018 and 2019, base management fees averaged 41.36% of our total fee revenue.

Strong Middle Market Presence. While we have some exposure to large companies through tenants of certain GOOD properties, our business of investing in alternative assets includes substantial exposure to the U.S. middle market, defined as U.S. businesses with $10 million to $1 billion in annual revenue. According to the National Center for The Middle Market, middle market businesses generated $6 trillion in accrued revenue which is 33% of the private sector GDP and employed nearly 48 million people in the United States. In addition, according the National Center for the Middle Market's second quarter 2019 report, the year-over-year revenue growth rate of middle market companies was 8.5% as compared to 2.2% for companies comprising the S&P 500. In addition, the projected revenue growth rate of middle market companies for the 12-month period ending June 30, 2020 is projected to be at 5.4% with an estimated 77% of middle market companies projecting increased revenue over the same period.

Demonstrated Investment Track Record. We have a demonstrated record of generating attractive risk-adjusted returns across our asset management business. We believe that the investment returns we have generated for investors in the Existing Gladstone Funds over many years across a broad and expanding range of alternative asset classes and through a variety of economic conditions and cycles of the equity and debt capital markets are a key reason why we have been able to consistently grow our assets under management across our alternative asset management platform.

Diverse Base of Longstanding Investors. We have a long history of raising significant amounts of capital on a national basis across a broad range of asset classes, and we believe that the strength and breadth of our relationships with individual and institutional investors will provide us with a competitive advantage in raising capital. During the nearly two decades of asset management activities of our Adviser Subsidiary, we have built long-term relationships with many individual investors through brokerage houses and smaller institutional investors in the U.S., most of which invest in a number of the Existing Gladstone Funds. Furthermore, the investor base of the Existing Gladstone Funds is highly diversified, with no single unaffiliated investor in the Existing Gladstone Funds accounting for more than 9% of the total amount of capital raised for those funds as of June 30, 2019. We believe that our strong network of investor relationships, together with our long-term track record of providing investors in our funds with superior risk-adjusted investment returns, will enable us to continue to grow the Existing Gladstone Funds and successfully launch the Future Gladstone Funds.

Strong Industry and Corporate Relationships. We believe that the strength of our relationships with investment banking firms, other financial intermediaries and leading corporations and corporate executives provides us with competitive advantages in identifying transactions, securing investment opportunities and generating exceptional returns. We actively cultivate our relationships with major investment banking firms and other financial intermediaries. We believe our repeated and consistent dealings with these firms over a long period of time have led to our being one of the first parties considered for potential investment ideas and have enhanced our ability to obtain financing on more favorable terms. We believe that our strong network of relationships with these firms provide us with a significant advantage in attracting deal flow and securing transactions, including a substantial number of exclusive investment opportunities and opportunities that are made available to a very limited number of other private equity firms.

Our People. We believe that our 29 executive officers and senior management, who average more than 28 years of experience in the business of the fund that they manage, are the key drivers in the growth of our business. Our executive officers and senior management are supported by approximately 41 other professionals with a variety of backgrounds in investment banking, leveraged finance, private equity, real estate and other disciplines. We believe that the extensive experience and financial acumen of

our management and professionals provide us with a significant competitive advantage. We also believe that we benefit from substantial synergies across all of these businesses, including the ability to leverage the extensive intellectual capital that resides throughout our firm. We believe that the extensive investment review process that is conducted in all of our asset management businesses, involving active participation by David Gladstone, Terry Brubaker, David Dullum, Bob Cutlip, Bob Marcotte and Michael LiCalsi, is not only a significant reason for our successful investment performance but also helps to maximize those synergies. See "*Management*" for additional background information for our executive officers.

Distinct Advisory Perspective. We are not engaged in activities that might conflict with our role as a trusted financial advisor. We believe that this makes us particularly well-suited to represent boards and special committees in the increasing number of situations where they are looking to retain a financial advisor who is devoid of such conflicts. In addition, we believe that our ability to view financial advisory client assignments from both the client's and an owner's perspective often provides unique insights into how best to maximize value while also achieving our clients' strategic objectives.

Demonstrated History of Legal and Regulatory Compliance. We have a proven track record of launching and managing publicly traded BDC and REIT vehicles, each of which is subject to distinctive compliance and regulatory challenges. Rigorous legal and compliance analysis of our businesses and investments is important to our culture and our history of regulatory and legal compliance across all of our vehicles is a core strength of our firm.

Our Growth Strategy

We intend to grow our assets under management by providing seed money to our Future Gladstone Funds, as outlined below, and for other possible new affiliated fund initiatives:

New REIT for Investments in Retail Properties: We intend to invest up to $20 million of the proceeds of this offering as seed capital in Gladstone Retail through an interest in Gladstone Retail's operating partnership, which has not yet been formed. Gladstone Retail would seek to purchase and own retail properties, which we define as locations that are open to the public and provide a product or service. These can include fast food restaurants, drug stores, auto dealerships, bank branches, supermarkets and health care service locations. We would lease the locations to qualified tenants with experience in the product or service to be offered. Our management has prior experience in evaluating, purchasing and leasing retail properties and we would use this expertise to focus on acquiring properties with strong potential current income and value appreciation. Gladstone Retail would not compete with GOOD because GOOD does not invest in retail properties. As of the date of this offering circular, we have not identified specific properties that Gladstone Retail would seek to purchase.

New Fund to Invest in Farming Related Businesses: We intend to invest up to $20 million of the proceeds of this offering as seed capital in Gladstone Farming. Once launched, Gladstone Farming will seek to purchase agricultural operations across the United States that are focus on high-value crops such as organic vegetables, fruits and nuts and those of which may be converted to organic.

Gladstone Partners for Co-Investments with BDCs: We intend to invest up to $10 million of the proceeds of this offering as seed capital in Gladstone Partners. Gladstone Partners would invest alone or co-invest in new portfolio companies with the Gladstone BDCs. By using capital toco-invest with the Gladstone BDCs in this manner, we may take advantage of opportunities to make larger investments in portfolio companies, in the aggregate. Further, we believe that investing this seed capital in Gladstone Partners would enable Gladstone Partners to seek and obtain additional direct equity investments of cash from new unaffiliated investors in exchange for limited partnership interests therein. These additional investments would provide funding for Gladstone Partners to make future additional co-investments with GAIN and GLAD. Gladstone Partners does not intend to be regulated as a BDC under the 1940 Act. As of the date of this offering circular, we have not identified specific co-investment opportunities in portfolio companies or loans.

We believe that the foregoing investments in our Future Gladstone Funds would add diversification to our portfolio of funds and, in certain circumstances, allow the funds that we manage to invest in larger investment opportunities. In addition to exploring entering into new businesses, we intend to continue to explore ways to expand our lines of business, as we have successfully done throughout our firm's history, including by (1) adding new funds to our various asset management businesses (potentially including new structured debt and asset backed funds, new proprietary real estate funds and industry- or geography-specialized types of private equity funds) and otherwise pursuing ways to expand our assets under management in all of our businesses, and (2) continuing to attract to our firm individuals who can help us expand our asset management and financial services businesses into new

investment or advisory areas and new geographic regions. To date, none of the Future Gladstone Funds listed above has conducted any business other than in connection with their initial formation. There is no assurance that we will be able to utilize the offering proceeds in the manner or amounts contemplated herein, or at all. We have not determined a likely order for the intended investments described above and may determine not to pursue one or more of the above funds. In the future, we may fund other real estate or portfolio company investments. Such future strategies may include investing in entities focused on purchasing and managing large farm operations, which we generally define as an operation exceeding $100 million in value, or investing in special purpose acquisition companies. We currently do not have any plans to enter into these long-term possibilities.

Financial Services

Financial services generally include receiving transaction-based compensation or other compensation for providing advice on a variety of strategic and financial matters, such as mergers, acquisitions and divestitures, restructurings and reorganizations and capital raising and capital structure. Such services are generally provided by investment banking firms, integrated commercial banks and specialized "boutique" financial firms. Advisors typically earn either a fixed fee or a fee based on a percentage of a transaction's value, generally paid only when the transaction is completed. The total global merger and acquisition deal value in 2018 was $3.8 trillion, an increase of 4% over 2017 levels and the fifth consecutive year to surpass $3 trillion, according to the *Institute of Mergers, Acquisitions and Alliances.*

In addition to the asset management services that we provide through our Adviser Subsidiary, the provision of other financial services through our Broker-Dealer Subsidiary has also impacted our overall operation positively. Our Broker-Dealer Subsidiary receives various financial services fees, which typically consist of transaction-based fee and commission arrangements related to investment banking, due diligence, dealer manager, mortgage placement, and other financial services. Transaction fees are recognized when they are collected.

Over the five year period ended June 30, 2019, we have generated $44.7 million in various fees through our financial services business, including $38.1 million of investment banking, annual review and property management fees and $6.4 million of securities trade commissions.

Administrative Services

The Administrator Subsidiary provides administrative services to the Existing Gladstone Funds as well as our Adviser Subsidiary and Broker-Dealer Subsidiary and is expected to provide such services for the Future Gladstone Funds. Its revenues equal its costs, as the Administrator Subsidiary's purpose is to provide the requisite level of administrative services to the Existing Gladstone Funds (and to the Future Gladstone Funds) and our other subsidiaries at the lowest feasible cost. Additionally, the Administrator Subsidiary is responsible for producing the financial statements, asset valuations, handling compliance, legal, and other duties for us, the Existing Gladstone Funds, and our other subsidiaries.

The Administration Agreements for the Existing Gladstone Funds provide for payments equal to their allocable portion of the Administrator Subsidiary's expenses incurred while performing services to them, which are primarily rent and salaries and benefits expenses of the Administrator Subsidiary's employees, including the Existing Gladstone Funds' chief financial officer and treasurer, chief compliance officer, chief valuation officer and general counsel and secretary (who also serves as the Administrator Subsidiary's president).

Historical Investment Performance of Our Funds

When considering the data presented below, you should note that the historical results of the Existing Gladstone Funds are not indicative of the future results that investors in such funds, or in any future funds may experience.

Moreover, with respect to the historical returns of the Existing Gladstone Funds:

- the rates of return of the Existing Gladstone Funds reflect unrealized gains as of the applicable measurement date that may never be realized, which may adversely affect the ultimate value realized from those funds' investments;
- in the past few years, the rates of returns of the Existing Gladstone Funds have been positively influenced by a number of investments that experienced rapid and substantial increases in value following the dates on which those investments were made, which may not occur with respect to future funds or investments;

- the Existing Gladstone Funds' returns have benefited from investment opportunities and general market conditions that may not recur, including favorable borrowing conditions in the debt markets, and there can be no assurance that our current or future funds will be able to avail themselves of comparable investment opportunities or market conditions; and
- the rates of return reflect our historical cost structure, which may vary in the future due to factors beyond our control, including changes in laws.

See "*Risk Factors—Risks Related to Our Business*." In addition, future returns will be affected by the applicable risks described elsewhere in this offering circular, including risks of the industries and businesses in which a particular fund invests.

Investment Records of the Existing Gladstone Funds

The following tables provide the total percentage return on a $100 investment in common stock of the Existing Gladstone Funds, assuming a reinvestment of all dividends, for one year, three years and five years ended June 30, 2019 are set out below, rounded to the nearest whole percent and the current yield on each of the Existing Gladstone Funds based on reported closing stock price as of June 30 of each year.

Total Percent Return

Funds	1 Year	3 Year	5 Year
GLAD	20%	71%	52%
GAIN	3%	103%	140%
GOOD	19%	59%	80%
LAND	-5%	18%	6%

Competition

The asset management and financial services industries are intensely competitive and we expect them to remain so. We compete both nationally and on a regional, industry and niche basis. We compete on the basis of a number of factors, including investment performance, transaction execution skills, access to and cost of capital, business reputation, range and quality of products and services, innovation and price.

Asset Management. We face competition both in the pursuit of outside investors for the Existing Gladstone Funds and our Future Gladstone Funds and in acquiring investments in attractive portfolio companies and making other investments. Depending on the investment, we expect to face competition primarily from private equity funds, specialized investment funds, hedge fund sponsors, commercial banks and other financial institutions, corporate buyers and other parties, including, primarily, other BDCs and REITs. Many of these competitors are substantially larger and have considerably greater financial, technical and marketing resources than are generally available to us. Several of these competitors have recently raised funds, or are expected to raise funds, with significant amounts of capital and many of them have similar investment objectives to our funds, which may create additional competition for investment opportunities. Some of these competitors may also have a lower cost of capital and access to funding sources that are not available to us or the funds that we manage, which may create competitive disadvantages for us with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make on behalf of our funds or through proprietary accounts. Corporate buyers may be able to achieve synergistic cost savings with regard to an investment that may provide them with a competitive advantage in bidding for an investment. Moreover, the allocation of increasing amounts of capital to alternative investment strategies by institutional and individual investors may lead to a reduction in the size and duration of pricing inefficiencies that many of our funds seek to exploit.

Financial Services. Our competitors are other financial advisory and investment banking firms. Our primary competitors in our financial advisory business are large financial institutions, many of which have far greater financial and other resources and much broader client relationships than us and (unlike us) have the ability to offer a wide range of products, from loans, deposit-taking and insurance to brokerage and a wide range of investment banking services, which may enhance their competitive position. Our competitors also have the ability to support investment banking, including financial advisory services, with commercial banking, insurance and other financial services revenue in an effort to gain market share, which puts us at a competitive disadvantage and could result in pricing pressures that could materially adversely affect our revenue and profitability.

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Pursuant to 17 C.F.R. 200.83

Employees

As of June 30, 2019, we employed through our Adviser Subsidiary and Administrator Subsidiary 70 people, including 29 executive officers, managing directors and directors and 41 other investment and administrative professionals, all of which are full-time employees. We consider our relationship with our employees to be good and have not experienced interruptions of operations due to labor disagreements.

Regulatory and Compliance Matters

The asset management and financial services industries are subject to extensive regulation in the U.S. and elsewhere. The SEC and other regulators have in recent years significantly increased their regulatory activities with respect to alternative asset management firms. Certain of our businesses are subject to compliance with federal and state laws and regulations, the oversight of their respective agencies and/or various self-regulatory organizations or exchanges, and any failure to comply with these regulations could expose us to liability and/or reputational damage. Our businesses have operated for a number of years within a legal framework that requires our being able to monitor and comply with a broad range of legal and regulatory developments that affect our activities. However, additional legislation, changes in rules promulgated by regulators or changes in the interpretation or enforcement of existing laws and rules, either in the U.S. or elsewhere, may directly affect operation and profitability.

Rigorous legal and compliance analysis of our businesses and investments is important to our culture. We strive to maintain a culture of compliance through the use of policies and procedures such as oversight compliance, codes of conduct, compliance systems, communication of compliance guidance and employee education and training. We have a compliance group that monitors our compliance with all of the regulatory requirements to which we are subject and manages our compliance policies and procedures. Our General Counsel and Secretary, Michael LiCalsi, also serves as President of our Administrator Subsidiary, and thus supervises our compliance group, which is responsible for addressing all regulatory and compliance matters that affect our and the Existing Gladstone Funds' activities. Our compliance policies and procedures address a variety of regulatory and compliance risks such as the handling of material non-public information, position reporting, personal securities trading, valuation of investments on a fund-specific basis, document retention, potential conflicts of interest and the allocation of investment opportunities.

FINRA Regulation

Our Broker-Dealer Subsidiary, through which we primarily conduct our financial services business, is registered as a broker-dealer with the SEC and is a member of FINRA and the SIPC, and is registered as a broker-dealer in all fifty states. Our Broker-Dealer Subsidiary is subject to regulation and oversight by the SEC and FINRA. Broker-dealers are subject to regulations that cover all aspects of the securities business, including sales methods, trade practices among broker-dealers, use and safekeeping of customers' funds and securities, capital structure, record-keeping, the financing of customers' purchases and the conduct and qualifications of directors, officers and employees. In recent years, the SEC and various self-regulatory organizations have in recent years aggressively increased their regulatory activities in respect of asset management firms.

SEC Regulation

Our Adviser Subsidiary is registered with the SEC as an investment adviser under the Advisers Act, and our BDCs, GLAD and GAIN, are regulated under certain provisions of the 1940 Act. As compared to other, more disclosure-oriented U.S. federal securities laws, the Advisers Act and the 1940 Act, together with the SEC's regulations and interpretations thereunder, are highly restrictive regulatory statutes. The SEC is authorized to institute proceedings and impose sanctions for violations of the Advisers Act and the 1940 Act, ranging from fines and censures to termination of an adviser's registration.

Under the Advisers Act, an investment adviser has fiduciary duties to its clients. The SEC has interpreted these duties to impose standards, requirements and limitations on, among other things, trading for proprietary, personal and client accounts; allocations of investment opportunities among clients; use of "soft dollars," a practice that involves using client brokerage commissions to purchase research or other services that help managers make investment decisions; execution of transactions; and recommendations to clients. On behalf of our investment advisory clients, we make decisions to buy and sell securities for each portfolio, select broker dealers to execute trades and negotiate brokerage commission rates.

The Advisers Act also imposes specific restrictions on an investment adviser's ability to engage in principal and agency cross transactions. As a registered adviser, our Adviser Subsidiary is subject to many additional requirements that cover, among other things, disclosure of information about its business to clients; maintenance of written policies and procedures; maintenance of

extensive books and records; restrictions on the types of fees it may charge; custody of client assets; client privacy; advertising; and solicitation of clients. The SEC has legal authority to inspect any investment adviser and typically inspects a registered adviser periodically to determine whether the adviser is conducting its activities in compliance with (i) applicable laws, (ii) disclosures made to clients and (iii) adequate systems, policies and procedures to ensure compliance.

A majority of our revenues are derived from our Adviser Subsidiary's provision of asset management services, including those provided to our BDCs. The 1940 Act imposes significant requirements and limitations on BDC funds, including with respect to its capital structure, investments and transactions. While our Adviser Subsidiary exercises broad discretion over the day-to-day management of these funds, every fund is also subject to oversight and management by a board of directors, a majority of whom are not "interested persons" as defined under the 1940 Act. The responsibilities of each board include, among other things, approving the advisory contract with the BDC; approving service providers; determining the valuation and the method for valuing assets; and monitoring transactions involving affiliates. Advisory contracts with the Gladstone BDCs may be terminated by either party or by the BDC's stockholders on not more than 60 days' notice, and are subject to annual renewal by the BDC's board of directors. In addition, under the 1940 Act, advisory agreements with 1940 Act funds (such as the Gladstone BDCs) terminate automatically upon assignment. The term "assignment" is broadly defined and includes direct assignments as well as assignments that may be deemed to occur upon the transfer, directly or indirectly, of a controlling interest in us.

Generally, BDCs are prohibited under the 1940 Act from knowingly participating in certain transactions with their affiliates without prior approval of their board of directors who are not interested persons and, in some cases, prior approval by the SEC. The SEC has interpreted the prohibition on transactions with affiliates to prohibit "joint transactions" among entities that share a common investment adviser. On July 26, 2012, the SEC granted an exemptive order that permits GAIN, GLAD and any future BDC or closed-end management investment company that is advised by the Adviser Subsidiary (or sub-advised by the Adviser Subsidiary if it also controls the fund), or any combination of the foregoing, toco-invest subject to the conditions contained therein.

In certain situations where co-investment with one or more funds managed by the Adviser Subsidiary or its affiliates is not covered by the order, such as when there is an opportunity to invest in different securities of the same issuer, the personnel of the Adviser Subsidiary or its affiliates will need to decide which fund will proceed with the investment. Such personnel will make these determinations based on policies and procedures, which are designed to reasonably ensure that investment opportunities are allocated fairly and equitably, but do not entirely eliminate potential for a conflict of interest.

Properties

We do not own any real estate or other physical properties material to our operations. Our principal executive offices, which are leased by the Adviser Subsidiary, are located at 1521 Westbranch Drive, Suite 100, McLean, Virginia 22102. We also have offices in: New York, New York; Chicago, Illinois; Seattle, Washington; Dallas, Texas; and Salinas, California. We consider these facilities to be suitable and adequate for the management and operation of our business as presently conducted.

Legal Proceedings

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. We are not currently subject to any pending judicial, administrative or arbitration proceedings that we expect to have a material impact on our results of operations or financial condition. See "*Risk Factors—Risks Related to Our Business.*"

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MANAGEMENT

Directors and Executive Officers

The following table sets forth the names, ages and positions of our executive officers and Directors.

Name	Age	Position
David Gladstone	77	Chairman, President and Chief Executive Officer
Michael Malesardi	59	Chief Financial Officer and Treasurer
Terry Brubaker	75	Vice Chairman and Chief Operating Officer
Michael LiCalsi	49	Director, Executive Vice President of Administration, and General Counsel

David Gladstone

Mr. Gladstone is our founder, sole shareholder, through his ownership in TGC LTD, and director, and has served as Chief Executive Officer, President and Chairman of the Board of Directors since our inception in 2009. He also founded and serves as Chief Executive Officer and Chairman of the Board of Directors of each Existing Gladstone Fund and our Adviser Subsidiary, as well as Chief Executive Officer of our Administrator Subsidiary, and a member of the board of managers of our Broker-Dealer Subsidiary. Prior to founding GLAD, Mr. Gladstone served as Vice Chairman then Chairman of the Board of Directors of American Capital Ltd. a publicly traded leveraged buyout fund and mezzanine debt finance company, from June 1997 to August 2001. From 1974 to February 1997, Mr. Gladstone held various positions, including Chairman and Chief Executive Officer, with Allied Capital Corporation, Allied Capital Corporation II, Allied Capital Lending Corporation, or, collectively, the Allied Companies, and Allied Capital Advisers, Inc., a registered investment advisor that managed the Allied Companies. During Mr. Gladstone's tenure with them, the Allied Companies were the largest group of publicly-traded mezzanine debt funds in the U.S. and were managers of two private venture capital limited partnerships. From 1991 to 1997, Mr. Gladstone served either as Chairman of the Board of Directors or President of Allied Capital Commercial Corporation, a publicly traded REIT that invested in real estate loans to small and medium-sized businesses, managed by Allied Capital Advisers, Inc. From 1992 to 1997, Mr. Gladstone served as a Director, President and Chief Executive Officer of Business Mortgage Investors, a privately held mortgage REIT managed by Allied Capital Advisers, which invested in loans to small and medium-sized businesses. Mr. Gladstone is also a past Director of Capital Automotive REIT, a real estate investment trust that purchased and net leased real estate to automobile dealerships. Mr. Gladstone served as a Director of The Riggs National Corporation (the parent of Riggs Bank) from 1993 to May 1997 and of Riggs Bank from 1991 to 1993. He previously served as a Trustee of the George Washington University and currently is Trustee Emeritus. He is a past member of the Listings and Hearings Committee of the National Association of Securities Dealers, Inc., the predecessor to FINRA. He is a past member of the Advisory Committee to Women's Growth Capital Fund, a venture capital firm that finances women-owned small businesses. Mr. Gladstone was the founder and managing member of The Capital Investors, LLC, a group of angel investors, and is currently a Member Emeritus. Mr. Gladstone holds an MBA from the Harvard Business School, an MA from American University and a BA from the University of Virginia. Mr. Gladstone has co-authored two books on financing for small andmedium-sized businesses, *Venture Capital Handbook* and *Venture Capital Investing.*

Michael Malesardi

Mr. Malesardi has been our Chief Financial Officer and Treasurer (principal financial and accounting officer) since joining Gladstone in July 2018 on an interim basis and since September 2018 on a permanent basis. He started his career with Price Waterhouse in 1982 in Washington, DC and Calgary, Alberta, rising to Audit Senior Manager. From 1992 to 2015 he served in financial leadership roles of several public and private companies including Presidio Networked Solutions, AES, OmniSky, PSINet and Watson Wyatt. From 2015 to 2016 he served as Senior Vice President of Human Resources and Chief Ethics Officer of NVR. From 2016 to 2018 he provided financial consulting services to several public companies. A CPA licensed in the Commonwealth of Virginia, Mr. Malesardi is a graduate of Washington and Lee University with a B.S. in Business Administration and Accounting.

Terry Brubaker

Mr. Brubaker has served as our Vice Chairman of the Board of Directors, Chief Operating Officer, and Assistant Secretary since our inception in 2009. Mr. Brubaker has also served as: (1) Vice Chairman of GLAD, GAIN, GOOD and LAND since 2004, 2005, 2004 and 2007, respectively; (2) Chief Operating Officer of GLAD, GAIN, GOOD and LAND since 2001, 2005,

2003 and 2007, respectively; and (3) Assistant Secretary of GLAD and GAIN since October 2012. In addition, Mr. Brubaker has served as the Vice Chairman, Chief Operating Officer and a Director of the Adviser Subsidiary since 2006. He also served as President of our Adviser Subsidiary from inception through February 2006, when he assumed duties of Vice Chairman. Mr. Brubaker has also served as Chief Operating Officer of the Administrator Subsidiary since its inception in 2005. In March 1999, Mr. Brubaker founded and, until May 1, 2003, served as Chairman of Heads Up Systems, a company providing processing industries with leading edge technology. From 1996 to 1999, Mr. Brubaker served as Vice President of the paper group for the American Forest & Paper Association. From 1992 to 1995, Mr. Brubaker served as President of Interstate Resources, a pulp and paper company. From 1991 to 1992, Mr. Brubaker served as President of IRI, a radiation measurement equipment manufacturer. From 1981 to 1991, Mr. Brubaker held several management positions at James River Corporation, a forest and paper company, including Vice President of Strategic Planning from 1981 to 1982, Group Vice President of the Groveton Group and Premium Printing Papers from 1982 to 1990 and Vice President of Human Resources Development in 1991. From 1976 to 1981, Mr. Brubaker was Strategic Planning Manager and Marketing Manager of White Papers at Boise Cascade. Previously, Mr. Brubaker was a Senior Engagement Manager at McKinsey & Company from 1972 to 1976. Prior to 1972, Mr. Brubaker was a U.S. Navy Fighter Pilot. Mr. Brubaker holds an MBA from the Harvard Business School and a BSE from Princeton University.

Michael LiCalsi

Mr. LiCalsi has been our General Counsel and Secretary since 2009 and our Executive Vice President of Administration and a Director since February 28, 2020. In addition, Mr. LiCalsi has served as General Counsel and Secretary since October 2009 and October 2012, respectively, of our Adviser Subsidiary, our Administrator Subsidiary and each of the Existing Gladstone Funds. Mr. LiCalsi was also appointed President of our Administrator Subsidiary in July 2013. Mr. LiCalsi also serves in several capacities for our Broker-Dealer Subsidiary, serving as a member of its board of managers since 2010, a managing principal since 2011, and Chief Legal Officer and Secretary since 2010. Mr. LiCalsi currently holds his series 7 and 24 licenses at our Broker-Dealer Subsidiary. A graduate of the George Mason University School of Law, where he served as Editor-in-Chief of the George Mason Law Review from 2004 to 2005. Mr. LiCalsi is currently a member of the Virginia State Bar and District of Columbia Bar. Before joining the Gladstone Companies, Mr. LiCalsi served as an Associate Attorney in the Washington, D.C. office of Baker Botts L.L.P., a multinational law firm. From 1996 to 2004, Mr. LiCalsi held various positions at TD Waterhouse Investor Services, Inc. (currently TD Ameritrade, Inc.), including those of regional and national vice president. Prior to his tenure in the financial services industry, Mr. LiCalsi graduated from Rutgers College, with a BA in History.

Director Compensation

Our employee Directors do not receive any compensation for their service as Directors.

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COMPENSATION

The services necessary for the operation of our business are provided by our officers and other employees through our Adviser Subsidiary and Administrator Subsidiary.

Our named executive officers for the fiscal year ended June 30, 2019, consisting of our principal executive officer and the next two most highly compensated executive officers were:

- Mr. Gladstone, our Chairman, President and Chief Executive Officer, who is an employee of and compensated directly by our Adviser Subsidiary;
- Mr. Brubaker, our Vice Chairman and Chief Operating Officer, who is an employee of and compensated directly by our Adviser Subsidiary; and
- Mr. Dullum, our Executive Vice President of Private Equity, who is an employee of and compensated directly by our Adviser Subsidiary.

2019 Summary Compensation Table

The following table sets forth summary information concerning the compensation earned by our named executive officers for the fiscal year ended June 30, 2019. All compensation in the table below was paid through the Adviser Subsidiary and reflects compensation for services provided to us as well as the Existing Gladstone Funds.

Name and Principal Position	Year	Salary	Bonus	Nonequity Incentive Plan Compensation	All Other Compensation(1)	Total
David Gladstone (2) *President and Chief Executive Officer*	2019	$451,000	$ 470,000	$ 1,514,355	$ 28,781	$2,464,136
Terry Brubaker (2) *Vice Chairman and Chief Operating Officer*	2019	219,000	457,000	1,255,382	28,781	1,960,163
David Dullum (2) *Executive Vice President of Private Equity*	2019	420,000	2,169,000	636,922	29,464	3,255,386

(1) Amounts in this column include 401(k) employer safe harbor contributions and the premiums paid by the Adviser Subsidiary or the Administrator Subsidiary for health insurance.
(2) Reflects compensation paid to the executive by our Adviser Subsidiary.

Non-Equity Incentive Plan

The Adviser Subsidiary is party to certain agreements with certain current and former employees and officers of the Adviser Subsidiary that operate the respective Existing Gladstone Funds whereby substantially all of the incentive fees received by the Adviser Subsidiary from the Existing Gladstone Funds are divided among such employees and officers. The Adviser Subsidiary may retain certain unallocated portions of the incentive fees pursuant to such agreements from time to time in its discretion.

Outstanding Equity Awards

Our named executive officers did not have any outstanding equity awards with respect to our capital stock as of June 30, 2019.

Employment Agreements

Our Adviser Subsidiary is currently a party to employment agreements with each of Messrs. Gladstone and Brubaker dated April 22, 2004 and May 15, 2016, respectively. The employment agreements with Messrs. Gladstone and Brubaker have an initial three-year term which automatically renews for additional successive one-year periods unless either the Company or the executive provides three months prior written notice of their intent to terminate the employment agreement. The employment

agreements provided for an initial annual base salary of $200,000 and $100,000 for Messrs. Gladstone and Brubaker, respectively, and the opportunity for annual salary increases based on performance. The annual salary increases received by Messrs. Gladstone and Brubaker are reflected in the Summary Compensation Table. As a result of performance based increases, the annual base salary for Messrs. Gladstone and Brubaker is currently $437,000 and $212,000, respectively. Messrs. Gladstone and Brubaker are eligible for a discretionary incentive bonus of up to 100% and 200%, respectively, of their base salary as determined in the sole discretion of the Board of Directors or the Compensation Committee. Under the agreements, Messrs. Gladstone and Brubaker are also entitled to participate in any plan based on the distribution of incentive fees paid to our Adviser Subsidiary by entities it manages or advises.

In the event either executive is terminated without "Cause" (as defined in the applicable employment agreement) or in connection with a "Change in Control" (as defined in the employment agreement) then, subject to his execution of a release of claims and further subject to his continued compliance with his post-termination obligations, he will receive from the Adviser Subsidiary monthly severance payments over a two-year period in an aggregate amount equal to two years of his base salary in effect as of his date of termination plus any discretionary bonus he received during the previous fiscal year.

In addition, each employment agreement contains a covenant not to compete, which covers a term of one year with respect to Mr. Gladstone and two years with respect to Mr. Brubaker beginning on the date of termination of employment by our Adviser Subsidiary. Messrs. Gladstone and Brubaker are also subject to non-solicitation restrictions with respect to our Adviser Subsidiary's investors, customers and employees during their employment and for the one-year period thereafter.

Potential Payments upon Termination or Change in Control

Except as disclosed above, we do not have, nor do we intend to adopt, a formal plan with respect to termination or change in control benefits payable to our named executive officers.

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CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

We and our subsidiaries engage in transactions with affiliates as part of our business. Compensation for, and expenses of, these transactions are governed by advisory and administration agreements between the parties. See Note 7, "*Related Party Transactions*," to our consolidated financial statements for the year ended June 30, 2019 included elsewhere in this offering circular for additional information regarding related party transactions.

Expense Sharing Agreement

We will enter into an expense sharing agreement with the Adviser Subsidiary in connection with this offering. Under the expense sharing agreement, we will reimburse the Adviser Subsidiary for our allocable portion of expenses related to our office facilities, equipment, and clerical, bookkeeping and recordkeeping services at such facilities and certain other administrative services necessary for the operation of our business that are provided to us by our officers and the other employees of the Adviser Subsidiary.

Advisory Agreements

The Adviser Subsidiary is a party to the Advisory Agreements, pursuant to which it serves as the investment adviser of each Existing Gladstone Fund, in each case with which certain of our Directors, officers and/or employees are affiliated. Under the terms of the Advisory Agreements, the continuation of which is subject to annual review and approval by the respective boards of such funds, the Adviser Subsidiary earns base management fees based on a percentage of adjusted total assets (in the case of GLAD and GAIN), adjusted stockholders' equity (in the case of GOOD) or the gross cost of tangible real estate (in the case of LAND) and performance-based incentive fees.

Administration Agreements

Our Administrator Subsidiary provides administrative services to us, the Existing Gladstone Funds as well as our Adviser Subsidiary and Broker-Dealer Subsidiary. Pursuant to the Administration Agreements, the Administrator Subsidiary allocates the costs of administrative services and overhead and receives administrative fee payments. Additionally, the Administrator Subsidiary is responsible for producing the financial statements and asset valuations, and handling compliance, legal, and other duties for us, the Existing Gladstone Funds, and our subsidiaries.

Dealer Manager Agreements

The Broker-Dealer Subsidiary entered into a dealer manager agreement with LAND, whereby the Broker-Dealer Subsidiary serves as LAND's exclusive dealer manager in connection with its offering of up to 6,000,000 shares of its 6.00% Series B Cumulative Redeemable Preferred Stock. The Broker-Dealer Subsidiary provides certain sales, promotional and marketing services to LAND in connection with the offering and LAND pays the Broker-Dealer Subsidiary (1) selling commissions of up to 7.0% of the gross proceeds from sales of the preferred stock and (2) a dealer manager fee of up to 3.0% of the gross proceeds from sales. The Broker-Dealer Subsidiary may reallow the selling commissions to participating broker-dealers in the offering and reduce or eliminate its fees under certain circumstances under the terms of the dealer manager agreement.

In addition, the Broker-Dealer Subsidiary entered into a dealer manager agreement with LAND, whereby the Broker-Dealer Subsidiary serves as LAND's exclusive dealer manager in connection with its offering of up to 30,000,000 shares of its 6.00% Series C Cumulative Redeemable Preferred Stock. The Broker-Dealer Subsidiary provides certain sales, promotional and marketing services to LAND in connection with the offering and LAND pays the Broker-Dealer Subsidiary (1) selling commissions of up to 6.0% of the gross proceeds from sales of the preferred stock and (2) a dealer manager fee of up to 3.0% of the gross proceeds from sales. The Broker-Dealer Subsidiary may reallow the selling commissions to participating broker-dealers in the offering and reduce or eliminate its fees under certain circumstances under the terms of the dealer manager agreement.

The Broker-Dealer Subsidiary has also entered into a dealer manager agreement with GOOD, whereby the Broker-Dealer Subsidiary serves as GOOD's exclusive dealer manager in connection with its offering of up to 30,000,000 shares of its 6.00% Series F Cumulative Redeemable Preferred Stock. The Broker-Dealer Subsidiary provides certain sales, promotional and marketing services to GOOD in connection with the offering and GOOD pays the Broker-Dealer Subsidiary (1) selling commissions of up to 6.0% of the gross proceeds from sales of the preferred stock and (2) a dealer manager fee of up to 3.0% of the gross proceeds from sales. The Broker-Dealer Subsidiary may reallow the selling commissions to participating broker-dealers in the offering and reduce or eliminate its fees under certain circumstances under the terms of the dealer manager agreement.

The Broker-Dealer Subsidiary has also entered into a dealer manager agreement with us, whereby the Broker-Dealer Subsidiary serves as our exclusive dealer manager in connection with this offering. The Broker-Dealer Subsidiary provides certain sales, promotional and marketing services to us in connection with this offering and we pay the Broker-Dealer Subsidiary (1) selling commissions of up to 6.0% of the gross proceeds from sales of the Bonds and (2) a dealer manager fee of up to 3.0% of the gross proceeds from sales. The Broker-Dealer Subsidiary may reallow the selling commissions to participating broker-dealers in the offering and reduce or eliminate its fees under certain circumstances under the terms of the dealer manager agreement.

Loan Servicing Agreements

Certain of GLAD's and GAIN's loan investments are held in their respective wholly-owned subsidiaries. Pursuant to the terms of the line of credit agreements between the relevant subsidiary and its creditor banks, the Adviser Subsidiary for acting as the servicer of the loans and receives loan servicing fees for acting in such capacity. Since GLAD and GAIN own these loans indirectly (through their 100% ownership of the relevant subsidiary), all loan-servicing fees earned by the Adviser Subsidiary are credited directly against the investment advisory fees otherwise due and payable to the Adviser Subsidiary by GLAD and GAIN.

Guarantee

As of December 31, 2019, we guaranteed the entire line of credit which the Adviser Subsidiary had available to it. Under the current extension dated January 15, 2020, availability under the line was $2 million through January 15, 2021.

Confidential Treatment Requested By The Gladstone Companies, Inc.
Pursuant to 17 C.F.R. 200.83

DESCRIPTION OF BONDS

This description sets forth certain terms of the Bonds that we are offering pursuant to this offering circular. We refer you to the indenture governing the Bonds for a full disclosure of all such terms, as well as any other capitalized terms used in this offering circular for which no definition is provided.

Because this section is a summary, it does not describe every aspect of the Bonds or the indenture. We urge you to read the indenture because that document and not this summary defines your rights as a Bondholder. Please review a copy of the indenture. The indenture is filed as an exhibit to the offering statement, of which this offering circular is a part, at *www.sec.gov*. See "*Where You Can Find More Information*" for more information.

Security

The Bonds will be secured by a senior blanket lien on the ownership interest we hold in the Future Gladstone Funds which are raised with the proceeds of this offering.

Ranking

The Bonds will be our direct, senior secured obligations and will rank:

- *pari passu*, or equal, in right of payment with all of our other senior secured indebtedness from time to time outstanding;
- senior in right of payment to our future indebtedness from time to time outstanding that is expressly subordinated to the Bonds;
- senior to all of our unsecured indebtedness to the extent of the value of the Bonds' security interest in the collateral owned by the Future Gladstone Funds;
- structurally junior to all existing and future indebtedness and other obligations of our subsidiaries.]

Interest

The Bonds will bear interest at a rate equal to 6.0% per year, payable quarterly in arrears on January 30th, April 30th, July 30th and October 30th of each year, beginning on the first such date that follows the first full calendar quarter after the initial closing in the offering.

Interest will accrue and be paid on the basis of a360-day year consisting of twelve 30-day months. Interest on each Bond will accrue and be cumulative from the end of the most recent interest period for which interest has been paid on such Bond, or if no interest has paid, from the date of issuance. Interest will be paid to the record holder of the Bond at 5:00 p.m. New York City time (the "close of business") on the January 15th, April 15th, July 15th and October 15th, as the case may be, immediately preceding the relevant interest payment date.

Maturity

The Bonds will mature on [•], 2025.

Redemption Upon Death

Within 45 days of the death of a Bondholder who is a natural person, the estate of such Bondholder or legal representative of such Bondholder may request that we repurchase, in whole but not in part and without penalty, the Bonds held by such Bondholder by delivering to us a written notice requesting such Bonds be redeemed. In the event a Bond is held jointly by two or more natural persons, the estate or legal representative of either such Bondholder shall only have the right to request that the Company repurchase such Bond if each such Bondholder is deceased.

Upon receipt of redemption request in the event of death of a Bondholder, we will designate a date for the redemption of such Bonds, which date shall not be later than the 15th day of the month next following the month in which we receive facts or certifications establishing to the reasonable satisfaction of the Company supporting the right to be redeemed. On the designated date, we will redeem such Bonds at a price per Bond that is equal to all accrued and unpaid interest, to but not including the date on which the Bonds are redeemed, plus the then outstanding principal amount of such Bond.

Optional Redemption

We may redeem some or all of the Bonds at any time, or from time to time, on or after [•], 2023 at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus any accrued, but unpaid interest to, but excluding, the redemption date. If we plan to redeem the Bonds, we are required to give notice of redemption not less than five days nor more than 60 days prior to any redemption date to each Bondholder's address appearing in the securities register maintained by the trustee. In the event we elect to redeem less than all of the Bonds, the particular Bonds to be redeemed will be selected by the trustee using such method as the trustee deems fair and appropriate. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Bonds or portions of the Bonds called for redemption.

In addition, we may redeem all of the Bonds at any time, or from time to time, in the event that the Board of Directors, in its sole discretion, determines that the proceeds of this offering are insufficient for the intended use of proceeds, if the intended use of proceeds is no longer viable, or such other determination that such a redemption is in our best interests. Such a redemption will be at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus any accrued, but unpaid interest to, but excluding, the redemption date.

Merger, Consolidation or Sale

We may consolidate or merge with or into any other corporation, and we may sell, lease or convey all or substantially all of our assets to any corporation, provided that the successor entity, if other than us (1) is organized and existing under the laws of the United States of America or any United States, or U.S., state or the District of Columbia and (2) expressly assumes all of our obligations to perform and observe all of our obligations under the Bonds and the indenture; and provided further that, immediately after giving effect to such transaction or series of related transaction, no event of default under the indenture shall have occurred and be continuing.

Except as described below under "*—Offer to Repurchase Upon a Change of Control Repurchase Event*," the indenture does not provide for any right of acceleration in the event of a consolidation, merger, sale of all or substantially all of the assets, recapitalization or change in our stock ownership. In addition, the indenture does not contain any provision which would protect the Bondholders against a sudden and dramatic decline in credit quality resulting from takeovers, recapitalizations or similar restructurings.

Offer to Repurchase Upon a Change of Control Repurchase Event

"*Change of Control Repurchase Event*" means (A) the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of capital stock entitling that person to exercise more than 50% of the total voting power of all capital stock entitled to vote in meetings of our stockholders (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and (B) following the closing of any transaction referred to in subsection (A), neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange, or the NYSE, the NYSE Amex Equities, or the NYSE Amex, or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or the Nasdaq Stock Market.

If a Change of Control Repurchase Event occurs, unless we have exercised our option to redeem the Bonds as described under "*—Optional Redemption*," we must offer to repurchase the Bonds at a price that is equal to all accrued and unpaid interest, to but not including the date on which the Bonds are redeemed, plus (i) 1.02 times the then outstanding principal amount of the Bonds if such Bonds are at least six years from maturity; (ii) 1.015 times the then outstanding principal amount of the Bonds if such Bonds are at least five years, but no more than six years, from maturity; (iii) 1.01 times the then outstanding principal amount of the Bonds if such Bonds are at least four years, but no more than five years, from maturity; and (iv) the then outstanding principal amount of the Bonds if no more than four years from maturity.

Confidential Treatment Requested By The Gladstone Companies, Inc.
Pursuant to 17 C.F.R. 200.83

Certain Covenants

Financial Reports

After launching this Tier 2, Regulation A offering, we will be required to comply with certain ongoing disclosure requirements under Rule 257 of Regulation A. We will be required to file with the SEC annual reports on Form 1-K, semiannual reports on Form 1-SA and current reports on Form 1-U. In addition, we will file an exit report on Form 1-Z if and when we decide to and are no longer obligated to file such reports pursuant to the requirements of Regulation A. The necessity to file current reports will be triggered by certain corporate events, similar to the ongoing reporting obligation faced by issuers under the Exchange Act, however the requirement to file a Form 1-U is expected to be triggered by significantly fewer corporate events than that of the Form 8-K.

If we are no longer obligated to file reports pursuant to the requirements of Regulation A and file an exit report on Form 1-Z, as soon as practicable, but in no event later than one hundred twenty (120) days after the close of our fiscal year, ending June 30th, we will mail or make available, by any reasonable means, to each Bondholder as of a date selected by our Board of Directors, an annual report containing financial statements for such fiscal year, presented in accordance with GAAP, including a balance sheet and statements of operations, owners' equity and cash flows, with such statements having been audited by an accounting firm selected by our Board of Directors. We shall be deemed to have made a report available to each Bondholder as required if it has either (i) filed such report with the SEC via its Electronic Data Gathering, Analysis and Retrieval (EDGAR) system and such report is publicly available on such system or (ii) made such report available on any website we maintain and available for viewing by the Bondholders.

Payment of Taxes and Other Claims

We will pay or discharge or cause to be paid or discharged, before the same shall become delinquent: (i) all taxes, assessments and governmental charges levied or imposed upon us or upon our income, profits or assets; and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon our property; provided, however, that we will not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings or for which we have set apart and maintain an adequate reserve.

Liquidity

Prior to this offering, there has been no public market for the Bonds. We may apply for quotation of the Bonds on an alternative trading system or over the counter market beginning after the final closing of this offering. However, even if the Bonds are listed or quoted, no assurance can be given as to (1) the likelihood that an active market for the Bonds will develop, (2) the liquidity of any such market, (3) the ability of Bondholders to sell the Bonds or (4) the prices that Bondholders may obtain for any of the Bonds. No prediction can be made as to the effect, if any, that future sales of the Bonds, or the availability of the Bonds for future sale, will have on the market price prevailing from time to time. Sales of substantial amounts of the Bonds, or the perception that such sales could occur, may adversely affect prevailing market prices of the Bonds. See "*Risk Factors — Risks Related to the Bonds and the Offering*."

Events of Default

The following are events of default under the indenture governing the Bonds:

- default in the payment of any interest on the Bonds when due and payable and the default continues for a period of 90 days;
- default in the payment of any principal of (or premium, if any, on) the Bonds when due and payable and the default continues for a period of 90 days;

- default in the performance, or breach, of any other obligation or covenant contained in the indenture or in this offering circular for the benefit of the Bonds, and continuance of such default or breach for a period of 120 consecutive days after there has been given, by registered or certified mail, to us by the trustee or to us and the trustee by the holders of at least 25% in principal amount of the Bonds, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the indenture;
- specified events in bankruptcy, insolvency or reorganization involving us occur and remain undischarged or unstayed for a period of 90 days; and
- any final and non-appealable judgment or order for the payment of money in excess of $50,000,000 singly, or in the aggregate for all such final judgments or orders, is rendered against us and is not be paid or discharged.

Book-entry and other indirect Bondholders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or rescind an acceleration of maturity.

Annually, within 120 days following June 30th while the Bonds are outstanding, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture, or else specifying any event of default and the nature and status thereof. We will also deliver to the trustee a written notification of any uncured event of default within 30 days after we become aware of such uncured event of default.

Remedies if an Event of Default Occurs

Subject to any respective cure period, if an event of default occurs and is continuing, the trustee or the Bondholders of not less than a majority in aggregate principal amount of the Bonds may declare the principal thereof, premium, if any, and all unpaid interest thereon to be due and payable immediately.

At any time after the trustee or the Bondholders have accelerated the repayment of the principal, premium, if any, and all unpaid interest on the Bonds, but before the trustee has obtained a judgment or decree for payment of money due, the Bondholders of a majority in aggregate principal amount of outstanding Bonds may rescind and annul that acceleration and its consequences, provided that all payments and/or deliveries due, other than those due as a result of acceleration, have been made and all events of default have been remedied or waived.

The Bondholders of a majority in principal amount of the outstanding Bonds may waive any default with respect to that series, except a default:

- in the payment of any amounts due and payable or deliverable under the Bonds; or
- in an obligation contained in, or a provision of, the indenture which cannot be modified under the terms of the indenture without the consent of each Bondholder.

Upon any such waiver, such default shall cease to exist, and any event of default arising therefrom shall be deemed to have been cured, for every purpose, but no such waiver shall extend to any subsequent or other default or event of default or impair any right consequent thereto.

The Bondholders of a majority in principal amount of the outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the Bonds, provided that (i) such direction is not in conflict with any rule of law or the indenture, (ii) the trustee may take any other action deemed proper by the trustee that is not inconsistent with such direction and (iii) the trustee need not take any action that might involve it in personal liability or be unduly prejudicial to the Bondholders not joining therein. Subject to the provisions of the indenture relating to the duties of the trustee, before proceeding to exercise any right or power under the indenture at the direction of the Bondholders, the trustee is entitled to receive from those Bondholders security or indemnity satisfactory to the trustee against the costs, expenses and liabilities which it might incur in complying with any direction.

A Bondholder will have the right to institute a proceeding with respect to the indenture or for any remedy under the indenture, if:

- that Bondholder previously gives to the trustee written notice of a continuing event of default in excess of any cure period;
- the Bondholders of not less than a majority in principal amount of the outstanding bonds have made written request;
- such Bondholder or Bondholders have offered to indemnify the trustee against the costs, expenses and liabilities incurred in connection with such request;
- the trustee has not received from the Bondholders of a majority in principal amount of the outstanding Bonds a direction inconsistent with the request (it being understood and intended that no one or more of such Bondholders shall have any right in any manner whatever by virtue of, or by availing of, any provision of the indenture to affect, disturb or prejudice the rights of any other of such Bondholders, or to obtain or to seek to obtain priority or preference over any other of such Bondholders or to enforce any rights under the indenture, except in the manner herein provided and for equal and ratable benefit of all Bondholders); and
- the trustee fails to institute the proceeding within 90 days.

However, the Bondholder has the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Bond on the respective due dates (or any redemption date, subject to certain discounts) and to institute suit for the enforcement of any such payment and such rights shall not be impaired without the consent of such Bondholder.

Trustee

UMB Bank is the trustee, security registrar and paying agent for the Bonds.

Confidential Treatment Requested By The Gladstone Companies, Inc.
Pursuant to 17 C.F.R. 200.83

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a general summary of certain material U.S. federal income tax considerations under the Code, related to the acquisition, ownership, and disposition of the Bonds.

This discussion does not purport to be a complete description of all of the tax considerations relating thereto. In particular, we have not described certain considerations that may be relevant to certain types of Bondholders subject to special treatment under U.S. federal income tax laws, including Bondholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, Bondholders that are treated as partnerships for U.S. federal income tax purposes, S corporations, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, pension plans and trusts, financial institutions, a person that holds the Bonds as part of a straddle or a hedging or conversion transaction, REITs, RICs, U.S. persons with a functional currency that is not the U.S. dollar, non-U.S. Holders (as defined below) engaged in a trade or business in the United States or who are present in the United States for 183 days or more in the taxable year, persons who have ceased to be U.S. citizens or to be taxed as residents of the United States, controlled foreign corporations, or CFCs, and passive foreign investment companies, or PFICs. This discussion does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. This discussion is limited to Bondholders that hold the Bonds as capital assets (within the meaning of the Code), and does not address owners of a Bondholder. This discussion is limited to persons purchasing the Bonds, or cash in this offering at their initial offering price. This discussion is based upon the Code, its legislative history, existing and proposed U.S. Treasury regulations, published rulings and court decisions, each as of the date of this offering circular and all of which are subject to change or differing interpretations, possibly retroactively, which could affect the continuing validity of this discussion. We have not sought, and will not seek any ruling from the U.S. Internal Revenue Service, or the IRS, regarding the offering pursuant to this offering circular, and this discussion is not binding on the IRS. Accordingly, there can be no assurance that the IRS would not assert, and that a court would not sustain, a position contrary to any of the tax consequences discussed herein.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds the Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership.

Prospective beneficial owners of the Bonds that are partnerships or partners in such partnerships should consult their own tax advisers with respect to the purchase, ownership and disposition of the Bonds.

Tax matters are very complicated and the tax consequences to a Bondholder of an investment in the Bonds will depend on the facts of such Bondholder's particular situation. Bondholders are strongly encouraged to consult their own tax advisor regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of the Bonds, as well as the effect of state, local and foreign tax laws and the effect of any possible changes in tax laws.

TAX CONSEQUENCES TO U.S. HOLDERS OF THE BONDS

The following is a summary of certain material U.S. federal income tax consequences that will apply to a "U.S. Holder" of the Bonds. As used herein, the term "U.S. Holder" means a beneficial owner of a Bond that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- a trust if a court is able to exercise primary supervision over its administration and one or more U.S. persons (as defined in the Code) have the authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes; or
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

If you are not a U.S. Holder, this section does not apply to you. Please see *"—Tax Consequences to Non-U.S. Holders of the Bonds*," below.

Payments of Stated Interest. The following discussion assumes that the Bonds will be issued with no original issue discount or a *de minimis* amount of original issue discount for U.S. federal income tax purposes. Stated interest paid on a Bond will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

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Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of the Bonds. Upon the sale, exchange, redemption, retirementor other taxable disposition of a Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder's tax basis in the Bond (other than amounts attributable to accrued but unpaid stated interest, which will be taxed as interest income to the extent not previously so taxed, offset by any acquisition premium). A U.S. Holder's tax basis in a Bond generally will be equal to the cost of the Bond to such U.S. Holder.

Gain or loss recognized on the sale, exchange, redemption, retirement or other taxable disposition of a Bond generally will be capital gain or loss and will be long-term capital gain or loss if at the time of the disposition the Bond has been held for more than one year. Under current law, long-term capital gains recognized by non-corporate U.S. Holders generally are subject to reduced tax rates. The deductibility of capital losses is subject to limitations.

Net Investment Income Tax. An additional 3.8% surtax generally is applicable in respect of the net investment income ofnon-corporate U.S. Holders (other than certain trusts) on the lesser of (i) the U.S. Holder's "net investment income" for a taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over $200,000 ($250,000 in the case of joint filers). "Net investment income" as defined for this purpose generally includes interest payments and gain recognized from the sale or other taxable disposition of the Bonds.

Backup Withholding and Information Reporting. We may be required to withhold, for U.S. federal income taxes, a portion of all taxable distributions payable to U.S. Holders (a) who fail to provide us with their correct taxpayer identification numbers, or TINs, or who otherwise fail to make required certifications or (b) with respect to whom the IRS notifies us that this U.S. Holder is subject to backup withholding.

Certain U.S. Holders specified in the Code and the Treasury regulations promulgated thereunder are exempt from backup withholding but may be required to provide documentation to establish their exempt status. Backup withholding is not an additional tax. Any amounts withheld will be allowed as a refund or a credit against the U.S. Holder's U.S. federal income tax liability if the appropriate information is timely provided to the IRS. Failure by a U.S. Holder to furnish a certified TIN to us could subject the U.S. Holder to a penalty imposed by the IRS.

TAX CONSEQUENCES TO NON-U.S. HOLDERS OF THE BONDS

The following is a summary of certain material U.S. federal income tax consequences that will apply to you if you are a"Non-U.S. Holder" of the Bonds. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a Bond that is not a U.S. Holder or a partnership (or an entity or arrangement treated as a partnership) for U.S. federal income tax purposes.

If you are not a Non-U.S. Holder, this section does not apply to you.

Payments on the Bonds. The following discussion assumes that the Bonds will be issued with no original issue discount or a*de minimis* amount of original issue discount for U.S. federal income tax purposes. Subject to the discussion below concerning backup withholding, payments of principal and interest on the Bonds to any Non-U.S. Holder will not be subject to U.S. federal withholding tax, provided that:

- the Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock that are entitled to vote;
- the Non-U.S. Holder is not a CFC related, directly or indirectly, to us through stock ownership; and
- the U.S. payor of the interest (including us, or any intermediary who pays the interest on our behalf) does not have actual knowledge or reason to know that a holder is a United States person and such holder certifies to the U.S. payor under penalties of perjury on a properly executed IRS Form W-8BEN or W-8BEN-E that such holder is not (or, in the case of aNon-U.S. Holder that is an estate or trust, such forms certifying that the beneficiary of the estate or trust is not) a United States person.

If a Non-U.S. Holder does not qualify for an exemption under these rules, interest income from the Bonds may be subject to withholding tax at the rate of 30% (or lower applicable treaty rate).

Sale, Exchange, Redemption, Retirement or Other Disposition of the Bonds. Subject to the discussion below on backup withholding and withholding and information reporting on foreign financial accounts, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on gain recognized on a sale, exchange, redemption, retirement, or other disposition of the Bonds (except with respect to accrued and unpaid interest, which would be taxed as described above under "—*Payments on the Bonds*") so long as, in the case of a non-U.S. holder who is an individual, such Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of disposition and certain other requirements are not met.

Backup Withholding and Information Reporting. Information returns will be filed with the IRS in connection with payments on the Bonds. Unless the Non-U.S. Holder complies with certification procedures to establish that it is not a United States person, information returns may be filed with the IRS in connection with the proceeds from a sale or other disposition of the Bonds, and the Non-U.S. Holder may be subject to backup withholding on payments on the Bonds or on the proceeds from a sale or other disposition of the Bonds. The certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid backup withholding as well. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Withholding and Information Reporting on Foreign Financial Accounts. Sections 1471 through 1474 of the Code and the Treasury regulations and other published guidance promulgated thereunder (which are commonly referred to as "FATCA") generally impose withholding taxes on certain types of payments, including interest, made to "foreign financial institutions" and certain other non-U.S. entities unless additional certification, information reporting and other specified requirements are satisfied. Failure to comply with the FATCA reporting requirements could result in withholding tax being imposed on payments of interest and sales proceeds to foreign intermediaries and certain Non-U.S. Holders. If the payee is a foreign financial institution and is subject to the certification and information reporting requirements above, it must enter into an agreement with the U.S. Department of Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts and withhold 30% on payments to non-compliant foreign financial institutions and certain other account holders. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance, may modify these requirements. Accordingly, the entity through which the Bonds are held will affect the determination of whether such withholding is required. If payment of this withholding tax is made, Non-U.S. Holders that are otherwise eligible for an exemption from, or reduction of, U.S. federal withholding taxes with respect to such interest or proceeds will be required to seek a credit or refund from the IRS to obtain the benefit of such exemption or reduction, if any. We will not pay additional amounts to Non-U.S. Holders in respect of any amounts withheld. Prospective Non-U.S. Holders should consult their own tax advisors regarding the potential application of withholding under FATCA to their investment in the Bonds.

Confidential Treatment Requested By The Gladstone Companies, Inc.
Pursuant to 17 C.F.R. 200.83

PLAN OF DISTRIBUTION

General

We are offering an aggregate of $50,000,000 of our Bonds through the Broker-Dealer Subsidiary, our affiliated managing broker-dealer, on a "reasonable best efforts" basis at an offering price of $1,000 per Bond. To the extent a participating broker-dealer reduces its selling commissions below 6%, the offering price per Bond will be decreased by an amount equal to such reduction. "Reasonable best efforts" means that the managing broker-dealer is only required to use its good faith efforts and reasonable diligence to sell the Bonds and has no firm commitment or obligation to purchase any specific number or dollar amount of the Bonds.

The Termination Date for the offering is the earlier of (1) [•], 2023 (unless earlier terminated or extended by our Board of Directors) and (2) the date on which all $50,000,000 of our Bonds offered pursuant to this offering circular are sold. Should the offering continue beyond [•], 2021 (which is 12-month anniversary of the date of qualification of the offering statement of which this offering circular forms a part), we will further supplement the offering circular accordingly. We may terminate this offering at any time, or may offer the Bonds pursuant to a new offering statement, including a follow-on offering statement.

We will sell the Bonds using two closing services provided by DTC. The first service is DTC Settlement and the second service is DRS Settlement. Investors purchasing Bonds through DTC Settlement will coordinate with their registered representatives to pay the full purchase price for their Bonds by the settlement date, and such payments will not be held in escrow. Investors who are permitted to utilize the DRS Settlement method will complete and sign subscription agreements, which will be delivered to the escrow agent, UMB Bank. In addition, such investors will pay the full purchase price for their Bonds to the escrow agent (as set forth in the subscription agreement), to be held in trust for the investors' benefit pending release to us as described herein. See "*—Settlement Procedures*" below for a description of the closing procedures with respect to each of the closing methods.

The Broker-Dealer Subsidiary is our wholly owned subsidiary that is a broker dealer registered with FINRA and insured by SIPC. Mr. Gladstone, our chairman, chief executive officer and president also serves on the board of managers of Gladstone Securities. John Dellafiora, Jr., our chief compliance officer, serves as the chief compliance officer of Gladstone Securities, and Michael LiCalsi, our general counsel and secretary, serves as general counsel of Gladstone Securities. Both Mr. Dellafiora and Mr. LiCalsi are a managing principal of Gladstone Securities and serve on its board of managers.

The dealer manager agreement between us and Gladstone Securities automatically terminates upon the Termination Date or may be terminated by either party at any time on 60 days' written notice.

Minimum Purchase Requirements

There will be a minimum permitted purchase in the offering of 10 Bonds having an aggregate purchase price of $10,000. We reserve the right to waive the minimum purchase requirement in our sole discretion in consultation with the managing broker-dealer.

Compensation of Managing Broker-Dealer and Participating Broker-Dealers

We will pay to the Broker-Dealer Subsidiary selling commissions of up to 6.0% of the gross offering proceeds from the offering. We will also pay to Gladstone Securities up to 3.0% of the gross offering proceeds from the offering as compensation for acting as managing broker-dealer. As managing broker-dealer, the Broker-Dealer Subsidiary will manage, direct and supervise its associated persons who will be wholesalers in connection with the offering. The combined selling commission and dealer manager fee under the offering will not exceed FINRA's 10.0% cap. Our managing broker-dealer will repay to us any excess payments made to our managing broker-dealer over FINRA's 10.0% cap if the offering is terminated prior to reaching the maximum amount of offering proceeds. We will not pay referral or similar fees to any accountants, attorneys or other persons in connection with the distribution of the Bonds.

We expect the Broker-Dealer Subsidiary to authorize other broker-dealers that are members of FINRA, which we refer to as participating broker-dealers, to sell the Bonds. Gladstone Securities may reallow all or a portion of its selling commissions attributable to a participating broker-dealer. The Broker-Dealer Subsidiary may also reallow a portion of its dealer manager fee earned on the proceeds raised by a participating broker-dealer, to such participating broker-dealer as a non-accountable marketing or due diligence allowance. The amount of the reallowance to any participating broker-dealer will be determined by the managing broker-dealer in its sole discretion.

Confidential Treatment Requested By The Gladstone Companies, Inc.
Pursuant to 17 C.F.R. 200.83

We will not pay any selling commissions, but will pay dealer manager fees, in connection with the sale Bonds to investors who:

- purchase through fee-based programs also known as "wrap accounts";
- purchase through participating broker-dealers that have alternative fee arrangements with their clients;
- purchase through certain registered investment advisors;
- purchase through bank trust departments or any other organization or person authorized to act in a fiduciary capacity for its clients or customers; or
- are an endowment, foundation, pension fund or other institutional investor.

The net proceeds to us will not be affected by reducing the commissions payable in connection with such sales. Neither our managing broker-dealer nor any of our other affiliates will directly or indirectly compensate any person engaged as an investment advisor or a bank trust department by a potential investor as an inducement for such investment advisor or bank trust department to advise favorably for an investment in the Bonds.

Further, the selling commission and/or dealer manager fee may be reduced or eliminated, subject to the agreement of the managing broker-dealer, to certain investors who have agreed with a participating broker dealer to reduce or eliminate the selling commission and/or the dealer manager fees. The net proceeds we receive will not be affected by such sales of Bonds at a discount.

Your ability to receive a discount or fee waiver may depend on the financial advisor or broker dealer through which you purchase your Bonds. An investor qualifying for a discount will generally receive a higher percentage return on such investor's investment than investors who do not qualify for such discount. Accordingly, you should consult with your financial advisor about the ability to receive such discounts or fee waivers before purchasing the Bonds.

Any discounts or fee waivers applicable to sales of our Bonds will reduce the purchase price per bond and thereby allow the purchase by an investor of additional Bonds for the same investment amount.

The table below sets forth the nature and estimated amount of all items viewed as "underwriting compensation" by FINRA, assuming we sell all $50,000,000 of the Bonds offered hereby in the offering at the maximum selling commissions and dealer manager fee.

	(Maximum)
Selling commissions (6.00%)	$ 3,000,000
Dealer manager fee (3.00%)	1,500,000
Total	**$ 4,500,000**

We or our affiliates also may provide permissible forms ofnon-cash compensation to registered representatives of our managing broker-dealer and the participating broker-dealers, including gifts. In no event will such gifts exceed an aggregate value of $100.00 per annum per participating salesperson, or be pre-conditioned on achievement of a sales target. The value of such items will be considered underwriting compensation in connection with this offering. The combined selling commissions, dealer manager fee and such non-cash compensation under the offering will not exceed FINRA's 10.0% cap. Our managing broker-dealer will repay to us any excess payments made to our managing broker-dealer over FINRA's 10.0% cap if the offering is terminated before reaching the maximum amount of offering proceeds. The managing broker-dealer's legal expenses will be paid by the managing broker-dealer from the dealer manager fee.

To the extent permitted by law and our certificate of incorporation we will indemnify the participating broker-dealers and the Broker-Dealer Subsidiary against certain civil liabilities, including certain liabilities arising under the Securities Act and liabilities arising from breaches of our representations and warranties contained in the dealer manager agreement. However, the SEC takes the position that indemnification against liabilities arising under the Securities Act is against public policy and is not enforceable.

We expect expenses (other than selling commissions and the dealer manager fee) incurred by us or on our behalf in connection with this offering (including the qualification of this offering and the marketing and distribution of the Bonds, including expenses for printing and amending offering statements or supplementing offering circulars, mailing and distributing costs, all advertising and marketing expenses (including reimbursements for actual costs incurred for travel, meals and lodging by our officers

and employees of our affiliates to attend retail seminars hosted by broker-dealers or bona fide training or educational meetings hosted by us or our affiliates), charges of the trustee and experts and fees, expenses and taxes related to the filing, qualification, as necessary, of the sale of the Bonds under federal and state laws, including taxes and fees and accountants' and attorneys' fees) to be in an amount not to exceed 2.5% of the aggregate gross proceeds of this offering. The managing broker-dealer will bear any expenses related to due diligence of us by, and any salaries or commissions of, wholesalers and other participating broker dealers or related to contracting with an entity to provide DTC clearing services for the Bonds. We may reimburse the managing broker-dealer or our other affiliates for any other expenses incurred on our behalf in connection with the offering. All organization and offering expenses, including selling commissions and the dealer manager fee, borne by us are not expected to exceed 12.5% of the aggregate gross proceeds of this offering, though the amount of such expenses may exceed the expected amount.

Directed Purchase Program

We have reserved up to $_____ of the Bonds offered in this offering circular for our Directors, officers, employees and certain associated persons of the Adviser Subsidiary and the Administrator Subsidiary. The selling commission and/or dealer manager fee on such reserved Bonds will be reduced by ____%. The number of Bonds available for sale to the general public will be reduced to the extent such persons purchase such reserved Bonds. Any reserved Bonds that are not so purchased will be offered to the general public on the same basis as the other Bonds offered in this offering circular.

Settlement Procedures

If your broker-dealer uses DTC Settlement, then you can place an order for the purchase of the Bonds through your broker-dealer. A broker-dealer using this service will have an account with DTC in which your funds are placed to facilitate the anticipated bi-monthly closing cycle. Orders will be executed by your broker-dealer electronically and you must coordinate with your registered representative to pay the full purchase price of the Bonds by the settlement date, which depends on when you place the order during the bi-monthly settlement cycle and can generally be anywhere from one to 15 days after the date of your order. This purchase price will not be held in escrow.

Under special circumstances, you have the option to elect to use DRS Settlement. If you elect to use DRS Settlement, you should complete and sign a subscription agreement similar to the one filed as an exhibit to the offering statement of which this offering circular is a part, which is available from your registered representative and which will be delivered to the escrow agent. In connection with a DRS Settlement subscription, you should pay the full purchase price of the Bonds to the escrow agent as set forth in the subscription agreement. Subscribers may not withdraw funds from the escrow account. Subscriptions will be effective upon our acceptance, and we reserve the right to reject any subscription in whole or in part.

Irrespective of whether you purchase Bonds using DTC Settlement or DRS Settlement, by accepting Bonds you will be deemed to have accepted the terms of the Bonds and the indenture governing the Bonds.

In connection with purchases using DRS Settlement, our managing broker-dealer or the broker-dealers participating in this offering promptly will deposit any checks received from subscribers in an escrow account maintained by UMB Bank by the end of the next business day following receipt of the subscriber's subscription documents and check. In certain circumstances where the subscription review procedures are more lengthy than customary or pursuant to a participating broker-dealer's internal supervising review procedures, a subscriber's check will be transmitted by the end of the next business day following receipt by the review office of the dealer, which will then be promptly deposited by the end of the next business day following receipt by the review office. Any subscription payments received by the escrow agent will be deposited into a special non-interest bearing account in our name until such time as we have accepted or rejected the subscription and will be held in trust for your benefit, pending our acceptance of your subscription. Subscriptions will be accepted or rejected within 10 business days of receipt by us and, if rejected, all funds shall be returned to the rejected subscribers within 10 business days. If accepted, the funds will be transferred into our general account on our next closing date. You will receive a confirmation of your purchase subsequent to a closing. We generally expect to admit stockholders on a bi-monthly basis.

Each participating dealer who sells Bonds on our behalf has the responsibility to make every reasonable effort to determine that the purchase of Bonds is appropriate for the investor. In making this determination, the participating broker-dealer will rely on relevant information provided by the investor, including information as to the investor's age, investment objectives, investment experience, income, net worth, financial situation, other investments and other pertinent information. Each investor should be aware

that the participating broker-dealer will be responsible for determining whether this investment is appropriate for your portfolio. However, you are required to represent and warrant in the subscription agreement or, if placing an order through your registered representative not through a subscription agreement in connection with a DTC Settlement, to the registered representative, that you have received a copy of this offering circular and have had sufficient time to review this offering circular. Each participating broker-dealer will maintain records of the information used to determine that an investment in the Bonds is suitable and appropriate for an investor. These records are required to be maintained for a period of at least six years.

Confidential Treatment Requested By The Gladstone Companies, Inc.
Pursuant to 17 C.F.R. 200.83

LEGAL MATTERS

The validity of the Bonds will be passed upon for us by Proskauer Rose LLP, Washington, D.C.

INDEPENDENT ACCOUNTANTS

The financial statements as of June 30, 2019 and 2018 and for each of the two years in the period ended June 30, 2019 included in this offering circular have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing herein.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC an offering statement on Form 1-A under the Securities Act with respect to the Bonds offered in this offering circular. This offering circular, filed as part of the offering statement, does not contain all of the information set forth in the offering statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our Bonds, we refer you to the offering statement and to its exhibits and schedules. Statements in this offering circular about the contents of any contract, agreement or other document are not necessarily complete and, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the offering statement. Our filings with the SEC, including the offering statement, are available to you for free on the SEC's internet website at *www.sec.gov*.

After launching this Tier 2, Regulation A offering, we will be required to comply with certain ongoing disclosure requirements under Rule 257 of Regulation A. We intend to make copies of our annual, semi-annual and special reports, and other information, as applicable, if any, available free of charge through our website at *www.gladstonecompanies.com* as soon as practicable after such reports have been filed or furnished to the SEC. Information contained on or accessible through our website is not incorporated by reference into this offering circular and should not be considered a part of this offering circular.

Confidential Treatment Requested By The Gladstone Companies, Inc.
Pursuant to 17 C.F.R. 200.83

INDEX TO FINANCIAL STATEMENTS

Consolidated Financial Statements – as of and for the years ended June 30, 2019 and 2018

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of The Gladstone Companies, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Gladstone Companies, Inc. and its subsidiaries (the "Company") as of June 30, 2019 and 2018, and the related consolidated statements of operations, of owner's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the relevant ethical requirements relating to our audit, which include standards of the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct.

We conducted our audits of these consolidated financial statements in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

McLean, VA
September 23, 2019

We have served as the Company's auditor since 2004.

The Gladstone Companies, Inc.
Consolidated Balance Sheets
As of June 30, 2019 and 2018

	2019	2018
Assets		
Current assets		
Cash	$33,511,153	$28,778,588
Accounts receivable, related parties	9,658,670	9,602,021
Prepaid expenses	504,818	471,550
Marketable securities held for trading, at fair value	8,576,388	—
Total current assets	52,251,029	38,852,159
Marketable securities held for trading, at fair value	—	8,228,722
Fixed assets less accumulated depreciation of $813,009 and $1,380,545, respectively	254,670	148,567
Intangible assets	152,266	152,266
Deferred tax asset, net	2,400,319	2,247,845
Security deposit	62,369	62,369
Total assets	$55,120,653	$49,691,928
Liabilities and Owner's Equity		
Current liabilities		
Accounts payable and accrued expenses	$ 2,075,361	$ 1,769,898
Accrued payroll	22,517,282	20,239,037
Income taxes payable	—	1,933,301
Deferred revenue	580,208	564,583
Deferred compensation plan	8,576,388	—
Total current liabilities	33,749,239	24,506,819
Deferred compensation	—	8,228,722
Deferred liabilities	62,352	—
Total liabilities	33,811,591	32,735,541
Commitments and contingencies (Refer to Note 9)		
Owner's equity		
Common stock, $0.01 par value, 3,000 authorized shares, 100 issued and outstanding as of June 30, 2019 and 2018	1	1
Additional paid-in capital	5,049	5,049
Retained earnings	21,304,012	16,951,337
Total owner's equity	21,309,062	16,956,387
Total liabilities and owner's equity	$55,120,653	$49,691,928

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

The Gladstone Companies, Inc.
Consolidated Statements of Operations
For the Years Ended June 30, 2019 and 2018

	2019	2018
Revenues (Related Party)		
Investment advisory and loan servicing fees (Refer to Notes 1 and 7)	$19,388,476	$19,864,217
Incentive fees (Refer to Notes 1 and 7)	12,264,680	13,341,161
Administration fees	5,516,197	4,810,152
Investment banking fees	8,521,862	7,489,952
Annual review fees	578,003	530,030
Property management fees	295,551	139,308
Securities trade commissions	5,586,140	50,000
Other income	126,553	21,898
Total revenues	52,277,462	46,246,718
Operating expenses		
Salaries and employee benefits	37,709,688	34,702,393
Rent	709,051	661,217
Depreciation	101,527	107,562
Telecommunications	522,802	478,335
Office expenses	379,243	358,940
Professional services	569,998	737,025
Securities trade costs	5,529,337	151,130
Interest expense	194	21,886
Other operating expenses	1,186,011	1,257,939
Total expenses	46,707,851	38,476,427
Income from operations	5,569,611	7,770,291
Dividends from marketable securities	341,562	181,472
Realized gain on marketable securities	174,290	256,072
Unrealized (loss) gain on marketable securities	(243,147)	68,199
Net income before income taxes	5,842,316	8,276,034
Income tax provision	(1,489,641)	(3,653,202)
Net income	$ 4,352,675	$ 4,622,832
Net income per share attributable to common stock—basic and diluted	$ 43,526.75	$ 46,228.32
Weighted average shares of common stock outstanding—basic and diluted	100	100

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

The Gladstone Companies, Inc.
Consolidated Statements of Changes in Owner's Equity
For the Years Ended June 30, 2019 and 2018

	Common Stock				
	Number of Shares	$0.01 Par Value	Additional Paid-in Capital	Retained Earnings	Total Owner's Equity
Balance, June 30, 2017	100	1	$ 5,049	$12,328,505	$12,333,555
Net income	—	—	—	4,622,832	4,622,832
Balance, June 30, 2018	100	1	$ 5,049	$16,951,337	$16,956,387
Net income	—	—	—	4,352,675	4,352,675
Balance, June 30, 2019	100	1	$ 5,049	$21,304,012	$21,309,062

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

The Gladstone Companies, Inc.
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	For the Year Ended June 30, 2019	2018
Cash flows from operating activities		
Net income	$ 4,352,675	$ 4,622,832
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	101,527	107,562
Unrealized loss (gain) on marketable securities	243,147	(68,199)
Deferred income tax(benefit) provision	(152,474)	845,564
Change in assets and liabilities:		
(Increase) in accounts receivable, related parties	(56,649)	(2,925,416)
(Increase) in prepaid expenses	(33,268)	(102,706)
(Increase) in security deposits	—	(52,284)
Increase (decrease) in accounts payable and accrued expenses	305,463	(108,501)
Increase in accrued payroll	2,278,245	5,064,122
(Decrease) in interest payable	—	(52,311)
(Decrease) increase in income taxes payable	(1,933,301)	266,844
Increase in deferred revenue	15,625	66,251
Increase in deferred liabilities	62,352	—
Increase in deferred compensation	347,666	572,259
Net cash provided by operating activities	5,531,008	8,236,017
Cash flows from investing activities		
Investments in marketable securities	(590,813)	(504,060)
Proceeds from notes receivable	—	437,000
Purchases of furniture, fixtures, and equipment	(207,630)	(57,735)
Net cash used in investing activities	(798,443)	(124,795)
Cash flows from financing activities		
Repayments of notes payable	—	(535,949)
Net cash used in financing activities	—	(535,949)
Net increase in cash	4,732,565	7,575,273
Cash and cash equivalents, beginning of year	28,778,588	21,203,315
Cash and cash equivalents, end of year	$33,511,153	$28,778,588
Supplemental disclosure of cash flow information		
Interest paid	$ 194	$ 74,197
Income taxes paid	$ 3,679,642	$ 3,386,358

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

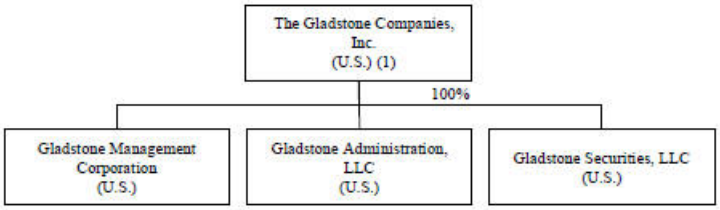
The Gladstone Companies, Inc.
Notes to Consolidated Financial Statements

1. Organization and Nature of Business

Description of the Company

The Gladstone Companies, Inc. ("TGC INC") was incorporated on January 1, 2010. TGC INC is a wholly-owned subsidiary of The Gladstone Companies, Ltd. (formerly Gladstone Holding Corporation) ("TGC LTD"). TGC INC primarily does business through its indirect, wholly-owned subsidiaries, but owns certain investments directly. TGC INC and its subsidiaries are hereafter collectively referred to as the "Company."

The following chart summarizes the Company's organizational structure as of June 30, 2019 and 2018. The Company's headquarters are in McLean, Virginia (a suburb of Washington, D.C.).



(1) Name changed from Gladstone Holding Corporation effective September 14, 2018

Nature of Business

The Company is a leading alternative asset manager and provider of other administrative and financial services. It currently primarily provides these services to four unconsolidated public investment funds (the "Existing Gladstone Funds"), which specialize in investments across four distinct areas:

1. Gladstone Investment Corporation ("Investment"), a publicly traded business development company ("BDC") operating as a private equity fund, primarily financing and investing in lower middle market companies (Nasdaq: GAIN);
2. Gladstone Capital Corporation ("Capital"), a publicly traded BDC operating as a private debt fund, primarily lending to lower middle market companies (Nasdaq: GLAD);
3. Gladstone Commercial Corporation ("Commercial"), a publicly traded real estate fund operated as a REIT, primarily acquiring, owning and managing office and industrial properties leased to public and private companies (Nasdaq: GOOD); and,
4. Gladstone Land Corporation ("Land"), a publicly traded real estate fund operated as a REIT, primarily acquiring, owning and leasing farms and farm or natural resource-related property (Nasdaq: LAND).

The Company primarily generates its revenue from fees earned pursuant to advisory, administrative, broker-dealer and other agreements its subsidiaries have with the Existing Gladstone Funds and to other affiliated entities. These fees are generated through:

- Gladstone Management Corporation, an investment adviser registered with the SEC (the "Adviser Subsidiary").
- Gladstone Securities, LLC, a broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and insured by the Securities Investor Protection Corporation (SIPC) (the "Broker-Dealer Subsidiary"), which provides distribution, investment banking, due diligence, dealer manager, mortgage placement, and other financial services.
- Gladstone Administration, LLC (the "Administrator Subsidiary"), which primarily provides administrative services to the Existing Gladstone Funds, including accounting, valuation, legal, compliance, and other services.

The Company consolidates two additional subsidiaries which had no active business activities, Gladstone Participation Fund, LLC ("Participation") and Gladstone Lending Corporation ("Lending").

2. Summary of Significant Accounting Policies

Basis of Accounting

The Company's consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All adjustments of a normal recurring nature considered necessary for the fair presentation of the consolidated financial statements have been made.

During the fiscal year ended June 30, 2019, the Company reclassified certain financial statement line items for expenses incurred during the fiscal year ended June 30, 2018. The reclassification was related to expense allocations to a subsidiary. Expenses for the fiscal year ended June 30, 2019 have been reclassified to conform to the new allocation method and presentation of expenses used for the fiscal year ended June 30, 2019. For the year ended June 30, 2018, this reclassification had no impact on income from operations, pre-tax income or net income, but Salaries and Employee Benefits decreased by $986,088, certain other expense lines decreased by an aggregate of $96,259, and other operating expenses increased by $1,082,347.

Principles of Consolidation

The Company's consolidated financial statements include the accounts of TGC INC and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company may be required to consolidate entities that are determined to be Variable Interest Entities, ("VIEs"), where it is deemed to be the primary beneficiary of the entity. The Company is determined to be the primary beneficiary when it has a controlling financial interest in the VIE, which is defined as possessing both (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (2) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The Company first evaluates whether it holds a variable interest in an entity. Fees (for example, management and performance-related fees) that are customary and commensurate with the level of services provided, and where the Company does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, would not be considered a variable interest. The Company factors in all economic interests including proportionate interests through related parties to determine if such interests are considered a variable interest. The Company's primary interest is through market rate fees. The Company has determined that none of its affiliates or wholly-owned subsidiaries qualify as VIEs.

The Company's wholly-owned subsidiaries and affiliates qualify as voting interest entities under the voting interest model. Under the voting interest model, it consolidates those entities it controls through a majority voting interest.

For operating entities over which it may exercise significant influence but which do not meet the requirements for consolidation, the Company will use the equity method of accounting whereby it records its share of the underlying income or losses of these entities. As of June 30, 2019 and 2018, there were no such entities included in the financial statements that were accounted for under the equity method.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

Segment Reporting

The Company manages its operations on an aggregated, single segment basis for purposes of assessing performance and making operating decisions, and, accordingly, has only one reporting and operating segment.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. For the years ended June 30, 2019 and 2018, substantially all revenues and receivables were earned or derived from services provided to affiliated entities or their sub-affiliates.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and investments in money market funds with maturities of three months or less when purchased. All the Company's cash and cash equivalents are held in the custody of U.S. financial institutions. At times, amounts may exceed federally insured limits. The Company monitors the credit standing of these financial institutions and mitigates risk by depositing funds with major banking institutions.

Intangible Assets

Intangible assets consist of regulatory fees and the purchase price for the broker-dealer license relating to the Broker-Dealer Subsidiary, as well as a website license held by the Company. All the Company's intangible assets are indefinite life assets and are therefore presented at gross carrying amounts. Intangible assets are tested for impairment annually. There were no impairments for the years ended June 30, 2019 and 2018.

Fair Value of Financial Instruments

Accounting Standard Codification 820, Fair Value Measurements and Disclosures ("ASC 820") defines fair value as the exit price, or the amount that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. ASC 820 also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The hierarchy of these inputs is broken down into three levels: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs include (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in markets that are not active and (3) inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The assets held in connection with the Company'snon-qualified elective deferred compensation plan (the "Deferred Compensation Plan") and the corresponding liability to the participants are measured at fair value on a recurring basis on the consolidated balance sheet using quoted market prices, as further discussed in Note 5. The assets are treated as trading securities for accounting purposes, with unrealized gains and losses included in earnings. The Company recognized unrealized (loss) gain on its marketable securities in the amount of ($243,147) and $68,199 for the years ended June 30, 2019 and 2018, respectively.

The offsetting liability is adjusted at the end of each accounting period based on the fair value of the plan assets. The assets of the Deferred Compensation Plan are classified in Level 1 of the fair value hierarchy (the Company had no financial instruments classified as Level 2 or Level 3 as of or during the years ended June 30, 2019 and 2018). There were no transfers in or out of Level 1 during the years ended June 30, 2019 or 2018. The following table summarizes the Company's held for trading assets as of June 30, 2019 and 2018.

	Level 1 Investments			
	June 30, 2019		June 30, 2018	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	$6,066,356	$6,066,356	$3,864,186	$3,864,185
Mutual funds	1,268,796	1,244,057	3,062,000	3,167,023
Equities	1,047,867	1,265,975	950,344	1,197,514
Total	$8,383,019	$8,576,388	$7,876,530	$8,228,722

Fixed Assets

Fixed assets are furniture, fixtures and equipment (including computer hardware), software, and leasehold improvements, and are recorded at cost, less accumulated depreciation and amortization. Depreciation of furniture, fixtures and equipment is computed using the straight-line method over the estimated useful lives of the respective assets (generally two to five years). Amortization of improvements to leased properties is computed using the straight-line method based upon the initial term of the applicable lease or the estimated useful life of the improvements, whichever is shorter, and ranges from two to eight years. Routine expenditures for repairs and maintenance are charged to expense when incurred. Major betterments and improvements are capitalized. Upon retirement or disposition of fixed assets, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the Consolidated Statements of Operations. The Company evaluates fixed assets for impairment whenever events or changes in circumstances indicate that an asset's carrying value may not be fully recovered. No impairment was recorded for the years ended June 30, 2019 and 2018.

	2019	2018
Furniture, fixtures, and equipment	$ 953,894	$ 1,323,823
Software	17,644	114,550
Leasehold improvements	96,141	90,739
Fixed assets, cost	1,067,679	1,529,112
Less: accumulated depreciation and amortization	(813,009)	(1,380,545)
Fixed assets, net book value	$ 254,670	$ 148,567

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU)No. 2014-09, "Revenue from Contracts with Customers". This standard, along with its related amendments, is referred to as "ASC 606" and requires companies to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In March 2016 the FASB also issued ASU 2016-08, Revenue from Contracts with Customers ("Topic 606): Principal Versus Agent Consideration (Reporting Revenue Gross Versus Net) (the "Amendment") which outlined the FASB's amendments to its principal-versus-agent guidance. The key provisions of the Amendment are assessing the nature of the entity's promise to the customer, identifying the specified good or services, and applying the control principle and indicators of control. In addition, entities are required to adopt the Amendment by using the same transaction method they used to adopt ASU 2014-09.

The Company adopted ASC 606 on July 1, 2018 using the modified retrospective approach. In adopting the standard, the Company reviewed its revenue contracts and concluded there were no material changes to the timing or manner of revenue recognition. The following describes the revenue stream, performance obligations and associated timing of revenue recognition:

Investment Advisory and Loan Servicing Fees

Investment advisory fee revenue is earned from services provided by the Adviser Subsidiary to the Existing Gladstone Funds pursuant to the terms of an investment advisory agreement that exists between the Adviser Subsidiary and each of the Existing Gladstone Funds (each, an "Advisory Agreement"). Investment advisory fee revenue is recognized as the advisory services are provided, and any unpaid amounts are classified as accounts receivable, related party. The Company had investment advisory fee receivables of $1,406,830 and $2,446,602 at June 30, 2019 and 2018, respectively. Refer to Note 7 for further details on the terms of the Advisory Agreements.

Certain of Capital's and Investment's portfolios of loan investments are held in their respective wholly-owned subsidiaries, Gladstone Business Loan, LLC ("Business Loan") in the case of Capital, and Gladstone Business Investment, LLC ("Business Investment") in the case of Investment. Loan servicing fees represent additional amounts earned by the Adviser Subsidiary for acting as the servicer pursuant to the terms of the line of credit agreements between Business Loan and its creditor banks and

Business Investment and its creditor banks. Since Capital and Investment own these loans indirectly (through their 100% ownership of Business Loan and Business Investment, respectively), all loan-servicing fees earned by the Adviser Subsidiary are credited directly against the investment advisory fees otherwise due and payable to the Adviser Subsidiary by Capital and Investment. Loan servicing fee revenue is recognized when it is earned, and any unpaid amounts are classified as accounts receivable, related party. The Company had loan servicing fee receivables of $761,298 and $632,227 at June 30, 2019 and 2018, respectively.

Incentive Fees

Incentive fees are earned by the Adviser Subsidiary pursuant to a given Advisory Agreement when an Existing Gladstone Fund meets certain income or realized capital gains thresholds. Refer to Note 7 for further details on the terms of the Advisory Agreements.

The Company does not record capital gains-based incentive fee income as earned until such capital gains are contractually due to the Company under the terms of the Advisory Agreements with Commercial, Capital, Investment or Land. To the extent that receipt of capital gains-based incentive fees give rise to an obligation under the Company's Capital Gain Carried Interest Plan, the Company records compensation expense when this obligation becomes estimable and probable.

Incentive fees are recognized as income when all contingencies, including realization of specified minimum hurdle rates, have been exceeded. Any calculated amounts above the required minimum hurdle rates, as specified in the Advisory Agreements, is allocated by the Existing Gladstone Funds to the Adviser Subsidiary. The incentive fees are not subject to reversal or clawback under the terms of the Advisory Agreements.

Any unpaid amounts are classified as accounts receivable, related party. The Company had income-based incentive fee receivables of $4,479,048 and $3,310,943 at June 30, 2019 and 2018, respectively.

Administration Fees

The Administrator Subsidiary has entered into administrative agreements with each of the Existing Gladstone Funds and its other affiliates (each an "Administrative Agreement"), pursuant to which it furnishes such funds and other companies with accounting, valuation, legal, compliance, and other services. Pursuant to the Administrative Agreements, the Existing Gladstone Funds and the Administrator Subsidiary's other affiliates collectively pay the costs and expenses of the Administrator Subsidiary to perform the administrative services, which are primarily rent and the salaries, benefits and expenses of the Administrator Subsidiary's employees, including the chief financial officer and treasurer, chief compliance officer, chief valuation officer, and general counsel and secretary (and the staffs of all of the foregoing) of each of the Existing Gladstone Funds and the Administrator Subsidiary's other affiliates.

Administration fee revenue is recognized when it is earned, and unpaid amounts are classified as accounts receivable, related party. Refer to Note 7 for details on the administration fees earned. The Company had administration fee receivables of $2,536,817 and $1,358,197 at June 30, 2019 and 2018, respectively.

Investment Banking Fees

Investment banking fees include fees (1) received by the Broker-Dealer Subsidiary for providing investment banking and due diligence services to certain portfolio companies of Capital and Investment, (2) received by the Adviser Subsidiary for providing management or advisory services to certain portfolio companies of Capital and Investment and (3) received by the Adviser Subsidiary for providing mortgage placement services to Commercial and Land. Such fees may be received in advance and, if so, are recorded as deferred revenue in the Consolidated Balance Sheets and are refundable until earned. Due to uncertainty surrounding the collectibility of the certain of these fees, they are recognized when they are collected. To the extent that the Adviser Subsidiary receives any fees directly from a portfolio company of either Capital or Investment for any such services, 100% of such fees are credited against the investment advisory fees otherwise due to the Adviser Subsidiary pursuant to the applicable Advisory Agreement.

Annual Review Fees

Annual review fee income, which is received by the Adviser Subsidiary from certain portfolio companies of Capital and Investment, includes amounts charged for recurring portfolio review and valuation services. Amounts are generally payable to the Adviser Subsidiary quarterly or annually in advance, but due to uncertainty surrounding the collectibility of the fees, they are recognized when they are collected, at which point they are deferred until they have been earned, generally over a period of one year.

Property Management Fees

Property management fee income received by the Adviser Subsidiary includes amounts charged for recurring property management services provided to and paid by the properties and tenants of Commercial. Generally, amounts are payable annually in arrears and are recognized as they are earned.

Securities Trade Commissions

Securities trade commission income includes dealer manager and broker-dealer commissions received by the Broker-Dealer Subsidiary pursuant to its role in distributing certain shares of preferred stock of its affiliates through the independent broker-dealer network. Fees are generated and earned on a trade-date basis, when the Company's obligation to its customers is satisfied.

On May 31, 2018, the Broker-Dealer Subsidiary entered into an Amended and Restated Dealer Manager Agreement with Land, whereby the Broker-Dealer Subsidiary serves as Land's exclusive dealer manager in connection with its offering of up to 6,000,000 shares of its 6.0% Series B Cumulative Redeemable Preferred Stock. The Broker-Dealer Subsidiary will provide certain sales, promotional and marketing services to Land in connection with the offering and Land will pay the Broker-Dealer Subsidiary (1) selling commissions of up to 7.0% of the gross proceeds from sales of the preferred stock and (2) a dealer manager fee of up to 3.0% of the gross proceeds from sales. The Broker-Dealer Subsidiary may reallow the selling commissions to participating broker-dealers in the offering and reduce or eliminate its fees under certain circumstances under the terms of the Amended and Restated Dealer Manager Agreement. Through June 30, 2019 and 2018, 2,643,468 and 20,280 shares, respectively, of the 6,000,000 shares had been sold.

Fee Credits

Fee credits historically consist of non-contractual, unconditional and irrevocable waivers of loan servicing fees, investment advisory fees and incentive fees otherwise due to the Adviser Subsidiary from the Existing Gladstone Funds under the Advisory Agreements. Such credits are either related to: (1) certain investment banking fees received by the Adviser Subsidiary from portfolio companies of Capital and Investment, (2) loan servicing fees received by the Adviser Subsidiary from Business Loan and Business Investment, (3) a portion of the annual review fees received by the Adviser Subsidiary from certain portfolio companies of Capital and Investment, (4) other amounts granted to allow the Existing Gladstone Funds to comply with the requirements of their credit facilities or maintain the desired level of distributions to their shareholders (see Note 7), and (5) a reduction in the investment advisory fees received in connection with syndicated loan investments held by Capital or Investment. Revenues are presented net of any related fee credits; refer to Note 7 for a reconciliation of the elements of investment advisory and incentive fees.

Income Taxes

The Company accounts for income taxes using the asset and liability method per Accounting Standards Codification 740 Income Taxes ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the temporary differences between the financial statement and the tax basis of existing assets and liabilities, measured at prevailing enacted tax rates that are expected to be in effect when these temporary differences are expected to affect taxable income. A valuation allowance will be recognized if, based on the available evidence, it is more likely than not that some or all of the deferred tax asset will not be realized. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry forward periods and the associated risk that operating loss carry-forwards may expire unused. The Company records interest and penalties to interest expense as incurred.

The Company is also required to determine whether a tax position taken or expected to be taken is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. The Company recognizes interest related to these positions in interest expense.

Recent Accounting Pronouncements

In January 2016, the FASB issued ASU2016-01, Financial Instruments—Overall, which makes limited amendments to the guidance in U.S. GAAP on the classification and measurement of financial instruments. The new standard significantly revises an entity's accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. ASU 2016-01 is effective for fiscal years beginning after

December 15, 2018, including interim periods therein. Early adoption is permitted specifically for the amendments pertaining to the presentation of certain fair value changes for financial liabilities measured at fair value. Early adoption of all other amendments is not permitted. Upon adoption, the Company will be required to make a cumulative-effect adjustment to the Consolidated Balance Sheet as of the beginning of the first reporting period in which the guidance is effective. The Company has completed an evaluation of the effect that ASU 2016-01 will have on its consolidated financial statements and related disclosures and has preliminarily concluded there will be no material changes.

In February 2016, the FASB issued ASU2016-02, "Leases (Topic 842): An Amendment of the FASB Accounting Standards Codification" ("ASU 2016-02"). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee, which classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis, respectively, over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months, regardless of the classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The amendments in ASU 2016-02 are effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period with early adoption permitted. The Company is currently evaluating the impact of adopting this ASU on its financial statements but based on its limited leasing activity and the relatively short duration of its leases has preliminarily concluded that the effect on its balance sheet will not be material.

3. Notes Receivable and Payable – Related Parties

As of June 30, 2017, the Company had notes receivable from a related party totaling $437,000 and notes payable to its stockholder totaling $535,949. During the fiscal year ended June 30, 2018, the Company received the full principal balance of the notes receivable plus $31,145 in accrued interest. It then repaid its debt to its stockholder, including the full principal balance of the notes payable plus an accrued interest balance of $62,287.

4. Revolving Credit Facility

The Adviser Subsidiary and TGC INC maintain, as co-borrowers, a credit facility with Wells Fargo Bank, N.A., with an original maturity date of August 31, 2015, and which has been subsequently amended under substantively similar terms to the original agreement. Interest accrues at LIBOR plus 3.0% and is payable monthly. Under the current extension dated January 15, 2019, availability under the line was $1,000,000 through June 30, 2019, $2,000,000 from July 1, 2019 through December 31, 2020, and $1,000,000 from January 1, 2020 through January 15, 2020. TGC INC serves as the guarantor of this credit facility.

The credit facility contains various covenants. Prior to the current extension, the agreement required the Adviser Subsidiary to maintain net income after-taxes of not less than one dollar calculated on a rolling four quarter basis. The Adviser Subsidiary was not in compliance with this covenant for the quarter ended September 30, 2018, for which it obtained a waiver from the bank, but was otherwise in compliance with all covenants for that period and for the year ended June 30, 2018. Under the current extension, the Adviser Subsidiary was required to maintain net income after-taxes of not less than one dollar for the quarter ended December 31, 2018, and commencing with the quarter ending March 31, 2019, not less than one dollar calculated on a rolling four quarter basis. Under the current extension, the Adviser Subsidiary was in compliance with all covenants of the credit facility for the period from October 1, 2018 through June 30, 2019. No balances were outstanding under the credit facility as of June 30, 2019 or 2018.

5. Deferred Compensation Plan and Defined Contribution Plan

Effective October 1, 2004, the Board of Directors of the Company adopted the Deferred Compensation Plan (known as the Executive Nonqualified Excess Plan). The Deferred Compensation Plan is a nonqualified plan that permitted participants to defer all or a portion of their base salary and annual bonus. The Deferred Compensation Plan's assets are fair valued in accordance with ASC 820, and the plan's liabilities are equal to the assets, as these amounts are payable to the participants.

In October 2018, the Company terminated the Deferred Compensation Plan and ceased permitting participants to make further contributions into the plan.

The value of a participant's account is determined by the amounts deferred and the performance of investment benchmarks selected by the participant under the Deferred Compensation Plan. Each participant is fully vested in the amounts deferred. Participant deferrals are not directly invested; therefore, participants do not have an ownership interest in any securities.

However, the Company has made investments intended to mirror the selected benchmarks in order to meet its future obligations under the Deferred Compensation Plan. As a result, the Deferred Compensation Plan's assets are generally equal to its obligations.

Until January 3, 2020, the Deferred Compensation Plan's obligations will be payable in a lump sum in cash within sixty days, or as soon as practicable, following the date of a qualifying distribution event, unless the participant chooses to receive annual installments for a maximum period of five years. Qualifying distribution events include death of a participant, disability of a participant, and termination of service or retirement. In-service and educational withdrawals may also be made by participants without penalty provided that they are requested in accordance with plan rules. Hardship withdrawals may be made at any time without penalty with the approval of the Board of Directors of TGC INC.

As of January 3, 2020, all remaining obligations will be valued, the trust will be liquidated, and the obligations will be paid to participants in a subsequent payroll. These payments to participants will give rise to income tax deductions in the Company's current or future tax returns that are currently recognized as deferred tax assets.

The Deferred Compensation Plan's obligations are unsecured general obligations of the Company to pay in the future the value of the Deferred Compensation Plan accounts adjusted to reflect the hypothetical gains and losses resulting from the performance of the selected investment benchmarks in accordance with the terms of the plan. The deferred compensation obligations will rank without preference with other outstanding unsecured and unsubordinated indebtedness of the Company and are, therefore, subject to the risks of the Company's insolvency. The Deferred Compensation Plan obligations will be paid in cash and will be subject to withholding for applicable taxes.

Additionally, the Company sponsors a non-discriminatory defined contribution plan as a fringe benefit to all employees. The assets and associated liabilities of this plan are assets and liabilities of such plan, and not assets and liabilities of the Company. The defined contribution plan allows participants to contribute as much as seventy-five percent of their salaries up to the maximum amount allowed under the Employee Retirement Income Security Act of 1974 ("ERISA"). The defined contribution plan allows the Company to make employer contributions, employer discretionary contributions, and safe harbor contributions. During the fiscal years ended June 30, 2019 and 2018, the Company funded safe harbor contributions for calendar years 2018 and 2017 totaling $406,862 and $382,573, respectively. These amounts equaled three percent of each participants' salary, limited by the maximum contribution allowable per ERISA.

6. Income Taxes

The Company's net income is taxed at regular corporate tax rates for both U.S. Federal and U.S. State purposes.

Recent U.S. federal income tax legislation, commonly referred to as The Tax Cuts and Jobs Act ("TCJA"), was enacted on December 22, 2017. Among other things, the TCJA reduced the U.S. federal corporate tax rate from 35% to 21% effective on January 1, 2018, resulting in a blended rate of 27.55% for the fiscal year ended June 30, 2018. The U.S. federal corporate tax rate for the fiscal year ended June 30, 2019 and future years is 21%.

The Company recognized a provisional amount of $1.1 million of income tax expense for the fiscal year ended June 30, 2018 relating to the revaluation of deferred tax asset balances due to the change in tax rates enacted in the period. The Company's preliminary analyses and provisional estimates of the financial statement impacts of the TCJA were completed in accordance with guidance issued by the SEC under Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act. The changes included in the TCJA are broad and complex and could materially affect the estimates recorded for the quarter and year to date periods, due to, among other things, changes in legislative interpretations or further guidance issued on the application of certain provisions of the TCJA. The Securities and Exchange Commission has issued rules that would allow for a measurement period of up to one year after the enactment date of the TCJA to finalize the recording of the related tax impacts.

The current and prior period effective tax rates differ from the federal statutory tax rate of 21% due primarily to the TCJA impact on the deferred tax asset and the effect of state taxes.

The Company evaluated the tax positions taken on federal and state tax returns for all open tax years (June 30, 2016—June 30, 2019) and determined that no uncertain tax position liability exists as of June 30, 2019 or 2018.

Significant components of the Company's deferred tax assets and liabilities as of June 30, 2019 and 2018 are summarized as follows:

	2019	2018
Deferred Tax Assets		
Accrued compensation	$2,401,023	$2,309,217
Other	26,541	27,494
Total deferred tax assets	2,427,564	2,336,711
Deferred Tax Liabilities		
Unrealized gain on marketable securities	(27,245)	(88,866)
Total deferred tax liabilities	(27,245)	(88,866)
Net deferred tax assets	$2,400,319	$2,247,845

The Company believes it is more likely than not it will generate sufficient taxable income in future periods to realize the deferred tax assets.

The U.S. Federal and U.S. State income tax provision consists of the following for the years ended June 30, 2019 and 2018:

	2019	2018
Current		
U.S. Federal	$(1,281,020)	$(2,227,457)
U.S. State	(361,094)	(580,181)
Total current	(1,642,114)	(2,807,638)
Deferred		
U.S. Federal	119,297	(889,652)
U.S. State	33,176	44,088
Total deferred	152,473	(845,564)
Income tax provision	$(1,489,641)	$(3,653,202)

Income tax expense from operations differs from taxes computed using the U.S. Federal statutory tax rate for the years ended June 30, 2019 and 2018 as follows:

	2019	2018
Federal tax expense, at statutory rate	$(1,226,886)	$(2,283,586)
State income tax expense, net of federal benefit	(259,095)	(332,896)
Deferred tax impacts of TCJA	—	(1,052,011)
Non-deductible expenses	(12,316)	(1,878)
State rate changes	87	—
Other, net	8,569	17,169
Income tax provision	$(1,489,641)	$(3,653,202)

7. Related Party Transactions

The following tables list the investment advisory and loan servicing fees, incentive fees, and irrevocable, unconditional, andnon-contractual fee waivers granted by the Adviser Subsidiary to the Existing Gladstone Funds, as further described below:

Revenue – Investment Advisory and Loan Servicing Fees

	Capital	Investment	Commercial	Land	Total
2019					
Base management fees	$ 7,195,097	$12,812,329	$5,058,535	$ 3,308,478	$ 28,374,439
Loan servicing fees	5,050,967	6,839,215	—	—	11,890,182
Loan servicing fee credit	(5,050,967)	(6,839,215)	—	—	(11,890,182)
Credit for fees received from portfolio companies and other fee waivers	(1,187,838)	(5,770,917)	—	(1,648,381)	(8,607,136)
Fee reduction on senior syndicated loans	(378,827)	—	—	—	(378,827)
Investment advisory and loan servicing fee revenue	$ 5,628,432	$ 7,041,412	$5,058,535	$ 1,660,097	$ 19,388,476

	Capital	Investment	Commercial	Land	Total
2018					
Base management fees	$ 6,824,678	$11,390,145	$5,127,420	$2,410,549	$ 25,752,792
Loan servicing fees	4,891,139	6,453,815	—	—	11,344,954
Loan servicing fee credit	(4,891,139)	(6,453,815)	—	—	(11,344,954)
Credit for fees received from portfolio companies and other fee waivers	(1,245,422)	(4,093,689)	—	(174,014)	(5,513,125)
Fee reduction on senior syndicated loans	(375,450)	—	—	—	(375,450)
Investment advisory and loan servicing fee revenue	$ 5,203,806	$ 7,296,456	$5,127,420	$2,236,535	$ 19,864,217

Revenue – Incentive Fees

	Capital	Investment	Commercial	Land	Total
2019					
Incentive fees	$ 5,549,080	$5,420,850	$3,367,474	$ 628,098	$14,965,502
Incentive fee waiver	(1,922,745)	—	—	(778,077)	(2,700,822)
Incentive fee revenue	$ 3,626,335	$5,420,850	$3,367,474	$(149,979)	$12,264,680

	Capital	Investment	Commercial	Land	Total
2018					
Incentive fees	$ 5,382,005	$6,163,931	$2,732,168	$260,879	$14,538,983
Incentive fee waiver	(1,144,250)	—	—	(53,572)	(1,197,822)
Incentive fee revenue	$ 4,237,755	$6,163,931	$2,732,168	$207,307	$13,341,161

Credits to Investment Advisory and Loan Servicing Fees and Incentive Fees

	Capital	Investment	Commercial	Land	Total
2019					
Credit for fees received from portfolio companies and other fee waivers	$(1,187,838)	$ (5,770,917)	$ —	$(1,648,381)	$ (8,607,136)
Loan servicing fee credit	(5,050,967)	(6,839,215)	—	—	(11,890,182)
Fee reduction on senior syndicated loans	(378,827)	—	—	—	(378,827)
Incentive fee waiver	(1,922,745)	—	—	(778,077)	(2,700,822)
Total credits	$(8,540,377)	$(12,610,132)	$ —	$(2,426,458)	$(23,576,967)

	Capital	Investment	Commercial	Land	Total
2018					
Credit for fees received from portfolio companies and other fee waivers	$(1,245,422)	$ (4,093,689)	$ —	$(174,014)	$ (5,513,125)
Loan servicing fee credit	(4,891,139)	(6,453,815)	—	—	$(11,344,954)
Fee reduction on senior syndicated loans	(375,450)	—	—	—	$ (375,450)
Incentive fee waiver	(1,144,250)	—	—	(53,572)	$ (1,197,822)
Total credits	$(7,656,261)	$(10,547,504)	$ —	$(227,586)	$(18,431,351)

The Adviser Subsidiary has entered into an Advisory Agreement with each of the Existing Gladstone Funds. Through June 30, 2019, the Advisory Agreement with Land provided for (1) an annual base management fee equal to 2% of the Land's total adjusted stockholders' equity and (2) an income-based quarterly incentive fee which will be earned if Land's pre-incentive fee FFO exceeds on a quarterly basis 1.75% of total adjusted stockholder's equity. The Adviser Subsidiary is entitled to receive 100% of the amount of the pre-incentive fee FFO that exceeds the hurdle rate but is less than 2.1875% of Land's pre-incentive fee FFO in any calendar quarter. The Adviser Subsidiary is also entitled to receive an incentive fee equal to 20% of the amount of Land's pre-incentive fee FFO that exceeds 2.1875% in any calendar quarter. Additionally, the Adviser Subsidiary is entitled to receive an annual capital gains-based incentive fee from Land equal to 15% of certain net capital gains realized by Land. In fiscal year 2019 a capital gains fee was earned from Land, but was fully credited back, resulting in no net revenue. Refer to Note 9 for a description of changes to the Advisory Agreement that occurred subsequent to June 30, 2019.

The Advisory Agreement with Commercial provides for (1) an annual base management fee equal to 1.5% of Commercial's total adjusted stockholders' equity and (2) an income-based quarterly incentive fee which will be earned if Commercial's pre-incentive fee core FFO exceeds 2% of Commercial's total adjusted stockholder's equity. In the event that the calculation of the income-based quarterly incentive fee yields an incentive fee for a particular quarter that exceeds by greater than 15% the average quarterly incentive fee paid during the trailing four quarters (averaged over the number of quarters any incentive fee was paid), then such incentive fee will equal 115% of such trailing average quarterly incentive fee. Additionally, the Adviser Subsidiary is entitled to receive an annual capital gains-based incentive fee from Commercial equal to 15% of certain net capital gains realized by Commercial. No capital gains incentive fees were earned from Commercial for the years ended June 30, 2019 and 2018.

The Adviser Subsidiary has also entered into separate Advisory Agreements with each of Capital and Investment (collectively the "BDCs"). The Advisory Agreements provide for an annual base management fee equal to 2%, in the case of Investment, and 1.75%, in the case of Capital, of the respective BDC's average gross assets, which is defined as total assets less uninvested cash and cash equivalents resulting from borrowings calculated as of the end of the two most recently completed quarters and appropriately adjusted for any share issuances or repurchases during the applicable calendar quarter.

The Adviser Subsidiary also services the loans held by the BDCs. All loan servicing fees paid to the Adviser Subsidiary are treated as reductions directly against the investment advisory fees under the Advisory Agreements. The Adviser Subsidiary's board of directors voluntarily provide non-contractual, unconditional and irrevocable credits to reduce the loan servicing fee rate on syndicated loan participations to 0.5% for each of the years ended June 30, 2019 and 2018. In addition, the investment advisory fee is credited by 100% of certain management service and other fees received by the Adviser Subsidiary from the BDCs' portfolio companies and a further variable amount of annual review fees received by the Adviser Subsidiary from certain of the BDCs' portfolio companies. Overall, the investment advisory fee due to the Adviser Subsidiary cannot exceed 2% of total assets (as reduced by cash and cash equivalents pledged to creditors) during any given fiscal year.

The Advisory Agreements with the BDCs also include an income based quarterly incentive fee which the Adviser Subsidiary will be entitled to receive if either of the BDCs' quarterly net investment income (before giving effect to the incentive fee) exceeds 1.75% of net assets up to a threshold of 2.1875% of net assets and 20% of the net investment income in excess of such 2.1875% threshold.

The Advisory Agreements also provide for an annual capital gains based incentive fee, in which the Adviser Subsidiary will be entitled to receive an annual fee equal to 20% of certain of the BDCs' realized capital gains, net of realized capital losses and unrealized capital depreciation at the end of the applicable year. No capital gains incentive fees were earned from the BDCs for the years ended June 30, 2019 and 2018.

Many of Capital's loan investments are held directly by its wholly-owned subsidiary, Business Loan. Likewise, many of Investment's loan investments are held directly by its wholly-owned subsidiary, Business Investment. Business Loan and Business Investment pay the Adviser Subsidiary a loan servicing fee of 1.5% and 2.0%, respectively, per annum, on a monthly basis, on the fair value of the loans directly held thereby. Loan servicing fees represent amounts earned by the Adviser Subsidiary for acting as the servicer pursuant to the terms of the line of credit agreements between Business Loan and its creditor banks and Business Investment and its creditor banks. Since Capital and Investment own these loans (through their 100% ownership of Business Loan and Business Investment, respectively), all loan-servicing fees earned by the Adviser Subsidiary are credited directly against the investment advisory fees otherwise due and payable to the Adviser Subsidiary by Capital and Investment. Loan servicing fee revenue is recognized when earned and unpaid amounts are classified as accounts receivable, related party.

The table below lists the servicing fees earned by the Adviser Subsidiary for servicing Capital's (thus, Business Loan's) and Investment's (thus, Business Investment's) loan portfolios:

	Loan Servicing Fees Earned	
	Year ended 2019	Year ended 2018
Portfolio:		
Business Loan (Capital)	$ 5,050,967	$ 4,891,139
Business Investment (Investment)	6,839,215	6,453,815
Total loan servicing fees	$11,890,182	$11,344,954

The following table lists the administration fees earned from the Existing Gladstone Funds and three of its unconsolidated affiliates (David and Lorna Gladstone Foundation, Gladstone International Corporation and Gladstone Land Advisers, Inc.) for the years ended June 30, 2019 and 2018, respectively:

	Administration Revenues Earned	
	Year ended 2019	Year ended 2018
Administration Agreement with:		
Capital	$ 1,275,928	$ 1,209,371
Commercial	1,633,054	1,393,485
Investment	1,333,870	1,107,613
Land	1,234,962	1,089,457
Gladstone Foundation	24,498	—
Gladstone International	13,885	—
Gladstone Land Advisers	—	10,226
Total administration fees	$ 5,516,197	$ 4,810,152

8. Calculation of Net Income per Share

The following table sets forth the computation of basic and diluted net income per share of common shares for the years ended June 30, 2019 and 2018 using the weighted average number of shares outstanding during the periods in accordance with ASC 260-10.

	2019	2018
Net income attributable to common shareholders	$4,352,675	$4,622,832
Denominator for average shares of common shares outstanding—basic and diluted	100	100
Net income per share attributable to common shares—basic and diluted	$43,526.75	$46,228.32

9. Commitments and Contingencies

The Adviser Subsidiary rents office space in multiple locations throughout the United States and has entered into operating leases for its office spaces. These rental lease agreements are generally subject to escalation provisions on base rental payments, as well as certain costs incurred by the property owners. On April 15, 2005, the Adviser Subsidiary entered into an operating lease agreement to lease the office space in McLean, Virginia. The most recent amendment, dated January 18, 2019, extended the lease expiration date to April 30, 2025. This lease is cancellable by the Adviser Subsidiary upon providing the property owner with three months' written notice.

The following table summarizes the contractual payments due under cancellable operating leases by fiscal year:

Fiscal Year Ended June 30,	Amount
2020	$ 726,066
2021	741,186
2022	762,511
2023	780,338
2024	803,860
2025	686,587
Total contractual repayments	**$4,500,548**

10. Subsequent Events

The Company evaluated all events that have occurred subsequent to June 30, 2019 through September 23, 2019, the date these financial statements were available for issuance.

Effective July 1, 2019, the Adviser Subsidiary amended its Advisory Agreement with Land to (1) make the annual base management fee equal to 2% of Land's "Total Adjusted Common Equity", as defined, rather than 2% of total stockholder's equity; (2) base the 1.75% income-based quarterly incentive fee on "Total Adjusted Common Equity", as defined, rather than on total stockholder's equity; and (3) express the Pre-Incentive Fee FFO as a rate of return on "Total Adjusted Common Equity", as defined, rather than on total stockholder's equity.

Other than this amendment, there were no subsequent events requiring disclosure.

Events Subsequent to Original Issuance of Financial Statements (Unaudited)

In connection with the reissuance of the financial statements, the Company has evaluated subsequent events through March 6, 2020, the date the financial statements were available to be reissued.

Effective January 1, 2020, the Adviser Subsidiary further amended its Advisory Agreement with Land to make the annual base management fee equal to 0.50% (0.125% per quarter) of the prior calendar quarter's "Gross Tangible Real Estate" as defined in the agreement.

Effective January 15, 2020, the Revolving Credit Facility described in Note 4 was amended and restated to adjust the availability under the line to $2 million through January 15, 2021.

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6.0% Senior Secured Bonds

PRELIMINARY OFFERING CIRCULAR

PART III

Exhibits

Exhibit Index

1.1	Dealer Manager Agreement*
2.1	Certificate of Incorporation of The Gladstone Companies, Inc.*
2.2	Bylaws of The Gladstone Companies, Inc.*
3.1	Form of Common Stock Certificate*
3.2	Form of Indenture*
3.3	Form of 6.0% Senior Bond*
4.1	Form of Subscription Agreement*
6.1	Credit Agreement dated as of January 15, 2020 among Gladstone Management Corporation, The Gladstone Companies, Inc., and Wells Fargo Bank, National Association*
6.2	Employment Agreement between Gladstone Management Corporation and David Gladstone dated as of April 22, 2004
6.3	Employment Agreement between Gladstone Management Corporation and Terry L. Brubaker dated as of May 26, 2019
6.4	Amended and Restated Investment Advisory and Management Agreement between Gladstone Capital Corporation and Gladstone Management Corporation dated as of October 1, 2006 and amended on October 13, 2015
6.5	Administration Agreement between Gladstone Capital Corporation and Gladstone Administration LLC dated as of October 1, 2006
6.6	Investment Advisory and Management Agreement between Gladstone Investment Corporation and Gladstone Management Corporation dated as of June 22, 2005
6.7	Administration Agreement between Gladstone Investment Corporation and Gladstone Administration LLC dated as of June 22, 2005
6.8	Fifth Amended and Restated Investment Advisory Agreement between Gladstone Commercial Corporation and Gladstone Management Corporation dated as of January 8, 2019
6.9	Administration Agreement between Gladstone Commercial Corporation and Gladstone Administration LLC dated as of January 1, 2007
6.10	Fourth Amended and Restated Investment Advisory Agreement between Gladstone Land Corporation and Gladstone Management Corporation dated as of January 14, 2020
6.11	Second Amended and Restated Administration Agreement between Gladstone Land Corporation and Gladstone Administration LLC dated as of February 1, 2013
6.12	Administration Agreement by and between The Gladstone Companies, Inc., Gladstone Management Corporation and Gladstone Administration LLC dated as of December 1, 2019
6.13	Form of Expense Sharing Agreement by and between The Gladstone Companies, Inc. and Gladstone Management Corporation*
10	Power of Attorney*
11.1	Consent of PricewaterhouseCoopers LLP*
11.2	Consent of Proskauer Rose LLP (included as part of Exhibit 12.1)*
12.1	Opinion of Proskauer Rose LLP*

* To be filed by amendment

(b) Financial Statement Schedules. No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or the notes thereto.

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SIGNATURES

Pursuant to the requirements of Regulation A, the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form 1-A and has duly caused this offering statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of McLean, in the Commonwealth of Virginia, on the day of , 2020.

THE GLADSTONE COMPANIES, INC.

By: _____
Name: David Gladstone
Title: President and Chief Executive Officer

This offering statement has been signed by the following persons in the capacities and on the dates indicated.

_____ David Gladstone	Chairman, President and Chief Executive Officer (principal executive officer)	, 2020
_____ Michael Malesardi	Chief Financial Officer (principal financial and accounting officer)	, 2020
_____ Terry Brubaker	Director	, 2020
_____ Michael LiCalsi	Director	, 2020

Exhibit 6.2

GLADSTONE MANAGEMENT CORPORATION

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("***Agreement***") is made between **GLADSTONE MANAGEMENT CORPORATION**, a Delaware corporation (the "***Company***"), and David Gladstone, a resident of the Commonwealth of Virginia (the "***Executive***").

The Company wishes to secure the services of the Executive and the Executive wishes to furnish such services to the Company pursuant to the terms and subject to the conditions hereinafter set forth.

Now, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as set forth below.

1. Employment; Term. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to enter into such employment, as Chairman and Chief Executive Officer of the Company, for the period commencing on the date that this Agreement is executed by all parties (the "***Effective Date***") and ending on the date three (3) years from the Effective Date, unless terminated sooner pursuant to Section 5 hereof. The initial three (3)-year term shall be extended for additional successive periods of one (1) year each, on the same terms and conditions contained herein, unless three (3) months' prior written notice is given by the Company of its intention to terminate the term of this Agreement without cause. For purposes hereof, the period of Executive's employment hereunder is referred to as the "***Term***."

2. **Duties and Extent of Services**.

(a) The Executive shall serve as Chief Executive Officer of the Company with such duties and responsibilities as are consistent with such positions, and shall so serve faithfully and to the best of his ability, under the direction and supervision of the Company's Board of Directors (the "***Board***"). The positions of Chief Executive Officer and Chairman are the highest offices in the Company and all other employees and officers of the Company report directly to these positions unless they have been delegated.

(b) Subject to the Company's procedures for selection and removing Board members, the Executive shall serve as a member of the Board of Directors and Chairman of the Board of the Company and hold such other positions and executive offices of the Company or of any of the Company's subsidiaries, affiliates and managed entities as may from time to time be authorized by the Board, provided that each such position shall be commensurate with the Executive's standing in the business community as Chairman and Chief Executive Officer of the Company. The Executive shall not be entitled to any compensation other than the compensation provided for herein for serving during the Term as a Director of the Company or in any other office or position of the Company, or any of its subsidiaries or affiliates, unless the Board shall have specifically approved such additional compensation.

(c) The Executive shall devote the substantial majority of his business time, attention and efforts to his duties hereunder, except when necessary to fulfill his fiduciary obligations as an employee officer and board member of Gladstone Land Corporation, Gladstone Capital Corporation, Gladstone Commercial Corporation, and related entities, and such other entities as the Company is engaged to serve as manager or advisor in the future. The Executive shall diligently perform to the best of his ability all of the duties required of him as Chairman and Chief Executive Officer of the Company, and in the other positions or offices of the Company or its subsidiaries or affiliates required of him hereunder. The Executive shall faithfully adhere to, execute and fulfill all policies established by the Company. Notwithstanding the foregoing provisions of this Section, the Executive may participate in charitable, civic, political, social, trade or other non-profit organizations to the extent such participation does not materially interfere with the performance of his duties hereunder, and may serve as a non-management director of business corporations (or in a like capacity in otherfor-profit organizations) so long as it does not materially interfere with the Executive's obligations hereunder.

(d) The Executive shall be required to live in the greater Washington, D.C. area in order to perform his duties hereunder. The Executive understands that he will be required to travel from time to time in order to perform his duties hereunder and agrees to undertake such travel as part of his duties to the Company under the terms of this Agreement.

3. Compensation.

(a) Base Salary. The Executive's Base Salary shall be Two Hundred Thousand Dollars ($200,000) per year, minus deductions and withholdings required by law, payable on a regular basis in accordance with the Company's regular payroll policies in effect from time to time, but not less frequently than monthly. On at least an annual basis, the Board will review the Executive's performance and may make increases to such Base Salary if, in its sole discretion, any such change is warranted.

(b) Incentive Bonus. The Executive will be eligible to receive ayear-end incentive bonus of up to one hundred percent (100%) of his Base Salary determined in the sole discretion of the Board or a compensation committee thereof. Subject to the provisions of Section 3(d) hereof, such bonus payments shall be made to the Executive, if earned, as soon as practicable after the end of each calendar year during the Term. The Company intends to pay out all of its ordinary income on an annual basis as incentive compensation to its employees, and to the extent that there is any such incentive compensation, then the Executive will be eligible to participate in any such additional payments, in amounts and on terms determined by the Board or the Company's Compensation Committee.

(c) Deferral. The Executive may elect to defer payment of all or any part of his incentive bonus compensation amount payable in accordance with Section 3(b) hereof with respect to any calendar year during the Term, by giving the Company written notice thereof not later than June 30 of such year. Additionally, in the event that in respect of any fiscal year of the Company any amount of Base Salary, incentive bonus compensation or any other amount payable to the Executive hereunder or otherwise, shall, either alone or in combination with other amounts payable hereunder or otherwise, result in a payment by the Company that shall not be currently deductible by it pursuant to the provisions of Section 162(m) of the Internal Revenue

Code, as amended, or like or successor provisions (a "***Non-Deductible Amount***"), as determined by the Company's independent accountants, the Company may elect to defer the payment of the Non-Deductible Amount. Any amounts so deferred, either by election of the Executive or by election of the Company, shall be immediately invested in a brokerage money market account controlled by the Company. The entire amount invested in such account shall be paid to the Executive on a date to be chosen by the Company, but in no event later than the first anniversary of the termination of the Executive from employment with the Company.

4. Benefits.

(a) Standard Benefits. During the Term, the Executive shall be entitled to participate in any and all benefit programs and arrangements now in effect and hereinafter adopted and generally made available by the Company to its senior officers, including but not limited to, four (4) weeks of paid vacation during each year of the Term in accordance with the policies and procedures of the Company as in effect from time to time for its senior officers, pension plans, contributory and non-contributory Company welfare and benefit plans, disability plans, and medical, death benefit and life insurance plans for which the Executive shall be eligible, or may become eligible during the Term.

(b) Expense Reimbursement. The Company agrees to reimburse, within thirty (30) days of presentation, the Executive for all reasonable and necessary travel, business entertainment and other business out-of-pocket expenses incurred or expended by him in connection with the performance of his duties hereunder upon presentation of proper expense statements or vouchers or such other supporting information as the Company may reasonably require of the Executive.

(c) Other Executive Perquisites. The Company shall provide the Executive with other executive perquisites as may be available to or deemed appropriate for the Executive by the Board or a compensation committee thereof.

5. Termination. This Agreement and the Executive's employment with the Company may be terminated either upon the expiration of its Term (as set forth in Section 1), or as set forth in Sections 5(a) through 5(e) or as set forth in Section 11:

(a) Death. In the event of the death of the Executive during the Term, this Agreement shall automatically terminate with the effective date of termination being the date of the Executive's death, and the Company shall have no further obligations hereunder except to pay all compensation due for the period up to the effective date of termination, plus an amount equal to any bonus he received during the previous year that is yet unpaid.

(b) Disability. In the event of the "***permanent disability***" (as hereinafter defined) of the Executive during the Term, the Company shall have the right, to the extent permissible under applicable law and upon written notice to the Executive, to terminate the Executive's employment hereunder, effective upon the giving of such notice (or such later date as shall be specified in such notice). For purposes of this Section, "***permanent disability***" means any disability as defined under the Company's applicable disability insurance policy or, if no such policy is available, any physical or mental disability or incapacity that renders the Executive

incapable of performing the services required of him in accordance with his obligations under Section 2 hereof for a period of four (4) consecutive months or for shorter periods aggregating six (6) months during any twelve (12)-month period. In the event of such termination, and subject to the provisions of Section 5(g) below, the Company shall have no further obligations hereunder, except that the Executive shall be entitled to be paid as severance his Base Salary then in effect under Section 3(a) hereof for a period of two (2) years from the effective date of termination, plus any bonus he received during the previous year; provided, however, that the Company shall only be required to pay that amount of the Executive's Base Salary which shall not be covered by long-term disability payments, if any, to the Executive.

(c) Cause. The Company shall have the right, upon ten (10) days' written notice to the Executive, to terminate the Executive's employment under this Agreement for "***Cause***" (as hereinafter defined), effective upon the giving of such notice (or such later date as shall be specified in such notice), and the Company shall have no further obligations hereunder, except to pay the Executive compensation due for the period up to the effective date of termination. The Executive's right to participate in any of the Company's retirement, insurance and other benefit plans and programs shall be as determined under such programs and plans. For purposes of this Agreement, "***Cause***" means:

(i) fraud, embezzlement or gross insubordination on the part of the Executive or material breach by the Executive of his obligations under Sections 6 or 7 hereof;

(ii) a material breach of, gross negligence with respect to, or the willful failure or refusal by the Executive to perform and discharge, his duties, responsibilities or obligations under this Agreement (other than under Sections 6 and 7 hereof, which shall be governed by clause (i) above, and other than by reason of disability or death) that is not corrected within ten (10) days following written notice thereof to the Executive by the Company, such notice to state with specificity the nature of the breach, failure or refusal; provided that if such breach, failure or refusal cannot reasonably be corrected within ten (10) days of written notice thereof, correction shall be commenced by the Executive within such period and may be corrected within a reasonable period thereafter;

(iii) conviction of, or the entry of a plea of nolo contendere by, the Executive of any felony; or

(iv) illegal drug use, alcohol abuse or drug abuse by the Executive.

(d) Termination by the Company Without Cause or by the Employee for Good Reason

(1) Termination by the Company Without Cause. The Company shall have the right, upon thirty (30) days' written notice given to the Executive, to terminate this Agreement for any reason whatsoever. In the event of a termination without cause, the Executive shall be entitled to receive as severance from the Company an amount equal to two (2) years of his Base Salary at the rate then in effect, plus any bonus he received during the previous year.

(2) Termination by the Employee for Good Reason. In the event the Executive terminates employment for Good Reason, he shall receive the same severance as set forth in Section 5(d)(1). For purposes of the Agreement, "***Good Reason***" means:

a. a material change in the Executive's responsibilities and duties which is not agreed to by the Executive;

b. a material breach by the Company of its compensation obligations under this Agreement which is not agreed to by the Executive; or

c. a determination by Executive of a material difference with the Company's Board.

(e) By Executive. The Executive shall have the right, exercisable at any time during the Term, to terminate this Agreement for any reason whatsoever, upon three (3) months written notice to the Company. In such event, the Company shall have no further obligations except to pay the Executive all compensation due for the period up to the effective date of termination, except if the Executive terminates for "Good Reason" as described above.

(f) Severance Pay/Release. The Company's payment of severance pay pursuant to Section 5(b) and 5(d) is contingent on the Executive entering into a release in favor of the Company with language mutually agreeable to the Executive and the Company. Severance payments will be made, minus the deductions and withholdings, in installments for the duration of the severance period according to the Company's regular payroll periods commencing with the first payroll period following the effective date of the release.

6. Confidentiality. The Executive acknowledges that, by reason of his employment by the Company, he will have access to confidential information of the Company and its subsidiaries and affiliates, including, without limitation, information and knowledge pertaining to products, inventions, discoveries, improvements, innovations, designs, ideas, trade secrets, proprietary information, manufacturing, packaging, advertising, distribution and sales methods, sales and profit figures, customer and client lists and relationships between the Company, any of its subsidiaries or affiliates and dealers, distributors, sales representatives, wholesalers, customers, clients, suppliers and others who have business dealings with them ("***Confidential Information***"). The Executive acknowledges that such Confidential Information is a valuable and unique asset of the Company and its subsidiaries and affiliates and covenants that, both during and after the Term, he will not disclose any Confidential Information to any person (except as his duties as an employee of the Company may require) without the prior written authorization of the Board. The obligation of confidentiality imposed by this Section 6 shall not apply to Confidential Information that otherwise becomes generally known in the industry or to the public through no act of the Executive in breach of this Agreement or any other party in violation of an existing confidentiality agreement with the Company or any subsidiary or affiliate or which is required to be disclosed by court order or applicable law.

7. Covenant Not to Compete.

(a) Scope of Covenant. The Executive agrees that during the Term and for a period equal to the longer of (i) one (1) year commencing upon the expiration or termination of the Executive's employment hereunder (for any reason whatsoever) and (ii) the period during which the Executive is receiving the full and timely payments pursuant to Section 5 hereof, the Executive shall not, directly or indirectly, for himself or on behalf of or in conjunction with any other person, persons, company, partnership, corporation or business of whatever nature, without the prior written consent of the Company:

(i) engage, as an officer, director, shareholder, owner, partner, joint venturer, or in a managerial capacity, whether as an employee, independent contractor, consultant or advisor, or as a sales representative, in any business selling any products or services in direct competition with the Company within the United States (the "***Territory***");

(ii) call upon any person who is at that time, or who was at any time within one (1) year prior to that time, an employee of the Company (including the respective subsidiaries thereof) in a managerial capacity for the purpose or with the intent of enticing such employee away from or out of the employ of the Company (including the respective subsidiaries thereof), provided that the Executive shall be permitted to call upon and hire any member of his immediate family;

(iii) call upon any person or entity which is, at that time, or which has been, within one (1) year prior to that time, a customer of the Company (including the respective subsidiaries thereof) within the Territory for the purpose of soliciting or selling products or services in direct competition with the Company (including the respective subsidiaries thereof) within the Territory; or

(iv) call upon any prospective acquisition candidate, on the Executive's own behalf or on behalf of any competitor, which candidate was either called upon by the Company (including the respective subsidiaries thereof) or for which the Company (including the respective subsidiaries thereof) made an acquisition analysis, for the purpose of acquiring such entity;

provided, however, that nothing in this Section 7(a) shall be construed to preclude the Executive from making any investments in the securities of any business enterprise, whether or not engaged in competition with the Company or any of its subsidiaries, to the extent that such securities are actively traded on a national securities exchange or in the over-the-counter market in the United States or on any foreign securities exchange; and provided further, however, that nothing shall preclude the Executive from serving as an employee, officer or board member of Gladstone Land Corporation, Gladstone Capital Corporation, Gladstone Commercial Corporation, and related entities, and such other entities as the Company is engaged to serve as manager or advisor in the future.

For purposes of this Agreement, "businesses in competition with the Company" are any entities or persons that advise investors to make, or that themselves make senior, subordinated and mezzanine loans or make preferred and common stock investments in small and medium sized private businesses or that buy commercial or industrial real estate.

(b) Reasonableness. It is agreed by the parties that the foregoing covenants in this Section 7 impose a reasonable restraint on the Executive in light of the activities and business of the Company (including the Company's subsidiaries) on the date of the execution of this Agreement and the current plans of the Company (including the Company's subsidiaries); but it is also the intent of the Company and the Executive that such covenants be construed and enforced in accordance with the changing activities, business and locations of the Company (including the Company's other subsidiaries) throughout the term of this covenant.

(c) Severability. The covenants in this Section 7 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the court deems reasonable, and this Agreement shall thereby be reformed.

(d) Enforcement by the Company not Limited. All of the covenants in this Section 7 shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of the Executive against the Company, whether predicated in this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants. It is specifically agreed that the period of one (1) year stated at the beginning of this Section 7, during which the agreements and covenants of the Executive made in this Section 7 shall be effective, shall be computed by excluding from such computation any time during which the Executive is in violation of any provision of this Section 7.

(e) Change of Relevant Law. Notwithstanding any of the foregoing, if any applicable law shall reduce the time period during which the Executive shall be prohibited from engaging in any competitive activity described in Section 7(a) hereof, the period of time for which the Executive shall be prohibited from engaging in competitive activities pursuant to Section 7(a) hereof shall be the maximum time permitted by law. However, in the event that the time period specified by Section 7(a) shall be so reduced, then, notwithstanding the provisions of Section 5 hereof, the Executive shall be entitled to receive from the Company his Base Salary at the rate then in effect solely for the longer of (i) the time period during which the provisions of Section 7(a) shall be enforceable under the provisions of such applicable law, or (ii) the time period during which the Executive is not engaging in any competitive activity, but in no event longer than the term provided in Section 5.

(f) Waiver of Severance. If the Executive's employment terminates pursuant to Section 5(d) and the Executive chooses to waive his right to severance as provided for under those Sections, this Covenant Not to Compete shall not take effect.

8. Specific Performance. The Executive acknowledges that the services to be rendered by the Executive are of a special, unique and extraordinary character and, in connection with such services, the Executive will have access to confidential information vital to the Company's business and the business of the Company's subsidiaries and affiliates. By reason of this, the Executive consents and agrees that if the Executive violates any of the provisions of Section 6 or 7 hereof, the Company and its subsidiaries and affiliates would sustain irreparable injury and that monetary damages would not provide adequate remedy to the Company or any of its subsidiaries or affiliates. Therefore, the Executive hereby agrees that the Company and any affected subsidiary and affiliate shall be entitled to have Sections 6 or 7 hereof, specifically enforced

(including, without limitation, by injunctions and restraining orders) by any court having equity jurisdiction. Nothing contained herein shall be construed as prohibiting the Company or any of its subsidiaries or affiliates from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from the Executive.

9. Deductions and Withholding. The Executive agrees that the Company or its subsidiaries or affiliates, as applicable, shall withhold from any and all compensation paid to and required to be paid to the Executive pursuant to this Agreement, all Federal, state, local and/or other taxes which the Company determines are required to be withheld in accordance with applicable statutes or regulation from time to time in effect and all amounts required to be deducted in respect of the Executive's coverage under applicable employee benefit plans.

10. No Conflicts. The Executive hereby represents and warrants to the Company that his execution, delivery and performance of this Agreement and any other agreement to be delivered pursuant to this Agreement will not (a) require the consent, approval or action of any other person or (b) violate, conflict with or result in the breach of any of the terms of, or constitute (or with notice or lapse of time or both, constitute) a default under, any agreement, arrangement or understanding with respect to the Executive's employment to which the Executive is a party or by which the Executive is bound or subject including, without limitation, any non-competition or non-disclosure provisions in agreements to which the Executive is or was a party. The Executive hereby agrees to indemnify and hold harmless the Company and its directors, officers, employees, agents, representatives, subsidiaries and affiliates (and each such subsidiary's and affiliate's directors, officers, employees, agents and representatives) from and against any and all losses, liabilities or claims (including interest, penalties and attorneys' fees, disbursements and related charges) based upon or arising out of the Executive's breach of any of the foregoing representations and warranties.

11. Change in Control.

(a) Generally. Unless the Executive elects to terminate this Agreement pursuant to subsections (b), (c) or (d) below, the Executive understands and acknowledges that the Company may be merged or consolidated with or into another entity and that such entity shall automatically succeed to the rights and obligations of the Company hereunder or that the Company may undergo another type of Change in Control. In the event such a merger or consolidation or other Change in Control is initiated prior to the end of the Term or any extension or renewal thereof, then the provisions of this Section 11 shall be applicable.

(b) Non Assumption. In the event of a Change in Control wherein the Company and the Executive have not received written notice at least five (5) business days prior to the date of the event giving rise to the Change in Control from the successor to all or a substantial portion of the Company's business or assets that such successor is willing as of the closing to assume and agrees to perform the Company's obligations under this Agreement in the same manner and to the same extent that the Company is hereby required to perform, then the Executive may, at the Executive's sole discretion, elect to terminate the Executive's employment on such Change in Control by providing written notice to the Company prior to the closing of the transaction giving rise to the Change in Control. In such case, the Executive shall receive the severance compensation as set forth in Section 5(d).

(c) Executive's **Option**. In any Change in Control situation, the Executive may, at the Executive's sole discretion, elect to terminate the Executive's employment upon the effective date of such Change in Control by providing written notice to the Company at least ten (10) business days prior to the closing of the transaction (or ten (10) business days after receipt of notice of such transaction, whichever is later) giving rise to the Change in Control. In such case, the Executive shall receive the severance compensation as set forth in Section 5(d).

(d) Deemed Change of Control. If, on or within one (1) year following the effective date of a Change in Control the Company or its successor terminates the Executive's employment other than for cause or if the Executive's employment with the Company is terminated by the Company within three (3) months before the effective date of a Change in Control other than for cause and it is reasonably demonstrated that such termination (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change in Control, or (ii) otherwise arose in connection with or anticipation of a Change in Control, then the Executive shall receive the severance compensation as set forth in Section 5(d).

(e) Effective Date. Solely for purposes of applying Section 5 under the circumstances described in (b) above, the effective date of termination will be the closing date of the transaction giving rise to the Change in Control and all compensation, reimbursements and lump-sum payments due the Executive must be paid in full by the Company at or prior to such closing.

(f) Definition. **A** "***Change in Control***" shall be deemed to have occurred if:

(i) any person, other than the Company or benefit plan of the Company, acquires, directly or indirectly, the beneficial ownership (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended) of any voting security of the Company and immediately after such acquisition such person is, directly or indirectly, the beneficial owner of voting securities representing more than fifty percent (50%) or more of the total voting power of all of the then-outstanding voting securities of the Company; or

(ii) the date the individuals who constitute the Board as of the date of the Company's initial public offering (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board, provided that any individual becoming a director subsequent to the effective date of this Agreement whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than any individual whose nomination for election to Board membership was not endorsed by the Company's management prior to, or at the time of, such individual's initial nomination for election) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board; or

(iii) the stockholders of the Company shall approve a merger, consolidation, recapitalization or reorganization of the Company, a reverse stock split of outstanding voting securities, the issuance of shares of Company stock in connection with the acquisition of the stock or assets of another entity, or consummation of any such transaction if stockholder approval is not obtained, but a Change in Control shall include any transaction which would result in more than fifty percent (50%) of the total voting power represented by the voting

securities of the surviving entity outstanding immediately after such transaction being beneficially owned by more than fifty percent (50%) of the holders of outstanding voting securities of the Company immediately prior to the transactions with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

(iv) the stockholders of the Company shall approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or a substantial portion of the Company's assets (i.e., more than fifty percent (50%) or more of the total assets of the Company).

(g) Tax Gross Up. The Executive shall be fully "***grossed up***" by the Company or its successor for any excise taxes that the Executive incurs under Section 4999 of the Internal Revenue Code of 1986, as amended (as well as for income tax on the "***gross up***" amount), as a result of any Change in Control. Such amount will be due and payable by the Company on the date of the Change of Control.

12. Complete Agreement. This Agreement is not a promise of future employment. This Agreement embodies the entire agreement of the parties with respect to the Executive's employment, compensation, perquisites and related items and supersedes any other prior oral or written agreements, arrangements or understandings between the Executive and the Company or any of its subsidiaries or affiliates, and any such prior agreements, arrangements or understandings are hereby terminated and of no further effect. This Agreement may not be changed or terminated orally but only by an agreement in writing signed by the parties hereto.

13. Waiver. The waiver by the Company of a breach of any provision of this Agreement by the Executive shall not operate or be construed as a waiver of any subsequent breach by him. The waiver by the Executive of a breach of any provision of this Agreement by the Company shall not operate or be construed as a waiver of any subsequent breach by the Company.

14. Governing Law; Jurisdiction; Assignability.

(a) Governing Law. This Agreement shall be subject to, and governed by, the laws of the Commonwealth of Virginia.

(b) Jurisdiction. Any action to enforce any of the provisions of this Agreement shall be brought in a local or federal court within the Eastern District of Virginia. The Parties consent to the jurisdiction of such court and to the service of process in any manner provided by Virginia law. Each party irrevocably waives any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such court and any claim that such suit, action or proceeding brought in such court has been brought in an inconvenient forum and agrees that service of process in accordance with the foregoing sentences shall be deemed in every respect effective and valid personal service of process upon such party.

(c) Assignability. This obligations of the Executive may not be delegated and, except with respect to the designation of beneficiaries in connection with any of the benefits payable to the Executive hereunder, the Executive may not, without the Company's written consent thereto, assign, transfer, convey, pledge, encumber, hypothecate or otherwise dispose of

this Agreement or any interest herein. Any such attempted delegation or disposition shall be null and void and without effect. Subject to the express provisions of Section 11, the Company and the Executive agree that this Agreement and all of the Company's rights and obligations hereunder may be assigned or transferred by the Company to and shall be assumed by and be binding upon any successor to the Company. The term "***successor***" means, with respect to the Company or any of its subsidiaries, any corporation or other business entity which, by merger, consolidation, purchase of the assets or otherwise acquires all or a material part of the assets of the Company.

15. Severability. If any provision of this Agreement of any part thereof, including, without limitation, Sections 6 and 7 hereof, as applied to either party or to any circumstances shall be adjudged by a court of competent jurisdiction to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or remaining part thereof, which shall be given full effect without regard to the invalid or unenforceable part thereof, or the validity or enforceability of this Agreement. If any court construes any of the provisions of Sections 6 or 7 hereof, or any part thereof, to be unreasonable because of the duration of such provision or the geographic scope thereof, such court may reduce the duration or restrict or redefine the geographic scope of such provision and enforce such provision so reduced, restricted or redefined.

16. Notices. All notices to the Company or the Executive permitted or required hereunder shall be in writing and shall be delivered personally, by telecopier or by courier service providing for next-day delivery or sent by registered or certified mail, return receipt requested, to the following addresses:

If to the Company:	Gladstone Management Corporation 1616 Anderson Road McLean, Virginia 22102 Attn.: Terry Brubaker, President
If to the Executive:	David Gladstone 1161 Crest Lane McLean, Virginia 22101 Fax: (703) 276-0305

Either party may change the address to which notices shall be sent by sending written notice of such change of address to the other party. Any such notice shall be deemed given, if delivered personally, upon receipt; if telecopied, when telecopied; if sent by courier service providing for next-day delivery, the next business day following deposit with such courier service; and if sent by certified or registered mail, three days after deposit (postage prepaid) with the U.S. mail service.

17. Section Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN **WITNESS WHEREOF**, the parties hereto have duly executed this Agreement as of April 22, 2004.

GLADSTONE MANAGEMENT CORPORATION

By: /s/ Terry L. Brubaker
Terry L. Brubaker, President

EXECUTIVE

/s/ David Gladstone
David Gladstone

Exhibit 6.3

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("*Agreement*") is dated May 26, 2019 ("*Effective Date*"), and is between Gladstone Management Corporation, a Delaware corporation (the "*Company*"), and Terry L. Brubaker, a resident of the State of South Carolina (hereinafter referred to as "*you*" or "*your*").

WHEREAS, you have been employed by the Company pursuant to a Second Amended and Restated Employment Agreement, which expired at 11:59 pm on May 25, 2019 (the "*Expired Agreement*");

WHEREAS, following the expiration of the Expired Agreement, the Company wants to retain you as an employee and you want to perform duties for the Company on an at-will basis, with the intent of the parties that there be no break in employment with the Company following the expiration of the Expired Agreement, and that continuation of your employment be under the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the mutual promises contained herein, you and the Company agree as follows:

1. **Employment.**

   a. The Company hereby employs you during the Employment Term (defined in paragraph 4(a)) under the terms and conditions contained herein, including those contained in Schedule A and Schedule B, attached hereto.

   b. Your job title will be Chief Operating Officer and you will be responsible for such duties consistent with that position, and such other duties as may be from time to time assigned to you by the Chairman of the Board of Directors of the Company (the "*Chairman*"), You agree to perform these duties diligently, faithfully, and in accordance with the highest professional standards.

   c. You agree to live within easy flying distance of the McLean, Virginia area in order to perform your duties hereunder. You understand that you will be required to travel from time to time in order to perform your duties hereunder, and agree to undertake such travel as part of his duties under the terms of this Agreement.

   d. By accepting this employment, you agree to abide by the Company's rules, regulations, code of ethics, and practices, as they may be from time to time adopted or modified.

2. **Compensation.** For performance of all services rendered hereunder, during the Employment Term you will be compensated as set forth in Schedule A. Schedule A may be amended by from time to time without affecting any other provisions of the Agreement.

3. **Benefits.** The Company will provide you with the benefits set forth on Schedule A.

4. **Term and Termination.**

   a. Employment Term/At Will Employment. The employment relationship is terminable at will, at any time by either party, for any reason, with or without notice. The Employment Term begins at 12:00 am on May 26, 2019, and ends upon the termination of your employment with the Company.

   b. Cooperation after Termination. Following any notice of termination of your employment by you or the Company, you agree to fully cooperate with the Company in all matters related to winding up your work with the Company and the orderly transfer of such work to other employees as may be designated.

   c. Return of Business Property. Upon termination of employment for whatever reason, or at such earlier time upon demand of the Company, you agree to immediately deliver or cause to be delivered to the Company all books, documents, money, computers, credit cards, or other property (including any and all Confidential Information (as defined Section 8)) belonging to the Company which is in your possession, custody, or control.

5. **Compensation after Termination.** If your employment is terminated for any reason, then you (or your estate, as the case may be) will be entitled to no compensation, including but not limited to severance pay, from the Company following the date of such termination other than your accrued but unpaid compensation due for the period up to the effective date of the termination, except as otherwise expressly provided by the terms of any applicable benefit plans.

6. **Conflicts of Interest.** You represent that you are not a party to a contract or subject to any other obligation that would preclude you from performing services for the Company. You agree that during the Employment Term, you will devote substantially all of your business time, attention, and efforts to your duties hereunder. You agree that you will not be employed by any unaffiliated entity, or serve on the Board or officer of any other entity during the Employment Term, except as agreed to with the Company. You further agree that during the Employment Term, you will not (i) solely or jointly with others undertake or join any planning for or organization of any business activity competitive with the business activities of the Company, or (ii) directly or indirectly, engage, or participate in other activities in conflict with the best interests of the Company.

7. **Work Product.** You agree that all materials, processes or discoveries conceived, made or developed by you in connection with the performance of duties under this Agreement (collectively, the "Work Product") will be the exclusive property of the Company, whether or not reduced to writing. You agree that all such Work Product is "work made for hire" for the Company under the copyright laws of the United States. You hereby assign to the Company all right, title and interest in the Work Product, including all intellectual property rights therein. You will sign any additional documents reasonably requested by the Company to enable the Company to register, secure or enforce its rights in the Work Product.

8. **Confidentiality.** You acknowledge that, by reason of your employment by the Company, you will have had an will have access to confidential information of the Company and its subsidiaries and affiliates, including, without limitation, information and knowledge pertaining to products, inventions, discoveries, improvements, innovations, designs, ideas, trade secrets, proprietary information, manufacturing, packaging, advertising, distribution and sales methods, sales and profit figures, customer and client lists and relationships between the Company, any of its subsidiaries or affiliates and dealers, distributors, sales representatives, wholesalers, customers, clients, suppliers and others who have business dealings with them ("*Confidential Information*"). You acknowledge that such Confidential Information is a valuable and unique asset of the Company and its subsidiaries and affiliates and covenant that, both during and after the Employment Term, you will not disclose any Confidential Information to any person (except as you duties as an employee of the Company may require) without the prior written authorization of the Board of Directors of the Company. The obligation of confidentiality imposed by this Section 8 shall not apply to Confidential Information that otherwise becomes generally known in the industry or to the public through no act of you in breach of this Agreement or any other party in violation of an existing confidentiality agreement with the Company or any subsidiary or affiliate or which is required to be disclosed by court order or applicable law. Pursuant to the Defend Trade Secrets Act of 2016, and notwithstanding any other provision of this Agreement, you will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that: (i) is made: (I) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (II) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the Company's trade secrets to your attorney and use the trade secret information in the court proceeding if you (I) file any document containing the trade secret under seal; and (II) do not disclose the trade secret, except pursuant to court order.

9. **Covenant Not to Complete.**

a. Scope of Covenant. You agree that during the Employment Term and for two (2) years commencing upon the termination of your employment (for any reason whatsoever) you shall not, directly or indirectly, for yourself or on behalf of or in conjunction with any other person, persons, company, partnership, corporation or business of whatever nature, without the prior written consent of the Company:

(i) engage, as an officer, director, shareholder, owner, partner, joint venturer, or in a managerial capacity, whether as an employee, independent contractor, consultant or advisor, or as a sales representative, in any business selling any products or services in direct competition with the Company within the United States (the "*Territory*"), where the services you would provide to such business are similar to the services you provided to the Company;

(ii) call upon any person who is at that time, or who was at any time within one (1) year prior to that time, an employee of the Company (including the respective subsidiaries thereof) in a managerial capacity for the purpose or with the intent of enticing such employee away from or out of the employ of the Company (including the respective subsidiaries thereof), provided that you shall be permitted to call upon and hire any member of your immediate family;

(iii) call upon any person or entity which is, at that time, or which has been, within one (1) year prior to that time, a customer of the Company (including the respective subsidiaries thereof) within the Territory for the purpose of soliciting or selling products or services in direct competition with the Company (including the respective subsidiaries thereof) within the Territory; or

(iv) call upon any prospective acquisition candidate, on your own behalf or on behalf of any competitor, which candidate was either called upon by the Company (including the respective subsidiaries thereof) or for which the Company (including the respective subsidiaries thereof) made an acquisition analysis, for the purpose of acquiring such entity;

provided, however, that nothing in Section 9(a) shall be construed to preclude you from making any investments in the securities of any business enterprise, whether or not engaged in competition with the Company or any of its subsidiaries, to the extent that such securities are actively traded on a national securities exchange or in the over-the-counter market in the United States or on any foreign securities exchange.

For purposes of this Agreement, "businesses in competition with the Company" are any entities or persons who make senior, and subordinated loans to small and medium sized private businesses, or to businesses that are substantially owned by buyout or venture capital funds or similar institutional investors.

(b) Reasonableness. It is agreed by the parties that the foregoing covenants in this Section 9 impose a reasonable restraint on you in light of the activities and business of the Company (including the Company's subsidiaries) on the date of the execution of this Agreement and the current plans of the Company (including the Company's subsidiaries); but it is also the intent of the Company and you that such covenants be construed and enforced in accordance with the changing activities, business and locations of the Company (including the Company's other subsidiaries) throughout the term of this covenant.

(c) Severability. The covenants in this Section 9 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. Moreover, in the event any court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the court deems reasonable, and this Agreement shall thereby be reformed.

(d) Enforcement by the Company not Limited. All of the covenants in this Section 9 shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of you against the Company, whether predicated in this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants. It is specifically agreed that the period of two (2) years stated at the beginning of this Section 9, during which the agreements and covenants made in this Section 9 shall be effective, shall be computed by excluding from such computation any time during which you are in violation of any provision of this Section 9.

(e) Restrictive Covenants in Expired Agreement. The provisions this Section 9 supersede and replace the provisions of Section 7 of the Expired Agreement.

10. **Specific Performance.** You acknowledge that the services to be rendered by you are of a special, unique and extraordinary character and, in connection with such services, you will have access to confidential information vital to the Company's business and the business of the Company's subsidiaries and affiliates. By reason of this, you consent and agree that if you violate any of the

provisions of Section 8 or 9 hereof, the Company and its subsidiaries and affiliates would sustain irreparable injury and that monetary damages would not provide adequate remedy to the Company or any of its subsidiaries or affiliates. Therefore, you hereby agree that the Company and any affected subsidiary and affiliate shall be entitled to have Section 8 or 9 hereof, specifically enforced (including, without limitation, by injunctions and restraining orders) by any court having equity jurisdiction. Nothing contained herein shall be construed as prohibiting the Company or any of its subsidiaries or affiliates from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from you.

11. **Miscellaneous.**

a. Deductions and Withholding. You agree that the Company or its subsidiaries or affiliates, as applicable, shall withhold from any and all compensation paid to and required to be paid to you pursuant to this Agreement, all Federal, state, local and/or other taxes which the Company determines are required to be withheld in accordance with applicable statutes or regulation from time to time in effect and all amounts required to be deducted in respect of your coverage under applicable employee benefits plans.

b. Headings. The headings set forth at the beginning of each paragraph of this Agreement are inserted for convenience of reference only and will in no way be construed as part of this Agreement or as a limitation on the scope of the particular provision to which the heading refers.

c. Severability. If any provision of this Agreement is found to be unreasonable or invalid by a court of competent jurisdiction, such provision will be enforceable to the maximum extent allowed by the law of that jurisdiction. Each provision herein will be treated as a separate and independent clause and, therefore, if any one provision is deemed unenforceable and a court does not reform it such that it is enforceable, it will be deemed stricken from this Agreement, and will not, in any way, affect the enforceability of any other clause.

d. Entire Agreement. This Agreement, including Schedules A [and B], sets forth the entire understanding between you and the Company with respect to the matters described herein and supersedes all prior agreements and understandings, whether oral or written, between you and the Company. No change or modification of this Agreement will be valid or binding unless the same is in writing and signed by the party against whom such change or modification is sought to be enforced.

e. Waiver. The waiver by the Company of a breach of any provision of this Agreement by you shall not operate or be construed as waiver of any subsequent breach by you. The waiver by you of a breach of any provision of this Agreement by the Company shall not operate or be construed as a waiver of any subsequent breach by the Company.

f. Successors and Assigns. This Agreement is be binding upon, and inures to the benefit of, you and the Company, and their respective heirs, personal and legal representatives, and successors and assigns.

g. Assignment. In no event may any of your obligations hereunder be assigned or otherwise transferred (including by operation of law). The Company may assign its rights and obligations under this Agreement to any person or entity that purchases all, or substantially all, of the assets of the Company, or is otherwise a successor-in-interest to the Company, and this Agreement is enforceable by the Company and any successor-in-interest by merger, sale, acquisition, or transfer.

h. Notices. All notices to the Company or you permitted or required hereunder shall be in writing and shall be delivered personally, by telecopier or by courier service providing for next-day delivery or sent by registered or certified mail, return receipt requested, to the following addresses:

If to the Company:	Gladstone Management Corporation 1521 Westbranch Drive, Suite 200 McLean, Virginia 22102 Attn: David Gladstone, Chairman
If to you:	Terry L. Brubaker 1 Beach Lagoon Road #24 Hilton Head, SC 29928

Either party may change the address to which notices shall be sent by sending written notice of such change of address to the other party. Any such notice shall be deemed given, if delivered personally, upon receipt; if telecopied, when telecopied; if sent by courier service providing for next-day delivery, the next business day following deposit with such courier service; and if sent by certified or registered mail; three days after deposit (postage prepaid) with the U.S. mail service.

i. Governing Law. This Agreement will be governed in all respects by the law of the Commonwealth of Virginia, without regard to the conflict of laws principles of that jurisdiction.

j. Jurisdiction. Any action to enforce any of the provisions of this Agreement shall be brought in a local or federal court in the Eastern District of Virginia. The parties consent to the jurisdiction of such court and to the service of process in any manner provided by Virginia law, and waive any objection to venue, service, or personal jurisdiction based on an action brought in such court.

k. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

l. Survival. Provisions of this Agreement which by their terms must survive termination of employment in order to effectuate the intent of the parties (including sections 8, 9, and 10) will survive such termination.

The parties have executed this Agreement as of the day and the year first stated above.

Gladstone Management Corporation

By: /s/ David Gladstone
David Gladstone, Chairman

Terry L. Brubaker

/s/ Terry L. Brubaker
Terry L. Brubaker

Schedule A—Compensation and Benefits (Terry L. Brubaker)

Effective Date: May 26, 2019

Base Salary: $219,000

Incentive Bonus: Eligible as an employee

Carried Interest Plan: continue participating at the current rate.

Hours: 30 hours per week

Vacation: 4 weeks of vacation

Standard Benefits: same as all employees

Expense Reimbursement: The Company agrees to reimburse you, within thirty (30) days of presentation, for all reasonable and necessary travel, business entertainment and other business out-of-pocket expenses incurred or expended by him in connection with the performance of his duties hereunder upon presentation of proper expense statements or vouchers or such other supporting information as the Company may reasonably require of you.

Limits on Reimbursements or Provisions of In Kind Benefits: Notwithstanding anything herein to the contrary, the Company's obligation to make reimbursements or provide in-kind benefits pursuant to this Schedule A or other provisions of this Agreement shall be subject to the following restrictions: (i) the Company's policies regarding expenses and perquisites provide an objectively determinable nondiscretionary definition of expenses eligible for reimbursement or the in-kind benefits to be provided (ii) you must provide documentation of any reimbursable expenses in accordance with the Company's then existing policies and procedures, (iii) the expenses paid or reimbursed in one fiscal year shall not affect the expenses paid or reimbursed in another fiscal year, and (iv) reimbursement for any expenses shall be made within a reasonable period of time following the date on which the Company received written documentation of the expenses, provided that all expenses will be reimbursed on or before the last day of the fiscal year following the fiscal year in which the expenses was incurred.

Schedule B—Job Duties (Terry L. Brubaker)

1. Be available to stand in for David Gladstone if called upon by the Directors.
2. Work on potential investments.
3. Work on problem investments.
4. Serve on Investment Committee

Exhibit 6.4

AMENDED AND RESTATED
INVESTMENT ADVISORY AND MANAGEMENT AGREEMENT
BETWEEN
GLADSTONE CAPITAL CORPORATION
AND
GLADSTONE MANAGEMENT CORPORATION

Agreement made this 1st day of October, 2006, by and between **Gladstone Capital Corporation**, a Maryland corporation (the ***"Fund"***), and **Gladstone Management Corporation**, a Delaware corporation (the ***"Adviser"***).

Whereas, the Fund is a closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940 (the ***"Investment Company Act"***);

Whereas, the Adviser is an investment adviser that has registered under the Investment Advisers Act of 1940 (the ***"Advisers Act"***); and

Whereas, the Fund desires to retain the Adviser to furnish investment advisory services to the Fund on the terms and conditions hereinafter set forth, and the Adviser wishes to be retained to provide such services.

Now, Therefore, in consideration of the premises and for other good and valuable consideration, the parties hereby agree as follows:

1. Duties of the Adviser.

(a) The Fund hereby employs the Adviser to act as the investment adviser to the Fund and to manage the investment and reinvestment of the assets of the Fund, subject to the supervision of the Board of Directors of the Fund, for the period and upon the terms herein set forth, (i) in accordance with the investment objective, policies and restrictions that are set forth in the Fund's Registration Statement on Form N-2, as the same shall be amended from time to time (as amended, the ***"Registration Statement"***), (ii) in accordance with the Investment Company Act and (iii) during the term of this Agreement in accordance with all other applicable federal and state laws, rules and regulations, and the Fund's charter and by-laws. Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Fund, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Fund; (iii) close and monitor the Fund's investments; (iv) determine the securities and other assets that the Fund will purchase, retain, or sell; (v) perform due diligence on prospective portfolio companies; and (vi) provide the Fund with such other investment advisory, research and related services as the Fund may, from time to time, reasonably require for the investment of its funds. The Adviser shall have the discretion, power and authority on behalf of the Fund to effectuate its investment decisions for the Fund, including the execution and delivery of all documents relating to the Fund's investments and the placing of orders for other purchase or sale transactions on behalf of the Fund. In the event that the Fund determines to acquire debt financing, the Adviser will arrange for such financing on the Fund's behalf, subject to the oversight and approval of the Fund's Board of Directors. If it is necessary for the Adviser to make investments on behalf of the Fund through a special purpose vehicle, the Adviser shall have authority to create or arrange for the creation of such special purpose vehicle and to make such investments through such special purpose vehicle in accordance with the Investment Company Act.

(b) The Adviser hereby accepts such employment and agrees during the term hereof to render the services described herein for the compensation provided herein.

(c) Subject to the requirements of the Investment Company Act, the Adviser is hereby authorized to enter into one or more sub-advisory agreements with other investment advisers (each, a ***"Sub-Adviser"***) pursuant to which the Adviser may obtain the services of the Sub-Adviser(s) to assist the Adviser in fulfilling its responsibilities hereunder. Specifically, the Adviser may retain a Sub-Adviser to recommend specific securities or other investments based upon the Fund's investment objective and policies, and work, along with the Adviser, in structuring, negotiating, arranging or effecting the acquisition or disposition of such investments and monitoring investments on behalf of the Fund, subject to the oversight of the Adviser and the Fund. The Adviser, and not the Fund, shall be responsible for any compensation payable to any Sub-Adviser. Any sub-advisory agreement entered into by the Adviser shall be in

accordance with the requirements of the Investment Company Act and other applicable federal and state law and shall contain a provision requiring the Sub-Adviser to comply with sections 1(e) and 1(f) below as if it were the Adviser.

(d) The Adviser shall for all purposes herein provided be deemed to be an independent contractor and, except as expressly provided or authorized herein, shall have no authority to act for or represent the Fund in any way or otherwise be deemed an agent of the Fund.

(e) The Adviser shall keep and preserve for the period required by the Investment Company Act any books and records relevant to the provision of its investment advisory services to the Fund and shall specifically maintain all books and records with respect to the Fund's portfolio transactions and shall render to the Fund's Board of Directors such periodic and special reports as the Board may reasonably request. The Adviser agrees that all records that it maintains for the Fund are the property of the Fund and will surrender promptly to the Fund any such records upon the Fund's request, provided that the Adviser may retain a copy of such records.

(f) The Adviser has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Adviser. The Adviser has provided the Fund, and shall provide the Fund at such times in the future as the Fund shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures. Such report shall be of sufficient scope and in sufficient detail, as may reasonably be required to comply with Rule 38a-1 under the Investment Company Act and to provide reasonable assurance that any material inadequacies would be disclosed by such examination, and, if there are no such inadequacies, the report shall so state.

2. Fund's Responsibilities and Expenses Payable by the Fund.

All investment professionals of the Adviser and their respective staffs, when and to the extent engaged in providing investment advisory and management services hereunder, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by the Adviser and not by the Fund. The Fund will bear all other costs and expenses of its operations and transactions, including (without limitation) those relating to: organization and offering; calculating the Fund's net asset value (including the cost and expenses of any independent valuation firm); expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Fund and in monitoring the Fund's investments and performing due diligence on its prospective portfolio companies; interest payable on debt, if any, incurred to finance the Fund's investments; offerings of the Fund's common stock and other securities; investment advisory and management fees; administration fees, if any, payable under the Administration Agreement between the Fund and Gladstone Administration, LLC (the ***"Administrator"***), the Fund's administrator; fees payable to third parties (including agents, consultants or other advisors) relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Fund's shares on any securities exchange; federal, state and local taxes; independent Directors' fees and expenses; costs of preparing and filing reports or other documents required by the Securities and Exchange Commission; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Fund's allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Fund or the Administrator in connection with administering the Fund's business, including payments under the Administration Agreement between the Fund and the Administrator based upon the Fund's allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of the Fund's chief compliance officer, chief financial officer, controller and their respective staffs.

3. Compensation of the Adviser.

The Fund agrees to pay, and the Adviser agrees to accept, as compensation for the services provided by the Adviser hereunder, a base management fee ***("Base Management Fee")*** and an incentive fee ***("Incentive Fee")*** as hereinafter set forth. The Fund shall make any payments due hereunder to the Adviser or to the Adviser's designee as the Adviser may otherwise direct.

(a) Base Management Fee.

(i) The Base Management Fee shall be payable quarterly in arrears, and shall be calculated at an annual rate of 2.00% of the average value of the Fund's total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings (the ***"Gross Assets"***), valued as of the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter.

(ii) Base Management Fees payable for any partial month or quarter will be appropriately prorated.

(b) The Incentive Fee shall consist of two parts, as follows:

(i) One part will be calculated and payable quarterly in arrears based on thepre-Incentive Fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-Incentive Fee net investment income means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, consulting fees that the Fund receives from portfolio companies, but excluding fees for providing managerial assistance) accrued by the Fund during the calendar quarter, minus the Fund's operating expenses for the quarter (including the Base Management Fee, less any rebate of other fees received by the Adviser), expenses payable under the Administration Agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-Incentive Fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income that the Fund has not yet received in cash.Pre-Incentive Fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee net investment income, expressed as a rate of return on the value of the Fund's net assets at the end of the immediately preceding calendar quarter, will be compared to a "hurdle rate" of 1.75% per quarter (7% annualized). The Fund will pay the Adviser an Incentive Fee with respect to the Fund's pre-Incentive Fee net investment income in each calendar quarter as follows: (1) no Incentive Fee in any calendar quarter in which the Fund's pre-Incentive Fee net investment income does not exceed the hurdle rate; (2) 100% of the Fund'spre-Incentive Fee net investment income with respect to that portion of such pre-Incentive Fee net investment income, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter (8.75% annualized); and (3) 20% of the amount of the Fund's pre-Incentive Fee net investment income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized). These calculations will be appropriately pro rated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

(ii) The second part of the Incentive Fee (the ***"Capital Gains Fee"***) will be determined and payable in arrears as of the end of each fiscal year (or upon termination of this Agreement as set forth below), commencing on September 30, 2007, and will equal 20.0% of the Fund's realized capital gains, if any, computed net of all realized capital losses and unrealized capital depreciation at the end of such year. The amount of capital gains used to determine the Capital Gains Fee shall be calculated at the end of each applicable year by subtracting the sum of the Fund's Cumulative Aggregate Realized Capital Losses and Aggregate Unrealized Capital Depreciation from the Fund's Cumulative Aggregate Realized Capital Gains (each as defined in Section 3(b)(iii) below). If this number is positive at the end of such year, then the Capital Gains Fee for such year will be equal to 20.0% of such amount, less the aggregate amount of any Capital Gains Fees paid in all prior years. In the event that this Agreement shall terminate as of a date that is not a fiscal year end, the termination date shall be treated as though it were a fiscal year end for purposes of calculating and paying a Capital Gains Fee.

(iii) For purposes of this Section 3:

(1) ***"Cumulative Aggregate Realized Capital Gains"*** shall mean the sum of the differences between the net sales price of each investment in the Fund's portfolio when sold, and the original cost of such investment since inception of the Fund.

(2) ***"Cumulative Aggregate Realized Capital Losses"*** shall mean the sum of the amounts by which the net sales price of each investment in the Fund's portfolio when sold is less than the original cost of such investment since inception of the Fund.

(3) ***"Aggregate Unrealized Capital Depreciation"*** shall mean the sum of the difference, if negative, between the valuation of each investment in the Fund's portfolio as of the applicable Capital Gains Fee calculation date and the original cost of such investment.

4. Covenants of the Adviser.

The Adviser covenants that it is registered as an investment adviser under the Advisers Act. The Adviser agrees that its activities will at all times be in compliance in all material respects with all applicable federal and state laws governing its operations and investments.

5. Excess Brokerage Commissions.

The Adviser is hereby authorized, to the fullest extent now or hereafter permitted by law, to cause the Fund to pay a member of a national securities exchange, broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another member of such exchange, broker or dealer would have charged for effecting that transaction, if the Adviser determines in good faith, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities, that such amount of commission is reasonable in relation to the value of the brokerage and/or research services provided by such member, broker or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Fund's portfolio, and constitutes the best net results for the Fund.

6. Limitations on the Employment of the Adviser.

The services of the Adviser to the Fund are not exclusive, and the Adviser may engage in any other business or render similar or different services to others including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, however structured, having investment objectives similar to those of the Fund, so long as its services to the Fund hereunder are not impaired thereby, and nothing in this Agreement shall limit or restrict the right of any manager, partner, officer or employee of the Adviser to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the Fund's portfolio companies, subject to applicable law). So long as this Agreement or any extension, renewal or amendment remains in effect, the Adviser shall be the only investment adviser for the Fund, subject to the Adviser's right to enter into sub-advisory agreements. The Adviser assumes no responsibility under this Agreement other than to render the services called for hereunder. It is understood that directors, officers, employees and stockholders of the Fund are or may become interested in the Adviser and its affiliates, as directors, officers, employees, partners, stockholders, members, managers or otherwise, and that the Adviser and directors, officers, employees, partners, stockholders, members and managers of the Adviser and its affiliates are or may become similarly interested in the Fund as stockholders or otherwise.

7. Responsibility of Dual Directors, Officers or Employees.

If any person who is a manager, partner, officer or employee of the Adviser or the Administrator is or becomes a director, officer or employee of the Fund and acts as such in any business of the Fund, then such manager, partner, officer and/or employee of the Adviser or the Administrator shall be deemed to be acting in such capacity solely for the Fund, and not as a manager, partner, officer or employee of the Adviser or the Administrator or under the control or direction of the Adviser or the Administrator, even if paid by the Adviser or the Administrator.

8. Limitation of Liability of the Adviser: Indemnification.

The Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation the Administrator) shall not be liable to the Fund for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Fund, except to the extent specified in Section 36(b) of the Investment Company Act concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services, and the Fund shall indemnify, defend and protect the Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its general partner and the Administrator, each of whom shall be deemed a third party beneficiary hereof) (collectively, the ***"Indemnified Parties"***) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Fund or its security holders) arising out of or otherwise based upon the performance of any of the Adviser's duties or obligations under this Agreement or otherwise as an investment adviser of the Fund. Notwithstanding the preceding sentence of this Paragraph 8 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Fund or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Adviser's duties or by reason of the reckless disregard of the Adviser's duties and obligations under this Agreement (as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the Securities and Exchange Commission or its staff thereunder).

9. Effectiveness, Duration and Termination of Agreement.

This Agreement shall become effective as of the first date above written. This Agreement shall remain in effect for one year, and thereafter shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (a) the vote of the Fund's Board of Directors, or by the vote of a majority of the outstanding voting securities of the Fund and (b) the vote of a majority of the Fund's Directors who are not parties to this Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of any such party, in accordance with the requirements of the Investment Company Act. This Agreement may be terminated at any time, without the payment of any penalty, upon 60 days' written notice, by the vote of a majority of the outstanding voting securities of the Fund, or by the vote of the Fund's Directors or by the Adviser. This Agreement will automatically terminate in the event of its "assignment" (as such term is defined for purposes of Section 15(a)(4) of the Investment Company Act). The provisions of Paragraph 8 of this Agreement shall remain in full force and effect, and the Adviser and its representatives shall remain entitled to the benefits thereof, notwithstanding any termination or expiration of this Agreement. Further, notwithstanding the termination or expiration of this Agreement as aforesaid, the Adviser shall be entitled to any amounts owed under Section 3 through the date of termination or expiration.

10. Notices.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

11. Amendments.

This Agreement may be amended by mutual consent, but the consent of the Fund must be obtained in conformity with the requirements of the Investment Company Act.

12. Entire Agreement; Governing Law.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof. This Agreement shall be construed in accordance with the laws of the State of Delaware and the applicable provisions of the Investment Company Act. To the extent the applicable laws of the State of Delaware or any of the provisions herein, conflict with the provisions of the Investment Company Act, the latter shall control.

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In Witness Whereof, the parties hereto have caused this Agreement to be duly executed on the date above written.

Gladstone Capital Corporation

By: /s/ Chip Stelljes
Chip Stelljes
President

Gladstone Management Corporation

By: /s/ David Gladstone
David Gladstone
Chief Executive Officer

ADMINISTRATION AGREEMENT

THIS ADMINISTRATION AGREEMENT (this *"Agreement"*) is made as of October 1, 2006 by and between Gladstone Capital Corporation, a Delaware corporation (hereinafter referred to as the *"Fund"*), and Gladstone Administration, LLC, a Delaware limited liability company (hereinafter referred to as the *"Administrator"*).

PREAMBLE

The Fund is a closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940 (hereinafter referred to as the *"Investment Company Act"*). The Fund desires to retain the Administrator to provide administrative services to the Fund in the manner and on the terms hereinafter set forth. The Fund's investment adviser is the Administrator's sole member. The Administrator is willing to provide administrative services to the Fund on the terms and conditions hereafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Fund and the Administrator hereby agree as set forth below:

1. DUTIES OF THE ADMINISTRATOR.

(a) Employment of Administrator. The Fund hereby employs the Administrator to act as administrator of the Fund, and to furnish, or arrange for others to furnish, the administrative services, personnel and facilities described below, subject to review by and the overall control of the Board of Directors of the Fund, for the period and on the terms and conditions set forth in this Agreement. The Administrator hereby accepts such employment and agrees during such period to render, or arrange for the rendering of, such services and to assume the obligations herein set forth subject to the reimbursement of costs and expenses provided for below. The Administrator and such others shall for all purposes herein be deemed to be independent contractors and shall, unless otherwise expressly provided or authorized herein, have no authority to act for or represent the Fund in any way or otherwise be deemed agents of the Fund.

(b) Services. The Administrator shall perform (or oversee, or arrange for, the performance of) the administrative services necessary for the operation of the Fund. Without limiting the generality of the foregoing, the Administrator shall provide the Fund with office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities and such other services as the Administrator, subject to review by the Board of Directors of the Fund, shall from time to time determine to be necessary or useful to perform its obligations under this Agreement. The Administrator shall also, on behalf of the Fund, conduct relations with custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. The Administrator shall make reports to the Fund's Board of Directors of its performance of obligations hereunder and furnish advice and recommendations with respect to such other aspects of the business and affairs of the Fund as it shall determine to be desirable; provided that nothing herein shall be construed to require the Administrator to, and the Administrator shall not, provide any advice or recommendation relating to the securities and other assets that the Fund should purchase, retain or sell or any other investment advisory services to the Fund. The Administrator shall be responsible for the financial and other records that the Fund is required to maintain and shall prepare reports to stockholders, and reports and other materials filed with the Securities and Exchange Commission (the *"SEC"*). The Administrator will provide on the Fund's behalf significant managerial assistance to those portfolio companies to which the Fund is required to provide such assistance under the Investment Company Act or other applicable law. In addition, the Administrator will assist the Fund in determining and publishing the Fund's net asset value, overseeing the preparation and filing of the Fund's tax returns, and the printing and dissemination of reports to stockholders of the Fund, and generally overseeing the payment of the Fund's expenses and the performance of administrative and professional services rendered to the Fund by others.

(c) The Administrator is hereby authorized to enter into one or moresub-administration agreements with other service providers (each a *"Sub-Administrator"*) pursuant to which the Administrator may obtain the services of the service providers in fulfilling its responsibilities hereunder. Any such sub-administration agreements shall be in accordance with the requirements of the Investment Company Act and other applicable federal and state law and shall contain a provision requiring the Sub-Administrator to comply with Sections 2 and 3 below as if it were the Administrator.

2. RECORDS.

The Administrator agrees to maintain and keep all books, accounts and other records of the Fund that relate to activities performed by the administrator hereunder and, if required by the Investment Company Act, will maintain and keep such books, accounts and records in accordance with that Act. In compliance with the requirements of Rule 31a-3 under the Investment Company Act, the Administrator agrees that all records which it maintains for the Fund shall at all times remain the property of the Fund, shall be readily accessible during normal business hours, and shall be promptly surrendered upon the termination of the Agreement or otherwise on written request. The Administrator further agrees that all records which it maintains for the Fund pursuant to Rule 31a-1 under the Investment Company Act will be preserved for the periods prescribed by Rule31a-2 under the Investment Company Act unless any such records are earlier surrendered as provided above. Records shall be surrendered in usable machine-readable form. The Administrator shall have the right to retain copies of such records subject to observance of its confidentiality obligations under this Agreement.

3. POLICIES AND PROCEDURES.

The Administrator has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Administrator.

The Administrator shall provide the Fund, at such times as the Fund shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures; such report shall be of sufficient scope and in sufficient detail, as may reasonably be required to comply with Rule 38a-1 under the Investment Company Act and to provide reasonable assurance that any material inadequacies would be disclosed by such examination, and, if there are no such inadequacies, the report shall so state.

4. CONFIDENTIALITY.

The parties hereto agree that each shall treat confidentially the terms and conditions of this Agreement and all information provided by each party to the other regarding its business and operations. All confidential information provided by a party hereto, including nonpublic personal information pursuant to Regulation S-P of the Securities & Exchange Commission *("SEC")*, shall be used by any other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party, without the prior consent of such providing party. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is required to be disclosed by any regulatory authority, any authority or legal counsel of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation.

5. COMPENSATION: ALLOCATION OF COSTS AND EXPENSES.

In full consideration of the provision of the services of the Administrator, the Fund shall reimburse the Administrator for the costs and expenses incurred by the Administrator in performing its obligations and providing personnel and facilities hereunder.

The Fund will bear all costs and expenses that are incurred in its operations and transactions that are not specifically assumed by the Fund's investment adviser (the *"Adviser"*) pursuant to that certain Investment Advisory and Management Agreement, dated as of October 1, 2006 by and between the Fund and the Adviser. Costs and expenses to be borne by the Fund include, but are not limited to, those relating to: organization and offering; calculating the Fund's net asset value (including the cost and expenses of any independent valuation firm); expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Fund and in monitoring the Fund's investments and performing due diligence on its prospective portfolio companies; interest payable on debt, if any, incurred to finance the Fund's investments; offerings of the Fund's common stock and other securities; investment advisory and management fees; administration fees, if any, payable under this Agreement; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Fund's shares on any securities exchange; federal, state and local taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents required by the SEC; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Fund's allocable portion of the fidelity bond, directors and officers errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of

administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Fund or the Administrator in connection with administering the Fund's business, including payments under this Agreement based upon the Fund's allocable portion of the Administrator's overhead in performing its obligations under this Agreement, including rent, and the allocable portion of the salaries and benefits expenses of the Fund's chief compliance officer, chief financial officer, controller and their respective staffs.

6. LIMITATION OF LIABILITY OF THE ADMINISTRATOR: INDEMNIFICATION.

The Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation its sole member, the Adviser) shall not be liable to the Fund for any action taken or omitted to be taken by the Administrator in connection with the performance of any of its duties or obligations under this Agreement or otherwise as administrator for the Fund, and the Fund shall indemnify, defend and protect the Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation the Adviser, each of whom shall be deemed a third party beneficiary hereof) (collectively, the *"Indemnified Parties"*) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Fund or its security holders) arising out of or otherwise based upon the performance of any of the Administrator's duties or obligations under this Agreement or otherwise as administrator for the Fund. Notwithstanding the preceding sentence of this Paragraph 6 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Fund or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or negligence in the performance of the Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under this Agreement (to the extent applicable, as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the SEC or its staff thereunder).

7. ACTIVITIES OF THE ADMINISTRATOR.

The services of the Administrator to the Fund are not to be deemed to be exclusive and the Administrator and each affiliate are free to render services to others. It is understood that directors, officers, employees and stockholders of the Fund are or may become interested in the Administrator and its affiliates, as directors, officers, members, managers, employees, partners, stockholders or otherwise, and that the Administrator and directors, officers, members, managers, employees, partners and stockholders of the Administrator and its affiliates are or may become similarly interested in the Fund as stockholders or otherwise.

8. DURATION AND TERMINATION OF THIS AGREEMENT.

This Agreement shall become effective as of the date hereof, and shall remain in force with respect to the Fund for one year thereafter, and thereafter continue from year to year, but only so long as such continuance is specifically approved at least annually by (i) the Board of Directors of the Fund and (ii) a majority of those Directors who are not parties to this Agreement or "interested persons" (as defined in the Investment Company Act) of any such party. This Agreement may be terminated at any time, without the payment of any penalty, by vote of the Directors of the Fund, or by the Administrator, upon 60 days' written notice to the other party. This Agreement may not be assigned by a party without the consent of the other party.

9. AMENDMENTS OF THIS AGREEMENT.

This Agreement may be amended pursuant to a written instrument by mutual consent of the parties.

10. GOVERNING LAW.

This Agreement shall be construed in accordance with laws of the State of Delaware and the applicable provisions of the Investment Company Act, if any. To the extent that the applicable laws of the State of Delaware, or any of the provisions herein, conflict with the applicable provisions of the Investment Company Act, if any, the latter shall control.

11. ENTIRE AGREEMENT.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof.

12. NOTICES.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

GLADSTONE CAPITAL CORPORATION

By: /s/ Chip Stelljes
Chip Stelljes, President

GLADSTONE ADMINISTRATION, LLC

By: /s/ David Gladstone
David Gladstone, Chairman of the
Managing Member

INVESTMENT ADVISORY AND MANAGEMENT AGREEMENT
BETWEEN
GLADSTONE INVESTMENT CORPORATION
AND
GLADSTONE MANAGEMENT CORPORATION

AGREEMENT made this 22 day of June, 2005, by and between **GLADSTONE INVESTMENT CORPORATION**, a Delaware corporation (the ***"Corporation"***), and **GLADSTONE MANAGEMENT CORPORATION**, a Delaware corporation (the ***"Adviser"***).

WHEREAS, the Corporation is a newly organized closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940 (the ***"Investment Company Act"***);

WHEREAS, the Adviser is an investment adviser that has registered under the Investment Advisers Act of 1940 (the ***"Advisers Act"***); and

WHEREAS, the Corporation desires to retain the Adviser to furnish investment advisory services to the Corporation on the terms and conditions hereinafter set forth, and the Adviser wishes to be retained to provide such services.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties hereby agree as follows:

1. DUTIES OF THE ADVISER.

(a) The Corporation hereby employs the Adviser to act as the investment adviser to the Corporation and to manage the investment and reinvestment of the assets of the Corporation, subject to the supervision of the Board of Directors of the Corporation, for the period and upon the terms herein set forth, (i) in accordance with the investment objective, policies and restrictions that are set forth in the Corporation's Registration Statement on Form N-2, filed March 29, 2005, as the same shall be amended from time to time (as amended, the ***"Registration Statement"***), (ii) in accordance with the Investment Company Act and (iii) during the term of this Agreement in accordance with all other applicable federal and state laws, rules and regulations, and the Corporation's charter and by-laws. Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Corporation, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Corporation; (iii) close and monitor the Corporation's investments; (iv) determine the securities and other assets that the Corporation will purchase, retain, or sell; (v) perform due diligence on prospective portfolio companies; and (vi) provide the Corporation with such other investment advisory, research and related services as the Corporation may, from time to time, reasonably require for the investment of its funds. The Adviser shall have the discretion, power and authority on behalf of the Corporation to effectuate its investment decisions for the Corporation, including the execution and delivery of all documents relating to the Corporation's investments and the placing of orders for other purchase or sale transactions on behalf of the Corporation. In the event that the Corporation determines to acquire debt financing, the Adviser will arrange for such financing on the Corporation's behalf, subject to the oversight and approval of the Corporation's Board of Directors. If it is necessary for the Adviser to make investments on behalf of the Corporation through a special purpose vehicle, the Adviser shall have authority to create or arrange for the creation of such special purpose vehicle and to make such investments through such special purpose vehicle in accordance with the Investment Company Act.

(b) The Adviser hereby accepts such employment and agrees during the term hereof to render the services described herein for the compensation provided herein.

(c) Subject to the requirements of the Investment Company Act, the Adviser is hereby authorized to enter into one or moresub-advisory agreements with other investment advisers (each, a ***"Sub-Adviser"***) pursuant to which the Adviser may obtain the services of theSub-Adviser(s) to assist the Adviser in fulfilling its responsibilities hereunder. Specifically, the Adviser may retain a Sub-Adviser to recommend specific securities or other investments based upon the Corporation's investment objective and policies, and work, along with the Adviser, in structuring, negotiating, arranging or effecting the acquisition or disposition of such investments and monitoring investments on behalf of the Corporation, subject to the oversight of the Adviser and the Corporation. The Adviser, and not the Corporation, shall be responsible for any compensation payable to any Sub-Adviser. Any sub-advisory agreement entered into by the Adviser shall be in accordance with the requirements of the Investment Company Act and other applicable federal and state law and shall contain a provision requiring the Sub-Adviser to comply with sections 1(e) and 1(f) below as if it were the Adviser.

(d) The Adviser shall for all purposes herein provided be deemed to be an independent contractor and, except as expressly provided or authorized herein, shall have no authority to act for or represent the Corporation in any way or otherwise be deemed an agent of the Corporation.

(e) The Adviser shall keep and preserve for the period required by the Investment Company Act any books and records relevant to the provision of its investment advisory services to the Corporation and shall specifically maintain all books and records with respect to the Corporation's portfolio transactions and shall render to the Corporation's Board of Directors such periodic and special reports as the Board may reasonably request. The Adviser agrees that all records that it maintains for the Corporation are the property of the Corporation and will surrender promptly to the Corporation any such records upon the Corporation's request, provided that the Adviser may retain a copy of such records.

(f) The Adviser has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Adviser. The Adviser has provided the Corporation, and shall provide the Corporation at such times in the future as the Corporation shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures. Such report shall be of sufficient scope and in sufficient detail, as may reasonably be required to comply with Rule 38a-1 under the Investment Company Act and to provide reasonable assurance that any material inadequacies would be disclosed by such examination, and, if there are no such inadequacies, the report shall so state.

2. CORPORATION'S RESPONSIBILITIES AND EXPENSES PAYABLE BY THE CORPORATION.

All investment professionals of the Adviser and their respective staffs, when and to the extent engaged in providing investment advisory and management services hereunder, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by the Adviser and not by the Corporation. The Corporation will bear all other costs and expenses of its operations and transactions, including (without limitation) those relating to: organization and offering; calculating the Corporation's net asset value (including the cost and expenses of any independent valuation firm); expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Corporation and in monitoring the Corporation's investments and performing due diligence on its prospective portfolio companies; interest payable on debt, if any, incurred to finance the Corporation's investments; offerings of the Corporation's common stock and other securities;

investment advisory and management fees; administration fees, if any, payable under the Administration Agreement between the Corporation and Gladstone Administration, LLC (the ***"Administrator"***), the Corporation's administrator; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Corporation's shares on any securities exchange; federal, state and local taxes; independent Directors' fees and expenses; costs of preparing and filing reports or other documents required by the Securities and Exchange Commission; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Corporation's allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Corporation or the Administrator in connection with administering the Corporation's business, including payments under the Administration Agreement between the Corporation and the Administrator based upon the Corporation's allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of the Corporation's chief compliance officer and chief financial officer and their respective staffs.

3. COMPENSATION OF THE ADVISER.

The Corporation agrees to pay, and the Adviser agrees to accept, as compensation for the services provided by the Adviser hereunder, a base management fee (***"Base Management Fee"***) and an incentive fee (***"Incentive Fee"***) as hereinafter set forth. The Corporation shall make any payments due hereunder to the Adviser or to the Adviser's designee as the Adviser may otherwise direct.

(a) Base Management Fee.

(i) For services rendered during the period from the date of the closing of the Corporation's initial public offering of its common stock (the "***IPO***") through March 31, 2006, the Base Management Fee shall be payable monthly in arrears, and shall be calculated at an annual rate of 2.00% of the value of the Corporation's total assets, less the cash proceeds and cash equivalent investments from the IPO that are not invested in debt or equity securities of portfolio companies in accordance with the Corporation's investment objectives described in the Registration Statement (the "***Gross Invested Assets***"), valued as of the end of each month during the period.

(ii) For services rendered during the period from the date that is six months after the date of the closing of the IPO through March 31, 2006, the Base Management Fee shall be payable quarterly in arrears, and shall be calculated at an annual rate of 2.00% of the average value of the Corporation's Gross Invested Assets, valued as of the end of the two most recently completed calendar quarters.

(iii) For services rendered after March 31, 2006, the Base Management Fee shall be payable quarterly in arrears, and shall be calculated at an annual rate of 2.00% of the average value of the Corporation's total assets, including investments made with proceeds of borrowings, less any uninvested cash or cash equivalents resulting from borrowings (the "***Gross Assets***"), valued as of the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter.

(iv) Base Management Fees payable for any partial month or quarter will be appropriately prorated.

(b) The Incentive Fee shall consist of two parts, as follows:

(i) One part will be calculated and payable quarterly in arrears based on thepre-Incentive Fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-Incentive Fee net investment income means interest income, dividend income and any other income (including any other fees, such as

commitment, origination, structuring, diligence, consulting fees that the Corporation receives from portfolio companies, but excluding fees for providing managerial assistance) accrued by the Corporation during the calendar quarter, minus the Corporation's operating expenses for the quarter (including the Base Management Fee, expenses payable under the Administration Agreement, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-Incentive Fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income that the Corporation has not yet received in cash. Pre-Incentive Fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee net investment income, expressed as a rate of return on the value of the Corporation's net assets at the end of the immediately preceding calendar quarter, will be compared to a "hurdle rate" of 1.75% per quarter (7% annualized). The Corporation will pay the Adviser an Incentive Fee with respect to the Corporation's pre-Incentive Fee net investment income in each calendar quarter as follows: (1) no Incentive Fee in any calendar quarter in which the Corporation's pre-Incentive Fee net investment income does not exceed the hurdle rate; (2) 100% of the Corporation's pre-Incentive Fee net investment income with respect to that portion of suchpre-Incentive Fee net investment income, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter (8.75% annualized); and (3) 20% of the amount of the Corporation's pre-Incentive Fee net investment income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized). These calculations will be appropriately pro rated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

(ii) The second part of the Incentive Fee (the ***"Capital Gains Fee"***) will be determined and payable in arrears as of the end of each fiscal year (or upon termination of this Agreement as set forth below), commencing on March 31, 2006, and will equal 20.0% of the Corporation's realized capital gains for the calendar year, if any, computed net of all realized capital losses and unrealized capital depreciation at the end of such year; provided that the Capital Gains Fee determined as of March 31, 2006 will be calculated for a period of shorter than twelve calendar months to take into account any net realized capital gains, if any, computed net of all realized capital losses and unrealized capital depreciation for the period ending March 31, 2006. The amount of capital gains used to determine the Capital Gains Fee shall be calculated at the end of each applicable year by subtracting the sum of the Corporation's Cumulative Aggregate Realized Capital Losses and Aggregate Unrealized Capital Depreciation from the Corporation's Cumulative Aggregate Realized Capital Gains (each as defined in Section below. If this number is positive at the end of such year, then the Capital Gains Fee for such year will be equal to 20.0% of such amount, less the aggregate amount of any Capital Gains Fees paid in all prior years. In the event that this Agreement shall terminate as of a date that is not a calendar year end, the termination date shall be treated as though it were a calendar year end for purposes of calculating and paying a Capital Gains Fee.

(iii) For purposes of this Section 3:

(1) "***Cumulative Aggregate Realized Capital Gains***" shall mean the sum of the differences between the net sales price of each investment in the Corporation's portfolio when sold, and the original cost of such investment since inception.

(2) "***Cumulative Aggregate Realized Capital Losses***" shall mean the sum of the amounts by which the net sales price of each investment in the Corporation's portfolio when sold is less than the original cost of such investment since inception.

(3) "***Aggregate Unrealized Capital Depreciation***" shall mean the sum of the difference, if negative, between the valuation of each investment in the Corporation's portfolio as of the applicable Capital Gains Fee calculation date and the original cost of such investment.

4. COVENANTS OF THE ADVISER.

The Adviser covenants that it is registered as an investment adviser under the Advisers Act. The Adviser agrees that its activities will at all times be in compliance in all material respects with all applicable federal and state laws governing its operations and investments.

5. EXCESS BROKERAGE COMMISSIONS.

The Adviser is hereby authorized, to the fullest extent now or hereafter permitted by law, to cause the Corporation to pay a member of a national securities exchange, broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another member of such exchange, broker or dealer would have charged for effecting that transaction, if the Adviser determines in good faith, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities, that such amount of commission is reasonable in relation to the value of the brokerage and/or research services provided by such member, broker or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Corporation's portfolio, and constitutes the best net results for the Corporation.

6. LIMITATIONS ON THE EMPLOYMENT OF THE ADVISER.

The services of the Adviser to the Corporation are not exclusive, and the Adviser may engage in any other business or render similar or different services to others including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, however structured, having investment objectives similar to those of the Corporation, so long as its services to the Corporation hereunder are not impaired thereby, and nothing in this Agreement shall limit or restrict the right of any manager, partner, officer or employee of the Adviser to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the Corporation's portfolio companies, subject to applicable law). So long as this Agreement or any extension, renewal or amendment remains in effect, the Adviser shall be the only investment adviser for the Corporation, subject to the Adviser's right to enter into sub-advisory agreements. The Adviser assumes no responsibility under this Agreement other than to render the services called for hereunder. It is understood that directors, officers, employees and stockholders of the Corporation are or may become interested in the Adviser and its affiliates, as directors, officers, employees, partners, stockholders, members, managers or otherwise, and that the Adviser and directors, officers, employees, partners, stockholders, members and managers of the Adviser and its affiliates are or may become similarly interested in the Corporation as stockholders or otherwise.

7. RESPONSIBILITY OF DUAL DIRECTORS, OFFICERS AND/OR EMPLOYEES.

If any person who is a manager, partner, officer or employee of the Adviser or the Administrator is or becomes a director, officer and/or employee of the Corporation and acts as such in any business of the Corporation, then such manager, partner, officer and/or employee of the Adviser or the Administrator shall be deemed to be acting in such capacity solely for the Corporation, and not as a manager, partner, officer or employee of the Adviser or the Administrator or under the control or direction of the Adviser or the Administrator, even if paid by the Adviser or the Administrator.

8. LIMITATION OF LIABILITY OF THE ADVISER: INDEMNIFICATION.

The Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation the Administrator) shall not be liable to the Corporation for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Corporation, except to the extent specified in Section 36(b) of the Investment Company Act concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services, and the Corporation shall indemnify, defend and protect the Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its general partner and the Administrator, each of whom shall be deemed a third party beneficiary hereof) (collectively, the ***"Indemnified Parties"***) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Corporation or its security holders) arising out of or otherwise based upon the performance of any of the Adviser's duties or obligations under this Agreement or otherwise as an investment adviser of the Corporation. Notwithstanding the preceding sentence of this Paragraph 8 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Corporation or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Adviser's duties or by reason of the reckless disregard of the Adviser's duties and obligations under this Agreement (as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the Securities and Exchange Commission or its staff thereunder).

9. EFFECTIVENESS, DURATION AND TERMINATION OF AGREEMENT.

This Agreement shall become effective as of the first date above written. This Agreement shall remain in effect for two years, and thereafter shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (a) the vote of the Corporation's Board of Directors, or by the vote of a majority of the outstanding voting securities of the Corporation and (b) the vote of a majority of the Corporation's Directors who are not parties to this Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of any such party, in accordance with the requirements of the Investment Company Act. This Agreement may be terminated at any time, without the payment of any penalty, upon 60 days' written notice, by the vote of a majority of the outstanding voting securities of the Corporation, or by the vote of the Corporation's Directors or by the Adviser. This Agreement will automatically terminate in the event of its "assignment" (as such term is defined for purposes of Section 15(a)(4) of the Investment Company Act). The provisions of Paragraph 8 of this Agreement shall remain in full force and effect, and the Adviser and its representatives shall remain entitled to the benefits thereof, notwithstanding any termination or expiration of this Agreement. Further, notwithstanding the termination or expiration of this Agreement as aforesaid, the Adviser shall be entitled to any amounts owed under Section 3 through the date of termination or expiration.

10. NOTICES.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

11. AMENDMENTS.

This Agreement may be amended by mutual consent, but the consent of the Corporation must be obtained in conformity with the requirements of the Investment Company Act.

12. ENTIRE AGREEMENT: GOVERNING LAW.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof. This Agreement shall be construed in accordance with the laws of the State of Delaware and the applicable provisions of the Investment Company Act. To the extent the applicable laws of the State of Delaware, or any of the provisions herein, conflict with the provisions of the Investment Company Act, the latter shall control.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date above written.

GLADSTONE INVESTMENT CORPORATION

By: /s/ David Gladstone
David Gladstone
Chief Executive Officer

GLADSTONE MANAGEMENT CORPORATION

By: /s/ David Gladstone
David Gladstone
Chief Executive Officer

ADMINISTRATION AGREEMENT

THIS ADMINISTRATION AGREEMENT (this ***"Agreement"***) is made as of June 22, 2005 by and between Gladstone Investment Corporation, a Delaware corporation (hereinafter referred to as the ***"Corporation"***), and Gladstone Administration, LLC, a Delaware limited liability company (hereinafter referred to as the ***"Administrator"***).

PREAMBLE

The Corporation is a newly organized closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940 (hereinafter referred to as the ***"Investment Company Act"***). The Corporation desires to retain the Administrator to provide administrative services to the Corporation in the manner and on the terms hereinafter set forth. The Corporation's investment adviser is the Administrator's sole member. The Administrator is willing to provide administrative services to the Corporation on the terms and conditions hereafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Corporation and the Administrator hereby agree as set forth below:

1. DUTIES OF THE ADMINISTRATOR.

(a) Employment of Administrator. The Corporation hereby employs the Administrator to act as administrator of the Corporation, and to furnish, or arrange for others to furnish, the administrative services, personnel and facilities described below, subject to review by and the overall control of the Board of Directors of the Corporation, for the period and on the terms and conditions set forth in this Agreement. The Administrator hereby accepts such employment and agrees during such period to render, or arrange for the rendering of, such services and to assume the obligations herein set forth subject to the reimbursement of costs and expenses provided for below. The Administrator and such others shall for all purposes herein be deemed to be independent contractors and shall, unless otherwise expressly provided or authorized herein, have no authority to act for or represent the Corporation in any way or otherwise be deemed agents of the Corporation.

(b) Services. The Administrator shall perform (or oversee, or arrange for, the performance of) the administrative services necessary for the operation of the Corporation. Without limiting the generality of the foregoing, the Administrator shall provide the Corporation with office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities and such other services as the Administrator, subject to review by the Board of Directors of the Corporation, shall from time to time determine to be necessary or useful to perform its obligations under this Agreement. The Administrator shall also, on behalf of the Corporation, conduct relations with custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. The Administrator shall make reports to the Corporation's Board of Directors of its performance of obligations hereunder and furnish advice and recommendations with respect to such other aspects of the business and affairs of the Corporation as it shall determine to be desirable; provided that nothing herein shall be construed to require the Administrator to, and the Administrator shall not, provide any advice or recommendation relating to the securities and other assets that the Corporation should purchase, retain or sell or any other investment advisory services to the Corporation. The Administrator shall be responsible

for the financial and other records that the Corporation is required to maintain and shall prepare reports to stockholders, and reports and other materials filed with the Securities and Exchange Commission (the ***"SEC"***). The Administrator will provide on the Corporation's behalf significant managerial assistance to those portfolio companies to which the Corporation is required to provide such assistance under the Investment Company Act or other applicable law. In addition, the Administrator will assist the Corporation in determining and publishing the Corporation's net asset value, overseeing the preparation and filing of the Corporation's tax returns, and the printing and dissemination of reports to stockholders of the Corporation, and generally overseeing the payment of the Corporation's expenses and the performance of administrative and professional services rendered to the Corporation by others.

(c) The Administrator is hereby authorized to enter into one or moresub-administration agreements with other service providers (each a ***"Sub-Administrator"***) pursuant to which the Administrator may obtain the services of the service providers in fulfilling its responsibilities hereunder. Any such sub-administration agreements shall be in accordance with the requirements of the Investment Company Act and other applicable federal and state law and shall contain a provision requiring the Sub-Administrator to comply with Sections 2 and 3 below as if it were the Administrator.

2. RECORDS.

The Administrator agrees to maintain and keep all books, accounts and other records of the Corporation that relate to activities performed by the administrator hereunder and, if required by the Investment Company Act, will maintain and keep such books, accounts and records in accordance with that Act. In compliance with the requirements of Rule 31a-3 under the Investment Company Act, the Administrator agrees that all records which it maintains for the Corporation shall at all times remain the property of the Corporation, shall be readily accessible during normal business hours, and shall be promptly surrendered upon the termination of the Agreement or otherwise on written request. The Administrator further agrees that all records which it maintains for the Corporation pursuant to Rule 31a-1 under the Investment Company Act will be preserved for the periods prescribed byRule 31a-2 under the Investment Company Act unless any such records are earlier surrendered as provided above. Records shall be surrendered in usable machine-readable form. The Administrator shall have the right to retain copies of such records subject to observance of its confidentiality obligations under this Agreement.

3. POLICIES AND PROCEDURES.

The Administrator has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Administrator. The Administrator shall provide the Corporation, at such times as the Corporation shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures; such report shall be of sufficient scope and in sufficient detail, as may reasonably be required to comply with Rule 38a-1 under the Investment Company Act and to provide reasonable assurance that any material inadequacies would be disclosed by such examination, and, if there are no such inadequacies, the report shall so state.

4. CONFIDENTIALITY.

The parties hereto agree that each shall treat confidentially the terms and conditions of this Agreement and all information provided by each party to the other regarding its business and operations. All confidential information provided by a party hereto, including nonpublic personal information pursuant to Regulation S-P of the Securities & Exchange Commission ("***SEC***"), shall be used by any other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party, without the prior consent of such providing party. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is required to be disclosed by any regulatory authority, any authority or legal counsel of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation.

5. COMPENSATION: ALLOCATION OF COSTS AND EXPENSES.

In full consideration of the provision of the services of the Administrator, the Corporation shall reimburse the Administrator for the costs and expenses incurred by the Administrator in performing its obligations and providing personnel and facilities hereunder.

The Corporation will bear all costs and expenses that are incurred in its operation and transactions that are not specifically assumed by the Corporation's investment adviser (the ***"Adviser"***), pursuant to that certain Investment Advisory Agreement, dated as of June 22, 2005 by and between the Corporation and the Adviser. Costs and expenses to be borne by the Corporation include, but are not limited to, those relating to: organization and offering; calculating the Corporation's net asset value (including the cost and expenses of any independent valuation firm); expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Corporation and in monitoring the Corporation's investments and performing due diligence on its prospective portfolio companies; interest payable on debt, if any, incurred to finance the Corporation's investments; offerings of the Corporation's common stock and other securities; investment advisory and management fees; administration fees, if any, payable under this Agreement; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Corporation's shares on any securities exchange; federal, state and local taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents required by the SEC; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Corporation's allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Corporation or the Administrator in connection with administering the Corporation's business, including payments under this Agreement based upon the Corporation's allocable portion of the Administrator's overhead in performing its obligations under this Agreement, including rent, and the allocable portion of the salaries and benefits expenses of the Corporation's chief compliance officer, chief financial officer and controller and their respective staffs.

6. LIMITATION OF LIABILITY OF THE ADMINISTRATOR: INDEMNIFICATION.

The Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation its sole member, the Adviser) shall not be liable to the Corporation for any action taken or omitted to be taken by the Administrator in connection with the performance of any of its duties or obligations under this Agreement or otherwise as administrator for the Corporation, and the Corporation shall indemnify, defend and protect the Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation the Adviser, each of whom shall be deemed a third party beneficiary hereof) (collectively, the ***"Indemnified Parties"***) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding

(including an action or suit by or in the right of the Corporation or its security holders) arising out of or otherwise based upon the performance of any of the Administrator's duties or obligations under this Agreement or otherwise as administrator for the Corporation. Notwithstanding the preceding sentence of this Paragraph 6 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Corporation or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or negligence in the performance of the Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under this Agreement (to the extent applicable, as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the SEC or its staff thereunder).

7. ACTIVITIES OF THE ADMINISTRATOR.

The services of the Administrator to the Corporation are not to be deemed to be exclusive, and the Administrator and each affiliate is free to render services to others. It is understood that directors, officers, employees and stockholders of the Corporation are or may become interested in the Administrator and its affiliates, as directors, officers, members, managers, employees, partners, stockholders or otherwise, and that the Administrator and directors, officers, members, managers, employees, partners and stockholders of the Administrator and its affiliates are or may become similarly interested in the Corporation as stockholders or otherwise.

8. DURATION AND TERMINATION OF THIS AGREEMENT.

This Agreement shall become effective as of the date hereof, and shall remain in force with respect to the Corporation for two years thereafter, and thereafter continue from year to year, but only so long as such continuance is specifically approved at least annually by (i) the Board of Directors of the Corporation and (ii) a majority of those Directors who are not parties to this Agreement or "interested persons" (as defined in the Investment Company Act) of any such party. This Agreement may be terminated at any time, without the payment of any penalty, by vote of the Directors of the Corporation, or by the Administrator, upon 60 days' written notice to the other party. This Agreement may not be assigned by a party without the consent of the other party.

9. AMENDMENTS OF THIS AGREEMENT.

This Agreement may be amended pursuant to a written instrument by mutual consent of the parties.

10. GOVERNING LAW.

This Agreement shall be construed in accordance with laws of the State of Delaware and the applicable provisions of the Investment Company Act, if any. To the extent that the applicable laws of the State of Delaware, or any of the provisions herein, conflict with the applicable provisions of the Investment Company Act, if any, the latter shall control.

11. ENTIRE AGREEMENT.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof.

12. NOTICES.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

GLADSTONE INVESTMENT CORPORATION

By: /s/ David Gladstone
David Gladstone
Chief Executive Officer

GLADSTONE ADMINISTRATION, LLC

By: /s/ David Gladstone
David Gladstone, Manager

Exhibit 6.8

FIFTH AMENDED AND RESTATED INVESTMENT ADVISORY AGREEMENT
BETWEEN
GLADSTONE COMMERCIAL CORPORATION
AND
GLADSTONE MANAGEMENT CORPORATION

This Fifth Amended and Restated Investment Advisory Agreement Between Gladstone Commercial Corporation and Gladstone Management Corporation (this "***Agreement***") is made this 8th day of January 2019, by and between Gladstone Commercial Corporation, a Maryland corporation (the "***Company***"), and Gladstone Management Corporation, a Delaware corporation (the "***Adviser***").

Whereas, this Agreement shall amend and restate that certain Fourth Amended and Restated Investment Advisory Agreement between the Company and the Adviser, dated January 10, 2017.

Whereas, the Company is a real estate investment trust organized primarily for the purpose of investing in and owning net leased industrial and commercial rental property and selectively making long-term mortgage loans collateralized by industrial and commercial property;

Whereas, the Adviser is an investment adviser that has registered under the Investment Advisers Act of 1940; and

Whereas, the Company desires to retain the Adviser to furnish investment advisory services to the Company on the terms and conditions hereinafter set forth, and the Adviser wishes to be retained to provide such services.

Now, therefore, in consideration of the premises and for other good and valuable consideration, the parties hereby agree as follows:

1. Duties of the Adviser.

(a) The Company hereby employs the Adviser to act as the investment adviser to the Company and to manage the investment and reinvestment of the assets of the Company, subject to the supervision of the Board of Directors of the Company, for the period and upon the terms herein set forth, (i) in accordance with the investment objective, policies and restrictions that are set forth in the Company's Annual Reports on Form 10-K, filed with the Securities and Exchange Commission from year to year, pursuant to Section 13 of the Securities and Exchange Act of 1934 and (ii) during the term of this Agreement in accordance with all applicable federal and state laws, rules and regulations, and the Company's charter and by-laws. Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Company; (iii) close and monitor the Company's investments; (iv) determine the real property, securities and other assets that the Company will purchase, retain, or sell; (v) perform due diligence on prospective portfolio companies; and (vi) provide the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the

investment of its funds. The Adviser shall have the discretion, power and authority on behalf of the Company to effectuate its investment decisions for the Company, including the execution and delivery of all documents relating to the Company's investments and the placing of orders for other purchase or sale transactions on behalf of the Company. In the event that the Company determines to acquire debt financing, the Adviser will arrange for such financing on the Company's behalf, subject to the oversight and approval of the Company's Board of Directors. If it is necessary for the Adviser to make investments on behalf of the Company through a special purpose vehicle, the Adviser shall have authority to create or arrange for the creation of such special purpose vehicle and to make such investments through such special purpose vehicle.

(b) The Adviser hereby accepts such employment and agrees during the term hereof to render the services described herein for the compensation provided herein.

(c) The Adviser is hereby authorized to enter into one or moresub-advisory agreements with other advisers (each, a **"*Sub-Adviser*"**) pursuant to which the Adviser may obtain the services of the Sub-Adviser(s) to assist the Adviser in fulfilling its responsibilities hereunder. Specifically, the Adviser may retain a Sub-Adviser to recommend specific investments based upon the Company's investment objective and policies, and work, along with the Adviser, in structuring, negotiating, arranging or effecting the acquisition or disposition of such investments and monitoring investments on behalf of the Company, subject to the oversight of the Adviser and the Company. The Adviser, and not the Company, shall be responsible for any compensation payable to any Sub-Adviser. Any sub-advisory agreement entered into by the Adviser shall be in accordance with the requirements of applicable federal and state law.

(d) The Adviser shall for all purposes herein provided be deemed to be an independent contractor and, except as expressly provided or authorized herein, shall have no authority to act for or represent the Company in any way or otherwise be deemed an agent of the Company.

(e) The Adviser shall keep and preserve for a reasonable period any books and records relevant to the provision of its investment advisory services to the Company and shall specifically maintain all books and records with respect to the Company's portfolio transactions and shall render to the Company's Board of Directors such periodic and special reports as the Board may reasonably request. The Adviser agrees that all records that it maintains for the Company are the property of the Company and will surrender promptly to the Company any such records upon the Company's request. provided that the Adviser may retain a copy of such records.

(f) The Adviser has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Adviser. The Adviser has provided the Company, and shall provide the Company at such times in the future as the Company shall reasonably request, with a copy of such policies and procedures.

2. Company's Responsibilities and Expenses Payable by the Company.

All investment professionals of the Adviser and their respective staffs, when and to the extent engaged in providing investment advisory and management services hereunder, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by the Adviser and not by the Company. The Company will bear all

other costs and expenses of its operations and transactions, including (without limitation) those relating to: organization and offering; expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Company and in monitoring the Company's investments and performing due diligence on its real estate or prospective portfolio companies; interest payable on debt, if any, incurred to finance the Company's investments; offerings of the Company's common or preferred stock and other securities; investment advisory and management fees; administration fees, if any, payable under the existing administration agreement between the Company and Gladstone Administration, LLC (the **"*Administrator*"**), dated January 1,2007 (the **"*Administration Agreement*"**); fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Company's shares on any securities exchange; federal, state and local taxes; independent Directors' fees and expenses; costs of preparing and filing reports or other documents required by the Securities and Exchange Commission; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Company's allocable portion of the fidelity bond, directors and officers and errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Company or the Administrator in connection with administering the Company's business, including payments under the Administration Agreement between the Company and the Administrator based upon the Company's allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of certain of the Company's personnel, including, but not limited to, its chief compliance officer, treasurer, chief financial officer, general counsel, secretary, chief valuation officer, and their respective staffs.

3. Compensation of the Adviser.

The Company agrees to pay, and the Adviser agrees to accept, as compensation for the services provided by the Adviser hereunder, a base management fee (**"*Base Management Fee*"**) and an incentive fee (**"*Incentive Fee*"**) as hereinafter set forth. The Company shall make any payments due hereunder to the Adviser or to the Adviser's designee as the Adviser may otherwise direct.

(a) Base Management Fee.

The Base Management Fee shall equal 1.50% (thus, 0.375% per quarter) of Total Equity (as defined below) per annum, which shall be calculated and payable quarterly in arrears in cash. **"*Total Equity*"** shall equal: (i) total stockholders' equity plus total mezzanine equity, as reported on the Company's balance sheet (**"*Reported Equity*"**) for the quarter, before the Base Management Fee and Incentive Fee have been recorded, adjusted to exclude (ii) any unrealized gains and losses that have impacted Reported Equity, and also adjusted to exclude (iii) any one-time events and certain non-cash items; provided that, with respect to subsection (iii) each item shall be approved by the Company's Compensation Committee. For the avoidance of doubt, the Total Equity may be greater or less than the Reported Equity. Furthermore, for the avoidance of doubt, Total Equity shall include equity interests in the Company's operating partnership that are not owned by the Company.

(b) Incentive Fee.

The Incentive Fee is an amount, not less than zero, equal to the product of 15% and:

(i) the Company's Core FFO (defined below) for the quarter, minus

(ii) the product of (A) 8.0% (thus, 2.0% per quarter) multiplied by (B) (i) the Reported Equity for the quarter before the Incentive Fee has been recorded, adjusted to exclude (ii) any unrealized gains and losses that have impacted Reported Equity, and also adjusted to exclude (iii) any one-time events and certain non-cash items, provided that with respect to subsection (iii) each item shall be approved by the Company's Compensation Committee

In the event that the calculation delineated in Section 3(b) yields an Incentive Fee for a particular quarter that exceeds by greater than 15% the average quarterly Incentive Fee paid during the trailing four quarters (averaged over the number of quarters any Incentive Fee was paid), then such Incentive Fee shall equal 115% of such trailing average quarterly Incentive Fee.

(c) **"*Core FFO*"**, a non - Generally Accepted Accounting Principles in the United States (**"*GAAP*"**) measure, shall be defined as GAAP net income (loss) available to common stockholders, computed in accordance with GAAP, excluding the Incentive Fee, depreciation and amortization, any realized and unrealized gains, losses or other non-cash items recorded in net income (loss) available to common stockholders for the period, and one-time events pursuant to changes in GAAP.

(d) Capital Gain Fee.

The Capital Gain Fee is a capital gains-based incentive fee that shall be determined and payable in arrears as of the end of each fiscal year (or, for an abbreviated time period as of the effective date of any termination of this Agreement). The Capital Gain Fee shall for any applicable time period shall equal: (i) 15% of the cumulative aggregate realized capital gains minus the cumulative aggregate realized capital losses, minus (ii) the aggregate Capital Gains Fees paid in previous time periods. Realized capital gains and realized capital losses are calculated by subtracting from the sales price of a property: (a) any costs incurred to sell such property, and (b) the current gross value of the property (meaning the property's original acquisition price plus any subsequent non-reimbursed capital improvements thereon). A Capital Gain Fee shall only be paid for an applicable time period to the extent that doing so would not violate any distribution payment covenant in a then-existing line of credit to the Company. For avoidance of doubt, the Capital Gain Fee shall only be payable for applicable time periods when the cumulative aggregate realized capital gains exceeded the cumulative aggregate realized capital losses.

4. Limitations on the Employment of the Adviser.

The services of the Adviser to the Company are not exclusive, and the Adviser may engage in any other business or render similar or different services to others including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, however structured, having investment objectives similar to those of the Company, so long as its services to the Company hereunder are not impaired thereby, and nothing in this Agreement shall limit or restrict the right of any manager, partner, officer or employee of the Adviser to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the Company's portfolio companies, subject to applicable law). So long as this Agreement or any extension, renewal or amendment remains in effect, the Adviser shall be the only investment adviser for the Company, subject to the Adviser's right to enter into sub-advisory agreements. The Adviser assumes no responsibility under this Agreement other than to render the services called for hereunder. It is understood that directors, officers, employees and stockholders of the Company are or may become interested in the Adviser and its affiliates, as directors, officers, employees, partners, stockholders, members, managers or otherwise, and that the Adviser and directors, officers, employees, partners, stockholders, members and managers of the Adviser and its affiliates are or may become similarly interested in the Company as stockholders or otherwise.

5. Responsibility of Dual Directors, Officers or Employees.

If any person who is a manager, partner, officer or employee of the Adviser or the Administrator is or becomes a director, officer or employee of the Company and acts as such in any business of the Company, then such manager, partner, officer or employee of the Adviser or the Administrator shall be deemed to be acting in such capacity solely for the Company, and not as a manager, partner, officer or employee of the Adviser or the Administrator or under the control or direction of the Adviser or the Administrator, even if employed by the Adviser or the Administrator.

6. Limitation of Liability of the Adviser: Indemnification.

The Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation the Administrator) shall not be liable to the Company for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Company, and the Company shall indemnify, defend and protect the Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its general partner and the Administrator, each of whom shall be deemed a third party beneficiary hereof) (collectively, the "***Indemnified Parties***") and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of the

Adviser's duties or obligations under this Agreement or otherwise as an investment adviser of the Company. Notwithstanding the preceding sentence of this Section 6 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Company or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Adviser's duties or by reason of the reckless disregard of the Adviser's duties and obligations under this Agreement.

7. Termination of Agreement.

This Agreement may be terminated at any time upon 120 days' prior written notice, after the vote of at leasttwo-thirds of the independent directors of the Company for any reason ("***Termination Without Cause***"). In the event of Termination Without Cause, a termination fee equal to two times the sum of the average annual Base Management Fee and Incentive Fee earned by the Adviser during the 24-month period prior to the effective date of such termination (the "***Termination Fee***").

This Agreement may be terminated effective upon 30 days prior written notice by the vote of at leasttwo-thirds of the independent directors of the Company without payment of the Termination Fee if the termination is for Cause. "Cause" shall occur if (i) the Adviser breaches any material provision of this Agreement and such breach shall continue for a period of 30 days after written notice thereof specifying such breach and requesting that the same be remedied in the such 30-day period, (ii) there is a commencement of any proceeding relating to the Adviser's bankruptcy or insolvency, including an order for relief in an involuntary bankruptcy case or the Advisor authorizing or filing a voluntary bankruptcy petition (iii) the Adviser dissolves, (iv) the Adviser commits fraud against the Company or misappropriates or embezzles funds of the Company and in each case a court of competent jurisdiction enters a judgement against the Adviser; *provided, however,* that if any of the actions or omissions described in this clause (iv) are caused by an employee, personnel and/or officer of the Adviser and the Adviser commences action against such person to cure the damage caused by such actions or omissions within 90 days of the Adviser's actual knowledge of its commission or omission, the Company shall not have the right to terminate this Agreement for Cause.

The Adviser may terminate this Agreement effective upon 60 days prior written notice of termination to the Company in the event that the Company shall default in the performance or observance of any material term, condition or covenant contained in this Agreement and such default shall continue for a period of 30 days after written notice thereof specifying such default and requesting that the same be remedied in such 30-day period. The Company is required to pay to the Adviser the Termination Fee if the termination of this Agreement is made pursuant to this paragraph.

The provisions of Section 6 of this Agreement shall remain in full force and effect, and the Adviser and its representatives shall remain entitled to the benefits thereof, notwithstanding any termination or expiration of this Agreement, Further, notwithstanding any termination or expiration of this Agreement as aforesaid, the Adviser shall be entitled to any amounts owed under Section 3 through the effective date of termination or expiration.

8. Assignment.

This Agreement is not assignable or transferable by either party hereto without the prior written consent of the other party.

9. Amendments.

This Agreement may be amended by mutual consent.

l0. Notices.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

11. Entire Agreement; Governing Law.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof. This Agreement shall be construed in accordance with the laws of the State of Delaware.

12. Effectiveness.

All fees and calculations contemplated hereunder for the quarter ending December 31, 2018, shall be calculated as if this Agreement was effective as of October 1, 2018.

[The remainder of this page has been left blank intentionally. Signature page follows.]

In Witness Whereof, the parties hereto have caused this Agreement to be duly executed on the date above written.

Gladstone Commercial Corporation

By: /s/ Bob Cutlip
Bob Cutlip
President

Gladstone Management Corporation

By: /s/ David Gladstone
David Gladstone
Chairman and Chief Executive Officer

Exhibit 6.9

ADMINISTRATION AGREEMENT
BETWEEN
GLADSTONE COMMERCIAL CORPORATION
AND
GLADSTONE ADMINISTRATION, LLC

This Administration Agreement (this "Agreement") is made as of January 1, 2007 by and between Gladstone Commercial Corporation, a Delaware corporation (hereinafter referred to as the "Company"), and Gladstone Administration, LLC, a Delaware limited liability company (hereinafter referred to as the "Administrator") a wholly owned subsidiary of Gladstone Management Corporation.

PREAMBLE

The Company is a real estate investment trust organized primarily for the purpose of investing in and owning net leased industrial and commercial rental property and selectively making long-term mortgage loans collateralized by industrial and commercial property.

The Administrator is an investment adviser that has registered under the Investment Advisers Act of 1940 (the "Advisers Act").

The Company desires to retain the Administrator to provide administrative services to the Company in the manner and on the terms hereinafter set forth. The Company's investment adviser is the Administrator's sole member. The Administrator is willing to provide administrative services to the Company on the terms and conditions hereafter set forth.

AGREEMENT

Now, Therefore, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Company and the Administrator hereby agree as set forth below:

1. Duties of the Administrator.

(a) Engagement of Administrator. The Company hereby engages the Administrator to act as administrator of the Company, and to furnish, or arrange for others to furnish, the administrative services, personnel and facilities described below, subject to review by and the overall control of the Board of Directors of the Company, for the period and on the terms and conditions set forth in this Agreement. The Administrator hereby accepts such employment and agrees during such period to render, or arrange for the rendering of, such services and to assume the obligations herein set forth subject to the reimbursement of costs and expenses provided for below. The Administrator and such others shall for all purposes herein be deemed to be independent contractors and shall, unless otherwise expressly provided or authorized herein, have no authority to act for or represent the Company in any way or otherwise be deemed agents of the Company.

(b) Services. The Administrator shall perform (or oversee, or arrange for, the performance of) the administrative services necessary for the operation of the Company. Without limiting the generality of the foregoing, the Administrator shall provide the Company with office facilities, equipment, clerical, bookkeeping, compliance, treasury and record keeping services at such facilities and such other services as the Administrator, subject to review by the Board of Directors of the Company, shall from time to time determine to be necessary or useful to perform its obligations under this Agreement.

The Administrator shall also, on behalf of the Company, conduct relations with custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. The Administrator shall make reports to the Company's Board of Directors of its performance of obligations hereunder and furnish advice and recommendations with respect to such other aspects of the business and affairs of the Company as it shall determine to be desirable; provided that nothing herein shall be construed to require the Administrator to, and the Administrator shall not, provide any advice or recommendation relating to the securities and other assets that the Company should purchase, retain or sell or any other investment advisory services to the Company. The Administrator shall be responsible for the financial and other records that the Company is required to maintain and shall prepare reports to stockholders, and reports and other materials filed with the Securities and Exchange Commission (the "SEC"). In addition, the Administrator will assist the Company in determining and publishing the Company's Total Stockholders' Equity, overseeing the preparation and filing of the Company's tax returns, and the printing and dissemination of reports to stockholders of the Company, and generally overseeing the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others.

(c) The Administrator is hereby authorized to enter into one or more sub-administration agreements with other service providers (each a "Sub-Administrator") pursuant to which the Administrator may obtain the services of the service providers in fulfilling its responsibilities hereunder. Any such sub-administration agreements shall be in accordance with the requirements of applicable federal and state law and shall contain a provision requiring the Sub-Administrator to comply with Sections 2 and 3 below as if it were the Administrator.

2. Records.

The Administrator agrees to maintain and keep all books, accounts and other records of the Company that relate to activities performed by the administrator hereunder. The Administrator agrees that all records which it maintains for the Company shall at all times remain the property of the Company, shall be readily accessible during normal business hours, and shall be promptly surrendered upon the termination of the Agreement or otherwise on written request. Records shall be surrendered in usable machine-readable form. The Administrator shall have the right to retain copies of such records subject to observance of its confidentiality obligations under this Agreement.

3. Policies and Procedures.

The Administrator has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Administrator. The Administrator shall provide the Company, at such times as the Company shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures.

4. Confidentiality.

The parties hereto agree that each shall treat confidentially the terms and conditions of this Agreement and all information provided by each party to the other regarding its business and operations. All confidential information provided by a party hereto, including nonpublic personal information pursuant to Regulation S-P of the Securities & Exchange Commission ("SEC"), shall be used by any other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party, without the prior consent of such providing party. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is required to be disclosed by any regulatory authority, any authority or legal counsel of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation.

5. Compensation: Allocation of Costs and Expenses.

In full consideration of the provision of the services of the Administrator, the Company shall reimburse the Administrator for the costs and expenses incurred by the Administrator in performing its obligations and providing personnel and facilities hereunder.

The Company will bear all costs and expenses that are incurred in its operation and transactions that are not specifically assumed by the Company's investment adviser (the "Adviser"), pursuant to that certain Amended and Restated Investment Advisory Agreement, dated as of January 1, 2007 by and between the Company and the Adviser. Costs and expenses to be borne by the Company include, but are not limited to, those relating to: organization and offering; expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Company and in monitoring the Company's investments and performing due diligence on its prospective portfolio companies; interest and fees payable on debt, if any, incurred to finance the Company's investments; offerings of the Company's common stock, preferred stock and other securities; investment advisory and management fees; administration fees, if any, payable under this Agreement; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Company's shares on any securities exchange; federal, state and local taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents required by the SEC; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Company's allocable portion of the fidelity bond, directors and officers and errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Company or the Administrator in connection with administering the Company's business, including payments under this Agreement based upon the Company's allocable portion of the Administrator's overhead in performing its obligations under this Agreement, including rent, and the allocable portion of the salaries and benefits expenses of the Company's chief compliance officer, treasurer, chief financial officer and controller and their respective staffs.

6. Limitation of Liability of the Administrator: Indemnification.

The Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation its sole member, the Adviser) shall not be liable to the Company for any action taken or omitted to be taken by the Administrator in connection with the performance of any of its duties or obligations under this Agreement or otherwise as administrator for the Company, and the Company shall indemnify, defend and protect the Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation the Adviser, each of whom shall be deemed a third party beneficiary hereof) (collectively, the "Indemnified Parties") and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of the Administrator's duties or obligations under this Agreement or otherwise as administrator for the Company. Notwithstanding the preceding sentence of this Paragraph 6 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Company or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or negligence in the performance of the Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under this Agreement.

7. Activities of the Administrator.

The services of the Administrator to the Company are not to be deemed to be exclusive, and the Administrator and each affiliate is free to render services to others. It is understood that directors, officers, employees and stockholders of the Company are or may become interested in the Administrator and its affiliates, as directors, officers, members, managers, employees, partners, stockholders or otherwise, and that the Administrator and directors, officers, members, managers, employees, partners and stockholders of the Administrator and its affiliates are or may become similarly interested in the Company as stockholders or otherwise.

8. Duration and Termination of this Agreement.

This Agreement shall become effective as of the date hereof, and shall remain in force with respect to the Company for two years thereafter, and thereafter continue from year to year, but only so long as such continuance is specifically approved at least annually by (i) the Board of Directors of the Company and (ii) a majority of those Directors who are not parties to this Agreement and are "independent directors," as such term is defined under the rules of the Nasdaq National Market or such other securities market on which the securities of the Company are traded. This Agreement may be terminated at any time, without the payment of any penalty, by vote of the Directors of the Company, or by the Administrator, upon 60 days' written notice to the other party. This Agreement may not be assigned by a party without the consent of the other party.

9. Amendments of this Agreement.

This Agreement may be amended pursuant to a written instrument by mutual consent of the parties.

10. Governing Law.

This Agreement shall be construed in accordance with laws of the State of Delaware.

11. Entire Agreement.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof.

12. Notices.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

In Witness Whereof, the parties hereto have executed and delivered this Agreement as of the date first above written.

Gladstone Commercial Corporation

By:

/s/ David Gladstone
David Gladstone
Chairman and Chief Executive Officer

Gladstone Administration, LLC

By:

/s/ Kevin Cheetham
Kevin Cheetham
President

FOURTH AMENDED AND RESTATED INVESTMENT ADVISORY AGREEMENT
BETWEEN
GLADSTONE LAND CORPORATION
AND
GLADSTONE MANAGEMENT CORPORATION

Agreement is made this 14th day of January, 2020, by and between Gladstone Land Corporation, a Maryland corporation (the ***"Company"),*** and Gladstone Management Corporation, a Delaware corporation (the ***"Adviser").***

WHEREAS, the Company is a real estate investment trust organized primarily for the purpose of investing in and owning net leased industrial farmland and properties and assets related to farming;

WHEREAS, the Adviser is an investment adviser that has registered under the Investment Advisers Act of 1940 (the"***Advisers Act")***;

WHEREAS, the Company and the Adviser entered into that certain Amended and Restated Investment and Advisory Agreement, as of February 1, 2013, that certain Second Amended and Restated Investment and Advisory Agreement, as of July 11, 2017, and that certain Third Amended and Restated Investment Advisory Agreement, dated July 9, 2019 (collectively, the "***Prior Agreement")***; and

WHEREAS, the Company and the Adviser wish to amend and restate the Prior Agreement hereby.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties hereby agree as follows:

1. Duties of the Adviser.

(a) The Company hereby employs the Adviser to act as the investment adviser to the Company and to manage the investment and reinvestment of the assets of the Company, subject to the supervision of the Board of Directors of the Company, for the period and upon the terms herein set forth, (i) in accordance with the investment objective, policies and restrictions that are set forth in the Company's Annual Reports on Form 10-K or the Company's Registration Statement on Form S-3, as amended or refiled from time to time (the "***Registration Statement***") and (ii) during the term of this Agreement in accordance with all applicable federal and state laws, rules and regulations, and the Company's charter and by-laws. Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and negotiate the structure of the investments made by the Company; (iii) close and monitor the Company's investments; (iv) determine the real property, securities and other assets that the Company will purchase, retain, or sell; (v) perform due diligence on prospective portfolio companies; and (vi) provide the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds. The Adviser shall have the discretion, power and authority on behalf of the Company to effectuate its investment decisions for the Company, including the execution and delivery of all documents relating to the Company's investments and the placing of orders for other purchase or sale transactions on behalf of the Company. In the event that the Company determines to acquire debt financing, the Adviser will arrange for such financing on the Company's behalf, subject to the oversight and approval of the Company's Board of Directors. If it is necessary for the Adviser to make investments on behalf of the Company through a special purpose vehicle, the Adviser shall have authority to create or arrange for the creation of such special purpose vehicle and to make such investments through such special purpose vehicle.

(b) The Adviser hereby accepts such employment and agrees during the term hereof to render the services described herein for the compensation provided herein.

(c) The Adviser is hereby authorized to enter into one or more sub-advisory agreements with other advisers (each, a"***Sub-Adviser***") pursuant to which the Adviser may obtain the services of the Sub-Adviser(s) to assist the

Adviser in fulfilling its responsibilities hereunder. Specifically, the Adviser may retain a Sub-Adviser to recommend specific investments based upon the Company's investment objective and policies, and work, along with the Adviser, in structuring, negotiating, arranging or effecting the acquisition or disposition of such investments and monitoring investments on behalf of the Company, subject to the oversight of the Adviser and the Company. The Adviser, and not the Company, shall be responsible for any compensation payable to any Sub-Adviser. Any sub-advisory agreement entered into by the Adviser shall be in accordance with the requirements of applicable federal and state law.

(d) The Adviser shall for all purposes herein provided be deemed to be an independent contractor and, except as expressly provided or authorized herein, shall have no authority to act for or represent the Company in any way or otherwise be deemed an agent of the Company.

(e) The Adviser shall keep and preserve for a reasonable period any books and records relevant to the provision of its investment advisory services to the Company and shall specifically maintain all books and records with respect to the Company's portfolio transactions and shall render to the Company's Board of Directors such periodic and special reports as the Board may reasonably request. The Adviser agrees that all records that it maintains for the Company are the property of the Company and will surrender promptly to the Company any such records upon the Company's request, provided that the Adviser may retain a copy of such records.

(f) The Adviser has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Adviser. The Adviser has provided the Company, and shall provide the Company at such times in the future as the Company shall reasonably request, with a copy of such policies and procedures.

2. Company's Responsibilities and Expenses Payable by the Company.

All investment professionals of the Adviser and their respective staffs, when and to the extent engaged in providing investment advisory and management services hereunder, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by the Adviser and not by the Company. The Company will bear all other costs and expenses of its operations and transactions, including (without limitation) those relating to: organization and offering; expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Company and in monitoring the Company's investments and performing due diligence on its real estate or prospective portfolio companies; interest payable on debt, if any, incurred to finance the Company's investments; offerings of the Company's common or preferred stock and other securities; investment advisory and management fees; administration fees, if any, payable under the Administration Agreement between the Company and Gladstone Administration, LLC (the ***"Administrator"),*** the Company's administrator; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Company's shares on any securities exchange; federal, state and local taxes; independent Directors' fees and expenses; costs of preparing and filing reports or other documents required by the Securities and Exchange Commission; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Company's allocable portion of the fidelity bond, directors and officers and errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Company or the Administrator in connection with administering the Company's business, including payments under the Administration Agreement between the Company and the Administrator based upon the Company's allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of the Company's chief compliance officer, treasurer and chief financial officer and their respective staffs.

3. Compensation of the Adviser.

The Company agrees to pay, and the Adviser agrees to accept, as compensation for the services provided by the Adviser hereunder, a base management fee (the "***Base Management Fee***"), an incentive fee (the "***Incentive Fee***"), and a capital gains fee (the "***Capital Gains Fee***"), as hereinafter set forth. The Company shall make any payments due hereunder to the Adviser or to the Adviser's designee as the Adviser may otherwise direct.

(a) Base Management Fee.

The Base Management Fee shall be payable quarterly in arrears and shall be calculated at an annual rate of 0.50% (0.125% per quarter) of the *prior* calendar quarter's ***"Gross Tangible Real Estate,"*** defined as the gross cost of tangible real estate owned by the Company (including land and land improvements, irrigation and drainage systems, horticulture, farm-related facilities, and other tangible site improvements), prior to any accumulated depreciation, and as shown on the Company's balance sheet or the notes thereto for the applicable quarter. For purposes of clarification, Gross Tangible Real Estate shall include tenant-funded improvements owned by the Company but shall exclude any related intangible assets, such as lease intangibles, recorded on the Company's books.

(b) Incentive Fee.

The Incentive Fee will be calculated and payable quarterly in arrears based on the *current* calendar quarter's Pre-Incentive Fee FFO (as defined below) exceeding a ***"hurdle rate"*** of 1.75% per quarter (7% annualized) of the *prior* calendar quarter's "***Total Adjusted Common Equity***" (defined as common stockholders' equity plus common equity interests in the Company's operating partnership not held by the Company, each as reported on the Company's balance sheet ("***Total Common Equity***"), adjusted to exclude: (i) the effect of any unrealized gains and losses and (ii) certain other one-time events and non-cash items). With respect to subsections (i) and (ii), such adjustments shall be limited to those events or items that have impacted Total Common Equity but did not affect net income (as computed in accordance with U.S. generally accepted accounting principles ("***GAAP***")). The Base Management Fee payable for any partial quarter will be appropriately prorated.

For purposes of this calculation, "***Funds From Operations***" ("***FFO***") means net income (computed in accordance with GAAP), excluding gains (or losses) from debt restructurings and sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. "***Pre-Incentive Fee FFO***" shall mean FFO accrued by the Company during the current calendar quarter (prior to any incentive fee calculation for the current calendar quarter), less any dividends paid on preferred stock securities that are *not* treated as a liability for GAAP purposes. For purposes of calculating the Incentive Fee, Pre-Incentive Fee FFO may be adjusted by a unanimous vote of the independent directors to exclude certain one-time events pursuant to changes in GAAP or other non-cash items recorded in net income.

Pre-Incentive Fee FFO for the current calendar quarter shall be expressed as a rate of return on Total Adjusted Common Equity at the end of the prior calendar quarter. The Company will pay the Adviser an Incentive Fee with respect to the Pre-Incentive Fee FFO in each calendar quarter as follows: (1) no Incentive Fee in any calendar quarter in which the Pre-Incentive Fee FFO does not exceed the hurdle rate; (2) 100% of the Pre-Incentive Fee FFO with respect to that portion of such Pre-Incentive Fee FFO, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter (8.75% annualized); and (3) 20% of the amount of the Pre-Incentive Fee FFO, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized). Incentive Fees payable for any partial quarter will be appropriately prorated.

(c) Capital Gains Fee.

The Capital Gains Fee is a capital gains-based incentive fee that shall be determined and payable in arrears as of the end of each fiscal year (or for an abbreviated time period as of the effective date of any termination of this Agreement). The Capital Gains Fee for any applicable time period shall equal: (1) 15% of the cumulative aggregate realized capital gains minus the cumulative aggregate realized capital losses, minus (2) the aggregate Capital Gains Fees paid in prior periods. Realized capital gains and realized capital losses are calculated by subtracting from the sales price of a property: (a) any costs incurred to sell such property, and (b) the current gross value of the property (meaning the property's original acquisition price plus any subsequent, non-reimbursed capital improvements thereon paid for by the Company). A Capital Gains Fee shall only be paid for an applicable time period to the extent that doing so would not violate any distribution payment covenant in a then-existing line of credit to the Company. For avoidance of doubt, the Capital Gains Fee shall only be payable for applicable time periods when the cumulative aggregate realized capital gains exceed the cumulative aggregate realized capital losses.

4. Limitations on the Employment of the Adviser.

The services of the Adviser to the Company are not exclusive, and the Adviser may engage in any other business or render similar or different services to others including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, however structured, having investment objectives similar to those of the Company, so long as its services to the Company hereunder are not impaired thereby, and nothing in this Agreement shall limit or restrict the right of any manager, partner, officer or employee of the Adviser to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the Company's portfolio companies, subject to applicable law). So long as this Agreement or any extension, renewal or amendment remains in effect, the Adviser shall be the only investment adviser for the Company, subject to the Adviser's right to enter into sub-advisory agreements. The Adviser assumes no responsibility under this Agreement other than to render the services called for hereunder. It is understood that directors, officers, employees and stockholders of the Company arc or may become interested in the Adviser and its affiliates, as directors, officers, employees, partners, stockholders, members, managers or otherwise, and that the Adviser and directors, officers, employees, partners, stockholders, members and managers of the Adviser and its affiliates are or may become similarly interested in the Company as stockholders or otherwise.

5. Responsibility of Dual Directors, Officers or Employees.

If any person who is a manager, partner, officer or employee of the Adviser or the Administrator is or becomes a director, officer or employee of the Company and acts as such in any business of the Company, then such manager, partner, officer or employee of the Adviser or the Administrator shall be deemed to be acting in such capacity solely for the Company, and not as a manager, partner, officer or employee of the Adviser or the Administrator or under the control or direction of the Adviser or the Administrator, even if paid by the Adviser or the Administrator.

6. Limitation of Liability of the Adviser: Indemnification.

The Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation the Administrator) shall not be liable to the Company for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Company, and the Company shall indemnify, defend and protect the Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including without limitation its general partner and the Administrator, each of whom shall be deemed a third party beneficiary hereof) (collectively, the "***Indemnified Parties***"***)*** and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of the Adviser's duties or obligations under this Agreement or otherwise as an investment adviser of the Company. Notwithstanding the preceding sentence of this Section 6 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Company or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Adviser's duties or by reason of the reckless disregard of the Adviser's duties and obligations under this Agreement.

7. Effectiveness, Duration and Termination of Agreement.

This Agreement shall become effective as of the first date above written and shall continue automatically for successive annual periods unless the Company, by vote of a majority of the Company's "***independent directors***" (as such term is defined under the rules of the NASDAQ Stock Market or such other securities market on which the securities of the Company are then traded) provides written notice of non-renewal at least 60 days prior to the scheduled expiration date. This Agreement may be terminated at any time, without the payment of any penalty, upon the mutual agreement of (i) the Company, by the vote of a majority of the Company's "independent directors," and (ii) the Adviser. All fees and calculations contemplated hereunder for the quarter ending March 31, 2020, shall be calculated as if this Agreement was effective as of January 1, 2020.

This Agreement may be terminated by the Company at any time upon providing the Adviser 120 days' prior written notice, after the vote of at least two-thirds of the independent directors of the Company, for any reason. In the event of such termination or non-renewal, the Company shall pay to the Adviser a termination fee equal to three times the sum of the average annual Base Management Fee and Incentive Fee earned by the Adviser during the 24-month period prior to the effective date of such termination.

The provisions of Section 6 of this Agreement shall remain in full force and effect, and the Adviser and its representatives shall remain entitled to the benefits thereof, notwithstanding any termination or expiration of this Agreement. Further, notwithstanding the termination or expiration of this Agreement as aforesaid, the Adviser shall be entitled to any amounts owed under Section 3 through the date of termination or expiration.

8. Assignment.

This agreement is not assignable or transferable by either party hereto without the prior written consent of the other party.

9. Amendments.

This Agreement may be amended by mutual consent.

10. Notices.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

11. Entire Agreement; Governing Law.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof. This Agreement shall be construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date above written.

Gladstone Land Corporation

By: /s/ David Gladstone
David Gladstone
Chairman, Chief Executive Officer and President

Gladstone Management Corporation

By: /s/ David Gladstone
David Gladstone
Chairman and Chief Executive Officer

SECOND AMENDED AND RESTATED ADMINISTRATION AGREEMENT
BETWEEN
GLADSTONE LAND CORPORATION
AND
GLADSTONE ADMINISTRATION, LLC

This Second Amended and Restated Administration Agreement (this "***Agreement***") is made as of February 1, 2013 by and between Gladstone Land Corporation, a Maryland corporation (hereinafter referred to as the "***Company***"), and Gladstone Administration, LLC, a Delaware limited liability company (hereinafter referred to as the "***Administrator***").

PREAMBLE

WHEREAS, the Company and the Administrator entered into that certain Administration Agreement, as of January 1, 2010 and that First Amended and Restated Administration Agreement as of June 1, 2011 (the "***Prior Agreement***"); and

WHEREAS, the Company and the Administrator wish to amend and restate the Prior Agreement hereby.

AGREEMENT

Now, Therefore, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Company and the Administrator hereby agree as set forth below:

1. Duties of the Administrator.

(a) Engagement of Administrator. The Company hereby engages the Administrator to act as administrator of the Company, and to furnish, or arrange for others to furnish, the administrative services, personnel and facilities described below, subject to review by and the overall control of the Board of Directors of the Company, for the period and on the terms and conditions set forth in this Agreement. The Administrator hereby accepts such employment and agrees during such period to render, or arrange for the rendering of, such services and to assume the obligations herein set forth subject to the reimbursement of costs and expenses provided for below. The Administrator and such others shall for all purposes herein be deemed to be independent contractors and shall, unless otherwise expressly provided or authorized herein, have no authority to act for or represent the Company in any way or otherwise be deemed agents of the Company.

(b) Services. The Administrator shall perform (or oversee, or arrange for, the performance of) the administrative services necessary for the operation of the Company. Without limiting the generality of the foregoing, the Administrator shall provide the Company with office facilities, equipment, clerical, bookkeeping, compliance, treasury and record keeping services at such facilities and such other services as the Administrator, subject to review by the Board of Directors of the Company, shall from time to time determine to be necessary or useful to perform its obligations under this Agreement. The Administrator shall also, on behalf of the Company, conduct relations with custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other

capacity deemed to be necessary or desirable. The Administrator shall make reports to the Company's Board of Directors of its performance of obligations hereunder and furnish advice and recommendations with respect to such other aspects of the business and affairs of the Company as it shall determine to be desirable; provided that nothing herein shall be construed to require the Administrator to, and the Administrator shall not, provide any advice or recommendation relating to the securities and other assets that the Company should purchase, retain or sell or any other investment advisory services to the Company. The Administrator shall be responsible for the financial and other records that the Company is required to maintain and shall prepare reports to stockholders, and reports and other materials filed with the Securities and Exchange Commission (the "***SEC***"). In addition, the Administrator will assist the Company in determining and publishing the Company's Total Stockholders' Equity, overseeing the preparation and filing of the Company's tax returns, and the printing and dissemination of reports to stockholders of the Company, and generally overseeing the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others.

(c) The Administrator is hereby authorized to enter into one or more sub-administration agreements with other service providers (each a "***Sub-Administrator***") pursuant to which the Administrator may obtain the services of the service providers in fulfilling its responsibilities hereunder. Any such sub-administration agreements shall be in accordance with the requirements of applicable federal and state law and shall contain a provision requiring the Sub-Administrator to comply with Sections 2 and 3 below as if it were the Administrator.

2. Records.

The Administrator agrees to maintain and keep all books, accounts and other records of the Company that relate to activities performed by the administrator hereunder. The Administrator agrees that all records which it maintains for the Company shall at all times remain the property of the Company, shall be readily accessible during normal business hours, and shall be promptly surrendered upon the termination of the Agreement or otherwise on written request. Records shall be surrendered in usable machine-readable form. The Administrator shall have the right to retain copies of such records subject to observance of its confidentiality obligations under this Agreement.

3. Policies and Procedures.

The Administrator has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Administrator. The Administrator shall provide the Company, at such times as the Company shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures.

4. Confidentiality.

The parties hereto agree that each shall treat confidentially the terms and conditions of this Agreement and all information provided by each party to the other regarding its business and operations. All confidential information provided by a party hereto, including nonpublic personal information pursuant to Regulation S-P of the SEC, shall be used by any other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party, without the prior consent of such providing party. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is required to be disclosed by any regulatory authority, any authority or legal counsel of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation.

5. Compensation: Allocation of Costs and Expenses.

In full consideration of the provision of the services of the Administrator, the Company shall reimburse the Administrator for the costs and expenses incurred by the Administrator in performing its obligations and providing personnel and facilities hereunder.

The Company will bear all costs and expenses that are incurred in its operation and transactions that are not specifically assumed by the Company's investment adviser, Gladstone Management Corporation (the "***Adviser***"), pursuant to that certain Amended and Restated Investment Advisory Agreement, dated the same date hereof by and between the Company and the Adviser. Costs and expenses to be borne by the Company include, but are not limited to, those relating to: organization and offering; expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Company and in monitoring the Company's investments and performing due diligence on its prospective portfolio companies; interest and fees payable on debt, if any, incurred to finance the Company's investments; offerings of the Company's common stock, preferred stock and other securities; investment advisory and management fees; administration fees, if any, payable under this Agreement; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing the Company's shares on any securities exchange; federal, state and local taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents required by the SEC; costs of any reports, proxy statements or other notices to stockholders, including printing costs; the Company's allocable portion of the fidelity bond, directors and officers and errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the Company or the Administrator in connection with administering the Company's business, including payments under this Agreement based upon the Company's allocable portion of the Administrator's overhead in performing its obligations under this Agreement, including rent, and the allocable portion of the salaries and benefits expenses of the Company's chief compliance officer, treasurer, chief financial officer and controller and their respective staffs.

6. Limitation of Liability of the Administrator: Indemnification.

The Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation, the Adviser) shall not be liable to the Company for any action taken or omitted to be taken by the Administrator in connection with the performance of any of its duties or obligations under this Agreement or otherwise as administrator for the Company, and the Company shall indemnify, defend and protect the Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation the Adviser, each of whom shall be deemed a third party beneficiary hereof) (collectively, the "***Indemnified Parties***") and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of the Administrator's duties or obligations under this Agreement or otherwise as administrator for the Company. Notwithstanding the preceding sentence of this Section 6 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any

liability to the Company or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or negligence in the performance of the Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under this Agreement.

7. Activities of the Administrator.

The services of the Administrator to the Company are not to be deemed to be exclusive and the Administrator and each affiliate is free to render services to others. It is understood that directors, officers, employees and stockholders of the Company are or may become interested in the Administrator and its affiliates, as directors, officers, members, managers, employees, partners, stockholders or otherwise, and that the Administrator and directors, officers, members, managers, employees, partners and stockholders of the Administrator and its affiliates are or may become similarly interested in the Company as stockholders or otherwise.

8. Duration and Termination of this Agreement.

This Agreement shall become effective as of the date hereof, and shall remain in force with respect to the Company for five years, and thereafter shall continue automatically for successive annual periods unless the Company, by vote of a majority of the Company's "independent directors" (as such term is defined under the rules of the NASDAQ Stock Market or such other securities market on which the securities of the Company are then traded) provides at least written notice of non-renewal at least 60 days prior to the scheduled expiration date. This Agreement may be terminated at any time, without the payment of any penalty, upon the mutual agreement of (i) the Company, by the vote of a majority of the Company's "independent directors," and (ii) the Administrator. The provisions of Section 6 of this Agreement shall remain in full force and effect, and the Administrator and its representatives shall remain entitled to the benefits thereof, notwithstanding any termination or expiration of this Agreement. Further, notwithstanding the termination or expiration of this Agreement as aforesaid, the Administrator shall be entitled to any amounts owed under Section 5 through the date of termination or expiration.

9. Amendments of this Agreement.

This Agreement may be amended pursuant to a written instrument by mutual consent of the parties.

10. Governing Law.

This Agreement shall be construed in accordance with laws of the State of Delaware.

11. Entire Agreement.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof.

12. Notices.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

In Witness Whereof, the parties hereto have executed and delivered this Agreement as of the date first above written.

Gladstone Land Corporation

By: /s/ David Gladstone
David Gladstone
Chairman and Chief Executive Officer and President

Gladstone Administration, LLC

By: /s/ David Gladstone
David Gladstone
Chairman, Chief Executive Officer and President

ADMINISTRATION AGREEMENT

THIS ADMINISTRATION AGREEMENT (this "***Agreement***") is made as of December 1, 2019, by and between Gladstone Administration, LLC, a Delaware limited liability company (hereinafter referred to as the "***Administrator***"), and The Gladstone Companies, Inc., a Delaware corporation (hereinafter referred to as the "***Company***").

NOW, **THEREFORE**, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Company and the Administrator hereby agree as set forth below:

1. DUTIES OF THE ADMINISTRATOR.

(a) Engagement of the Administrator. The Company hereby engages the Administrator to provide administrative services to the Company as described herein, and to furnish, or arrange for others to furnish, the administrative services, personnel and facilities described below, subject to review by and the overall control of the Company's management, for the period and on the terms and conditions set forth in this Agreement. The Administrator hereby accepts such engagement and agrees during such period to render, or arrange for the rendering of, such services and to assume the obligations herein set forth subject to the specific reimbursement provision delineated below. The Administrator and such others shall for all purposes herein be deemed to be independent contractors of the Company and shall, unless otherwise expressly provided or authorized herein, have no authority to act for or represent the Company in any way or otherwise be deemed agents of the Company.

(b) Services. The Administrator shall perform (or oversee, or arrange for, the performance of) the administrative services necessary for the operation of the Company. Without limiting the generality of the foregoing, the Administrator shall provide the Company with office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities and such other services as the Administrator, subject to review by the Company's management, shall from time to time determine to be necessary or useful to perform its obligations under this Agreement. The Administrator shall also, on behalf of the Company, conduct relations with custodians, depositories, transfer agents, dividend disbursing agents, other investor servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed by the Company to be necessary or desirable. The Administrator shall make reports to the Company's management of its performance of obligations hereunder and furnish advice and recommendations with respect to such other aspects of the business and affairs of the Company as it shall determine to be desirable; provided that nothing herein shall be construed to require the Administrator to, and the Administrator shall not, provide any advice or recommendation relating to the securities and other assets that the Company should purchase, retain or sell or any other investment advisory services to the Company. The Administrator shall be responsible for the financial and other records that the Company is required to maintain pursuant to the applicable rules of the Financial Industry Regulatory Authority ("***FINRA***") and any other self-regulatory organization of which the Company is, or hereafter becomes, a member ("***SRO***"), as applicable from time to time. In addition, the Administrator will assist the Company in overseeing the preparation and filing of the Company's tax returns, and the printing and generally overseeing the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others.

(c) Other Agreements. The Administrator is hereby authorized to enter into one or more sub-administration agreements with other service providers (each a "***Sub-Administrator***") pursuant to which the Administrator may obtain the services of the service providers in fulfilling its responsibilities hereunder. Any such sub-administration agreements shall be in accordance with applicable federal and state law and shall contain a provision requiring the Sub-Administrator to comply with Sections 2 and 3 below as if it were the Administrator.

2. RECORDS.

The Administrator agrees to maintain and keep all books, accounts and other records of the Company that relate to activities performed by the administrator hereunder and will maintain and keep such books, accounts and records in accordance with applicable federal and state law. In compliance with the requirements of FINRA or an SRO, as applicable from time to time, the Administrator agrees that all records which it maintains for the Company shall at all times remain the property of the Company, shall be readily accessible during normal business hours, and shall be promptly surrendered upon the termination of the Agreement or otherwise on written request. The Administrator further agrees that all records it maintains for the Company will be preserved for the periods prescribed by FINRA or an SRO, as applicable from time to time, unless any such records are earlier surrendered as provided above. Records shall be surrendered in usable machine-readable form. The Administrator shall have the right to retain copies of such records subject to its confidentiality obligations under this Agreement.

3. POLICIES AND PROCEDURES.

The Administrator has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities laws by the Administrator. The Administrator shall provide the Company, at such times as the Company shall reasonably request, with a copy of such policies and procedures and a report of such policies and procedures; such report shall be of sufficient scope and in sufficient detail, as may be required to provide reasonable assurance that any material inadequacies would be disclosed by such examination, and, if there are no such inadequacies, the report shall so state.

4. CONFIDENTIALITY.

The parties hereto agree that each shall treat confidentially the terms and conditions of this Agreement and all information provided by each party to the other regarding its business and operations. All confidential information provided by a party hereto, including nonpublic personal information pursuant to Regulation S-P of the Securities & Exchange Commission ("***SEC***"), shall be used by any other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party, without the prior consent of such providing party. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is required to be disclosed by any regulatory authority, any authority or legal counsel of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation.

5. REIMBURSEMENT OF COSTS AND EXPENSES

(a) Generally. In full consideration of the provision of the services of the Administrator, the Company shall reimburse the Administrator for the costs and expenses incurred by the Administrator in performing its obligations and providing personnel and facilities hereunder.

(b) Payroll Costs. The Company shall reimburse the Administrator for the Company's pro rata portion of the payroll and related benefits (including tax withholding) (hereinafter, collectively, "***Payroll Costs***") for each of the Administrator's employees who provide services to the Company. This amount shall be computed on a monthly basis for each employee as the ratio of the hours spent on behalf of the Company to the total hours worked by the employee applied to the employee's payroll and related benefits for that month.

(c) Overhead Costs. The Company shall reimburse the Administrator for its pro rata portion of the Administrator's total operating expenses not incurred for direct benefit of any party whom the Adviser manages, including, but not limited to rent, telephone, IT services, and general office expenses (hereinafter, collectively, "***Overhead Costs***").

(d) Direct Expenses. The Company shall reimburse the Administrator for the direct expenses incurred by the Administrator on behalf of the Company, including, but not limited to, those relating to: organization; preparing the Company's financial statements; expenses incurred by the Adviser payable to third parties, including agents, consultants or other advisors (such as independent valuation firms, accountants and legal counsel), in monitoring financial and legal affairs for the Company; fees payable to third parties, including agents, consultants or other advisors; federal and state registration fees; federal, state and local taxes; independent directors' fees and expenses; costs of preparing and filing any reports or other documents required by the SEC, FINRA or an SRO, as applicable from time to time; the Company's allocable portion of directors and officers/errors and omissions liability insurance and any other insurance premiums; outside legal costs; and all other similar expenses (all such expenses hereinafter collectively referred to as "***Direct Expenses***").

(e) Calculation of Monthly Administrative Costs. The Company's reimbursement of the Administrator for Payroll Costs, Overhead Costs, and Direct Expenses (hereinafter collectively referred to herein as "***Administrative Costs***") shall be computed by the Administrator monthly on the following basis:

i. Payroll Costs. The total aggregate hours of service performed by all of the Administrator's employees during the month shall be the "***Denominator.***" The total aggregate hours of service performed by all of the Administrator's employees on behalf of the Company during the month shall be the "***Numerator.***" The percentage derived by dividing the Numerator by the Denominator shall be the percentage of all Payroll Costs that shall be billed to the Company for that month (the "***Monthly Percentage***").

ii. Overhead Costs. The Administrator will multiply the Administrator's actual monthly Overhead Costs by the Monthly Percentage. The result of such calculation will yield the total Overhead Costs allocable to the Company.

iii. Direct Expenses. The Administrator will bill the aggregate Direct Expenses in their entirely to the Company.

(f) Billing and Payment. The Administrator shall bill the Company for the Administrative Costs by the 5th business day of the subsequent month. The Company shall, in turn, remit payment to the Administrator for the Administrative Costs not later than five business days after it receives the previous month's bill.

6. LIMITATION OF LIABILITY OF THE ADMINISTRATOR: INDEMNIFICATION.

The Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation its sole member, the Adviser) shall not be liable to the Company for any action taken or omitted to be taken by the Administrator in connection with the performance of any of its duties or obligations under this Agreement or otherwise as administrator for the Company, and the Company shall indemnify, defend and protect the Administrator (and its officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation the Adviser, each of whom shall be deemed a third party beneficiary hereof) (collectively, the "***Indemnified Parties***") and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of the Administrator's duties or obligations under this Agreement or otherwise as administrator for the Company. Notwithstanding the preceding sentence of this Paragraph 6 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Company or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under this Agreement (to the extent applicable, as the same shall be determined in accordance with applicable federal and state law).

7. ACTIVITIES OF THE ADMINISTRATOR.

The services provided by the Administrator to the Company are not to be deemed to be exclusive. The Administrator, and each of its affiliates, is free to render services to others. It is understood that members, partners, directors, officers, employees and investors of the Company are or may become interested in the Administrator and its affiliates, as directors, officers, members, managers, employees, partners, investors or otherwise, and that the Administrator and directors, officers, members, managers, employees, partners and investors of the Administrator and its Affiliates are or may become similarly interested in the Company as investors or otherwise.

8. DURATION AND TERMINATION OF THIS AGREEMENT.

This Agreement shall become effective as of the date hereof, and shall remain in force with respect to the Company for two years thereafter, and thereafter continue from year to year, but only so long as such continuance is specifically approved at least annually by (i) the management of the Company.. This Agreement may be terminated at any time, without the payment of any penalty, by management of the Company, or by the Administrator, upon 60 days' written notice to the other party. This Agreement may not be assigned by a party without the consent of the other party.

9. ENTIRE AGREEMENT; AMENDMENTS.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof.

This Agreement may be amended pursuant to a written instrument by mutual consent of the parties.

10. GOVERNING LAW; NOTICES.

This Agreement shall be construed in accordance with laws of the State of Delaware.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY. SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

THE GLADSTONE COMPANIES, INC.

By: /s/ David Gladstone
David Gladstone
Chief Executive Officer

GLADSTONE ADMINISTRATION, LLC

By: /s/ Michael LiCalsi
Michael LiCalsi
President