

**Report of Organizational Actions
Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name GLADSTONE CAPITAL CORPORATION		2 Issuer's employer identification number (EIN) 54-2040781	
3 Name of contact for additional information MELISSA MORRISON	4 Telephone No. of contact 703-287-5912	5 Email address of contact melissa.morrison@gladstonecompanies.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1521 WESTBRANCH DRIVE, SUITE 200		7 City, town, or post office, state, and Zip code of contact MCLEAN, VA 22102	
8 Date of action LAST DAY OF EACH MONTH JAN-SEPT 2014		9 Classification and description REGULATED INVESTMENT COMPANY (RIC) COMMON SHARES	
10 CUSIP number 376535100	11 Serial number(s)	12 Ticker symbol GLAD	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ GLADSTONE CAPITAL CORPORATION DISTRIBUTED MONTHLY CASH DISTRIBUTIONS TO ITS COMMON SHAREHOLDERS FOR THE 2014 TAX YEAR. 100 PERCENT OF THESE DISTRIBUTIONS REPRESENT A RETURN OF CAPITAL. THESE DISTRIBUTIONS WERE PAID ON JANUARY 31, 2014, FEBRUARY 28, 2014, MARCH 31, 2014, APRIL 30, 2014, MAY 30, 2014, JUNE 30, 2014, AUGUST 5, 2014, AUGUST 29, 2014, AND SEPTEMBER 30, 2014.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE AMOUNT SHOWN AS A RETURN OF CAPITAL IN THE ATTACHED STATEMENT REPRESENTS A REDUCTION OF THE SHAREHOLDERS TAX BASIS ON SHARES HELD.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ AT THE CLOSE OF THE FUND'S FISCAL YEAR END SEPTEMBER 30, 2014, THE FUND'S EARNINGS AND PROFITS WERE CALCULATED UNDER IRC SECTION 312 AS MODIFIED BY SECTION 852(c) FOR A REGULATED INVESTMENT COMPANY (RIC). TOTAL EARNINGS AND PROFITS WERE COMPARED TO THE FUND'S FISCAL YEAR DISTRIBUTIONS TO SHAREHOLDERS. DISTRIBUTIONS IN EXCESS OF EARNINGS AND PROFITS WERE RECHARACTERIZED AS A RETURN OF CAPITAL.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC SECTION 301 (c)(2) - BASIS REDUCTION FOR DISTRIBUTIONS IN EXCESS OF EARNINGS AND PROFITS.
IRC SECTION 316 (b)(4) - SPECIAL RULE FOR ALLOCATION OF DISTRIBUTIONS IN EXCESS OF EARNINGS AND PROFITS FOR A FISCAL YEAR.

18 Can any resulting loss be recognized? ▶ A LOSS WOULD NOT BE RECOGNIZED AS PART OF THIS DISTRIBUTION. THE BASIS OF EACH SHAREHOLDER OF RECORD WOULD NEED TO BE ADJUSTED BY THE AMOUNT OF THE DISTRIBUTION WHICH WOULD AFFECT REALIZED GAIN OR LOSS RECOGNIZED ON THE DISPOSITION OF FUND SHARES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THIS ORGANIZATIONAL ACTION IS REPORTABLE WITH RESPECT TO TAX YEAR 2014. THE INFORMATION WILL ALSO BE PROVIDED ON THE SHAREHOLDER'S 2014 FORM 1099-DIV.

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Date ▶ _____

Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name <u>Kathryn McMurray</u>	Preparer's signature	Date <u>11/13/14</u>	Check <input checked="" type="checkbox"/> if self-employed	PTIN <u>P00636007</u>
	Firm's name ▶ <u>KPMG LLP</u>			Firm's EIN ▶ <u>13-5565207</u>	
	Firm's address ▶ <u>1676 INTERNATIONAL DRIVE, MCLEAN, VA 22102</u>			Phone no. <u>703-286-8142</u>	

GLADSTONE CAPITAL CORPORATION
54-2040781
FISCAL YEAR ENDED SEPTEMBER 30, 2014

SUPPLEMENTAL ATTACHMENT TO FORM 8937

<u>DECLARATION DATE</u>	<u>RECORD DATE</u>	<u>PAYMENT DATE</u>	<u>PER SHARE DISTRIBUTION</u>	<u>PER SHARE NONTAXABLE RETURN OF CAPITAL</u>	<u>PER SHARE TAXABLE DIVIDEND</u>
1/7/2014	1/22/2014	1/31/2014	0.07	0.07000	0.00000
1/7/2014	2/19/2014	2/28/2014	0.07	0.07000	0.00000
1/7/2014	3/17/2014	3/31/2014	0.07	0.07000	0.00000
4/8/2014	4/21/2014	4/30/2014	0.07	0.07000	0.00000
4/8/2014	5/20/2014	5/30/2014	0.07	0.07000	0.00000
4/8/2014	6/19/2014	6/30/2014	0.07	0.07000	0.00000
7/15/2014	7/25/2014	8/5/2014	0.07	0.07000	0.00000
7/15/2014	8/20/2014	8/29/2014	0.07	0.07000	0.00000
7/15/2014	9/19/2014	9/30/2014	0.07	0.07000	0.00000