



Three Great Publicly Traded Stocks Paying Monthly Distributions

2012 PROGRESS REPORT



THE GLADSTONE COMPANIES

 **THE GLADSTONE COMPANIES**

The Gladstone Companies are leaders in providing capital to small- and medium-sized businesses to finance growth, acquisitions and real estate.

Each of our three public funds pays monthly dividends to its shareholders.

The funds are managed by an experienced management team, each with a long (over 25 years) and profitable record of managing funds paying dividends to shareholders.

The managers are focused on making conservative investments in businesses that have steady cash flows that can be used to pay the funds for their investment in that business.

The management team believes this is an excellent time to invest in growing businesses.

It is easy to own stock in the Gladstone Companies' funds because they are all publicly traded on the NASDAQ or New York Stock Exchange.

THE THREE PUBLIC COMPANIES ARE:

Gladstone Capital

- Common Stock (NASDAQ "GLAD")—Dividend is \$0.07 per month.
- Preferred Stock (NYSE "GLADPRA")—Dividend is \$0.148 per month.

Gladstone Investment

- Common Stock (NASDAQ "GAIN")—Dividend is \$0.05 per month.

Gladstone Commercial

- Common Stock (NASDAQ "GOOD")—Dividend is \$0.125 per month.
- Preferred Stock (NASDAQ "GOODP")—Dividend is \$0.161 per month.
- Preferred Stock (NASDAQ "GOODO")—Dividend is \$0.156 per month.



Gladstone Capital Corporation

NASDAQ Common Symbol: GLAD

NYSE Preferred Symbol: GLADPRA

TOTAL COMMON SHARES OUTSTANDING AS OF DECEMBER 31, 2011: 21,019,242

TOTAL PREFERRED SHARES OUTSTANDING AS OF DECEMBER 31, 2011: 1,539,882

BUSINESS DEVELOPMENT COMPANY: **CURRENT MONTHLY COMMON DISTRIBUTION IS \$0.07 PER SHARE**

Our Company: Gladstone Capital is a fund that makes loans to small- and medium-sized private businesses across the U.S. We are traded on NASDAQ® under the symbol GLAD (common stock) and on the New York Stock Exchange under the symbol GLADPRA (preferred stock). Our investment objective is primarily to generate a high level of current income through senior debt investments in small- and medium-sized businesses.

Our Monthly Distributions: We seek to provide our shareholders with consistent monthly cash distributions; currently \$0.07 per common share and \$0.148 per preferred share. Our goal is to increase distributions paid to common shareholders. All cash distributions will be distributed to common shareholders unless a shareholder elects to have the distributions reinvested under our Dividend Reinvestment Plan. Our monthly distributions make our stock an attractive choice for Individual Retirement Accounts (IRAs) and retirement plans.

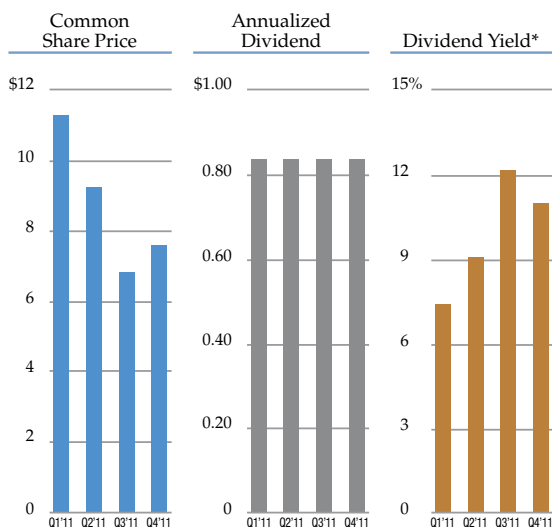
FAQs: Shares of stock in Gladstone Capital may be purchased through any brokerage firm. Please note, distributions for this company are not qualified for the 15% preferential tax treatment and may be best held in an IRA, KEOGH or other retirement plan. Please consult your tax adviser for complete details. This fund offers a Dividend Reinvestment Plan on our common stock which is facilitated by our transfer agent, Computershare. Please contact their shareholder inquiries line for additional information on this plan: (866) 214-7543 or online at www.bnymellon.com/shareowner/equityaccess.

Our Strength: We believe Gladstone Capital is an attractive investment for investors seeking monthly distributions. The monthly distribution is especially attractive for income-oriented investors. Our management team has a very successful track record investing in small- and medium-sized businesses. We do not have investments in housing or home mortgages. To learn more about investing in our company, visit us at www.GladstoneCapital.com or write to:

Gladstone Capital Corporation
 Investor Relations
 1521 Westbranch Drive
 McLean, VA 22102
 (703) 287-5893
www.GladstoneCapital.com
 Common Symbol Traded on NASDAQ: GLAD
 Preferred Symbol Traded on NYSE: GLADPRA

Gladstone Capital Monthly Common Distributions History

Distribution per Share (in dollars)



*Assumes current monthly dividend at that date is sustained for the next 12 months



Gladstone Investment Corporation

NASDAQ: GAIN

TOTAL SHARES OUTSTANDING AS OF DECEMBER 31, 2011: 22,080,133

BUSINESS DEVELOPMENT COMPANY: CURRENT MONTHLY DISTRIBUTION IS \$0.05 PER SHARE

Our Company: Gladstone Investment is a buyout fund that purchases small- and medium-sized private businesses. We are traded on NASDAQ® under the symbol GAIN. Our investment objective is to generate both current income and capital gains through debt and equity investments in small- and medium-sized businesses in the United States. Our longer-term primary investment focus is to buy small- and medium-sized businesses. Currently, we own large equity positions in industrial and manufacturing companies.

Our Monthly Distributions: We seek to provide our shareholders with consistent monthly cash distributions; currently \$0.05 per share. All cash distributions will be distributed to shareholders unless a shareholder elects to have the distributions reinvested under our Dividend Reinvestment Plan. Our monthly distributions make our stock an attractive choice for Individual Retirement Accounts (IRAs) and retirement plans.

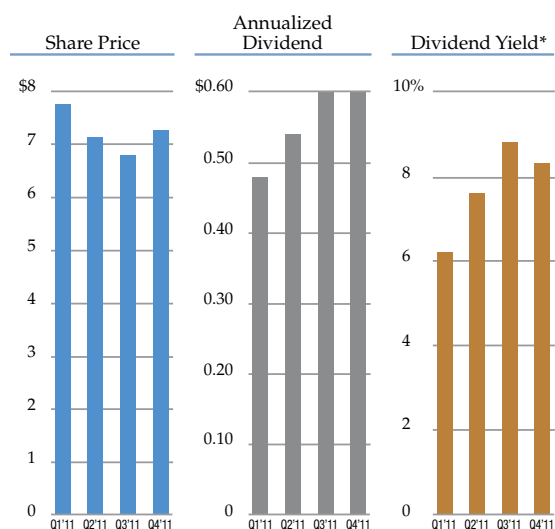
FAQs: Shares of stock in Gladstone Investment may be purchased through any brokerage firm. Please note distributions for this company are not qualified for the 15% preferential tax treatment and may be best held in an IRA, KEOGH or other retirement plan. Please consult your tax adviser for complete details. This fund offers a Dividend Reinvestment Plan which is facilitated by our transfer agent, Computershare. Please contact their shareholder inquiries line for additional information on this plan: (877) 296-3711 or online at www.bnymellon.com/shareowner/equityaccess.

Our Strength: We believe Gladstone Investment is attractive for investors seeking monthly distributions. Our team has extensive experience in the field of owning and managing small- and medium-sized businesses. We do not have investments in housing, automotive manufacturing or home mortgages. To learn more about investing in our company, visit us at www.GladstoneInvestment.com or write to:

Gladstone Investment Corporation
 Investor Relations
 1521 Westbranch Drive
 McLean, VA 22102
 (703) 287-5893
www.GladstoneInvestment.com
 Traded on NASDAQ: GAIN

Gladstone Investment Monthly Distributions History

Distribution per Share (in dollars)



*Assumes current monthly dividend at that date is sustained for the next 12 months



Gladstone Commercial Corporation

NASDAQ Common Symbol: **GOOD**

NASDAQ Preferred Symbols: **GOODP** and **GOODO**

TOTAL COMMON SHARES OUTSTANDING AS OF DECEMBER 31, 2011: 10,945,379

TOTAL PREFERRED SHARES OUTSTANDING AS OF DECEMBER 31, 2011: 2,150,000

REAL ESTATE INVESTMENT TRUST: CURRENT MONTHLY DISTRIBUTION IS \$0.125 PER COMMON SHARE

Our Company: Gladstone Commercial is a real estate investment trust (REIT). We are traded on the NASDAQ® under the symbol GOOD (common stock) and GOODP and GOODO (preferred stocks). We seek to buy and hold industrial and commercial properties that are leased to single tenants under triple net leases. Our unique strategy among commercial and industrial REITs is our expertise in reviewing the creditworthiness of the small- to medium-sized businesses that are our tenants. We use the rent we receive from these tenants to pay distributions to shareholders.

Our Monthly Distributions: We seek to provide our shareholders with consistent monthly cash distributions; currently \$0.125 per common share and \$0.161 per month and \$0.156 per month for GOODP and GOODO preferred shares, respectively. Our goal is to increase distributions paid to shareholders. All cash distributions will be distributed to shareholders unless a shareholder elects to have the distributions reinvested under our Dividend Reinvestment Plan.

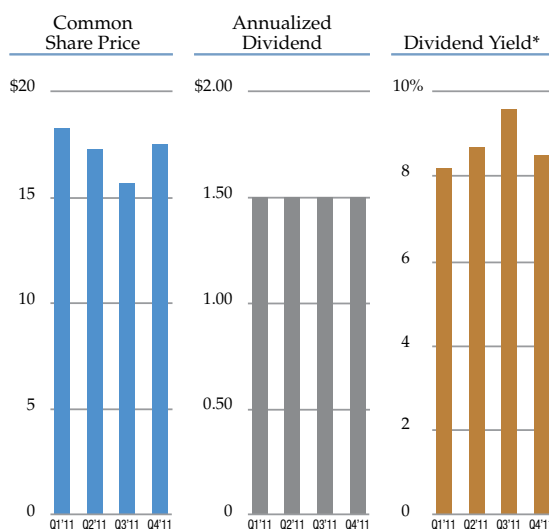
FAQs: Shares of stock in Gladstone Commercial may be purchased through any brokerage firm. Please note distributions for this company are not qualified for the 15% preferential tax treatment; however, historically, most of the dividend has been a tax-free, return of capital, due to the real estate depreciation. In 2011, approximately 83% of the dividend was a tax-free, return of capital, and we anticipate that future years will be similar. While part of the distribution is tax-free, this return of capital will reduce stockholders' cost basis in the stock, which will likely result in a larger capital gain tax when the stock is sold. Please consult your tax adviser for complete details. This fund offers a Dividend Reinvestment Plan on our common stock which is facilitated by our transfer agent, Computershare. Please contact their shareholder inquiries line for additional information on this plan: (877) 296-3711 or online at www.bnymellon.com/shareowner/equityaccess.

Our Strength: We believe Gladstone Commercial is attractive for investors seeking monthly distributions. Our team has extensive experience in the field of lending, investing and managing small- and medium-sized real estate businesses. Our real estate management team has many years of experience buying and leasing commercial and industrial real estate. We do not have investments in housing. To learn more about investing in our company, visit us at www.GladstoneCommercial.com or write to:

Gladstone Commercial Corporation
 Investor Relations
 1521 Westbranch Drive
 McLean, VA 22102
 (703) 287-5893
www.GladstoneCommercial.com
 Common Symbol Traded on NASDAQ: **GOOD**
 Preferred Symbols Traded on NASDAQ:
GOODP and **GOODO**

Gladstone Commercial Monthly Common Distributions History

Distribution per Share (in dollars)



*Assumes current monthly dividend at that date is sustained for the next 12 months

Gladstone.com

GladstoneCapital.com

GladstoneInvestment.com

GladstoneCommercial.com

THE GLADSTONE COMPANIES

1521 Westbranch Drive, Suite 200

McLean, VA 22102

Tel: (703) 287-5800