As filed with the Securities and Exchange Commission on May 25, 2011

Securities Act File No. 333-172550

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

Form N-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933	☑
Pre-Effective Amendment No. 3	☑
Post-Effective Amendment No.	o

FIDUS INVESTMENT CORPORATION

(Exact Name of Registrant as Specified in Charter)

Form N-5

REGISTRATION STATEMENT OF SMALL BUSINESS INVESTMENT COMPANY
UNDER
THE SECURITIES ACT OF 1933
AND
THE INVESTMENT COMPANY ACT OF 1940
Pre-Effective Amendment No. 3

FIDUS MEZZANINE CAPITAL, L.P.

(Exact Name of Registrant as Specified in Charter)

1603 Orrington Avenue, Suite 820
Evanston, Illinois 60201
(Address of Principal Executive Offices)

(847) 859-3940
(Registrant's Telephone Number, including Area Code)

Edward H. Ross
Chief Executive Officer
1603 Orrington Avenue, Suite 820
Evanston, Illinois 60201
(Name and Address of Agent for Service)

WITH COPIES TO:

Jonathan H. Talcott	**Steven B. Boehm**	**John A. Good**
Nelson Mullins Riley & Scarborough LLP	**Sutherland Asbill & Brennan LLP**	**Bass, Berry & Sims PLC**
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Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. o

It is proposed that this filing will become effective (check appropriate box):

o when declared effective pursuant to section 8(c)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 25, 2011

PRELIMINARY PROSPECTUS

4,666,667 Shares

FIDUS INVESTMENT CORPORATION

Common Stock

We provide customized mezzanine debt and equity financing solutions to lower middle-market companies located throughout the United States. Upon completion of this offering, we will be an externally managed, closed-end, non-diversified management investment company that will elect to be regulated as a business development company under the Investment Company Act of 1940, as amended. Our investment objective is to provide attractive risk-adjusted returns by generating both current income from our debt investments and capital appreciation from our equity related investments. Our strategy includes partnering with business owners, management teams and financial sponsors by providing customized financing for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion and other growth initiatives.

This is an initial public offering of our shares of common stock. All of the shares of common stock offered by this prospectus are being sold by us. We have applied to have our common stock approved for quotation on The Nasdaq Global Market under the symbol "FDUS."

Our shares of common stock have no history of public trading. We currently expect that the initial public offering price per share of our common stock will be $15.00 per share. Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. If our shares trade at a discount to our net asset value, the risk of loss for purchasers in this offering will likely increase. Assuming an initial public offering price of $15.00 per share, purchasers in this offering will experience immediate dilution of approximately $0.58 per share. See "Dilution" for more information.

In the formation transactions described in this prospectus, we will acquire 100.0% of the limited partnership interests of Fidus Mezzanine Capital, L.P., a Delaware limited partnership licensed as a small business investment company by the United States Small Business Administration. We will also acquire 100.0% of the membership interests in Fidus Mezzanine Capital, GP, LLC, the general partner of Fidus Mezzanine Capital, L.P. See "Summary — Formation Transactions" for more information.

Fidus Investment Advisors, LLC will serve as our investment advisor and as our administrator.

Investing in our common stock involves a high degree of risk. Before buying any shares, you should read the discussion of the material risks of investing in our common stock, including the risk of leverage, in "Risk Factors" beginning on page 18 of this prospectus.

This prospectus contains important information you should know before investing in our common stock. Please read it before you invest and keep it for future reference. Upon completion of this offering, we will file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission (the "SEC"). This information will be available free of charge by contacting us at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, Attention: Investor Relations, by accessing our website at *http://www.fdus.com* or by calling us at (847) 859-3940. The SEC also maintains a website at *http://www.sec.gov* that contains such information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$15.00	$70,000,005
Sales load (underwriting discounts and commissions)	$ 1.05	$ 4,900,000
Proceeds to us, before expenses(1)	$13.95	$65,100,005

(1) We estimate that we will incur offering expenses of approximately $1,650,000, or approximately $0.35 per share, in connection with this offering. All of these offering expenses will be borne indirectly by investors in this offering and will immediately reduce the net asset value of each investor's shares. We estimate that the net proceeds to us after expenses will be approximately $63.5 million, or approximately $13.60 per share.

In addition, the underwriters may purchase up to an additional 700,000 shares of our common stock at the public offering price, less the sales load payable by us, to cover over-allotments, if any, within 30 days from the date of this prospectus. If the underwriters exercise this option in full, the total sales load will be $5,635,000, and total proceeds, before expenses, will be $74,865,005.

The underwriters will reserve up to shares from this offering for sale, directly or indirectly, to our directors and executive officers, and to certain other parties affiliated with us.

The underwriters are offering the common stock as set forth in "Underwriting." Delivery of the shares will be made on or about , 2011.

Morgan Keegan

Baird

BB&T Capital Markets
A Division of Scott & Stringfellow, LLC

Oppenheimer & Co.

The date of this prospectus is , 2011

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. We will update these documents to reflect material changes only as required by law.

SUMMARY

This summary highlights some of the information in this prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read this entire prospectus carefully, including, in particular, the more detailed information set forth under "Risk Factors," the consolidated financial statements and the related notes of Fidus Mezzanine Capital, L.P. included elsewhere in this prospectus.

As used in this prospectus, except as otherwise indicated, the terms "we," "us" and "our" refer to Fidus Mezzanine Capital, L.P., a Delaware limited partnership, for the periods prior to consummation of the formation transactions (described below) and this offering, and refer to Fidus Investment Corporation, a Maryland corporation, and its consolidated subsidiaries, including Fidus Mezzanine Capital, L.P., for the periods after the consummation of the formation transactions and this offering. As used in this prospectus the term "our investment advisor" refers to Fidus Capital, LLC prior to the consummation of our formation transactions and Fidus Investment Advisors, LLC after the consummation of our formation transactions. The investment professionals of Fidus Capital, LLC will be the investment professionals of Fidus Investment Advisors, LLC.

In conjunction with the consummation of this offering, in what we sometimes refer to in this prospectus as the "formation transactions," Fidus Investment Corporation will acquire Fidus Mezzanine Capital, L.P. through the merger of Fidus Mezzanine Capital, L.P. with a wholly-owned subsidiary of Fidus Investment Corporation and a merger of Fidus Mezzanine Capital GP, LLC with and into a wholly-owned subsidiary of Fidus Investment Corporation. For a detailed discussion of such transactions, see "Formation Transactions; Business Development Company and Regulated Investment Company Elections." In addition, upon consummation of the formation transactions, Fidus Mezzanine Capital, L.P. will terminate its management services agreement with Fidus Capital, LLC, and we will enter into an investment advisory and management agreement with Fidus Investment Advisors, LLC. In addition, Fidus Investment Advisors, LLC will serve as our administrator pursuant to a separate administration agreement.

When reading this prospectus, it is important to note that the historical financial statements and other historical financial information included herein are those of Fidus Mezzanine Capital, L.P. Prior to the consummation of the formation transactions and this offering, Fidus Mezzanine Capital, L.P. was not regulated as a business development company under the Investment Company Act of 1940, as amended (the "1940 Act"), and therefore was not subject to certain restrictions imposed by the 1940 Act on business development companies; and, if Fidus Mezzanine Capital, L.P. had been regulated as a business development company under the 1940 Act, Fidus Mezzanine Capital, L.P.'s performance may have been adversely affected. Upon consummation of this offering and the formation transactions, we will be an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the 1940 Act. In addition, for U.S. federal income tax purposes we intend to elect to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code").

Unless indicated otherwise or the context requires, all information in this prospectus assumes no exercise of the underwriters' over-allotment option to purchase additional shares of our common stock and an initial public offering price of $15.00 per share.

Fidus Investment Corporation

We provide customized mezzanine debt and equity financing solutions to lower middle-market companies, which we define as U.S. based companies having revenues between $10.0 million and $150.0 million. Our investment objective is to provide attractive risk-adjusted returns by generating both current income from our debt investments and capital appreciation from our equity related investments. We were formed to continue and expand the business of Fidus Mezzanine Capital, L.P., a fund formed in February 2007 that is licensed by the United States Small Business Administration (the "SBA") as a small business investment company (an "SBIC") and to make investments in portfolio companies directly at the parent level. Upon consummation of this offering and the formation transactions, we will acquire Fidus Mezzanine Capital,

L.P. as our wholly-owned SBIC subsidiary. Our investment strategy includes partnering with business owners, management teams and financial sponsors by providing customized financing for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion and other growth initiatives. We seek to maintain a diversified portfolio of investments in order to help mitigate the potential effects of adverse economic events related to particular companies, regions or industries. Since commencing operations in 2007, we have invested an aggregate of $170.4 million in 21 portfolio companies.

We invest in companies that possess some or all of the following attributes: predictable revenues; positive cash flows; defensible and/or leading market positions; diversified customer and supplier bases; and proven management teams with strong operating discipline. We target companies in the lower middle-market with annual earnings, before interest, taxes, depreciation and amortization, or EBITDA, between $3.0 million and $20.0 million; however, we may from time to time opportunistically make investments in larger or smaller companies. We expect that our investments will typically range between $5.0 million and $15.0 million per portfolio company.

As of March 31, 2011, we had debt and equity investments in 16 portfolio companies with an aggregate fair value of $143.7 million. The weighted average yield on all of our debt investments as of March 31, 2011 was 14.9%. Yields are computed using the effective interest rates as of March 31, 2011, including accretion of original issue discount, divided by the weighted average cost of debt investments. There can be no assurance that the weighted average yield will remain at its current level.

Market Opportunity

We believe that the limited amount of capital available to lower middle-market companies, coupled with the desire of these companies for flexible and partnership-oriented sources of capital, creates an attractive investment environment for us. We believe the following factors will continue to provide us with opportunities to grow and deliver attractive returns to stockholders.

The lower middle-market represents a large, underserved market. According to Dun & Bradstreet, as of January 31, 2011, there were approximately 105,000 companies in the lower middle-market, defined as companies with revenues between $10.0 million and $150.0 million. We believe that lower middle-market companies, most of which are privately-held, are relatively underserved by traditional capital providers such as commercial banks, finance companies, hedge funds and collateralized loan obligation funds. Further, we believe that companies of this size generally are less leveraged relative to their enterprise value, as compared to larger companies with more financing options.

Recent credit market dislocation for lower middle-market companies has created an opportunity for attractive risk-adjusted returns. We believe the credit crisis that began in 2007 and the subsequent exit from lower middle-market lending of traditional capital sources, such as commercial banks, finance companies, hedge funds and collateralized loan obligation funds, has resulted in an increase in opportunities for alternative funding sources. In addition, we believe that there continues to be less competition in our market and an increased opportunity for attractive risk-adjusted returns. The remaining lenders and investors in the current environment are requiring lower amounts of senior and total leverage, increased equity commitments and more comprehensive covenant packages than was customary in the years leading up to the credit crisis.

Large pools of uninvested private equity capital should drive future transaction velocity. According to Pitchbook, as of June 30, 2010, there was approximately $42 billion of uninvested capital raised by private equity funds under $500.0 million in fund size with vintage years from 2005 to 2010. As a result, we expect that private equity firms will remain active investors in lower middle-market companies. Private equity funds generally seek to leverage their investments by combining their equity capital with senior secured loans and/or mezzanine debt provided by other sources, and we believe that our investment strategy positions us well to partner with such private equity investors.

Future refinancing activity is expected to create additional investment opportunities. A high volume of debt financings completed between the years 2005 and 2008 is expected to mature in the coming years. Based on Standard & Poor's LCD middle-market statistics, an aggregate of $113.9 billion middle-market loans were

issued from 2004 to 2007 and are expected to mature in five to seven years. We believe this supply of opportunities coupled with limited financing providers will continue to produce for us investment opportunities with attractive risk-adjusted returns.

Business Strategy

We intend to accomplish our goal of becoming the premier provider of capital to and value-added partner of lower middle-market companies by:

Leveraging the Experience of Our Investment Advisor. Our investment advisor's investment professionals have an average of over 20 years of experience investing in, lending to and advising companies across changing market cycles. These professionals have diverse backgrounds with prior experience in senior management positions at investment banks, specialty finance companies, commercial banks and privately and publicly held companies and have extensive experience investing across all levels of the capital structure of middle-market companies. The members of our investment advisor have invested more than $750 million in mezzanine debt, senior secured debt (including unitranche debt) and equity securities of primarily lower middle-market companies. We believe this experience provides our investment advisor with an in-depth understanding of the strategic, financial and operational challenges and opportunities of lower middle-market companies. Further, we believe this understanding positions our investment advisor to effectively identify, assess, structure and monitor our investments.

Capitalizing on Our Strong Transaction Sourcing Network. Our investment advisor's investment professionals possess an extensive network of long-standing relationships with private equity firms, middle-market senior lenders, junior-capital partners, financial intermediaries and management teams of privately owned businesses. We believe that the combination of these relationships and our reputation as a reliable, responsive and value-added financing partner helps generate a steady stream of new investment opportunities and proprietary deal flow. Further, we anticipate that we will obtain leads from our greater visibility as a publicly-traded business development company. Since commencing operations in 2007, the investment professionals of our investment advisor have reviewed over 850 investment opportunities primarily in lower middle-market companies through March 31, 2011.

Serving as a Value-Added Partner with Customized Financing Solutions. We follow a partnership-oriented approach in our investments and focus on opportunities where we believe we can add value to a portfolio company. We primarily concentrate on industries or market niches in which the investment professionals of our investment advisor have prior experience. The investment professionals of our investment advisor also have expertise in structuring securities at all levels of the capital structure, which we believe positions us well to meet the needs of our portfolio companies. We will invest in mezzanine debt securities, typically coupled with an equity interest; however, on a selective basis we may invest in senior secured or unitranche loans. Further, as a publicly-traded business development company, we will have a longer investment horizon without the capital return requirements of traditional private investment vehicles. We believe this flexibility will enable us to generate attractive risk-adjusted returns on invested capital and enable us to be a better long-term partner for our portfolio companies. We believe that by leveraging the industry and structuring expertise of our investment advisor coupled with our long-term investment horizon, we are well positioned to be a value-added partner for our portfolio companies.

Employing Rigorous Due Diligence and Underwriting Processes Focused on Capital Preservation. Our investment advisor follows a disciplined and credit-oriented approach to evaluating and investing in companies. We focus on companies with proven business models, significant free cash flow, defensible market positions and significant enterprise value cushion for our debt investments. In making investment decisions, we seek to minimize the risk of capital loss without foregoing the opportunity for capital appreciation. Our investment advisor's investment professionals have developed extensive due diligence and underwriting processes designed to assess a portfolio company's prospects and to determine the appropriate investment structure. Our investment advisor thoroughly analyzes each potential portfolio company's competitive position, financial performance, management team, growth potential and industry attractiveness. As part of this process, our investment advisor also participates in meetings with management, tours of facilities, discussions with

industry professionals and third-party reviews. We believe this approach enables us to build and maintain an attractive investment portfolio that meets our return and value criteria over the long term.

Actively Managing our Portfolio. We believe that our investment advisor's initial and ongoing portfolio review process allows us to effectively monitor the performance and prospects of our portfolio companies. We seek to obtain board observation rights or board seats with respect to our portfolio companies, and we conduct monthly financial reviews and regular discussions with portfolio company management. We structure our investments with a comprehensive set of financial maintenance, affirmative and negative covenants. We believe that active monitoring of our portfolio companies' covenant compliance provides us with an early warning of any financial difficulty and enhances our ability to protect our invested capital.

Maintaining Portfolio Diversification. We seek to maintain a portfolio of investments that is diversified among companies, industries and geographic regions. We have made investments in portfolio companies in the following industries: business services, industrial products and services, value-added distribution, healthcare products and services, consumer products and services (including retail, food and beverage), defense and aerospace, transportation and logistics, government information technology services and niche manufacturing. We believe that maintaining a diversified portfolio helps mitigate the potential effects of negative economic events for particular companies, regions and industries.

Benefiting from Lower Cost of Capital. Fidus Mezzanine Capital, L.P.'s SBIC license allows us to issue debt securities that are guaranteed by the SBA, which we refer to as "SBA debentures." These SBA debentures carry long-term fixed rates that are generally lower than rates on comparable bank and public debt. Because lower-cost SBA leverage is, and will continue to be, a significant part of our funding strategy, our relative cost of debt capital should be lower than many of our competitors. We may also apply for a second SBIC license through which we may issue more SBA debentures to fund additional investments; however, we can make no assurances that, if we do apply, the SBA will approve such application. The SBA regulations currently limit the amount that is available to be borrowed by Fidus Mezzanine Capital, L.P. to $150.0 million. If we apply and are approved by the SBA for a second SBIC license, the maximum amount of outstanding SBA debentures for two or more SBICs under common control cannot exceed $225.0 million.

Investment Criteria/Guidelines

We use the following criteria and guidelines in evaluating investment opportunities and constructing our portfolio. However, not all of these criteria and guidelines have been, or will be, met in connection with each of our investments.

Value Orientation / Positive Cash Flow. Our investment advisor places a premium on analysis of business fundamentals from an investor's perspective and has a distinct value orientation. We focus on companies with proven business models in which we can invest at relatively low multiples of operating cash flow. We also typically invest in companies with a history of profitability and minimum trailing twelve month EBITDA of $3.0 million. We do not invest in start-up companies, "turn-around" situations or companies that we believe have unproven business plans.

Experienced Management Teams with Meaningful Equity Ownership. We target portfolio companies that have management teams with significant experience and/or relevant industry experience coupled with meaningful equity ownership. We believe management teams with these attributes are more likely to manage the companies in a manner that protects our debt investment and enhances the value of our equity investment.

Niche Market Leaders with Defensible Market Positions. We invest in companies that have developed defensible and/or leading positions within their respective markets or market niches and are well positioned to capitalize on growth opportunities. We favor companies that demonstrate significant competitive advantages, which we believe helps to protect their market position and profitability.

Diversified Customer and Supplier Base. We prefer to invest in companies that have a diversified customer and supplier base. Companies with a diversified customer and supplier base are generally better able to endure economic downturns, industry consolidation and shifting customer preferences.

Significant Invested Capital. We believe the existence of significant underlying equity value provides important support to our debt investments. With respect to our debt investments, we look for portfolio companies where we believe aggregate enterprise value significantly exceeds aggregate indebtedness, after consideration of our investment.

Viable Exit Strategy. We invest in companies that we believe will provide a steady stream of cash flow to repay our loans and reinvest in their respective businesses. In addition, we also seek to invest in companies whose business models and expected future cash flows offer attractive exit possibilities for our equity investments. We expect to exit our investments typically through one of three scenarios: (a) the sale of the company resulting in repayment of all outstanding debt and equity; (b) the recapitalization of the company through which our investments are replaced with debt or equity from a third party or parties; or (c) the repayment of the initial or remaining principal amount of our debt investment from cash flow generated by the company. In some investments, there may be scheduled amortization of some portion of our debt investment which would result in a partial exit of our investment prior to the maturity of the debt investment.

Portfolio Companies

As of March 31, 2011, 76.4% of our investments were mezzanine debt, 14.1% were senior secured debt and 9.5% were equity securities based on cost. Based upon information provided to us by our portfolio companies (which we have not independently verified), our portfolio had a total net debt to EBITDA ratio of approximately 3.5 to 1.0 and an EBITDA to interest expense ratio of 3.0 to 1.0. In calculating these ratios, we included all portfolio company debt, EBITDA and interest expense as of December 31, 2010, including debt junior to our debt investments. If we excluded debt junior to our debt investments in calculating these ratios, the ratios would be 3.4 to 1.0 and 3.1 to 1.0, respectively. At March 31, 2011, we had an equity ownership in 81.3% of our portfolio companies and the average fully diluted equity ownership in such portfolio companies was 9.2%.

The following table sets forth the cost and fair value of our investments by portfolio company as of March 31, 2011.

Company	Nature of Principal Business	Type	Cost of Investment	Fair Value of Investment
			(Dollars in thousands)	
Avrio Technology Group, LLC	Provider of electronic components and software	Debt/Equity	$ 9,185	$ 9,185
Brook & Whittle Limited	Specialty label printer	Debt/Equity	8,298	8,581
Caldwell & Gregory, LLC	Laundry room operator	Debt/Equity	9,257	9,753
Casino Signs & Graphics, LLC	Sign manufacturer	Debt	4,500	934
Connect-Air International, Inc.	Distributor of wire and cable assemblies	Debt/Equity	9,106	9,106
Fairchild Industrial Products Company	Manufacturer of pneumatic and mechanical process controls	Debt	9,150	9,150
Goodrich Quality Theaters, Inc.	Movie theater operator	Debt/Equity	12,647	14,265
Interactive Technology Solutions, LLC	Government information technology services	Debt/Equity	5,565	5,465
Jan-Pro International, LLC	Franchisor of commercial cleaning services	Debt/Equity	8,136	7,995
K2 Industrial Services, Inc.	Industrial cleaning and coatings	Debt	8,000	8,240
Paramount Building Solutions, LLC	Janitorial services provider	Debt/Equity	7,553	9,361
Simplex Manufacturing Co.	Provider of helicopter tank systems	Debt/Equity	4,924	4,393
TBG Anesthesia Management, LLC	Physician management company	Debt/Equity	11,076	11,456
Tulsa Inspection Resources, Inc.	Pipeline inspection services	Debt/Equity	4,728	4,432
Westminster Cracker Company, Inc.	Specialty cracker manufacturer	Debt/Equity	7,863	7,863
Worldwide Express Operations, LLC	Franchisor of shipping and logistics services	Debt/Equity	18,680	23,473
		Total:	$ 138,668	$ 143,652

Recent Developments

On April 6, 2011, we invested $8.1 million of subordinated debt and equity securities in Nobles Manufacturing, Inc., a leading manufacturer of ammunition feed systems and components and centrifugal dryers.

On April 12, 2011, we invested $4.8 million of subordinated debt and equity securities in Medsurant Holdings, LLC, a provider of intraoperative monitoring technology and services.

In April 2011, Fidus Mezzanine Capital, L.P. made a $1.5 million distribution to its general and limited partners.

About Our Advisor

The investment activities of Fidus Mezzanine Capital, L.P. are currently managed by Fidus Capital, LLC. Upon consummation of the formation transactions and this offering, Fidus Mezzanine Capital, L.P. will terminate the current management services agreement with Fidus Capital, LLC, and we will enter into an investment advisory and management agreement (the "Investment Advisory Agreement") with Fidus Investment Advisors, LLC, as our investment advisor. The investment professionals of Fidus Capital, LLC, who are also the investment professionals of Fidus Investment Advisors, LLC, are responsible for sourcing potential investments, conducting research and diligence on potential investments and equity sponsors, analyzing investment opportunities, structuring our investments and monitoring our investments and portfolio companies on an ongoing basis. Fidus Investment Advisors, LLC is a newly formed Delaware limited liability company that is a registered investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). In addition, Fidus Investment Advisors, LLC will serve as our administrator pursuant to an administration agreement (the "Administration Agreement"). Our investment advisor has no prior experience managing or administering any business development company.

Our relationship with our investment advisor will be governed by and dependent on the Investment Advisory Agreement and may be subject to conflicts of interest. See "Related-Party Transactions and Certain Relationships — Conflicts of Interest." Pursuant to the terms of the Investment Advisory Agreement, our investment advisor will provide us with advisory services in exchange for a base management fee and incentive fee. See "Management and Other Agreements — Investment Advisory Agreement" for a discussion of the base management fee and incentive fee payable by us to our investment advisor. These fees are based on our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts); therefore, our investment advisor will benefit when we incur debt or use leverage. See "Risk Factors — Our incentive fee structure may create incentives for our investment advisor that are not fully aligned with the interests of our stockholders." Our board of directors is charged with protecting our interests by monitoring how our investment advisor addresses these and other conflicts of interest associated with its management services and compensation. While our board of directors is not expected to review or approve each borrowing or incurrence of leverage, our independent directors will periodically review our investment advisor's services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors will consider whether the fees and expenses (including those related to leverage) that we pay to our investment advisor remain appropriate.

Formation Transactions

Fidus Investment Corporation is a newly organized Maryland corporation formed on February 14, 2011, for the purpose of raising capital in this offering, acquiring 100.0% of the equity interests in Fidus Mezzanine Capital, L.P. and Fidus Mezzanine Capital GP, LLC, and thereafter operating as an externally managed, closed-end, non-diversified management investment company that will elect to be regulated as a business development company under the 1940 Act. Immediately prior to our election to be treated as a business

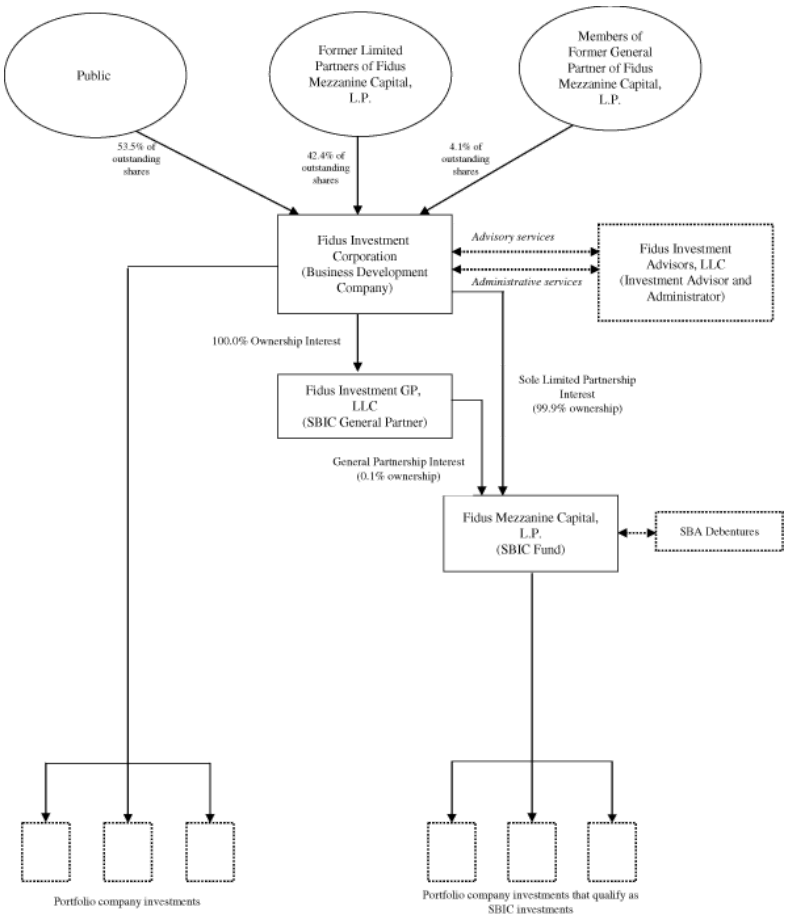
development company under the 1940 Act and the closing of this offering, we will consummate the following formation transactions:

- We will acquire 100.0% of the limited partnership interests in Fidus Mezzanine Capital, L.P. through the merger of Fidus Mezzanine Capital, L.P. with a limited partnership that is our wholly-owned subsidiary. As a result of this merger, Fidus Mezzanine Capital, L.P. will be the surviving entity and will become our wholly-owned subsidiary, retain its SBIC license, continue to hold its existing investments and make new investments with a portion of the net proceeds of this offering. Fidus Mezzanine Capital, L.P. will also elect to be regulated as a business development company under the 1940 Act. The limited partners hold 91.3% of the partnership interests of Fidus Mezzanine Capital, L.P. In exchange for their partnership interests, we will issue 3,702,778 shares of common stock, assuming an initial offering price of $15.00 per share, to the limited partners of Fidus Mezzanine Capital, L.P. having an aggregate value of $55.5 million (which represents the limited partners' share of the net asset value of Fidus Mezzanine Capital, L.P. as of the most recent quarter end for which financial statements have been included in this prospectus, plus any additional cash contributions to Fidus Mezzanine Capital, L.P. by the limited partners following such quarter end but prior to the closing of the merger, less any cash distributions to the limited partners following such quarter end but prior to the closing of the merger).
- We will acquire 100.0% of the equity interests in Fidus Mezzanine Capital GP, LLC, the general partner of Fidus Mezzanine Capital, L.P., from the members of Fidus Mezzanine Capital GP, LLC through the merger of Fidus Mezzanine Capital GP, LLC with and into Fidus Investment GP, LLC, our wholly-owned subsidiary. Fidus Investment GP, LLC will be the surviving entity and, as a result, we will acquire 100.0% of the general partnership interest in Fidus Mezzanine Capital, L.P. Fidus Mezzanine Capital GP, LLC holds 8.7% of the partnership interests in Fidus Mezzanine Capital, L.P. and no other interests or assets. The members of Fidus Mezzanine Capital GP, LLC will not receive any consideration in exchange for their carried interest in Fidus Mezzanine Capital, L.P. In exchange for its partnership interests in Fidus Mezzanine Capital, L.P., we will issue 353,743 shares of common stock, assuming an initial offering price of $15.00 per share, to Fidus Mezzanine Capital GP, LLC having an aggregate value of $5.3 million (which consideration has been calculated on the same basis as the consideration paid to the limited partners of Fidus Mezzanine Capital, L.P. described above). Such shares will be distributed to the members of Fidus Mezzanine Capital GP, LLC in exchange for their equity interest in Fidus Mezzanine Capital GP, LLC.

Fidus Mezzanine Capital GP, LLC and the limited partners of Fidus Mezzanine Capital, L.P. have each approved the formation transactions. Prior to consummation of the formation transactions, we must also receive the approval of the SBA.

Concurrently with the closing of this offering, Fidus Mezzanine Capital, L.P. will terminate its management services agreement with Fidus Capital, LLC, and we will enter into the Investment Advisory Agreement with Fidus Investment Advisors, LLC, our investment advisor. The investment professionals of Fidus Capital, LLC are also the investment professionals of Fidus Investment Advisors, LLC.

The following diagram depicts our organizational structure upon completion of this offering (assuming the underwriters do not exercise their over-allotment option) and the formation transactions described elsewhere in this prospectus:



Operating and Regulatory Structure

Our investment activities will be managed by our investment advisor under the direction of our board of directors and the board of directors of Fidus Mezzanine Capital, L.P., a majority of whom are independent of us, Fidus Mezzanine Capital, L.P., our investment advisor and our and their respective affiliates. We have no prior history of operating as a business development company, and our investment advisor has no prior experience managing or administering any business development company.

As business development companies, we and Fidus Mezzanine Capital, L.P., will be required to comply with certain regulatory requirements. For example, while we are permitted to finance investments using leverage, which may include the issuance of shares of preferred stock, or notes and other borrowings, our ability to use leverage is limited in significant respects. See "Regulation." Any decision on our part to use leverage will depend upon our assessment of the attractiveness of available investment opportunities in relation to the costs and perceived risks of such leverage. The use of leverage to finance investments creates certain risks and potential conflicts of interest. See "Risk Factors — Risks Relating to our Business and Structure — Regulations governing our operation as a business development company affect our ability to raise, and the way in which we raise, additional capital which may have a negative effect on our growth" and "Risk Factors — Risks Relating to our Business and Structure — Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us."

We intend to elect to be treated for federal income tax purposes as a RIC under the Code. In order to be treated as a RIC, we must satisfy certain source of income, asset diversification and distribution requirements. See "Material U.S. Federal Income Tax Considerations."

Risk Factors

The value of our assets, as well as the market price of our shares, will fluctuate. Our investments may be risky, and you may lose part of or all of your investment in us. Investing in our common stock involves other risks, including the following:

- our inexperience operating a business development company;
- our dependence on key personnel of our investment advisor and our executive officers;
- our ability to maintain or develop referral relationships;
- our ability to manage our business effectively;
- our use of leverage;
- uncertain valuations of our portfolio investments;
- competition for investment opportunities;
- potential divergent interests of our investment advisor and our stockholders arising from our incentive fee structure;
- actual and potential conflicts of interest with our investment advisor;
- constraint on investment due to access to material nonpublic information;
- other potential conflicts of interest;
- SBA regulations affecting our wholly-owned SBIC subsidiary;
- changes in interest rates;
- the impact of a protracted decline in the liquidity of credit markets on our business and portfolio investments;
- fluctuations in our quarterly operating results;
- our ability to qualify and maintain our qualification as a RIC and as a business development company;

- risks associated with the timing, form and amount of any dividends or distributions;
- changes in laws or regulations applicable to us;
- our ability to obtain exemptive relief from the SEC;
- possible resignation of our investment advisor;
- the general economy and its impact on the industries in which we invest;
- risks associated with investing in lower middle-market companies;
- our ability to invest in qualifying assets; and
- our ability to identify and timely close on investment opportunities.

See “Risk Factors” beginning on page 18 and the other information included in this prospectus for additional discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

Corporate Information

Our principal executive offices are located at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, and our telephone number is (847) 859-3940. Our corporate website is located at *http://www.fdus.com*. Information on our website is not incorporated into or a part of this prospectus.

The Offering	
Common stock offered by us	4,666,667 shares (or 5,366,667 shares if the underwriters exercise their over-allotment option in full).
Common stock issued in formation transactions	4,056,521 shares
Common stock to be outstanding after this offering	8,723,188 shares (or 9,423,188 shares if the underwriters exercise their over-allotment option in full).
Use of proceeds	Our net proceeds from this offering will be approximately $63.5 million, or approximately $73.2 million if the underwriters exercise their over-allotment option in full, in each case assuming an initial public offering price of $15.00 per share. We intend to use the net proceeds of this offering to invest in portfolio companies through Fidus Mezzanine Capital, L.P. or directly in accordance with our investment objective and the strategies described in this prospectus, to make distributions to our stockholders and for general corporate purposes, which may include the establishment of a second SBIC, through which we would make additional investments. We will also pay operating expenses, including management and administrative fees, and may pay other expenses from the net proceeds of this offering. Pending such investments, we intend to invest the net proceeds of this offering primarily in cash, cash equivalents, U.S. Government securities and high-quality debt investments that mature in one year or less from the date of investment. These temporary investments may have lower yields than our other investments and, accordingly, may result in lower distributions, if any, during such period. See “Use of Proceeds.”
Proposed symbol on The Nasdaq Global Market	FDUS
Investment advisory fee	We will pay our investment advisor a fee for its services under the Investment Advisory Agreement consisting of two components — a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1.75% of the average value of our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts). The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20.0% of our “pre-incentive fee net investment income” for the immediately preceding quarter, subject to a 2.0% preferred return, or “hurdle,” and a “catch up” feature. The second part is determined and payable in arrears as of the end of each fiscal year in an amount equal to 20.0% of our realized capital gains, on a cumulative basis from inception through the end of the year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. See “Management and Other Agreements — Investment Advisory Agreement.”

Distributions	Subsequent to the completion of this offering, and to the extent we have income and cash available, we intend to distribute quarterly dividends to our stockholders, beginning with the first full calendar quarter after the completion of this offering. Our quarterly dividends, if any, will be determined by our board of directors. Any dividends to our stockholders will be declared out of assets legally available for distribution.
Dividend reinvestment plan	We have adopted a dividend reinvestment plan for our stockholders, which is an "opt out" dividend reinvestment plan. Under this plan, if we declare a cash dividend or other distribution, our stockholders who have not opted out of our dividend reinvestment plan will have their cash distribution automatically reinvested in additional shares of our common stock, rather than receiving the cash distribution. If a stockholder opts out, that stockholder will receive cash dividends or other distributions. Stockholders who receive dividends and other distributions in the form of shares of common stock generally are subject to the same U.S. federal tax consequences as stockholders who elect to receive their distributions in cash; however, since their cash dividends will be reinvested, such stockholders will not receive cash with which to pay any applicable taxes on reinvested dividends. See "Dividend Reinvestment Plan."
Taxation	We intend to elect to be treated, and intend to qualify thereafter, as a RIC under the Code, beginning with our first taxable year ending December 31, 2011. As a RIC, we generally will not have to pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders. To obtain and maintain RIC tax treatment, we must distribute at least 90.0% of our net ordinary income and net short-term capital gains in excess of our net long-term capital losses, if any. See "Distributions" and "Material U.S. Federal Income Tax Considerations."
Risk factors	An investment in our common stock is subject to risks. See "Risk Factors" beginning on page 18 of this prospectus to read about factors you should consider before deciding to invest in shares of our common stock.
Effective trading at a discount	Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. We are not generally able to issue and sell our common stock at a price below our net asset value per share unless we have stockholder approval. The risk that our shares may trade at a discount to our net asset value is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our shares will trade above, at or below net asset value. See "Risk Factors."
Available information	We have filed with the SEC a registration statement on Form N-2, of which this prospectus is a part, under the Securities Act of 1933, as amended (the "Securities Act"). This registration statement contains additional information about us and the shares of our common stock being offered by this prospectus. After the

completion of this offering, we will be required to file periodic reports, current reports, proxy statements and other information with the SEC. This information will be available at the SEC's public reference room at 100 F. Street, N.E., Washington, D.C. 20549 and on the SEC's website at *http://www.sec.gov.* Information on the operation of the SEC's public reference room may be obtained by calling the SEC at 1-800-SEC-0330.

We maintain a website at *http://www.fdus.com* and intend to make all of our periodic and current reports, proxy statements and other information available, free of charge, on or through our website. Information on our website is not incorporated into or part of this prospectus. You may also obtain such information free of charge by contacting us in writing at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.

Selected Consolidated Financial and Other Data

The following selected consolidated financial data of Fidus Mezzanine Capital, L.P. as of December 31, 2009 and 2010 and for the years ended December 31, 2008, 2009 and 2010 is derived from the consolidated financial statements that have been audited by McGladrey & Pullen, LLP, independent auditors. Fidus Mezzanine Capital, L.P.'s consolidated financial data for the period from May 1, 2007 (inception) through December 31, 2007, statement of assets and liabilities at December 31, 2008 and three-month periods ended March 31, 2010 and 2011, is unaudited. However, in the opinion of Fidus Mezzanine Capital, L.P., all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been made. This financial data should be read in conjunction with Fidus Mezzanine Capital, L.P.'s consolidated financial statements and the notes thereto included elsewhere in this prospectus and with "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Period from May 1 (Inception) through December 31,	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2010	2010	2011
	(Unaudited)				(Unaudited)	
			(Dollars in thousands)			
Statement of operations data:						
Total investment income	$ 1,312	$7,504	$14,184	$17,985	$ 4,222	$ 4,794
Interest expense	272	1,994	3,688	4,962	1,089	1,324
Management fees, net	1,787	3,087	2,969	3,436	756	1,036
All other expenses	496	179	431	627	52	104
Net investment income	(1,243)	2,244	7,096	8,960	2,325	2,330
Net realized (loss) on investments	—	—	(5,551)	(3,858)	(2)	(7,935)
Net unrealized appreciation (depreciation) on investments	—	(750)	(3,137)	(78)	(5,744)	8,948
Net increase (decrease) in net assets resulting from operations	$(1,243)	$1,494	$ (1,592)	$ 5,024	$(3,421)	$ 3,343
Other data:						
Weighted average annual yield on debt investments(1)	15.7%	15.0%	15.6%	15.0%	15.5%	14.9%
Number of portfolio companies at year end	4	9	15	17	16	16
Expense ratios (as percentage of average net assets):						
Operating expenses	23.7%	12.4%	7.5%	8.6%	1.7%	2.0%
Interest expense	2.8%	7.6%	8.0%	10.5%	2.3%	2.3%

(1) Yields are computed using the effective interest rates, including accretion of original issue discount, divided by the weighted average cost of debt investments.

	As of December 31,				As of March 31,
	2007	2008	2009	2010	2011
	(Unaudited)				(Unaudited)
			(Dollars in thousands)		
Statement of assets and liabilities data:					
Total investments at fair value	$33,151	$75,849	$122,900	$141,341	$143,652
Total assets	34,905	79,786	129,650	147,377	157,205
Borrowings	15,250	46,450	79,450	93,500	94,250
Total net assets	19,591	32,573	48,481	52,005	62,348

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in our common stock will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by "you," "us," "the Company" or "Fidus Investment Corporation," or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in Fidus Investment Corporation.

Stockholder transaction expenses:	
Sales load (as a percentage of offering price)	7.0%(1)
Offering expenses borne by us (as a percentage of offering price)	2.4%(2)
Dividend reinvestment plan expenses	None (3)
Total stockholder transaction expenses paid by us (as a percentage of offering price)	9.4%
Estimated annual expenses (as a percentage of net assets attributable to common stock):	
Base management fee	3.1%(4)
Incentive fees payable under Investment Advisory Agreement	—%(5)
Interest payments on borrowed funds	4.0%(6)
Other expenses (estimated)	1.1%(7)
Total annual expenses (estimated)	8.2%(8)

(1) The underwriting discount and commission with respect to shares of our common stock sold in this offering, which is a one-time fee paid to the underwriters, is the only sales load paid in connection with this offering.

(2) Amount reflects estimated offering expenses of approximately $1,650,000.

(3) The expenses of the dividend reinvestment plan are included in "other expenses." See "Dividend Reinvestment Plan."

(4) Our base management fee will be 1.75% of the average value of our total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts). For the purposes of this table, we have assumed that we maintain no cash or cash equivalents and that the base management fee will remain at 1.75% as set forth in the Investment Advisory Agreement. We may from time to time decide it is appropriate to change the terms of the Investment Advisory Agreement. Under the 1940 Act, any material change to our Investment Advisory Agreement must be submitted to stockholders for approval. The 3.1% reflected in the table is calculated on our net assets (rather than our total assets). See "Management and Other Agreements — Investment Advisory Agreement."

(5) We may have capital gains and interest income that could result in the payment of an incentive fee to our investment advisor in the first year after the completion of this offering. However, the incentive fee payable to our investment advisor is based on our performance and will not be paid unless we achieve certain goals. As we cannot predict whether we will meet the necessary performance targets, we have assumed an incentive fee of 0.0% in this chart.

The incentive fee consists of two parts:

The first, payable quarterly in arrears, equals 20.0% of our pre-incentive fee net investment income (including interest that is accrued but not yet received in cash), subject to a 2.0% quarterly (8.0% annualized) hurdle rate and a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, our investment advisor receives no incentive fee until our pre-incentive fee net investment income equals the hurdle rate of 2.0% but then receives, as a "catch-up," 100.0% of our pre-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 2.5%. The effect of this provision is that, if pre-incentive fee net investment income exceeds 2.5% in any calendar quarter, our investment advisor will receive 20.0% of our pre-incentive fee net investment income as if a hurdle rate did not apply.

The second part, payable annually in arrears, equals 20.0% of our realized capital gains on a cumulative basis from inception through the end of the fiscal year, if any (or upon the termination of the Investment

Advisory Agreement, as of the termination date), computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. We will accrue, but not pay, a capital gains incentive fee in connection with any net unrealized appreciation, as appropriate.

See "Management and Other Agreements — Investment Advisory Agreement."

(6) Interest payments on borrowed funds include interest payments on the $93.5 million of outstanding SBA debentures of Fidus Mezzanine Capital, L.P. as of March 31, 2011, which will be our wholly-owned subsidiary upon the consummation of the formation transactions and this offering. We have not directly issued any indebtedness.

(7) Includes our overhead expenses, including expenses directly incurred by Fidus Mezzanine Capital, L.P., which will be our wholly-owned subsidiary upon the consummation of the formation transactions and this offering payments under the Administration Agreement based on our allocable portion of overhead and other expenses incurred by our investment advisor. See "Management and Other Agreements — Administration Agreement." "Other expenses" are based on estimated amounts for the current fiscal year.

(8) "Total annual expenses" as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We intend to borrow money to leverage our net assets and increase our total assets. The SEC requires that the "total annual expenses" percentage be calculated as a percentage of net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period), rather than the total assets, including assets that have been purchased with borrowed amounts. If the "total annual expenses" percentage were calculated instead as a percentage of consolidated total assets, our "total annual expenses" would be 4.7% of consolidated total assets.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage, that none of our assets are cash or cash equivalents and that our annual operating expenses would remain at the levels set forth in the table above. Transaction expenses are not included in the following example.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$177.2	$336.0	$484.4	$813.9

The foregoing table is to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. The incentive fee under the Investment Advisory Agreement, which, assuming a 5.0% annual return, would either not be payable or have an insignificant impact on the expense amounts shown above, is not included in the example. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, if our board of directors authorizes and we declare a cash dividend, participants in our dividend reinvestment plan who have not otherwise elected to receive cash will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See "Dividend Reinvestment Plan" for additional information regarding our dividend reinvestment plan.

This example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.

RISK FACTORS

Investing in our common stock involves a number of significant risks. Before you invest in our common stock, you should be aware of various risks associated with the investment, including those described below. You should carefully consider these risk factors, together with all of the other information included in this prospectus, before you decide whether to make an investment in our common stock. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Relating to Our Business and Structure

We have never operated as a business development company or qualified to be treated as a RIC, and our investment advisor has never managed a business development company or a RIC, and we may not be able to operate our business successfully or generate sufficient revenue to make or sustain distributions to our stockholders.

Fidus Mezzanine Capital, L.P. commenced operations and obtained a license to operate as an SBIC in 2007. Prior to the closing of this offering we will have never operated as a business development company or qualified to be treated as a RIC, and our investment advisor will have never managed any business development company. In addition, we have never operated an SBIC as a business development company. As a result, we have no operating results under these regulatory frameworks that can demonstrate to you either their effect on our business or our ability to manage our business under these frameworks. We will be subject to the business risks and uncertainties associated with new entities of these types, including the risk that we will not achieve our investment objective, or that we will not qualify or maintain our qualification to be treated as a RIC, and that the value of your investment could decline substantially.

The 1940 Act and the Code impose numerous constraints on the operations of business development companies and RICs. Business development companies are required, for example, to invest at least 70.0% of their total assets in qualifying assets, which generally include securities of U.S. private or thinly traded public companies, cash, cash equivalents, U.S. government securities and other high-quality debt instruments that mature in one year or less from the date of investment. Any failure to comply with the requirements imposed on business development companies by the 1940 Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. Moreover, qualification for treatment as a RIC requires satisfaction of source-of-income, asset diversification and distribution requirements. Neither we nor our investment advisor has any experience operating under these constraints. These constraints may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objective.

We will be dependent upon our investment advisor's managing members and our executive officers for our future success. If our investment advisor were to lose any of its managing members or we lose any of our executive officers, our ability to achieve our investment objective could be significantly harmed.

We depend on the investment expertise, skill and network of business contacts of the managing members of our investment advisor, who evaluate, negotiate, structure, execute and monitor our investments. We also depend upon the expertise of our executive officers. Our future success will depend to a significant extent on the continued service and coordination of the investment professionals of our investment advisor and executive officers, particularly Edward H. Ross; John J. Ross, II; B. Bragg Comer, III; Thomas C. Lauer; W. Andrew Worth; and Cary L. Schaefer. Although Messrs. E. Ross, Comer, Lauer and Worth and Ms. Schaefer intend to devote all of their business time to our operations, they may have other demands on their time in the future. Mr. J. Ross will not devote all of his business time to our operations and will have other demands on his time as a result of other activities. The departure of any of these individuals could have a material adverse effect on our ability to achieve our investment objective.

Our business model depends to a significant extent upon strong referral relationships with financial institutions, sponsors and investment professionals. Any inability of our investment advisor to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.

We depend upon the investment professionals of our investment advisor to maintain their relationships with financial institutions, sponsors and investment professionals, and we intend to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If the investment professionals of our investment advisor fail to maintain such relationships, or to develop new relationships with other sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom the investment professionals of our investment advisor have relationships are not obligated to provide us with investment opportunities, and, therefore, we can offer no assurance that these relationships will generate investment opportunities for us in the future.

Our financial condition and results of operation depends on our ability to manage our business effectively.

Our ability to achieve our investment objective and grow depends on our ability to manage our business and deploy our capital effectively. This depends, in turn, on our investment advisor's ability to identify, evaluate and monitor companies that meet our investment criteria. The achievement of our investment objectives on a cost-effective basis depends upon our investment advisor's execution of our investment process, its ability to provide competent, attentive and efficient services to us and, to a lesser extent, our access to financing on acceptable terms. Our investment advisor will have substantial responsibilities under the Investment Advisory Agreement. In addition, our investment advisor's investment professionals may be called upon to provide managerial assistance to our portfolio companies. These activities may distract them or slow our rate of investment. Any failure to manage our business and our future growth effectively could have a material adverse effect on our business, financial condition and results of operations.

Even if we are able to grow and build upon our investment operations in a manner commensurate with the increased capital available to us as a result of this offering, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. Our results of operations depend on many factors, including the availability of opportunities for investment, readily accessible short and long-term funding alternatives in the financial markets and economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies, it could negatively impact our ability to pay dividends and cause you to lose all or part of your investment.

Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.

Borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in us. Fidus Mezzanine Capital, L.P. borrows from and issues debt securities to the SBA, and we may borrow from banks and other lenders in the future. The SBA has fixed dollar claims on Fidus Mezzanine Capital, L.P.'s assets that are superior to the claims of our stockholders. If the value of Fidus Mezzanine Capital, L.P.'s assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not used leverage. Conversely, if the value of Fidus Mezzanine Capital, L.P.'s assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net income to increase more than it would without the leverage, while any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to make common stock dividend payments. Leverage is generally considered a speculative investment technique.

Our ability to achieve our investment objectives may depend in part on our ability to achieve additional leverage on favorable terms by borrowing from the SBA, banks or other lenders, and there can be no assurance that such additional leverage can in fact be achieved.

The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

Assumed Return on Our Portfolio
(Net of Expenses)

	(10.0)%	(5.0)%	0.0%	5.0%	10.0%
Corresponding return to common stockholder[1]	(33.3)%	(20.7)%	(8.1)%	4.5%	17.1%

(1) Assumes $157.2 million in total assets, $93.5 million in outstanding SBA debentures and $62.3 million in net assets as of March 31, 2011 and an average cost of funds of 5.4%.

Many of our portfolio investments will be recorded at fair value as determined in good faith by our board of directors, and, as a result, there may be uncertainty as to the value of our portfolio investments.

We expect that many of our portfolio investments will take the form of debt and equity securities that are not publicly-traded. The debt and equity securities in which we invest for which market quotations are not readily available will be valued at fair value as determined in good faith by our board of directors. As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments:

- a comparison of the portfolio company's securities to publicly-traded securities;
- the enterprise value of a portfolio company;
- the nature and realizable value of any collateral;
- the portfolio company's ability to make payments and its earnings and discounted cash flow;
- the markets in which the portfolio company does business; and
- changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future and other relevant factors.

We will adjust quarterly the valuation of our portfolio to reflect the determination of our board of directors of the fair value of each investment in our portfolio. Any changes in fair value are recorded in our statement of operations as net change in unrealized appreciation or depreciation.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material. Declines in prices and liquidity in the corporate debt markets may also result in significant net unrealized depreciation in our debt portfolio. Our net asset value could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such investments.

We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.

A number of entities compete with us to make the types of investments that we plan to make. We will compete with public and private funds, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our competitors may have access to funding sources that are not

available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we offer. We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. If we match our competitors' pricing, terms and structure, we may experience a decrease in net investment income or an increase in risk of capital loss. A significant part of our competitive advantage stems from the fact that the lower middle-market is underserved by traditional commercial and investment banks, and generally has less access to capital. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms.

Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a business development company or the source of income, asset diversification and distribution requirements we must satisfy to maintain our RIC status. The competitive pressures we face may have a material adverse effect on our business, financial condition and results of operations. As a result of this existing and potentially increasing competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objective.

Our incentive fee structure may create incentives for our investment advisor that are not fully aligned with the interests of our stockholders.

In the course of our investing activities, we will pay management and incentive fees to our investment advisor. These fees are based on our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts). As a result, investors in our common stock will invest on a "gross" basis and receive distributions on a "net" basis after expenses, resulting in a lower rate of return than one might achieve through direct investments. Because these fees are based on our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts), our investment advisor will benefit when we incur debt or use leverage. This fee structure may encourage our investment advisor to cause us to borrow money to finance additional investments. Under certain circumstances, the use of borrowed money may increase the likelihood of default, which would disfavor our stockholders. Our board of directors is charged with protecting our interests by monitoring how our investment advisor addresses these and other conflicts of interests associated with its management services and compensation. While our board of directors is not expected to review or approve each borrowing or incurrence of leverage, our independent directors will periodically review our investment advisor's services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors will consider whether our fees and expenses (including those related to leverage) remain appropriate. As a result of this arrangement, our investment advisor may from time to time have interests that differ from those of our stockholders, giving rise to a conflict.

The part of the incentive fee payable to our investment advisor that relates to our net investment income will be computed and paid on income that may include interest income that has been accrued but not yet received in cash. This fee structure may be considered to involve a conflict of interest for our investment advisor to the extent that it may encourage our investment advisor to favor debt financings that provide for deferred interest, rather than current cash payments of interest. Our investment advisor may have an incentive to invest in deferred interest securities in circumstances where it would not have done so but for the opportunity to continue to earn the incentive fee even when the issuers of the deferred interest securities would not be able to make actual cash payments to us on such securities. This risk could be increased because our investment advisor is not obligated to reimburse us for any incentive fees received even if we subsequently incur losses or never receive in cash the deferred income that was previously accrued.

The valuation process for certain of our portfolio holdings creates a conflict of interest.

A substantial portion of our portfolio investments are expected to be made in the form of securities that are not publicly traded. As a result, our board of directors will determine the fair value of these securities in good faith pursuant to our valuation policy. In connection with that determination, investment professionals

from our investment advisor prepare portfolio company valuations based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. In addition, certain members of our board of directors, including Messrs. E. Ross and Lauer, have a pecuniary interest in our investment advisor. The participation of our investment advisor's investment professionals in our valuation process, and the pecuniary interest in our investment advisor by certain members of our board of directors, would result in a conflict of interest as the management fee that we will pay our investment advisor is based on our gross assets.

Our incentive fee may induce our investment advisor to make speculative investments.

Our investment advisor will receive an incentive fee based, in part, upon net capital gains realized on our investments. Unlike that portion of the incentive fee based on income, there is no hurdle rate applicable to the portion of the incentive fee based on net capital gains. As a result, our investment advisor may have a tendency to invest more capital in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

We may be obligated to pay our investment advisor incentive compensation even if we incur a loss and may pay more than 20.0% of our net capital gains because we cannot recover payments made in previous years.

Our investment advisor will be entitled to incentive compensation for each fiscal quarter in an amount equal to a percentage of the excess of our net investment income for that quarter above a threshold return for that quarter. Our pre-incentive fee net investment income for incentive compensation purposes excludes realized and unrealized capital losses that we may incur in the fiscal quarter, even if such capital losses result in a net loss on our statement of operations for that quarter. Thus, we may be required to pay our investment advisor incentive compensation for a fiscal quarter even if there is a decline in the value of our portfolio or we incur a net loss for that quarter. Further, if we pay an incentive fee of 20.0% of our realized capital gains (net of all realized capital losses and unrealized capital depreciation on a cumulative basis) and thereafter experience additional realized capital losses or unrealized capital depreciation, we will not be able to recover any portion of the incentive fee previously paid.

We may have potential conflicts of interest related to obligations that our investment advisor may have to other clients.

Although our investment advisor currently contemplates that we will be the only investment vehicle managed by it, we may in the future have conflicts of interest with our investment advisor or its respective other clients that elect to invest in similar types of securities as we will invest. Our investment advisor's investment committee serves or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do, or of investment funds or other investment vehicles managed by our investment advisor. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of us or our stockholders. Our investment advisor will seek to allocate investment opportunities among eligible accounts in a manner that is fair and equitable over time and consistent with an allocation policy approved by our board of directors.

Our investment advisor or its investment committee may, from time to time, possess material non-public information, limiting our investment discretion.

The investment professionals of our investment advisor may serve as directors of, or in a similar capacity with, companies in which we invest, the securities of which are purchased or sold on our behalf. In the event that material non-public information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us.

We may have conflicts related to other arrangements with our investment advisor.

We intend to enter into a license agreement with Fidus Partners, LLC, an affiliate of our investment advisor, under which Fidus Partners, LLC will grant us a non-exclusive (provided that there is not a change in control of Fidus Partners, LLC), royalty-free license to use the name "Fidus," See "Management and Other Agreements — License Agreement." In addition, we will rent office space from our investment advisor and pay to our investment advisor our allocable portion of overhead and other expenses incurred in performing its obligations under the Administration Agreement, such as our allocable portion of the cost of our chief financial officer and chief compliance officer. This will create conflicts of interest that our board of directors must monitor.

The Investment Advisory Agreement and the Administration Agreement with our investment advisor were not negotiated on an arm's length basis and may not be as favorable to us as if they had been negotiated with an unaffiliated third party.

The Investment Advisory Agreement and the Administration Agreement were negotiated between related parties. Consequently, their terms, including fees payable to our investment advisor, may not be as favorable to us as if they had been negotiated with an unaffiliated third party. In addition, we may choose not to enforce, or to enforce less vigorously, our rights and remedies under these agreements because of our desire to maintain our ongoing relationship with our investment advisor.

Our wholly-owned subsidiary, Fidus Mezzanine Capital, L.P., is licensed by the SBA, and therefore, subject to SBA regulations.

Our wholly-owned subsidiary, Fidus Mezzanine Capital, L.P., is licensed to operate as an SBIC and is regulated by the SBA. Under current SBA regulations, a licensed SBIC can provide capital to those entities that have a tangible net worth not exceeding $18.0 million and an average annual net income after U.S. federal income taxes not exceeding $6.0 million for the two most recent fiscal years. In addition, a licensed SBIC must devote 25.0% of its investment activity to those entities that have a tangible net worth not exceeding $6.0 million and an average annual net income after U.S. federal income taxes not exceeding $2.0 million for the two most recent fiscal years. The SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on either the number of employees or the gross sales. The SBA regulations permit licensed SBICs to make long term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. The SBA also places certain limitations on the financing terms of investments by SBICs in portfolio companies and prohibits SBICs from providing funds for certain purposes or to businesses in certain prohibited industries. Further, the SBA regulations require that a licensed SBIC be periodically examined and audited by the SBA staff to determine its compliance with the relevant SBA regulations. Compliance with these SBA requirements may cause Fidus Mezzanine Capital, L.P. to forego attractive investment opportunities that are not permitted under the SBA regulations, and may cause Fidus Mezzanine Capital, L.P. to make investments it otherwise would not make in order to remain in compliance with these regulations.

Failure to comply with the SBA regulations could result in the loss of the SBIC license and the resulting inability to participate in the SBA debenture program. The SBA prohibits, without prior SBA approval, a "change of control" of an SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10.0% or more of a class of capital stock of a licensed SBIC. Current SBA regulations provide the SBA with certain rights and remedies if an SBIC violates their terms. A key regulatory metric for SBA is the extent of "Capital Impairment," which is the extent of realized (and, in certain circumstances, net unrealized) losses compared with the SBIC's private capital commitments. Interest payments, management fees, organization and other expenses are included in determining "realized losses." SBA regulations preclude the full amount of "unrealized appreciation" from portfolio companies from being considered when calculating Capital Impairment in certain circumstances. Remedies for regulatory violations are graduated in severity depending on the seriousness of Capital Impairment or other regulatory violations. For minor regulatory infractions, the SBA issues a warning. For more serious infractions, the use of SBA debentures may be limited

or prohibited, outstanding debentures can be declared to be immediately due and payable, restrictions on distributions and making new investments may be imposed and management fees may be required to be reduced. In severe cases, the SBA may require the removal of a general partner of an SBIC or its officers, directors, managers or partners, or the SBA may obtain appointment of a receiver for the SBIC.

SBA regulations limit the amount that may be borrowed from the SBA by an SBIC.

The SBA regulations currently limit the amount that is available to be borrowed by any SBIC and guaranteed by the SBA to 300.0% of an SBIC's regulatory capital or $150.0 million, whichever is less. For two or more SBICs under common control, the maximum amount of outstanding SBA debentures cannot exceed $225.0 million. As of March 31, 2011, Fidus Mezzanine Capital, L.P. had $93.5 million of SBA debentures. With $75.9 million of regulatory capital as of March 31, 2011, Fidus Mezzanine Capital, L.P. has the current capacity to issue up to a total of $150.0 million of SBA debentures. If Fidus Mezzanine Capital, L.P. borrows the maximum amount from the SBA and thereafter requires additional capital, our cost of capital may increase, and there is no assurance that we will be able to obtain additional financing on acceptable terms.

Moreover, Fidus Mezzanine Capital, L.P.'s current status as an SBIC does not automatically assure that it will continue to receive SBA debenture funding. Receipt of SBA debenture funding is dependent upon Fidus Mezzanine Capital, L.P. continuing to be in compliance with SBA regulations and policies and there being funding available. The amount of SBA debenture funding available to SBICs is dependent upon annual Congressional authorizations and in the future may be subject to annual Congressional appropriations. There can be no assurance that there will be sufficient SBA debenture funding available at the times desired by Fidus Mezzanine Capital, L.P.

The debentures issued by Fidus Mezzanine Capital, L.P. to the SBA have a maturity of ten years and bear interest semi-annually at fixed rates. Fidus Mezzanine Capital, L.P. will need to generate sufficient cash flow to make required debt payments to the SBA. If Fidus Mezzanine Capital, L.P. is unable to generate such cash flow, the SBA, as a debt holder, will have a superior claim to our assets over our stockholders in the event it liquidates or the SBA exercises its remedies under such debentures as the result of a default by Fidus Mezzanine Capital, L.P.

Fidus Mezzanine Capital, L.P., as an SBIC, will be limited in its ability to make distributions to us, which could result in us being unable to meet the minimum distribution requirements to qualify as a RIC.

In order to qualify as a RIC, we will be required to distribute on an annual basis 90.0% of our taxable income. For this purpose, our taxable income will include the income of Fidus Mezzanine Capital, L.P. (and possibly other subsidiaries, if any). Fidus Mezzanine Capital, L.P.'s ability to make distributions to us may be limited by the Small Business Investment Act of 1958. As a result, in order to qualify and maintain our status as a RIC, we may be required to make distributions attributable to Fidus Mezzanine Capital, L.P.'s income without receiving cash distributions from it with respect to such income. We can make no assurances that Fidus Mezzanine Capital, L.P. will be able to make, or not be limited in making, distributions to us. If we are unable to satisfy the minimum annual distribution requirements, we may fail to qualify or maintain our RIC status, which would result in the imposition of corporate-level U.S. federal income tax on our entire taxable income without regard to any distributions made by us. We intend to retain a portion of the net proceeds of this offering to make cash distributions to enable us to meet the RIC distribution requirements. See "— We will be subject to corporate-level U.S. federal income tax if we are unable to qualify or maintain our qualification as a RIC under Subchapter M of the Code."

Changes in interest rates will affect our cost of capital and net investment income.

Most of our debt investments will bear interest at fixed rates and the value of these investments could be negatively affected by increases in market interest rates. In addition, to the extent that we borrow additional funds to make investments, an increase in interest rates would make it more expensive for us to use debt to finance our investments. As a result, a significant increase in market interest rates could both reduce the value

of our portfolio investments and increase our cost of capital, which would reduce our net investment income. Conversely, a decrease in interest rates may have an adverse impact on our returns by requiring us to seek lower yields on our debt investments and by increasing the risk that our portfolio companies will prepay the debt investments, resulting in the need to redeploy capital at potentially lower rates.

You should also be aware that a rise in market interest rates typically leads to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates may result in an increase of the amount of incentive fees payable to our investment advisor.

An extended continuation of the disruption in the capital markets and the credit markets could negatively affect our business.

As a business development company, it will be essential for us to maintain our ability to raise additional capital for investment purposes. Without sufficient access to the capital markets or credit markets, we may be forced to curtail our business operations or we may not be able to pursue new business opportunities. Since the middle of 2007, the capital markets and the credit markets have been experiencing extreme volatility and disruption and, accordingly, there has been and will continue to be uncertainty in the financial markets in general. Ongoing disruptive conditions in the financial industry and the impact of new legislation in response to those conditions could restrict our business operations and could adversely impact our results of operations and financial condition.

Once we have fully invested the net proceeds of this offering, we will access the capital markets periodically to issue debt or equity securities or borrow from financial institutions in order to obtain such additional capital. Unfavorable economic conditions could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. A reduction in the availability of new capital could limit our ability to pursue new business opportunities and grow our business. In addition, we will be required to distribute at least 90.0% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders to qualify for the tax benefits available to RICs. As a result, these earnings will not be available to fund new investments. An inability to access the capital markets successfully could limit our ability to grow our business and execute our business strategy fully and could decrease our earnings, if any, which may have an adverse effect on the value of our securities.

We may experience fluctuations in our quarterly operating results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, the default rate on such securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

We will be subject to corporate-level U.S. federal income tax if we are unable to qualify or maintain qualification as a RIC under Subchapter M of the Code.

We intend to elect to be treated as a RIC under Subchapter M of the Code commencing with our taxable year ending December 31, 2011; however, no assurance can be given that we will be able to qualify for and maintain RIC status. To qualify as a RIC under the Code and to be relieved of liability for U.S. federal income taxes on income and gains distributed to our stockholders, we must meet certain requirements, including source-of-income, asset diversification and annual distribution requirements. The source-of-income requirement will be satisfied if we obtain at least 90.0% of our income for each year from dividends, interest, gains from sale of securities or similar sources. To qualify and maintain our status as a RIC, we must also meet certain asset diversification requirements at the end of each calendar quarter. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments will be in private or thinly traded public companies, any such dispositions could be made at disadvantageous prices and may result in substantial losses. The annual distribution

requirement applicable to RICs is satisfied if we distribute at least 90.0% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders on an annual basis. In addition, we will be subject to a 4.0% nondeductible federal excise tax to the extent that we do not satisfy certain additional minimum distribution requirements on a calendar-year basis. We will be subject, to the extent we use debt financing, to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making annual distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to qualify and maintain our qualification for the tax benefits available to RICs and, thus, may be subject to U.S. federal corporate-level income tax on our entire taxable income without regard to any distributions made by us. If we fail to qualify as a RIC for any reason and become subject to corporate-level income tax, the resulting tax liability could substantially reduce our net assets, the amount of income available for distributions to stockholders and the amount of our distributions and the amount of funds available for new investments. Such a failure would have a material adverse effect on us and our stockholders. See “Material U.S. Federal Income Tax Considerations — Taxation as a RIC.”

You may not receive distributions, or our distributions may not grow over time.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this prospectus. Due to the asset coverage test applicable to us under the 1940 Act as a business development company, we may be limited in our ability to make distributions. All distributions will be made at the discretion of our board of directors and will depend on our earnings, financial condition, maintenance of RIC status, compliance with applicable business development company, SBA regulations and such other factors as our board of directors may deem relative from time to time. We cannot assure you that we will make distributions to our stockholders in the future.

We may have difficulty paying our required distributions if we recognize income before, or without, receiving cash representing such income.

For U.S. federal income tax purposes, we will include in income certain amounts that we have not yet received in cash, such as original issue discount, which may arise if we receive warrants in connection with the making of a loan or in other circumstances, or through contracted payment-in-kind interest, which represents contractual interest added to the loan balance and due at the end of the loan term. Such original issue discount, or increases in loan balances as a result of contracted payment-in-kind arrangements, will be included in income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we will not receive in cash.

Since in certain cases we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute on an annual basis at least 90.0% of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to qualify for the tax benefits available to RICs. In such a case, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities to meet these distribution requirements. If we are not able to obtain such cash from other sources, we may fail to qualify for the tax benefits available to RICs and thus be subject to corporate-level income tax. See “Material U.S. Federal Income Tax Considerations — Taxation as a RIC.”

If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible. Our investment advisor will not be under any obligation to reimburse us for any part of the incentive fee it received that was based on accrued income that we never receive as a result of a default by an entity on the obligation that resulted in the accrual of such income. That part of the incentive fee payable by us that relates to our net investment income will be computed and paid on income that may include interest that has been

accrued but not yet received in cash, such as market discount, debt instruments with payment-in-kind interest, preferred stock with payment-in-kind dividends and zero coupon securities.

Because we expect to distribute substantially all of our net investment income and net realized capital gains to our stockholders, we will need additional capital to finance our growth, and such capital may not be available on favorable terms or at all.

We intend to elect to be taxed for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. If we meet certain requirements, including source-of-income, asset diversification and distribution requirements, and if we continue to be regulated as a business development company, we will qualify to be a RIC under the Code and will not have to pay corporate-level taxes on income we distribute to our stockholders as dividends, allowing us to substantially reduce or eliminate our corporate-level tax liability. As a business development company, we are generally required to meet a coverage ratio of total assets to total senior securities, which includes all of our borrowings and any preferred stock we may issue in the future, of at least 200.0% at the time we issue any debt or preferred stock. This requirement limits the amount of our leverage. Because we will continue to need capital to grow our investment portfolio, this limitation may prevent us from incurring debt or issuing preferred stock and require us to raise additional equity at a time when it may be disadvantageous to do so. We cannot assure you that debt and equity financing will be available to us on favorable terms, or at all, and debt financings may be restricted by the terms of any of our outstanding borrowings. In addition, as a business development company, we are generally not permitted to issue common stock priced below net asset value without stockholder approval. If additional funds are not available to us, we could be forced to curtail or cease new investment activities, and our net asset value could decline.

We may choose to pay a portion of our dividends in our own stock, in which case you may be required to pay tax in excess of the cash you receive.

We may distribute taxable dividends that are payable in part in our stock in order to satisfy the annual distribution requirement applicable to RICs. Up to 90.0% of any such taxable dividend paid on or before December 31, 2012, with respect to a taxable year ending on or before December 31, 2011, could be payable in our stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long-term capital gain or qualified dividend income to the extent such distribution is properly reported as such) to the extent of our current and accumulated earnings and profits for federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. federal tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in shares of our common stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of shares of our common stock.

In addition, as discussed above, our loans may contain a payment-in-kind interest provision. The payment-in-kind interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To avoid the imposition of corporate-level tax, we will need to make sufficient distributions, a portion of which may be paid in shares of our common stock (as discussed in the preceding paragraph), regardless of whether our recognition of income is accompanied by a corresponding receipt of cash. Regulations governing our operation as a business development company will affect our ability to and the way in which we could raise additional capital. As a business development company, we will need to raise additional capital, which will expose us to risks, including the typical risks associated with leverage.

Our board of directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our board of directors has the authority, except as otherwise provided by the 1940 Act, to modify or waive certain of our operating policies and strategies without prior notice and without stockholder approval. Under Maryland law, we also cannot be dissolved without prior stockholder approval except by judicial action. In addition, upon approval of a majority of our stockholders, we may elect to withdraw our status as a business development company. If we, or Fidus Mezzanine Capital, L.P., decide to withdraw our election, or if we otherwise fail to qualify, or maintain our qualification, as a business development company, we may be subject to the substantially greater regulation under the 1940 Act as a closed-end investment company. Compliance with such regulations would significantly decrease our operating flexibility, and could significantly increase our costs of doing business. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results or the value of our common stock. Nevertheless, any such changes could adversely affect our business and impair our ability to make distributions.

Any failure on our part to maintain our status as a business development company would reduce our operating flexibility.

If we, or Fidus Mezzanine Capital, L.P., fail to qualify or maintain our status as a business development company, we might be regulated as a closed-end investment company under the 1940 Act, which would subject us to substantially more onerous regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility.

Regulations governing our operation as a business development company will affect our ability to raise, and the way in which we raise, additional capital which may have a negative effect on our growth.

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as “senior securities,” up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we will be permitted as a business development company to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 200.0% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. In addition, issuance of securities could dilute the percentage ownership of our current stockholders in us.

No person or entity from which we borrow money will have a veto power or a vote in approving or changing any of our fundamental policies. If we issue preferred stock, the preferred stock would rank “senior” to common stock in our capital structure, preferred stockholders would have separate voting rights on certain matters and might have other rights, preferences or privileges more favorable than those of our common stockholders, and the issuance of preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our common stock or otherwise be in your best interest. Holders of our common stock will directly or indirectly bear all of the costs associated with offering and servicing any preferred stock that we issue. In addition, any interests of preferred stockholders may not necessarily align with the interests of holders of our common stock and the rights of holders of shares of preferred stock to receive dividends would be senior to those of holders of shares of our common stock. In addition, if we raise additional funds by issuing common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage ownership of our stockholders at that time will decrease, and you might experience dilution.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value per share of our common stock if our board of directors, including independent directors, determines that such sale is in the best interests of us and our stockholders, and if our

stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our board of directors, closely approximates the market value of such securities (less any distributing commission or discount).

Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

We will be subject to regulation at the local, state and federal level. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and, after the consummation of this offering, our stockholders, potentially with retroactive effect. In addition, any change to the SBA's current debenture program could have a significant impact on our ability to obtain low-cost leverage and, therefore, our competitive advantage over other funds.

Additionally, any changes to the laws and regulations governing our operations related to permitted investments may cause us to alter our investment strategy in order to meet our investment objectives. Such changes could result in material differences to the strategies and plans set forth in this prospectus and may shift our investment focus from the areas of expertise of our investment advisor to other types of investments in which our investment advisor may have little or no expertise or experience. Any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

We have filed an application with the SEC requesting exemptive relief from certain provisions of the 1940 Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act").

On March 15, 2011 we filed an application with the SEC requesting an SEC order exempting us and Fidus Mezzanine Capital, L.P. from certain provisions of the 1940 Act (including an exemptive order granting relief from the asset coverage requirements for certain indebtedness issued by Fidus Mezzanine Capital, L.P. as an SBIC) and from certain reporting requirements mandated by the Exchange Act. While the SEC has granted exemptive relief in substantially similar circumstances in the past, no assurance can be given that an exemptive order will be granted. Delays and costs involved in obtaining necessary approvals may make certain transactions impracticable or impossible to consummate, and there is no assurance that the application for exemptive relief will be granted by the SEC.

Our investment advisor can resign on 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

Our investment advisor has the right, under the Investment Advisory Agreement, to resign at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If our investment advisor resigns, we may not be able to find a new investment advisor or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, investment activities are likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our investment advisor and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

Our investment advisor can resign from its role as our administrator under the Administration Agreement, and we may not be able to find a suitable replacement, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

Our investment advisor has the right to resign under the Administration Agreement, whether we have found a replacement or not. If our investment advisor resigns, we may not be able to find a new administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, administrative activities are likely to suffer if we are unable to identify and reach an agreement with a service provider or individuals with the expertise possessed by our investment advisor. Even if we are able to retain a comparable service provider or individuals to perform such services, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

Efforts to comply with the Sarbanes-Oxley Act will involve significant expenditures, and non-compliance with the Sarbanes-Oxley Act may adversely affect us and the market price of our common stock.

As a publicly traded company, we will incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act and other rules implemented by the SEC.

Upon completion of this offering, we will be subject to the Sarbanes-Oxley Act, and the related rules and regulations promulgated by the SEC. Under current SEC rules, beginning with its fiscal year ending December 31, 2012, our management will be required to report on its internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and rules and regulations of the SEC thereunder. We will then be required to review on an annual basis its internal controls over financial reporting, and on a quarterly and annual basis to evaluate and disclose changes in our internal controls over financial reporting. As a result, we expect to incur significant additional expenses in the near term, which may negatively impact our financial performance and our ability to make distributions. This process also will result in a diversion of our management's time and attention. We cannot be certain as to the timing of completion of our evaluation, testing and remediation actions or the impact of the same on our operations and may not be able to ensure that the process is effective or that the internal controls are or will be effective in a timely manner. There can be no assurance that we will successfully identify and resolve all issues required to be disclosed prior to becoming a public company or that our quarterly reviews will not identify additional material weaknesses. In the event that we are unable to maintain or achieve compliance with the Sarbanes-Oxley Act and related rules, our value and results or operations may be adversely affected.

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends.

Our business is highly dependent on the communications and information systems of our investment advisor. Any failure or interruption of such systems could cause delays or other problems in our activities. This, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

Risks Related to Our Investments

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies are susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. Therefore, our non-performing assets are likely to increase and the value of our portfolio is likely to decrease during these periods. Adverse economic conditions may

decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing our investments and harm our operating results.

Our investments in portfolio companies may be risky, and we could lose all or part of our investment.

Investing in lower middle-market companies involves a number of significant risks. Among other things, these companies:

- may have limited financial resources and may be unable to meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of portfolio companies that we may have obtained in connection with our investment;
- may have shorter operating histories, narrower product lines and smaller market shares, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns, than larger businesses;
- 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 our portfolio company and, in turn, on us;
- 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; and
- generally have less publicly available information about their businesses, operations and financial condition. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and may lose all or part of our investment.

In addition, in the course of providing significant managerial assistance to certain portfolio companies, certain of our management and directors may serve as directors on the boards of such companies. To the extent that litigation arises out of investments in these companies, our management and directors may be named as defendants in such litigation, which could result in an expenditure of funds (through our indemnification of such officers and directors) and the diversion of management time and resources.

The lack of liquidity in our investments may adversely affect our business.

All of our assets may be invested in illiquid securities, and a substantial portion of our investments in leveraged companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult for us to sell such investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near-term. However, to maintain the election to be regulated as a business development company and as a RIC that we intend to make, we may have to dispose of investments if they do not satisfy one or more of the applicable criteria under the respective regulatory frameworks. We may also face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we or our investment advisor have material nonpublic information regarding such portfolio company.

We may not have the funds to make additional investments in our portfolio companies which could impair the value of our portfolio.

After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through the exercise of a warrant to purchase common stock. There is no assurance that we will make, or will have sufficient funds to make, follow-on investments. Any decisions not to make a follow-on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation or may reduce the expected yield on the investment. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our level of risk, because we prefer other opportunities or because we are inhibited by compliance with business development company requirements or the desire to maintain our RIC status. Our ability to make follow-on investments may also be limited by our investment advisor's allocation policy.

Portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

We will invest primarily in mezzanine debt as well as equity issued by lower middle-market companies. The portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which we invest. By their terms, such senior debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to the mezzanine debt instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we 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 the relevant portfolio company.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or could be subject to lender liability claims.

Even though we may have structured certain of our investments as senior loans, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt investment and subordinate all or a portion of our claim to that of other creditors. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken in rendering significant managerial assistance.

Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.

Certain loans we make to portfolio companies are and will be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the company under the agreements governing the loans. The holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the

second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the company's remaining assets, if any.

The rights we may have with respect to the collateral securing the loans we make to portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements entered into with the holders of senior debt. Under an intercreditor agreement, at any time that obligations having the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect to the collateral will be at the direction of the holders of the obligations secured by the first priority liens:

- the ability to cause the commencement of enforcement proceedings against the collateral;
- the ability to control the conduct of such proceedings;
- the approval of amendments to collateral documents;
- releases of liens on the collateral; and
- waivers of past defaults under collateral documents.

We may not have the ability to control or direct such actions, even if our rights are adversely affected.

We may hold the debt securities of leveraged companies that may, due to the significant volatility of such companies, enter into bankruptcy proceedings.

Leveraged companies may experience bankruptcy or similar financial distress. The bankruptcy process has a number of significant inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and adversary proceedings and are beyond the control of the creditors. A bankruptcy filing by an issuer may adversely and permanently affect the issuer. If the proceeding is converted to a liquidation, the value of the issuer may not equal the liquidation value that was believed to exist at the time of the investment. The duration of a bankruptcy proceeding is also difficult to predict, and a creditor's return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs in connection with a bankruptcy proceeding are frequently high and would be paid out of the debtor's estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, our influence with respect to the class of securities or other obligations we own may be lost by increases in the number and amount of claims in the same class or by different classification and treatment. In the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, certain claims that have priority by law (for example, claims for taxes) may be substantial.

Defaults by our portfolio companies will harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets. This could trigger cross-defaults under other agreements and jeopardize the portfolio company's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company.

We do not expect to control many of our portfolio companies.

We do not expect to control many of our portfolio companies, even though we may have board representation or board observation rights, and the debt agreements may contain certain restrictive covenants. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree and the management of such company, as representatives of the holders of the company's common equity, may take risks or otherwise act in ways that do not serve our interests as debt

investors. Due to the lack of liquidity for our investments in private companies in the lower middle-market, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of our portfolio holdings.

We will be a non-diversified investment company within the meaning of the 1940 Act; therefore we will not be limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We will be classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we will not be limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer and the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. Additionally, while we are not targeting any specific industries, our investments may be concentrated in relatively few industries. As a result, a downturn in any particular industry in which we are invested could also significantly impact the aggregate returns we realize. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our asset diversification requirements as a RIC under the Code, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.

We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, pending their future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being repaid, and we could experience significant delays in reinvesting these amounts. In addition, any future investment of such amounts in a new portfolio company may also be at lower yields than the investment that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elects to prepay amounts owed to us. Additionally, prepayments could negatively impact our return on equity, which could result in a decline in the market price of our common stock.

We may not realize gains from our equity investments.

Certain investments that we have made in the past and may make in the future include warrants or other equity or equity-related securities. In addition, we may from time to time make non-control, equity co-investments in companies. Our goal is to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We often seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer. We may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

If our primary investments are deemed not to be qualifying assets, we could be precluded from investing in our desired manner or deemed to be in violation of the 1940 Act.

In order to maintain our status as a business development company, we will need to not acquire any assets other than "qualifying assets" unless, at the time of and after giving effect to such acquisition, at least

70.0% of our total assets are qualifying assets. We believe that most of the investments that we may acquire in the future will constitute qualifying assets. However, we may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could violate the 1940 Act provisions applicable to business development companies. As a result of such violation, specific rules under the 1940 Act could prevent us, for example, from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. If we need to dispose of such investments quickly, it could be difficult to dispose of such investments on favorable terms. We may not be able to find a buyer for such investments and, even if we do find a buyer, we may have to sell the investments at a substantial loss. Any such outcomes would have a material adverse effect on our business, financial condition and results of operations.

The disposition of our investments may result in contingent liabilities.

A significant portion of our investments involve private securities and we expect that a significant portion of our investments will continue to involve private securities. In connection with the disposition of an investment in private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that we must satisfy through its return of distributions previously made to it.

Our investment advisor's liability will be limited under the Investment Advisory Agreement, and we have agreed to indemnify our investment advisor against certain liabilities, which may lead our investment advisor to act in a riskier manner on our behalf than it would when acting for its own account.

Under the Investment Advisory Agreement, our investment advisor will not assume any responsibility to us other than to render the services called for under that agreement, and it will not be responsible for any action of our board of directors in following or declining to follow our investment advisor's advice or recommendations. Our investment advisor maintains a contractual relationship, as opposed to a fiduciary relationship except to the extent specified in section 36(b) of the Investment Advisory Act concerning loss from a breach of fiduciary duty with respect to the receipt of compensation for services, with us. Under the terms of the Investment Advisory Agreement, our investment advisor and its officers, directors, members, managers, partners, stockholders and employees will not be liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary's stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Advisory Agreement, except those resulting from acts constituting gross negligence, willful misconduct, bad faith or reckless disregard of our investment advisor's duties under the Investment Advisory Agreement. In addition, we have agreed to indemnify our investment advisor and its officers, directors, members, managers, partners, stockholders and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Investment Advisory Agreement, except where attributable to gross negligence, willful misconduct, bad faith or reckless disregard of such person's duties under the Investment Advisory Agreement. These protections may lead our investment advisor to act in a riskier manner when acting on our behalf than it would when acting for its own account.

Risks Relating to This Offering

Prior to this offering, there has been no public market for our common stock, and we cannot assure you that a market for our common stock will develop or that the market price of shares of our common stock will not decline following the offering.

We cannot assure you that a trading market will develop for our common stock after this offering or, if one develops, that such trading market can be sustained. We intend to apply to have our common stock listed on The Nasdaq Global Market, but we cannot assure you that our application will be approved. In addition, we cannot predict the prices at which our common stock will trade. The initial public offering price for our common stock will be determined through our negotiations with the underwriters and may not bear any relationship to the market price at which it may trade after our initial public offering. Shares of companies offered in an initial public offering often trade at a discount to the initial offering price due to underwriting discounts and commissions and related offering expenses. Also, shares of closed-end investment companies, including business development companies, frequently trade at a discount from their net asset value and our stock may also be discounted in the market. This characteristic of closed-end investment companies is separate and distinct from the risk that our net asset value per share of common stock may decline. We cannot predict whether our common stock will trade at, above or below net asset value. The risk of loss associated with this characteristic of closed-end management investment companies may be greater for investors expecting to sell shares of common stock purchased in the offering soon after the offering. In addition, if our common stock trades below its net asset value, we will generally not be able to sell additional shares of our common stock to the public at its market price without first obtaining the approval of a majority of our stockholders (including a majority of our unaffiliated stockholders) and our independent directors for such issuance.

We have not identified specific investments in which to invest the proceeds of this offering.

We currently anticipate that upon consummation of this offering, we will use a portion of the net proceeds from the offering to provide additional capital to Fidus Mezzanine Capital, L.P. to optimally utilize SBA guaranteed leverage. We expect to retain the remaining portion of the net proceeds from the offering to make investments directly, to make required distributions to stockholders and for general corporate purposes. Neither we nor Fidus Mezzanine Capital, L.P. has identified specific investments in which to invest these proceeds. We may also establish a second SBIC through which we can make additional investments; however, we have not yet applied to the SBA for a second SBIC license and we can make no assurances that, if we do apply, the SBA will approve such application. As of the date of this prospectus, neither us nor Fidus Mezzanine Capital, L.P. has entered into definitive agreements for any specific investments in which to invest the net proceeds of this offering. Currently, Fidus Mezzanine Capital, L.P. has a number of term sheets outstanding, representing potential new investments. These potential investments, however, are still subject to further research and due diligence, and may not materialize. Although we are evaluating and seeking new investment opportunities and will continue to do so, you will not be able to evaluate the manner in which we will invest, or the economic merits of, any investments we will make with the net proceeds of this offering.

We may be unable to invest a significant portion of the net proceeds of this offering on acceptable terms in the timeframe contemplated.

Delays in investing the net proceeds of this offering may cause our performance to be worse than that of other fully invested business development companies or other lenders or investors pursuing comparable investment strategies. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds of this offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

We anticipate that, depending on market conditions, it will take up to one year to invest substantially all of the net proceeds of this offering in securities meeting our investment objective. During this period, we will invest the net proceeds primarily in cash, cash equivalents, U.S. government securities, repurchase agreements and high-quality debt instruments maturing in one year or less from the time of investment, which may

produce returns that are significantly lower than the returns which we expect to achieve when our portfolio is fully invested in securities meeting our investment objective. As a result, any distributions that we make during this period may be substantially lower than the distributions that we may be able to make when our portfolio is fully invested in securities meeting our investment objective. In addition, until such time as the net proceeds of the offering are invested in securities meeting our investment objective, the market price for our common stock may decline. Thus, the initial return on your investment may be lower than when, if ever, our portfolio is fully invested in securities meeting our investment objective.

We may allocate the net proceeds from this offering in ways with which you may disagree.

We will have significant flexibility in investing the net proceeds of this offering and may use the net proceeds from this offering in ways with which you may disagree or for purposes other than those contemplated at the time of the offering. Our ability to achieve our investment objective may be limited to the extent that net proceeds of our initial public offering, pending full investment, are used to pay operating expenses.

Investing in our common stock may involve an above-average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be highly speculative and aggressive; therefore, an investment in our common stock may not be suitable for someone with lower risk tolerance.

The market price of our common stock may fluctuate significantly.

The market price and liquidity of the market for shares of our common stock that will prevail in the market after this offering may be higher or lower than the price you pay and may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of business development companies or other companies in our sector, which is not necessarily related to the operating performance of these companies;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs, business development companies or SBICs;
- failure to qualify for treatment as a RIC or loss of RIC or business development company status;
- loss of status as an SBIC for Fidus Mezzanine Capital, L.P., or any other SBIC subsidiary we may form;
- changes or perceived changes in earnings or variations in operating results;
- changes or perceived changes in the value of our portfolio of investments;
- changes in accounting guidelines governing valuation of our investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of our investment advisor’s key personnel;
- operating performance of companies comparable to us; and
- general economic trends and other external factors.

Investors in this offering will experience immediate dilution upon the closing of the offering.

If you purchase shares of our common stock in this offering, you will experience immediate dilution of $0.58 per share because the price that you pay will be greater than the pro forma net asset value per share of

the common stock you acquire. This dilution is in large part due to the expenses incurred by us in connection with the consummation of this offering. Investors in this offering will pay a price per share of common stock that exceeds the tangible book value per share after the closing of the offering.

Sales of substantial amounts of our common stock may have an adverse effect on the market price of our common stock.

Upon expiration of any applicable lock-up periods, 4,056,521 shares issued by us will generally be freely tradable in the public market, subject to the provisions and applicable holding periods set forth in Rule 144 under the Securities Act. This includes 1,162,854 shares that may be held by an affiliate of ours, as that term is used in Rule 144 under the Securities Act. Sales of substantial amounts of our common stock, or the availability of such common stock for sale, could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

Provisions of the Maryland General Corporation Law and our charter and bylaws could deter takeover attempts and have an adverse effect on the price of our common stock.

Maryland General Corporation Law contains provisions that may discourage, delay or make more difficult a change in control of us or the removal of our directors. In addition, our board of directors may, without stockholder action, authorize the issuance of shares of stock in one or more classes or series, including preferred stock. Our charter and bylaws contain provisions that limit liability and provide for indemnification of our directors and officers. These provisions and others also may have the effect of deterring hostile takeovers or delaying changes in control or management. We are generally prohibited from engaging in mergers and other business combinations with stockholders that beneficially own 15.0% or more of our voting stock, or with their affiliates, unless our directors or stockholders approve the business combination in the prescribed manner. Maryland law may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer.

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our charter authorizing our board of directors to classify or reclassify shares of our stock in one or more classes or series and to cause the issuance of additional shares of our stock. In addition, we have adopted a classified board of directors. A classified board may render a change in control of us or removal of our incumbent management more difficult. These provisions, as well as other provisions of our charter and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "would," "should," "targets," "projects" and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- our inexperience operating a business development company;
- our dependence on key personnel of our investment advisor and our executive officers;
- our ability to maintain or develop referral relationships;
- our ability to manage our business effectively;
- our use of leverage;
- uncertain valuations of our portfolio investments;
- competition for investment opportunities;
- potential divergent interests of our investment advisor and our stockholders arising from our incentive fee structure;
- actual and potential conflicts of interest with our investment advisor;
- constraint on investment due to access to material nonpublic information;
- other potential conflicts of interest;
- SBA regulations affecting our wholly-owned SBIC subsidiary;
- changes in interest rates;
- the impact of a protracted decline in the liquidity of credit markets on our business and portfolio investments;
- fluctuations in our quarterly operating results;
- our ability to qualify and maintain our qualification as a RIC and as a business development company;
- risks associated with the timing, form and amount of any dividends or distributions;
- changes in laws or regulations applicable to us;
- our ability to obtain exemptive relief from the SEC;
- possible resignation of our investment advisor;
- the general economy and its impact on the industries in which we invest;
- risks associated with investing in lower middle-market companies;
- our ability to invest in qualifying assets; and
- our ability to identify and timely close on investment opportunities.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this prospectus should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in "Risk Factors" and elsewhere in this prospectus. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this prospectus. The forward-looking statements and projections contained in this prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act.

USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of 4,666,667 shares of our common stock in this offering will be approximately $63.5 million (or approximately $73.2 million if the underwriters exercise their over-allotment option in full), after deducting the underwriting discounts and commissions and estimated organization and offering expenses of approximately $1.7 million payable by us.

We intend to use approximately $19.6 million of the net proceeds of this offering to invest in portfolio companies in accordance with our investment objective through Fidus Mezzanine Capital, L.P., as an SBIC. We intend to use the remainder of the net proceeds of this offering to invest in portfolio companies directly in accordance with our investment objectives and the strategies described in this prospectus, to make distributions to our stockholders and for general corporate purposes, which may include the establishment of a second SBIC, through which we would make additional investments. We will also pay operating expenses, including management and administrative fees, and may pay other expenses, from the net proceeds of this offering.

Pending such investments, we intend to invest the remaining net proceeds of this offering primarily in cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less from the date of investment. These temporary investments may have lower yields than our other investments and, accordingly, may result in lower distributions, if any, during such period. See “Regulation — Temporary Investments” for additional information about temporary investments we may make while waiting to make longer-term investments in pursuit of our investment objective.

DISTRIBUTIONS

Subsequent to the completion of this offering, and to the extent we have income available, we intend to distribute quarterly dividends to our stockholders out of assets legally available for distribution, beginning with our first full quarter after the completion of this offering. The timing and amount of our quarterly dividends, if any, will be determined by our board of directors.

We anticipate that this dividend will be paid from income primarily generated by interest and dividend income earned on our investment portfolio. The specific tax characteristics of the dividend will be reported to stockholders after the end of the calendar year.

We intend to elect to be treated, and intend to qualify annually thereafter, as a RIC under the Code, beginning with our first taxable year ending December 31, 2011. To obtain and maintain RIC tax treatment, we must, among other things, distribute to our stockholders on an annual basis at least 90.0% of our net ordinary income and net short-term capital gains in excess of our net long-term capital losses, if any. In order to avoid a 4.0% nondeductible U.S. federal excise tax imposed on RICs, we currently intend to distribute during each calendar year an amount at least equal to the sum of: (a) 98.0% of our net ordinary income for such calendar year; (b) 98.2% of our net capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year; and (c) any net ordinary income and net capital gains for preceding years that were not distributed during such years and on which we previously paid no U.S. federal income tax.

We currently intend to distribute net capital gains (*i.e.*, net long-term capital gains in excess of net short-term capital losses), if any, at least annually out of the assets legally available for such distributions. However, we may decide in the future to retain such capital gains for investment and elect to treat such gains as deemed distributions to you. If this happens, you will be treated for U.S. federal income tax purposes as if you had received an actual distribution of the capital gains that we retain and reinvested the net after tax proceeds in us. In this situation, you would be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to your allocable share of the U.S. federal corporate income tax we paid on the capital gains deemed distributed to you. See “Material U.S. Federal Income Tax Considerations.” We cannot assure you that we will achieve results that will permit us to pay any cash distributions, and if we issue senior securities, we will be prohibited from making distributions if doing so would cause us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if such distributions are limited by the terms of any of our borrowings.

Unless you elect to receive your dividends in cash, we intend to make such distributions in additional shares of our common stock under our dividend reinvestment plan. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, investors participating in our dividend reinvestment plan will not receive any corresponding cash distributions with which to pay any such applicable taxes. If you hold shares of our common stock in the name of a broker or financial intermediary, you should contact such broker or financial intermediary regarding your election to receive distributions in cash in lieu of shares of our common stock. Any dividends reinvested through the issuance of shares through our dividend reinvestment plan will increase our assets on which the base management fee and the incentive fee are determined and paid to our investment advisor. See “Dividend Reinvestment Plan.”

FORMATION TRANSACTIONS; BUSINESS DEVELOPMENT COMPANY AND REGULATED INVESTMENT COMPANY ELECTIONS

Formation Transactions

Fidus Investment Corporation is a newly organized Maryland corporation formed on February 14, 2011, for the purpose of acquiring 100.0% of the equity interests in Fidus Mezzanine Capital, L.P. and Fidus Mezzanine Capital GP, LLC, raising capital in this offering and thereafter operating as an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the 1940 Act. Immediately prior to our election to be treated as a business development company under the 1940 Act and the closing of this offering, we will consummate the following formation transactions:

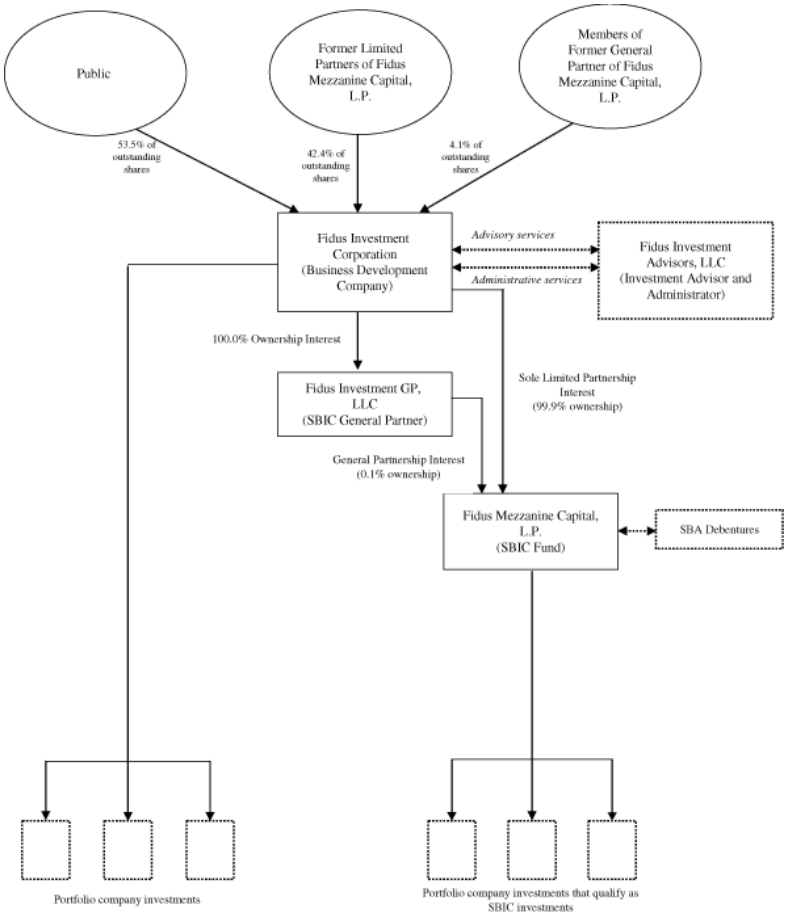
- We will acquire 100.0% of the limited partnership interests in Fidus Mezzanine Capital, L.P. through the merger of Fidus Mezzanine Capital, L.P. with a limited partnership that is our wholly-owned subsidiary. As a result of this merger, Fidus Mezzanine Capital, L.P. will be the surviving entity and become our wholly-owned subsidiary, retain its SBIC license, continue to hold its existing investments and make new investments with a portion of the net proceeds of this offering. Fidus Mezzanine Capital, L.P. will also elect to be regulated as a business development company under the 1940 Act. The limited partners hold 91.3% of the partnership interests of Fidus Mezzanine Capital, L.P. In exchange for their partnership interests, we will issue 3,702,778 shares of common stock, assuming an initial offering price of $15.00 per share, to the limited partners of Fidus Mezzanine Capital, L.P. having an aggregate value of $55.5 million (which represents the limited partners' share of the net asset value of Fidus Mezzanine Capital, L.P. as of the most recent quarter end for which financial statements have been included in this prospectus, plus any additional cash contributions to Fidus Mezzanine Capital, L.P. by the limited partners following such quarter end but prior to the closing of the merger, less any cash distributions to the limited partners following such quarter end but prior to the closing of the merger). The capital accounts of the limited partners in Fidus Mezzanine Capital, L.P. will be closed out upon the consummation of the merger, and the limited partners will receive the shares of our common stock in a tax free exchange.
- We will acquire 100.0% of the equity interests in Fidus Mezzanine Capital GP, LLC, the general partner of Fidus Mezzanine Capital, L.P., from the members of Fidus Mezzanine Capital GP, LLC, through the merger of Fidus Mezzanine Capital GP, LLC with and into Fidus Investment GP, LLC, our wholly-owned subsidiary. Fidus Investment GP, LLC will be the surviving entity and, as a result, we will acquire 100.0% of the general partnership interest in Fidus Mezzanine Capital, L.P. Fidus Mezzanine Capital GP, LLC holds 8.7% of the partnership interests in Fidus Mezzanine Capital, L.P. and no other interests or assets. The members of Fidus Mezzanine Capital GP, LLC will not receive any consideration in exchange for their carried partnership interest in Fidus Mezzanine Capital, L.P. In exchange for its partnership interests in Fidus Mezzanine Capital, L.P., we will issue 353,743 shares of common stock, assuming an initial offering price of $15.00 per share, to Fidus Mezzanine Capital GP, LLC having an aggregate value of $5.3 million (which consideration has been calculated on the same basis as the consideration paid to the limited partners of Fidus Mezzanine Capital, L.P. described above). Such shares will be distributed to the members of Fidus Mezzanine Capital GP, LLC in exchange for their equity interest in Fidus Mezzanine Capital GP, LLC.

Fidus Mezzanine Capital GP, LLC and the limited partners of Fidus Mezzanine Capital, L.P. have each approved the formation transactions. Prior to consummation of the formation transactions, we must also receive the approval of the SBA.

We anticipate that the formation transactions and the offering will be treated as part of a single plan for federal income tax purposes, qualifying as a tax-free contribution pursuant to Section 351 of the Code.

In addition, concurrently with the closing of this offering, Fidus Mezzanine Capital, L.P. will terminate its management services agreement with Fidus Capital, LLC and we will enter into the Investment Advisory Agreement with Fidus Investment Advisors, LLC, as our investment advisor. The investment professionals of Fidus Capital, LLC are also the investment professionals of Fidus Investment Advisors, LLC.

The following diagram depicts our organizational structure upon completion of this offering (assuming the underwriters do not exercise their over-allotment option) and the formation transactions described in this prospectus:



Business Development Company and Regulated Investment Company Elections

In connection with this offering, we and Fidus Mezzanine Capital, L.P. will each file an election to be regulated as a business development company under the 1940 Act. In addition, we intend to elect to be treated as a RIC under Subchapter M of the Code, effective as of the date of our business development company election. Our election to be regulated as a business development company and our election to be treated as a RIC will have a significant impact on our future operations. Some of the most important effects on our future operations of our election to be regulated as a business development company and our election to be treated as a RIC are outlined below.

- **We generally will be required to pay income taxes only on the portion of our taxable income we do not distribute to stockholders (actually or constructively).**

  As a RIC, so long as we meet certain minimum distribution, source-of-income and asset diversification requirements, we generally will be required to pay income taxes only on the portion of our taxable income and gains we do not distribute (actually or constructively) and certain built-in gains, if any.

- **Our ability to use leverage as a means of financing our portfolio of investments will be limited.**

  As a business development company, we will be required to meet a coverage ratio of total assets to total senior securities of at least 200.0% after each issuance of senior securities. For this purpose, senior securities include all borrowings and any preferred stock we may issue in the future. Additionally, our ability to continue to utilize leverage as a means of financing our portfolio of investments will be limited by this asset coverage test. In connection with this offering and our intended election to be regulated as a business development company, we have filed a request with the SEC for exemptive relief to allow us to exclude any indebtedness guaranteed by the SBA and issued by the Fidus Mezzanine Capital, L.P. from the 200.0% asset coverage requirements applicable to us. While the SEC has granted exemptive relief in substantially similar circumstances in the past, no assurance can be given that an exemptive order will be granted.

- **We intend to distribute substantially all of our income to our stockholders.**

  As a RIC, we intend to distribute to our stockholders substantially all of our income, except possibly for certain net long-term capital gains. We may make deemed distributions to our stockholders of some or all of our retained net long-term capital gains. If this happens, you will be treated as if you had received an actual distribution of the capital gains and reinvested the net after-tax proceeds in us. In general, you also would be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to your allocable share of the tax we paid on the deemed distribution. See “Material U.S. Federal Income Tax Considerations.”

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2011:

- on an actual basis;
- on a pro forma basis to reflect the completion of the formation transactions; and
- on a pro forma basis as adjusted to reflect the sale of 4,666,667 shares of our common stock in this offering at an initial public offering price of $15.00 per share after deducting the underwriting discounts and commissions and estimated organization and offering expenses of approximately $6.6 million payable by us and the completion of the formation transactions.

	As of March 31, 2011		
	Fidus Mezzanine Capital, L.P. Actual	Fidus Investment Corporation Pro Forma[1]	Fidus Investment Corporation Pro Forma as Adjusted[2]
	(Dollars in thousands, except per share data)		
Assets:			
Cash and cash equivalents	$ 8,997	$ 8,997	$ 72,447
Investments at fair value	143,652	143,652	143,652
Interest receivable	1,460	1,460	1,460
Other assets	3,096	3,096	3,096
Total assets	$ 157,205	$ 157,205	$ 220,655
Liabilities:			
SBA debentures	$ 93,500	$ 93,500	$ 93,500
Credit facility	750	750	750
Other liabilities	607	607	607
Total liabilities	$ 94,857	$ 94,857	$ 94,857
Net assets	$ 62,348	$ 62,348	$ 125,798
Stockholders' equity:			
Common stock, par value $0.001 per share; 100,000,000 shares authorized; 0 shares issued and outstanding, actual; 4,056,521 shares issued and outstanding, pro forma; 8,723,188 shares issued and outstanding, pro forma as adjusted	—	$ 4	$ 9
Capital in excess of par	—	62,344	125,789
Total stockholders' equity	$ —	$ 62,348	$ 125,798
Pro forma net asset value per share	—	$ 15.37	$ 14.42

(1) Reflects the completion of the formation transactions, including the issuance of 3,702,778 shares of common stock to the limited partners of Fidus Mezzanine Capital, L.P. and 353,743 shares of common stock to the members of Fidus Mezzanine Capital GP, LLC. See "Formation Transactions; Business Development Company and Regulated Investment Company Elections."

(2) Adjusts the pro forma information to give effect to this offering (assuming no exercise of the underwriters' option to purchase additional shares).

DILUTION

The dilution to investors in this offering is represented by the difference between the offering price per share and the pro forma as adjusted net asset value per share after this offering. Net asset value per share is determined by dividing our net asset value, which is our total tangible assets less total liabilities, by the number of outstanding shares of common stock.

After giving effect to the formation transactions, our pro forma net asset value was $62.3 million, or approximately $15.37 per share. After giving effect to the sale of our common stock in this offering at an assumed initial public offering price of $15.00 per share, our pro forma as adjusted net asset value as of March 31, 2011 would have been approximately $125.8 million, or $14.42 per share. This represents an immediate decrease in our net asset value of $0.95 per share to existing stockholders and dilution in net asset value of $0.58 per share to new investors who purchase shares in this offering.

The following table illustrates the dilution to the shares on a per share basis:

Assumed initial public offering price per share		$ 15.00
Net asset value per share after the formation transactions	$ 15.37	
Decrease in net asset value per share attributable to new stockholders in this offering	$ 0.95	
Pro forma as adjusted net asset value per share after this offering	$ 14.42	
Dilution per share to new stockholders (without exercise of the over-allotment option)		$ 0.58

If the underwriters exercise in full their over-allotment option to purchase additional shares of our 700,000 common stock in this offering, the pro forma net asset value per share after this offering would be $14.39 per share, the decrease in the pro forma net asset value per share to existing stockholders would be $0.98 per share and the dilution to new stockholders purchasing shares in this offering would be $0.61 per share.

The following table summarizes, as of March 31, 2011, the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by existing stockholders and to be paid by new investors purchasing shares of common stock in this offering at the initial public offering price of $15.00 per share, before deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price per Share
	Number	%	Amount	%	
Existing stockholders(1)	4,056,521	46.5%	$ 60,847,815	46.5%	$ 15.00
New stockholders	4,666,667	53.5	70,000,005	53.5	15.00
Total	8,723,188	100.0%	$ 130,847,820	100.0%	

(1) Reflects the issuance of shares of our common stock in the formation transactions.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following selected consolidated financial data of Fidus Mezzanine Capital, L.P. as of December 31, 2009 and 2010 and for the years ended December 31, 2008, 2009 and 2010 is derived from the consolidated financial statements that have been audited by McGladrey & Pullen, LLP, independent auditors. Fidus Mezzanine Capital, L.P.'s consolidated financial data for the period from May 1, 2007 (inception) through December 31, 2007, statement of assets and liabilities at December 31, 2008 and three-month periods ended March 31, 2010 and 2011, is unaudited. However, in the opinion of Fidus Mezzanine Capital, L.P., all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been made. This financial data should be read in conjunction with Fidus Mezzanine Capital, L.P.'s consolidated financial statements and the notes thereto included elsewhere in this prospectus and with "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Period from May 1 (Inception) through December 31, 2007	Year Ended December 31,			Three Months Ended March 31,	
		2008	2009	2010	2010	2011
	(Unaudited)		(Dollars in thousands)		(Unaudited)	
Statement of operations data:						
Total investment income	$ 1,312	$7,504	$14,184	$17,985	$ 4,222	$ 4,794
Interest expense	272	1,994	3,688	4,962	1,089	1,324
Management fees, net	1,787	3,087	2,969	3,436	756	1,036
All other expenses	496	179	431	627	52	104
Net investment income	(1,243)	2,244	7,096	8,960	2,325	2,330
Net realized (loss) on investments	—	—	(5,551)	(3,858)	(2)	(7,935)
Net unrealized appreciation (depreciation) on investments	—	(750)	(3,137)	(78)	(5,744)	8,948
Net increase (decrease) in net assets resulting from operations	$(1,243)	$1,494	$(1,592)	$ 5,024	$(3,421)	$ 3,343
Other data:						
Weighted average annual yield on debt investments(1)	15.7%	15.0%	15.6%	15.0%	15.5%	14.9%
Number of portfolio companies at year end	4	9	15	17	16	16
Expense ratios (as percentage of average net assets):						
Operating expenses	23.7%	12.4%	7.5%	8.6%	1.7%	2.0%
Interest expense	2.8%	7.6%	8.0%	10.5%	2.3%	2.3%

(1) Yields are computed using the effective interest rates, including accretion of original issue discount, divided by the weighted average cost of debt investments.

	As of December 31,				As of March 31,
	2007	2008	2009	2010	2011
	(Unaudited)		(Dollars in thousands)		(Unaudited)
Statement of assets and liabilities data:					
Total investments at fair value	$33,151	$75,849	$122,900	$141,341	$143,652
Total assets	34,905	79,786	129,650	147,377	157,205
Borrowings	15,250	46,450	79,450	93,500	94,250
Total net assets	19,591	32,573	48,481	52,005	62,348

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Selected Consolidated Financial Data," Fidus Mezzanine Capital, L.P.'s consolidated financial statements and related notes appearing elsewhere in this prospectus. The information in this section contains forward-looking statements that involve risks and uncertainties. Please see "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Overview

We provide customized mezzanine debt and equity financing solutions to lower middle-market companies, which we define as U.S. based companies having revenues between $10.0 million and $150.0 million. We were formed to continue and to expand the business of Fidus Mezzanine Capital, L.P., a fund formed in February 2007 that is licensed by the SBA as an SBIC and to make investments in portfolio companies directly at the parent level. Our investment objective is to provide attractive risk-adjusted returns by generating both current income from our debt investments and capital appreciation from our equity related investments. Our investment strategy includes partnering with business owners, management teams and financial sponsors by providing customized financing for ownership transactions, recapitalizations, strategic acquisitions, business expansion and other growth initiatives. We seek to maintain a diversified portfolio of investments in order to help mitigate the potential effects of adverse economic events related to particular companies, regions or industries. Since commencing investment operations in 2007, Fidus Mezzanine Capital, L.P. has made an aggregate $170.4 million of investments in 21 portfolio companies.

Immediately prior to our election to be treated as a business development company under the 1940 Act and the consummation of this offering, Fidus Investment Corporation will acquire all of the interests of Fidus Mezzanine Capital, L.P. and Fidus Mezzanine Capital GP, LLC, its general partner, through the formation transactions, resulting in Fidus Mezzanine Capital, L.P. becoming our wholly-owned SBIC subsidiary. After the completion of the formation transactions, our investment activities will be managed by our investment advisor and supervised by our board of directors, a majority of whom are independent of us and our investment advisor.

After the completion of the formation transactions, we intend to continue to operate Fidus Mezzanine Capital, L.P. as an SBIC, subject to SBA approval, and to utilize the proceeds of the sale of SBA debentures to enhance returns to our stockholders. We may also make investments directly though Fidus Investment Corporation. We believe that utilizing both entities as investment vehicles may provide us with access to a broader array of investment opportunities. Given our access to lower cost capital through the SBA's SBIC debenture program, we expect that the majority of our investments will initially be made through Fidus Mezzanine Capital, L.P. As of March 31, 2011, we had investments in 16 portfolio companies with an aggregate cost of $143.7 million.

Critical Accounting Policies

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions affecting amounts reported in the financial statements. We have identified investment valuation and revenue recognition as our most critical accounting estimates. We continuously evaluate our estimates, including those related to the matters described below. These estimates are based on the information that is currently available to us and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ materially from those estimates under different assumptions or conditions. A discussion of our critical accounting policies follows.

Valuation of Portfolio Investments

We will conduct the valuation of our investments, pursuant to which our net asset value will be determined, at all times consistent with generally accepted accounting principles, or "GAAP," and the 1940 Act.

Our investments generally consist of illiquid securities including debt and equity investments in lower middle-market companies. Investments for which market quotations are readily available are valued at such market quotations. Because we expect that there will not be a readily available market for substantially all of the investments in our portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our board of directors using a documented valuation policy and consistently applied valuation process. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the difference could be material.

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- our quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of our investment advisor responsible for the portfolio investment;
- preliminary valuation conclusions are then documented and discussed with the investment committee;
- our board of directors also engages one or more independent valuation firms to conduct independent appraisals of our investments for which market quotations are not readily available. We will consult with independent valuation firm(s) relative to each portfolio company at least once in every calendar year, and for new portfolio companies, at least once in the twelve-month period subsequent to the initial investment;
- the audit committee of our board of directors reviews the preliminary valuations of our investment advisor and of the independent valuation firms and responds and supplements the valuation recommendations to reflect any comments; and
- the board of directors discusses the valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our investment advisor, the independent valuation firms and the audit committee.

In making the good faith determination of the value of portfolio investments, we start with the cost basis of the security, which includes the amortized original issue discount and payment-in-kind interest or dividends, if any. The transaction price is typically the best estimate of fair value at inception. When evidence supports a subsequent change to the carrying value from the original transaction price, adjustments are made to reflect the expected exit values. We perform detailed valuations of our debt and equity investments on an individual basis, using market, income and yield approaches as appropriate.

Under the market approach, we typically use the enterprise value methodology to determine the fair value of an investment. There is no one methodology to estimate enterprise value, and, in fact, for any one portfolio company, enterprise value is generally best expressed as a range of values, from which we derive a single estimate of enterprise value. In estimating the enterprise value of a portfolio company, we analyze various factors consistent with industry practice, including but not limited to original transaction multiples, the portfolio company's historical and projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the nature and realizable value of any collateral, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public. Typically, the enterprise value of private companies are based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value.

Under the income approach, we prepare and analyze discounted cash flow models based on projections of the future free cash flows (or earnings) of the portfolio company. In determining the fair value under the income approach, we consider various factors, including but not limited to the portfolio company's projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public.

Under the yield approach, we use discounted cash flow models to determine the present value of the future cash flow streams of our debt investments, based on future interest and principal payments as set forth in the associated loan agreements. In determining fair value under the yield approach, we also consider the following factors: applicable market yields and leverage levels, credit quality, prepayment penalties, the nature and realizable value of any collateral, the portfolio company's ability to make payments and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made.

We classify our investments in accordance with the 1940 Act. See Note 2 to the consolidated financial statements for definitions of Control, Affiliate and Non-Control Non-Affiliate included elsewhere in this prospectus. For our Control investments, we determine the fair value of debt and equity investments using a combination of market and income approaches. The valuation approaches for our Control investments estimate the value of the investment if we were to sell, or exit, the investment, assuming the highest and best use of the investment by market participants. In addition, these valuation approaches consider the value associated with our ability to influence the capital structure of the portfolio company, as well as the timing of a potential exit.

For our Affiliate or Non-Control/Non-Affiliate equity investments, we use a combination of market and income approaches as described above to determine the fair value. For our Affiliate or Non-Control/Non-Affiliate debt investments, we generally use the yield approach to determine fair value, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, we may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our financial statements express the uncertainties with respect to the possible effect of such valuations, and any changes in such valuations, on the financial statements.

Revenue Recognition

Investments and related investment income. Realized gains or losses on portfolio investments are calculated based upon the difference between the net proceeds from the disposition and the cost basis of the investment. Changes in the fair value of investments, as determined by our board of directors through the application of our valuation policy, are included as changes in unrealized appreciation or depreciation of investments in the Statement of Operations.

Interest and dividend income. Interest and dividend income is recorded on the accrual basis to the extent that we expect to collect such amounts. Interest and dividend income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Distributions of earnings from portfolio companies are evaluated to determine if the distribution is income or a return of capital.

Warrants. In connection with our debt investments, we will sometimes receive warrants or other equity-related securities ("Warrants"). We determine the cost basis of Warrants based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt and Warrants received. Any resulting difference between the face amount of the debt and its recorded fair value resulting from the assignment of value to the Warrants are treated as original issue discount ("OID"), and accreted into interest income based on the effective interest method over the life of the debt security.

Fee income. Upon the prepayment of a loan or debt security, any prepayment penalties are recorded as fee income when received. In accordance with Fidus Mezzanine Capital, L.P.'s limited partnership agreement, we have historically recorded transaction fees for structuring and advisory services provided in connection with our investments as a direct offset to management fee expense. After completion of the formation transactions, all transaction fees received in connection with our investments will be recognized as income. We anticipate that such fees will include fees for services, including structuring and advisory services, provided to our portfolio companies. We expect to recognize income from fees for providing such structuring and advisory services when the services are rendered or the transactions are completed. We also anticipate that we will receive upfront debt origination or closing fees in connection with our debt investments. We expect that such upfront debt origination and closing fees will be capitalized as unearned income on our balance sheet and amortized as additional interest income over the life of the investment.

Payment-in-kind interest. We have investments in our portfolio that contain a payment-in-kind interest or dividends provision, which represents contractual interest or dividends that are added to the principal balance and is recorded as income. We will stop accruing payment-in-kind interest when it is determined that payment-in-kind interest is no longer collectible. To maintain RIC tax treatment, substantially all of this income must be paid out to stockholders in the form of distributions, even though we have not yet collected the cash.

Non-accrual. Loans or preferred equity securities are placed on non-accrual status when principal, interest or dividend payments become materially past due, or when there is reasonable doubt that principal, interest or dividends will be collected. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are restored to accrual status when past due principal, interest or dividends are paid and, in management's judgment, are likely to remain current.

Portfolio Composition, Investment Activity and Yield

During the three months ended March 31, 2011, we invested $0.3 million in one existing portfolio company with borrowings obtained under a revolving credit agreement. This borrowing was subsequently repaid during the quarter. During the year ended December 31, 2010, we invested $31.7 million in three new and five existing portfolio companies. The new investments consisted primarily of subordinated notes ($25.4 million, or 80.4%), senior secured loans ($4.0 million, or 12.5%), warrants ($0.8 million, or 2.4%) and equity securities ($1.5 million, or 4.7%). Additionally, we received proceeds from repayments of principal of $14.3 million during the year ended December 31, 2010.

As of March 31, 2011, our investment portfolio totaled $143.7 million and consisted of 16 portfolio companies. As of March 31, 2011, our debt portfolio was entirely comprised of fixed rate investments. Overall, the portfolio had a net unrealized appreciation of $5.0 million as of March 31, 2011. Our average portfolio company investment at amortized cost was $8.7 million as of March 31, 2011.

As of December 31, 2010, our investment portfolio totaled $141.3 million and consisted of 17 portfolio companies. As of December 31, 2010, our debt portfolio was entirely comprised of fixed-rate investments. Overall, the portfolio had a net unrealized depreciation of $4.0 million as of December 31, 2010. Our average portfolio company investment at amortized cost was $8.5 million as of December 31, 2010.

As of December 31, 2009, our investment portfolio totaled $122.9 million and consisted of 15 portfolio companies. As of December 31, 2009, our debt portfolio was entirely comprised of fixed-rate investments. Overall, the portfolio had a net unrealized depreciation of $3.9 million as of December 31, 2009. Our average portfolio company investment at amortized cost was $8.5 million as of December 31, 2009.

The weighted average yield on debt investments at their cost basis at March 31, 2011, December 31, 2010 and December 31, 2009 was 14.9%, 15.0% and 15.6%, respectively. Yields are computed using interest rates as of the balance sheet date and include amortization of original issue discount. Yields do not include debt investments that were on non-accrual status as of the balance sheet date.

The following table shows the portfolio composition by investment type at cost and fair value as a percentage of total investments:

	As of March 31, 2011	As of December 31, 2010	2009
Cost			
Senior secured loans	14.1%	13.4%	15.8%
Subordinated notes	76.4	72.2	69.9
Equity	7.9	12.0	12.1
Warrants	1.6	2.4	2.2
Total	100.0%	100.0%	100.0%
Fair Value			
Senior secured loans	11.2%	11.6%	12.0%
Subordinated notes	74.7	75.2	72.6
Equity	9.4	9.6	14.4
Warrants	4.7	3.6	1.0
Total	100.0%	100.0%	100.0%

The following table shows the portfolio composition by geographic region at cost and fair value as a percentage of total investments. The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

	As of March 31, 2011	As of December 31, 2010	2009
Cost			
Midwest	29.5%	28.1%	12.7%
Southwest	22.3	20.8	21.2
Northeast	15.7	20.3	27.1
Southeast	19.1	18.2	22.1
West	13.4	12.6	16.9
Total	100.0%	100.0%	100.0%
Fair value			
Midwest	30.0%	30.7%	13.0%
Southwest	25.9	24.7	23.7
Northeast	15.3	15.4	27.7
Southeast	18.7	19.0	22.9
West	10.1	10.2	12.7
Total	100.0%	100.0%	100.0%

The following tables show the industry composition of our portfolio at cost and fair value:

	As of March 31, 2011	As of December 31, 2010	2009
Cost			
Transportation services	13.5%	12.4%	12.3%
Movie theaters	9.1	8.7	—
Healthcare services	8.0	7.6	6.3
Niche manufacturing	3.2	3.1	6.5
Retail cleaning	5.4	5.1	5.7
Laundry services	6.7	6.3	7.2
Industrial products	6.6	6.3	8.7
Electronic components supplier	6.6	6.3	—
Specialty distribution	6.6	6.2	6.6
Printing services	6.0	5.6	6.2
Industrial cleaning & coatings	5.8	5.5	6.3
Commercial cleaning	5.9	5.6	6.3
Specialty cracker manufacturer	5.7	5.4	5.9
Government information technology services	4.0	3.8	—
Oil & gas services	3.4	3.2	3.2
Aerospace manufacturing	3.5	3.4	3.8
Retail	—	—	8.9
Environmental services	—	5.5	6.1
Total	100.0%	100.0%	100.0%

	As of March 31, 2011	As of December 31, 2010	2009
Fair Value			
Transportation services	16.3%	14.5%	13.0%
Movie theaters	9.9	10.3	—
Healthcare services	8.0	8.1	6.5
Niche manufacturing	0.6	0.8	2.2
Retail cleaning	6.5	7.0	7.4
Laundry services	6.8	6.8	7.7
Industrial products	6.4	6.5	8.9
Electronic components supplier	6.4	6.5	—
Specialty distribution	6.3	6.4	6.5
Printing services	6.0	6.0	6.4
Industrial cleaning & coatings	5.7	5.8	6.5
Commercial cleaning	5.6	5.7	6.3
Specialty cracker manufacturer	5.5	5.5	6.1
Government information technology services	3.8	3.9	—
Oil & gas services	3.1	3.2	3.3
Aerospace manufacturing	3.1	3.0	4.0
Retail	—	—	9.2
Environmental services	—	—	6.0
Total	100.0%	100.0%	100.0%

Portfolio Asset Quality

We utilize an internally developed investment rating system for our portfolio of investments. Investment Rating 1 is used for investments that involve the least amount of risk in our portfolio and the portfolio company is performing above expectations. Investment Rating 2 is used for investments that are performing substantially within our expectations and the portfolio company's risk factors are neutral or favorable. Each new portfolio investment enters our portfolio with Investment Rating 2. Investment Rating 3 is used for investments performing below expectations and require closer monitoring, but with respect to which we expect a full return of original capital invested and collection of all interest. Investment Rating 4 is used for investments performing materially below expectations, and have the potential for some loss of investment return. Investment Rating 5 is used for investments performing substantially below our expectations and where we expect a loss of principal.

The following table shows the distribution of our investments on the 1 to 5 investment rating scale at fair value as of March 31, 2011, December 31, 2010 and December 31, 2009:

Investment Rating	March 31, 2011		December 31, 2010		December 31, 2009	
	Investments at Fair Value	Percent of Total Portfolio	Investments at Fair Value	Percent of Total Portfolio	Investments at Fair Value	Percent of Total Portfolio
	(Dollars in thousands)					
1	$ 26,751	18.6%	$ 27,330	19.3%	$ 20,365	16.6%
2	100,374	69.9	97,739	69.2	67,517	54.9
3	15,593	10.9	15,108	10.7	25,506	20.8
4	—	—	—	—	6,840	5.6
5	934	0.6	1,164	0.8	2,672	2.1
Totals	$ 143,652	100.0%	$ 141,341	100.0%	$ 122,900	100.0%

Based upon our investment rating system, the weighted average rating of our portfolio as of March 31, 2011, December 31, 2010 and December 31, 2009 was 1.9, 1.9 and 2.2, respectively. As of March 31, 2011, we had no investments on non-accrual status. As of December 31, 2010, the fair value of our non-accrual investments comprised 0.0% of the total fair value of our portfolio, and the cost of our non-accrual investments comprised 5.5% of the total cost of our portfolio. As of December 31, 2009, the fair value of our non-accrual investments comprised 2.2% of the total fair value of our portfolio, and the cost of our non-accrual investments comprised 6.5% of the total cost of our portfolio.

Discussion and Analysis of Results of Operations

Comparison of the three months ended March 31, 2011 and March 31, 2010

Investment Income

For the three months ended March 31, 2011, total investment income was $4.8 million, an increase of $0.6 million, or 13.5% over the $4.2 million of total investment income for the three months ended March 31, 2010. The increase was attributable to a $0.7 million increase in interest and fee income from investments, partially offset by a $0.1 million decrease in dividend income. The increase in interest and fee income is primarily due to higher average levels of outstanding debt investments, resulting from the closing of seven new investments totaling $29.4 million during 2010, partially offset by the repayment of $14.3 million of debt securities. The decrease in dividend income is primarily attributable to one equity investment in a portfolio company that was placed on non-accrual status in 2010.

Expenses

For the three months ended March 31, 2011, total expenses were $2.5 million, an increase of $0.6 million, or 29.9%, over the $1.9 million of total expenses for the three months ended March 31, 2010. The increase in total expenses was primarily attributable to increases in interest expense and the management fee paid to Fidus Capital, LLC. Interest expense increased $0.2 million as a result of higher average balances

of SBA debentures outstanding during the three months ended March 31, 2011 than the comparable period in 2010. The management fee after management fee offset increased $0.3 million, or 37.1%, primarily due to a decrease in management fee offset resulting from lower new investment activity during the three months ended March 31, 2011 than the comparable period in 2010.

Net Investment Income

As a result of the $0.6 million increase in total investment income as compared to the $0.6 million increase in total expenses, net investment income for the three months ended March 31, 2011 was $2.3 million, or essentially unchanged from the comparable period in 2010.

Net Increase in Net Assets Resulting From Operations

For the three months ended March 31, 2011, the total realized loss on investments was $7.9 million resulting from one non-control/non-affiliate investment. For the three months ended March 31, 2010, the total realized loss on investments was nominal.

During the three months ended March 31, 2011, we recorded net unrealized appreciation on investments of $8.9 million comprised of unrealized appreciation on seven investments totaling $2.6 million and unrealized depreciation on 11 other investments totaling $1.5 million. In addition, we recorded net unrealized depreciation reclassification adjustments of $7.9 million related to a realized loss on the non-control/non-affiliate investment noted above.

As a result of these events, our net increase in net assets resulting from operations during the three months ended March 31, 2011, was $3.3 million, or an increase of $6.8 million compared to a net decrease in net assets resulting from operations of $3.4 million during the three months ended March 31, 2010.

Comparison of fiscal years ended December 31, 2010 and December 31, 2009

Investment Income

For the year ended December 31, 2010, total investment income was $18.0 million, an increase of $3.8 million, or 26.8%, over the $14.2 million of total investment income for the year ended December 31, 2009. The increase was attributable to a $4.6 million increase in interest and fee income from investments, partially offset by a $0.8 million decrease in dividend income. The increase in interest and fee income is primarily attributable to higher average levels of outstanding debt investments, which was principally due to the closing of seven new debt investments totaling $29.4 million during 2010, partially offset by the repayment of $14.3 million of debt securities. The decrease in dividend income is primarily attributable to one equity investment in a portfolio company that was placed on non-accrual status during 2010.

Expenses

For the year ended December 31, 2010, total expenses were $9.0 million, an increase of $1.9 million, or 27.3%, over the $7.1 million of total expenses for the year ended December 31, 2009. The increase in total expenses was primarily attributable to a $1.3 million increase in interest expense as a result of higher average balances of SBA debentures outstanding during the year ended December 31, 2010 than the comparable period in 2009. The management fees paid to Fidus Capital, LLC after management fee offset increased $0.5 million, or 15.7%, primarily attributable to a decrease in management fee offset due to lower new investment activity during the year ended December 31, 2010 than the comparable period in 2009. Other expenses increased $0.3 million, or 179.9%, primarily attributable to a loss on dividend receivable of $0.3 million related to one portfolio investment that was placed on non-accrual status during 2010.

Net Investment Income

As a result of the $3.8 million increase in total investment income as compared to the $1.9 million increase in total expenses, net investment income for the year ended December 31, 2010, was $9.0 million, or

a 26.3% increase, compared to net investment income of $7.1 million during the year ended December 31, 2009.

Net Increase in Net Assets Resulting from Operations

For the year ended December 31, 2010, the total realized loss on investments was $3.9 million, all of such realized loss was on non-control/non-affiliate investments, which was primarily the result of the restructuring of one debt investment. For the year ended December 31, 2009, total realized losses on investments totaled $5.6 million. Realized losses on control investments for 2009 was $3.8 million, which primarily consisted of realized losses on two investments. Realized losses on affiliate investments for 2009 was $1.8 million, which primarily consisted of realized losses on two investments.

During the year ended December 31, 2010, we recorded net unrealized depreciation on investments in the amount of $0.1 million, comprised primarily of unrealized depreciation on 11 investments totaling $10.2 million and unrealized appreciation on 13 other investments totaling $6.3 million. In addition, we recorded net unrealized depreciation reclassification adjustments of $3.9 million related to a realized loss on the non-control/non-affiliate investment noted above.

As a result of these events, our net increase in net assets resulting from operations during the year ended December 31, 2010, was $5.0 million, or an increase of $6.6 million compared to a net decrease in net assets resulting from operations of $1.6 million during the year ended December 31, 2009.

Comparison of fiscal years ended December 31, 2009 and December 31, 2008

Investment Income

For the year ended December 31, 2009, total investment income was $14.2 million, an increase of $6.7 million, or 89.0%, over the $7.5 million of total investment income for the year ended December 31, 2008. The increase was primarily attributable to a $6.3 million increase in interest and fee income from investments. The increase in interest and fee income is primarily attributable to higher average levels of outstanding debt investments, which was principally due to the closing of ten new debt investments totaling $48.8 million during 2009.

Expenses

For the year ended December 31, 2009, total expenses were $7.1 million, an increase of $1.8 million, or 34.8%, over the $5.3 million of total expenses for the year ended December 31, 2008. The increase in total expenses was primarily attributable to a $1.7 million increase in interest expense as a result of higher average balances of SBA debentures outstanding during the year ended December 31, 2009 than the comparable period in 2008. The management fees paid to Fidus Capital, LLC after management fee offset decreased $0.1 million, primarily attributable to an increase in the management fee offset due to greater new investment activity during the year ended December 31, 2009 than the comparable period in 2008.

Net Investment Income

As a result of the $6.7 million increase in total investment income as compared to the $1.8 million increase in total expenses, net investment income for the year ended December 31, 2009 was $7.1 million, or a 216.2% increase, compared to net investment income of $2.2 million during the year ended December 31, 2008.

Net Decrease in Net Assets Resulting from Operations

For the year ended December 31, 2009, total realized losses on investments was $5.6 million. Realized losses on control investments for 2009 was $3.8 million, which primarily consisted of realized losses on two investments. Realized losses on affiliate investments for 2009 was $1.8 million, which primarily consisted of realized losses on two investments. During the year ended December 31, 2008, we did not record any realized gains or losses.

During the year ended December 31, 2009, we recorded net unrealized depreciation on investments in the amount of $3.1 million, comprised primarily of unrealized depreciation on ten investments totaling $7.5 million and unrealized appreciation on six other investments totaling $3.1 million. In addition, we recorded net unrealized depreciation reclassification adjustments of $1.3 million related to the realized losses on affiliate investments noted above. During the year ended December 31, 2008, we recorded net unrealized depreciation on investments in the amount of $0.8 million, comprised of unrealized depreciation on one investment.

As a result of these events, our net decrease in net assets resulting from operations during the year ended December 31, 2009, was $1.6 million, or a decrease of $3.1 million compared to a net increase in net assets resulting from operations of $1.5 million during the year ended December 31, 2008.

Liquidity and Capital Resources

Cash Flows

For the three months ended March 31, 2011, we experienced a net increase in cash and cash equivalents in the amount of $7.2 million. During that period, we used $0.5 million in cash from operating activities, primarily due to cash payments for interest on borrowings of approximately $2.4 million, the management fee of $1.0 million and other expenses partially offset by cash interest receipts on investments of $3.2 million. During the same period, we generated $7.8 million from financing activities, consisting of net borrowings under our credit facility totaling $0.8 million and capital contributions totaling $7.0 million.

For the three months ended March 31, 2010, we experienced a net increase in cash and cash equivalents in the amount of $0.1 million. During that period, we used $12.1 million in cash from operating activities primarily to fund $12.8 million in new investments which were partially offset by $1.1 million in repayments. During the same period, we generated $12.2 million from financing activities consisting of $12.5 million in new SBA debenture borrowing partially offset by the payment of $0.3 million in deferred financing costs.

For the year ended December 31, 2010, we experienced a net decrease in cash and cash equivalents in the amount of $0.9 million. During that period, we used $12.8 million in cash in operating activities, primarily for the funding of $31.7 million of investments, partially offset by $14.3 million of principal payments received and $9.0 million of net investment income. During the same period, we generated $11.9 million from financing activities, consisting of borrowings under SBA debentures in the amount of $14.0 million, partially offset by deferred financing costs paid by us in the amount of $0.6 million and a capital distribution in the amount of $1.5 million.

For the year ended December 31, 2009, we experienced a net increase in cash and cash equivalents in the amount of $1.3 million. During that period, we used $48.4 million in cash in operating activities, primarily for the funding of $50.8 million of investments, partially offset by $7.1 million of net investment income. During the same period, we generated $49.7 million from financing activities, consisting of borrowings under SBA debentures in the amount of $33.0 million and partners' capital contributions in the amount of $17.5 million. These amounts were partially offset by financing fees paid by us in the amount of $0.8 million.

For the year ended December 31, 2008, we experienced a net increase in cash and cash equivalents in the amount of $1.1 million. During that period, we used $40.5 million in cash in operating activities, primarily for the funding of $42.6 million of investments, partially offset by $2.0 million of principal payments received and $2.2 million of net investment income. During the same period, we generated $41.6 million from financing activities, consisting of borrowings under SBA debentures in the amount of $46.5 million and partners' capital contributions in the amount of $11.5 million. These amounts were partially offset by financing fees paid by us in the amount of $1.1 million and repayment of outstanding borrowings on our line of credit in the amount of $15.3 million.

Capital Resources

As of March 31, 2011, we had $9.0 million in cash and cash equivalents, and our net assets totaled $62.3 million. We intend to generate additional cash primarily from net proceeds of this offering and any

future offerings of securities, future borrowings as well as cash flows from operations, including income earned from investments in our portfolio companies and, to a lesser extent, from the temporary investment of cash in U.S. government securities and other high-quality debt investments that mature in one year or less. Our primary use of funds will be investments in portfolio companies and cash distributions to holders of our common stock.

In order to satisfy the Code requirements applicable to a RIC, we intend to distribute to our stockholders substantially all of our income except for certain net capital gains. In addition, as a business development company, we generally will be required to meet a coverage ratio of total assets to total senior securities, which include all of our borrowings and any preferred stock we may issue in the future, of at least 200.0%. This requirement will limit the amount that we may borrow. Upon the receipt of the net proceeds from this offering, we anticipate that we will be in compliance with the asset coverage ratio under the 1940 Act.

We anticipate that we will continue to fund our investment activities through a combination of debt and additional equity capital. Due to Fidus Mezzanine Capital, L.P.'s status as a licensed SBIC, it has the ability to issue debentures guaranteed by the SBA at favorable interest rates. Under the Small Business Investment Act and the SBA rules applicable to SBICs, an SBIC can have outstanding at any time debentures guaranteed by the SBA in an amount up to twice its regulatory capital, which generally is the amount raised from private investors. The maximum statutory limit on the dollar amount of outstanding debentures guaranteed by the SBA issued by a single SBIC as of March 31, 2011, was $150.0 million. Debentures guaranteed by the SBA have fixed interest rates that approximate prevailing 10-year Treasury Note rates plus a spread and have a maturity of ten years with interest payable semi-annually. The principal amount of the debentures is not required to be paid before maturity but may be pre-paid at any time. As of March 31, 2011, Fidus Mezzanine Capital, L.P. had $93.5 million of outstanding SBA debentures, which had a weighted average interest rate of 5.4%. Based on its $75.9 million of regulatory capital, Fidus Mezzanine Capital, L.P. has the current capacity to issue up to an additional $56.5 million of debentures guaranteed by the SBA.

Recently Issued Accounting Standards

In January 2010, the FASB issued an update to ASC Topic 820, *Fair Value Measurements and Disclosures Topic*, which requires additional disclosures about inputs into valuation techniques, disclosures about significant transfers into or out of Levels 1 and 2, and disaggregation of purchases, sales, issuances and settlements in the Level 3 roll forward disclosure. The guidance is effective for interim and annual reporting periods beginning after December 15, 2009 except for the disclosures about purchases, sales issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of these updates did not have a material impact on our financial statements.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. As of March 31, 2011 and December 31, 2010, our only off-balance sheet arrangements consisted of $0.5 million of an unfunded commitment to provide debt financing to one of our portfolio companies. As of December 31, 2009, our only off-balance sheet arrangement consisted of a $50,000 unfunded commitment to provide debt financing to one of our portfolio companies. Such commitments involve, to varying degrees, elements of credit risk in excess of the amount recognized in our balance sheets.

Contractual Obligations

As of March 31, 2011, our future fixed commitments for cash payments are as follows:

	Total	2011	2012	2013	2014	2015	2016 and Thereafter
				(Dollars in thousands)			
SBA debentures	$ 93,500	$ —	$ —	$ —	$ —	$ —	$ 93,500
Interest due on SBA Debentures	40,226	2,537	5,057	5,044	5,044	5,044	17,500
Total	$ 133,726	$ 2,537	$ 5,057	$ 5,044	$ 5,044	$ 5,044	$ 111,000

We have certain contracts under which we have material future commitments. We intend to enter into the Investment Advisory Agreement with our investment advisor in accordance with the 1940 Act. The Investment Advisory Agreement will become effective upon the closing of this offering. Under the Investment Advisory Agreement, our investment advisor has agreed to provide us with investment advisory and management services. We have agreed to pay the following amounts for these services (a) a management fee equal to a percentage of the average of our total assets (excluding cash and cash equivalents) and (b) an incentive fee based on our performance. See “Management and Other Agreements — Investment Advisory Agreement — Management Fee.”

We also intend to enter into the Administration Agreement with our investment advisor. The Administration Agreement will become effective upon the closing of the formation transactions and this offering. Under the Administration Agreement, our investment advisor has agreed to furnish us with office facilities and equipment, provide us clerical, bookkeeping and record keeping services at such facilities and provide us with other administrative services necessary to conduct our day-to-day operations. See “Management and Other Agreements — Administration Agreement.”

If any of the contractual obligations discussed above are terminated, our costs under any new agreements that we enter into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our Investment Advisory Agreement and our Administration Agreement. Any new investment advisory agreement would also be subject to approval by our independent board members. Upon the completion of this offering, the existing management services agreement of Fidus Mezzanine Capital, L.P. will terminate with no continuing payment or other obligations on the part of either party.

Quantitative and Qualitative Disclosure about Market Risk

We are subject to financial market risks, including changes in interest rates. Changes in interest rates affect both our cost of funding and the valuation of our investment portfolio. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs. In the future, our investment income may also be affected by changes in various interest rates, including LIBOR and prime rates, to the extent of any debt investments that include floating interest rates. As of March 31, 2011, all of our debt investments bore interest at fixed rates and all of our pooled SBA debentures bore interest at fixed rates. Assuming that the balance sheets as of March 31, 2011, December 31, 2010 and December 31, 2009 were to remain constant, a hypothetical 1.0% change in interest rates would not have a material effect on our level of interest income from debt investments.

Because we currently borrow, and plan to borrow in the future, money to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by our investment portfolio.

SENIOR SECURITIES

Information about our senior securities is shown in the following table as of March 31, 2011 and December 31 for the years indicated in the table. We have derived the information as of December 31, 2007, December 31, 2008 and March 31, 2011 from unaudited financial data. The information as of December 31, 2009 and December 31, 2010 has been derived from our consolidated financial statements, which have been audited by our independent registered public accounting firm and are included elsewhere in this prospectus.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage per Unit(2)	Involuntary Liquidation Preference per Unit(3)	Average Market Value per Unit(4)
	(Dollars in thousands)			
SBA debentures:				
2007	$ —	$ —	—	N/A
2008	46,450	1,701	—	N/A
2009	79,450	1,610	—	N/A
2010	93,500	1,556	—	N/A
2011 (as of March 31, unaudited)	93,500	1,662	—	N/A
Credit facility:				
2007	$15,250	$2,285	—	N/A
2008	—	—	—	N/A
2009	—	—	—	N/A
2010	—	—	—	N/A
2011 (as of March 31, unaudited)	750	1,662	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it. The "— " indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities.

(4) Not applicable because senior securities are not registered for public trading.

THE COMPANY

General

We provide customized mezzanine debt and equity financing solutions to lower middle-market companies, which we define as U.S.-based companies having revenues between $10.0 million and $150.0 million. Our investment objective is to provide attractive risk-adjusted returns by generating both current income from our debt investments and capital appreciation from our equity related investments. We were formed to continue and expand the business of Fidus Mezzanine Capital, L.P., a fund formed in February 2007 that is licensed by the SBA as an SBIC and to make investments in portfolio companies directly at the parent level. Upon consummation of this offering and the formation transactions, we will acquire Fidus Mezzanine Capital, L.P. as our wholly-owned SBIC subsidiary. Our investment strategy includes partnering with business owners, management teams and financial sponsors by providing customized financing for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion and other growth initiatives. We seek to maintain a diversified portfolio of investments in order to help mitigate the potential effects of adverse economic events related to particular companies, regions or industries. Since commencing operations in 2007, we have invested an aggregate of $170.4 million in 21 portfolio companies.

We invest in companies that possess some or all of the following attributes: predictable revenues; positive cash flows; defensible and/or leading market positions; diversified customer and supplier bases; and accomplished and operationally-focused management teams. We target companies in the lower middle-market with EBITDA between $3.0 million and $20.0 million; however, we may from time to time opportunistically make investments in larger or smaller companies. We expect that our investments will typically range between $5.0 million and $15.0 million per portfolio company.

As of March 31, 2011, we had debt and equity investments in 16 portfolio companies with an aggregate fair value of $143.7 million. The weighted average yield on all of our debt investments as of March 31, 2011 was 14.9%. Yields are computed using the effective interest rates as of March 31, 2011, including accretion of original issue discount, divided by the weighted average cost of debt investments. There can be no assurance that the weighted average yield will remain at its current level.

Market Opportunity

We believe that the limited amount of capital available to lower middle-market companies, coupled with the desire of these companies for flexible and partnership-oriented sources of capital, creates an attractive investment environment for us. We believe the following factors will continue to provide us with opportunities to grow and deliver attractive returns to stockholders.

The lower middle-market represents a large, underserved market. According to Dun & Bradstreet, as of January 31, 2011, there were approximately 105,000 companies in the lower middle-market, defined as companies with revenues between $10.0 million and $150.0 million. We believe that lower middle-market companies, most of which are privately-held, are relatively underserved by traditional capital providers such as commercial banks, finance companies, hedge funds and collateralized loan obligation funds. Further, we believe that companies of this size generally are less leveraged relative to their enterprise value, as compared to larger companies with more financing options.

Recent credit market dislocation for lower middle-market companies has created an opportunity for attractive risk-adjusted returns. We believe the credit crisis that began in 2007 and the subsequent exit from lower middle-market lending of traditional capital sources, such as commercial banks, finance companies, hedge funds and collateralized loan obligation funds, has resulted in an increase in opportunities for alternative funding sources. In addition, we believe that there continues to be less competition in our market and an increased opportunity for attractive risk-adjusted returns. The remaining lenders and investors in the current environment are requiring lower amounts of senior and total leverage, increased equity commitments and more comprehensive covenant packages than was customary in the years leading up to the credit crisis.

Large pools of uninvested private equity capital should drive future transaction velocity. According to Pitchbook, as of June 30, 2010, there was approximately $42 billion of uninvested capital raised by private equity funds under $500.0 million in fund size with vintage years from 2005 to 2010. As a result, we expect that private equity firms will remain active investors in lower middle-market companies. Private equity funds generally seek to leverage their investments by combining their equity capital with senior secured loans and/or mezzanine debt provided by other sources, and we believe that our investment strategy positions us well to partner with such private equity investors.

Future refinancing activity is expected to create additional investment opportunities. A high volume of debt financings completed between the years 2005 and 2008 is expected to mature in the coming years. Based on Standard & Poor's LCD middle-market statistics, an aggregate of $113.9 billion middle-market loans were issued from 2004 to 2007 and are expected to mature in five to seven years. We believe this supply of opportunities coupled with limited financing providers focused on lower middle-market companies will continue to produce for us investment opportunities with attractive risk-adjusted returns.

Business Strategy

We intend to accomplish our goal of becoming the premier provider of capital to and value-added partner of lower middle-market companies by:

Leveraging the Experience of Our Investment Advisor. Our investment advisor's investment professionals have an average of over 20 years of experience investing in, lending to and advising companies across changing market cycles. These professionals have diverse backgrounds with prior experience in senior management positions at investment banks, specialty finance companies, commercial banks and privately and publicly held companies and have extensive experience investing across all levels of the capital structure of lower middle-market companies. The members of our investment advisor have invested more than $750 million in mezzanine debt, senior secured debt (including unitranche debt) and equity securities of primarily lower middle-market companies. We believe this experience provides our investment advisor with an in-depth understanding of the strategic, financial and operational challenges and opportunities of lower middle-market companies. Further, we believe this understanding positions our investment advisor to effectively identify, assess, structure and monitor our investments.

Capitalizing on Our Strong Transaction Sourcing Network. Our investment advisor's investment professionals possess an extensive network of long-standing relationships with private equity firms, middle-market senior lenders, junior-capital partners, financial intermediaries and management teams of privately owned businesses. We believe that the combination of these relationships and our reputation as a reliable, responsive and value-added financing partner helps generate a steady stream of new investment opportunities and proprietary deal flow. Further, we anticipate that we will obtain leads from our greater visibility as a publicly-traded business development company. Since commencing operations in 2007, the investment professionals of our investment advisor have reviewed over 850 investment opportunities primarily in lower middle-market companies through March 31, 2011.

Serving as a Value-Added Partner with Customized Financing Solutions. We follow a partnership-oriented approach in our investments and focus on opportunities where we believe we can add value to a portfolio company. We primarily concentrate on industries or market niches in which the investment professionals of our investment advisor have prior experience. The investment professionals of our investment advisor also have expertise in structuring securities at all levels of the capital structure, which we believe positions us well to meet the needs of our portfolio companies. We will invest in mezzanine debt securities, typically coupled with an equity interest; however, on a selective basis we may invest in senior secured or unitranche loans. Further, as a publicly-traded business development company, we will have a longer investment horizon without the capital return requirements of traditional private investment vehicles. We believe this flexibility will enable us to generate attractive risk-adjusted returns on invested capital and enable us to be a better long-term partner for our portfolio companies. We believe that by leveraging the industry and structuring expertise of our investment advisor coupled with our long-term investment horizon, we are well positioned to be a value-added partner for our portfolio companies.

Employing Rigorous Due Diligence and Underwriting Processes Focused on Capital Preservation. Our investment advisor follows a disciplined and credit-oriented approach to evaluating and investing in companies. We focus on companies with proven business models, significant free cash flow, defensible market positions and significant enterprise value cushion for our debt investments. In making investment decisions, we seek to minimize the risk of capital loss without foregoing the opportunity for capital appreciation. Our investment advisor's investment professionals have developed extensive due diligence and underwriting processes designed to assess a portfolio company's prospects and to determine the appropriate investment structure. Our investment advisor thoroughly analyzes each potential portfolio company's competitive position, financial performance, management team, growth potential and industry attractiveness. As part of this process, our investment advisor also participates in meetings with management, tours of facilities, discussions with industry professionals and third-party reviews. We believe this approach enables us to build and maintain an attractive investment portfolio that meets our return and value criteria over the long term.

Actively Managing our Portfolio. We believe that our investment advisor's initial and ongoing portfolio review process allows us to effectively monitor the performance and prospects of our portfolio companies. We seek to obtain board observation rights or board seats with respect to our portfolio companies and we conduct monthly financial reviews and regular discussions with portfolio company management. We structure our investments with a comprehensive set of financial maintenance, affirmative and negative covenants. We believe that active monitoring of our portfolio companies' covenant compliance provides us with an early warning of any financial difficulty and enhances our ability to protect our invested capital.

Maintaining Portfolio Diversification. We seek to maintain a portfolio of investments that is diversified among companies, industries and geographic regions. We have made investments in portfolio companies in the following industries: business services, industrial products and services, value-added distribution, healthcare products and services, consumer products and services (including retail, food and beverage), defense and aerospace, transportation and logistics, government information technology services and niche manufacturing. We believe that investing across various industries helps mitigate the potential effects of negative economic events for particular companies, regions and industries.

Benefiting from Lower Cost of Capital. Fidus Mezzanine Capital, L.P.'s SBIC license allows us to issue SBA debentures. These SBA debentures carry long-term fixed rates that are generally lower than rates on comparable bank and public debt. Because lower-cost SBA leverage is, and will continue to be, a significant part of our funding strategy, our relative cost of debt capital should be lower than many of our competitors. We may also apply for a second SBIC license through which we may issue more SBA debentures to fund additional investments; however, we can make no assurances that, if we do apply, the SBA will approve such application. The SBA regulations currently limit the amount that is available to be borrowed by Fidus Mezzanine Capital, L.P. to $150.0 million. If we apply and are approved by the SBA for a second SBIC license, the maximum amount of outstanding SBA debentures for two or more SBICs under common control cannot exceed $225.0 million.

About Our Advisor

The investment activities of Fidus Mezzanine Capital, L.P. are currently managed by Fidus Capital, LLC. Upon consummation of the formation transactions and this offering, Fidus Mezzanine Capital, L.P. will terminate the current management services agreement with Fidus Capital, LLC and we will enter into the Investment Advisory Agreement with Fidus Investment Advisors, LLC, as our investment advisor. The investment professionals of Fidus Capital, LLC, who are also the investment professionals of Fidus Investment Advisors, LLC, are responsible for sourcing potential investments, conducting research and diligence on potential investments and equity sponsors, analyzing investment opportunities, structuring our investments and monitoring our investments and portfolio companies on an ongoing basis. Fidus Investment Advisors, LLC is a newly formed Delaware limited liability company that is a registered investment advisor under the Advisers Act. In addition, Fidus Investment Advisors, LLC will serve as our administrator pursuant to the Administration Agreement. Our investment advisor has no prior experience managing or administering any business development company.

Our relationship with our investment advisor will be governed by and dependent on the Investment Advisory Agreement and may be subject to conflicts of interest. See "Related-Party Transactions and Certain Relationships — Conflicts of Interest." Pursuant to the terms of the Investment Advisory Agreement, our investment advisor will provide us with advisory services in exchange for a base management fee and incentive fee. See "Management and Other Agreements — Investment Advisory Agreement" for a discussion of the base management fee and incentive fee payable by us to our investment advisor. These fees are based on our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts) and, therefore, our investment advisor will benefit when we incur debt or use leverage. See "Risk Factors — Our incentive fee structure may create incentives for our investment advisor that are not fully aligned with the interests of our stockholders." Our board of directors is charged with protecting our interests by monitoring how our investment advisor addresses these and other conflicts of interest associated with its management services and compensation. While our board of directors is not expected to review or approve each borrowing or incurrence of leverage, our independent directors will periodically review our investment advisor's services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors will consider whether the fees and expenses (including those related to leverage) that we pay to our investment advisor remain appropriate.

Our investment advisor's investment professionals will continue to capitalize on their significant deal origination and sourcing, credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience. These professionals have developed a broad network of contacts within the investment community and have an average of over 20 years of experience investing in, lending to and advising lower middle-market companies. In addition, our investment advisor's investment professionals have gained extensive experience investing in assets that constitute our primary focus and have expertise in investing across all levels of the capital structure of lower middle-market companies.

Investments

We seek to create a diversified investment portfolio that will primarily include mezzanine loans and equity securities. We intend to invest between $5.0 million to $15.0 million per transaction in the securities of lower middle-market companies, although this investment size may vary proportionately with the size of our capital base. Our investment objective is to provide attractive risk-adjusted returns by generating both current income from our mezzanine debt investments and capital appreciation from our equity related investments. We may invest in the equity securities of our portfolio companies, such as preferred stock, common stock, warrants and other equity interests, either directly or in conjunction with our mezzanine debt investments. As of March 31, 2011, 76.4% of our investments were mezzanine loans, 14.1% were senior secured loans and 9.5% were equity securities based on cost.

Mezzanine Debt Investments. We typically invest in mezzanine debt, which includes senior subordinated notes and junior secured loans. These loans typically will have relatively high, fixed interest rates (often representing a combination of cash pay and payment-in-kind interest), prepayment penalties and amortization of principal deferred to maturity. Subordinated loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. Subordinated investments are generally more volatile than secured loans and may involve a greater risk of loss of principal. In certain situations where we are able to structure an investment as a junior, secured loan, we will obtain a junior security interest in the assets of these portfolio companies that will serve as collateral in support of the repayment of such loan. This collateral may take the form of second-priority liens on the assets of a portfolio company.

Senior Secured Loans. We will also opportunistically structure some of our future debt investments as senior secured or unitranche loans. Senior secured loans will typically provide for a fixed interest rate and may contain some minimum principal amortization, excess cash flow sweep features and prepayment penalties. Senior secured loans are secured by a first or second priority lien in all existing and future assets of the borrower and may take the form of term loans or revolving lines of credit. Unitranche debt financing involves issuing one debt security that blends the risk and return profiles of both secured and subordinated

debt. We believe that unitranche debt can be attractive for many lower middle-market companies given their size in order to reduce structural complexity and potential conflicts among creditors.

Equity Securities. Our equity securities typically consist of either a direct minority equity investment in common or preferred stock of a portfolio company, or we may receive warrants to buy a minority equity interest in a portfolio company in connection with a debt investment. Warrants we receive with our debt investments typically require only a nominal cost to exercise, and thus, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. Our equity investments are typically not control-oriented investments, and in many cases, we acquire equity securities as part of a group of private equity investors in which we are not the lead investor. We may structure such equity investments to include provisions protecting our rights as a minority-interest holder, as well as a "put," or right to sell such securities back to the issuer, upon the occurrence of specified events. In many cases, we may also seek to obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights. Our equity investments typically are made in connection with debt investments in the same portfolio companies.

We generally seek to invest in companies from the broad range of industries in which our investment advisor has direct experience. The following is a representative list of the industries in which we may elect to invest; however, we may invest in other industries if we are presented with attractive opportunities:

- business services;
- industrial products and services;
- value-added distribution;
- healthcare products and services;
- consumer products and services (including retail, food and beverage);
- defense and aerospace;
- transportation and logistics;
- government information technology services; and
- niche manufacturing.

Investment Criteria/Guidelines

We use the following criteria and guidelines in evaluating investment opportunities and constructing our portfolio. However, not all of these criteria and guidelines have been, or will be, met in connection with each of our investments.

Value Orientation / Positive Cash Flow. Our investment advisor places a premium on analysis of business fundamentals from an investor's perspective and has a distinct value orientation. We focus on companies with proven business models in which we can invest at relatively low multiples of operating cash flow. We also typically invest in companies with a history of profitability and minimum trailing twelve month EBITDA of $3.0 million. We do not invest in start-up companies, "turn-around" situations or companies that we believe have unproven business plans.

Experienced Management Teams with Meaningful Equity Ownership. We target portfolio companies that have management teams with significant experience and/or relevant industry experience coupled with meaningful equity ownership. We believe management teams with these attributes are more likely to manage the companies in a manner that protects our debt investment and enhances the value of our equity investment.

Niche Market Leaders with Defensible Market Positions. We invest in companies that have developed defensible and/or leading positions within their respective markets or market niches and are well positioned to capitalize on growth opportunities. We favor companies that demonstrate significant competitive advantages, which we believe helps to protect their market position and profitability.

Diversified Customer and Supplier Base. We prefer to invest in companies that have a diversified customer and supplier base. Companies with a diversified customer and supplier base are generally better able to endure economic downturns, industry consolidation and shifting customer preferences.

Significant Invested Capital. We believe the existence of significant underlying equity value provides important support to our debt investments. With respect to our debt investments, we look for portfolio companies where we believe aggregate enterprise value significantly exceeds aggregate indebtedness, after consideration of our investment.

Viable Exit Strategy. We invest in companies that we believe will provide a steady stream of cash flow to repay our loans and reinvest in their respective businesses. In addition, we also seek to invest in companies whose business models and expected future cash flows offer attractive exit possibilities for our equity investments. We expect to exit our investments typically through one of three scenarios: (a) the sale of the company resulting in repayment of all outstanding debt and equity; (b) the recapitalization of the company through which our investments are replaced with debt or equity from a third party or parties; or (c) the repayment of the initial or remaining principal amount of our debt investment from cash flow generated by the company. In some investments, there may be scheduled amortization of some portion of our debt investment which would result in a partial exit of our investment prior to the maturity of the debt investment.

Investment Committees

The purpose of the investment committees is to evaluate and approve as deemed appropriate all investments by our investment advisor, subject at all times to the oversight and approval of our board of directors. The investment committee process is intended to bring the diverse experience and perspectives of the committee's members to the analysis and consideration of each investment. The investment committees will also serve to provide investment consistency and adherence to our investment advisor's core investment philosophy and policies. The investment committees will also determine appropriate investment sizing and suggest ongoing monitoring requirements.

Our investment advisor has formed an investment committee to evaluate and approve all of our direct investments and an investment committee to evaluate and approve all our investments through Fidus Mezzanine Capital, L.P. The members of each committee and the approval requirements to make a new investment, or to exit or sell an existing investment, are as follows:

Investment Committee:	Fidus Investment Corporation	Fidus Mezzanine Capital, L.P.
Members of Committee:	Edward H. Ross	Edward H. Ross
	Thomas C. Lauer	John J. Ross, II
	John J. Ross, II	B. Bragg Comer, III
	B. Bragg Comer, III	Paul E. Tierney, Jr.
	Paul E. Tierney, Jr.	John H. Grigg
	John H. Grigg	
	W. Andrew Worth	
Approval:	Affirmative vote of five of the seven members	Affirmative vote of four of the five members

Our investment advisor intends to apply for approval by the SBA to appoint Messrs. Lauer and Worth to the investment committee for Fidus Mezzanine Capital, L.P.; however, we can offer no assurances as to when, or if, we will receive such approval from the SBA. For purposes of discussion herein, any reference to "investment committee" refers to both our investment committee and the investment committee of Fidus Mezzanine Capital, L.P.

Our investment advisor's investment strategy involves a team approach, whereby potential transactions are screened by several members of our investment advisor's investment team before being presented to the investment committee. The investment committee meets on an as-needed basis depending on transaction volume. The investment professionals of our investment advisor, including the members of the investment committee, hold weekly meetings to review deal flow and potential transactions. These meetings serve as a forum to discuss credit views and outlooks and deal team members are encouraged to share information and

views on potential investments early in their analysis. We believe this process improves the quality of the analysis and assists the deal team members in working more efficiently.

Investment Process Overview

Our investment advisor has developed the following investment process based on the experience of its investment professionals to identify investment opportunities and to structure investments quickly and effectively. Furthermore, our investment advisor seeks to identify those companies exhibiting superior fundamental risk-reward profiles and strong defensible business franchises while focusing on the relative value of the security in the portfolio company's capital structure. The investment process consists of five distinct phases:

- Investment Generation/Origination;
- Initial Evaluation;
- Due Diligence and Underwriting;
- Documentation and Closing; and
- Active Portfolio Management.

Each of the phases is described in more detail below.

Investment Generation/Origination. Our investment originating efforts are focused on leveraging our investment advisor's extensive network of long-standing relationships with private equity firms, middle-market senior lenders, junior-capital partners, financial intermediaries and management teams of privately owned businesses. Since commencing operations in 2007, we have reviewed over 850 potential investment opportunities primarily in lower middle-market companies through March 31, 2011. We believe that our investment advisor's investment professionals have reputations as reliable, responsive and value-added partners for lower middle-market companies. Our investment advisor's focus and reputation as a valued added partner generates a balanced mix of proprietary deal flow and a steady stream of new deal opportunities. In addition, we anticipate that we will obtain leads from our greater visibility as a publicly-traded business development company.

Initial Evaluation. After a potential transaction is received by our investment advisor, at least one of its investment professionals will conduct an initial review of the transaction materials to determine whether it meets our investment criteria and complies with SBA and other regulatory compliance requirements.

If the potential transaction initially meets our investment criteria, at least two members of the investment committee, referred to as the deal team, will conduct a preliminary due diligence review, taking into consideration some or all of the following factors:

- A comprehensive financial model based on quantitative analysis of historical financial performance, projections and pro forma adjustments to determine a range of estimated internal rates of return.
- An initial call or meeting with the management team, owner, private equity sponsor or other deal partner.
- A brief industry and market analysis, leveraging direct industry expertise from other investment professionals of our investment advisor.
- Preliminary qualitative analysis of the management team's competencies and backgrounds.
- Potential investment structures and pricing terms.

Upon successful completion of the screening process, the deal team will prepare a screening memorandum and make a recommendation to the investment committee. At this time, the investment committee will also consider whether the investment would be made by us or through our SBIC subsidiary. If the investment committee supports the deal team's recommendation, the deal team will issue a non-binding term sheet to the company. Such a term sheet will typically include the key economic terms based on our

analysis conducted during the screening process as well as a proposed timeline. Upon agreement on a term sheet with the company, our investment advisor will begin a formal diligence and underwriting process.

Due Diligence and Underwriting. Our investment advisor has developed a rigorous and disciplined due diligence process which includes a comprehensive understanding of a borrower's industry, market, operational, financial, organizational and legal positions and prospects. We expect our investment advisor to continue the same systematic, consistent approach historically employed by Fidus Capital, LLC. The due diligence review will take into account information that the deal team deems necessary to make an informed decision about the creditworthiness of the borrower and the risks of the investment, which includes some or all of the following:

- Initial or additional site visits and facility tours with management and key personnel.
- Review of the business history, operations and strategy.
- In depth review of industry and competition.
- Analysis of key customers and suppliers, including review of any concentrations and key contracts.
- Detailed review of historical and projected financial statements, including a review of at least three years of performance (annual and monthly), key financial ratios, revenue, expense and profitability drivers and sensitivities to management's financial projections.
- Detailed evaluation of company management, including background checks.
- Third party reviews of accounting, environmental, legal, insurance, interviews with customers and suppliers, material contracts, competition, industry and market studies (each as appropriate).
- Financial sponsor diligence, if applicable, including portfolio company and other reference checks.

During the due diligence process, significant attention is given to sensitivity analyses and how the company might be expected to perform given various scenarios, including downside, "base case" and upside. Upon satisfactory completion of the due diligence review process, the deal team will present their findings and a recommendation to the investment committee. If the investment committee supports the deal team's recommendation, the deal team will proceed with negotiating and documenting the investment.

Documentation and Closing. Our investment advisor works with the management of the company and its other capital providers, including as applicable, senior, junior and equity capital providers to structure an investment. Our investment advisor structures each investment with an acute focus on capital preservation and will tailor the terms of each investment to the facts and circumstances of the transaction and the prospective portfolio company. We will seek to limit the downside potential of our investments by:

- Targeting an optimal total return on our investments (including a combination of current and deferred interest, prepayment penalties and equity participation) that compensates us for credit risk.
- Negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility in managing their businesses as possible, yet consistent with preservation of our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights, including either board observation or rights to a seat on the board under some circumstances.
- Structuring financial covenants and terms in our debt investments that require the portfolio company to reduce leverage over time, thereby enhancing the investment's credit quality. These methods may include, among others: maintenance leverage covenants requiring a decreasing ratio of debt to cash flow; maintenance cash flow covenants requiring an increasing ratio of cash flow to interest expense and possibly other cash expenses such as capital expenditures, cash taxes and mandatory principal payments; and debt incurrence prohibitions, limiting a company's ability to relever its balance sheet. In addition, limitations on asset sales and capital expenditures prevent a company from changing the nature of its business or capitalization without our consent.

We expect to hold most of our investments to maturity or repayment, but may exit our investments earlier if a liquidity event takes place, such as a sale or recapitalization of a portfolio company or if we determine that a sale of one or more of our investments is in our best interest.

Active Portfolio Management. We view active portfolio monitoring as a vital part of the investment process and continuously monitor the status and progress of the portfolio companies. The same deal team that was involved in the investment process will continue its involvement in the portfolio company post-investment. This provides for continuity of knowledge and allows the deal team to maintain a strong business relationship with key management of its portfolio companies for post-investment assistance and monitoring purposes.

As part of the monitoring process, the deal team will conduct a comprehensive review of the financial and operating results of each portfolio company that includes a review of the monthly/quarterly financials relative to prior year and budget, review financial projections including cash flow and liquidity needs, meet with management, attend board meetings and review compliance certificates and covenants. We will maintain an on-going dialogue with the management and any controlling equity holders of a portfolio company that will include discussions about the company's business plans and growth opportunities and any changes industry and competitive dynamics. While we maintain limited involvement in the ordinary course operations of our portfolio companies, we may maintain a higher level of involvement in non-ordinary course financing or strategic activities and any non-performing scenarios. Our investment advisor's portfolio management will also include quarterly portfolio reviews with all investment professionals and investment committee members.

Investment Rating System

In addition to various risk management and monitoring tools, our investment advisor will also use an internally developed investment rating system to characterize and monitor the credit profile and our expected level of returns on each investment in our portfolio. We will use a five-level numeric rating scale. The following is a description of the conditions associated with each investment rating:

- *Investment Rating 1:* Investments that involve the least amount of risk in our portfolio. The company is performing above expectations and the trends and risk factors are favorable, and may include an expected capital gain.
- *Investment Rating 2:* Investments that involve a level of risk similar to the risk at the time of origination. The company is performing substantially within our expectations, and the risks factors are neutral or favorable. All new investments are initially rated 2.
- *Investment Rating 3:* Investments that are performing below our expectations and indicates the investment's risk has increased somewhat since origination. The company requires closer monitoring, but where we expect no loss of investment return (interest and/or dividends) or principal. Companies with a rating of 3 may be out of compliance with financial covenants, but payments are generally not past due.
- *Investment Rating 4:* Investments that are performing materially below our expectations and the risk has increased materially since origination. We expect some loss of investment return, but no loss of principal.
- *Investment Rating 5:* Investments that are performing substantially below our expectations and whose risks have increased substantially since origination. Investments with a rating of 5 are those for which some loss of principal is expected.

As of March 31, 2011, the weighted average investment grade of the investments in our portfolio was 1.9. The following table shows the distribution of our investments on the 1 to 5 investment rating scale at fair value.

Investment Rating	As of March 31, 2011 Investments at Fair Value	Percent of Total Portfolio
	(Dollars in thousands)	
1	$ 26,751	18.6%
2	100,374	69.9
3	15,593	10.9
4	—	—
5	934	0.6
Totals	$ 143,652	100.0%

Determination of Net Asset Value and Valuation Process

We will determine the net asset value per share of our common stock on a quarterly basis. The net asset value per share is equal to the fair value of our total assets minus liabilities divided by the total number of shares of common stock outstanding.

In calculating the value of our total assets, investment transactions are recorded on the trade date. Realized gains or losses are computed using the specific identification method. Investments for which market quotations are readily available are valued at such market quotations. Because we expect that there will not be a readily available market for substantially all of the investments in our portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our board of directors using a documented valuation policy and consistently applied valuation process. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

With respect to investments for which market quotation are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as describe below:

- our quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of our investment advisor responsible for the portfolio investment;
- preliminary valuation conclusions are then documented and discussed with the investment committee;
- our board of directors also engages one or more independent valuation firms to conduct independent appraisals of our investments for which market quotations are not readily available. We will consult with independent valuation firm(s) relative to each portfolio company at least once in every calendar year, and for new portfolio companies, at least once in the twelve-month period subsequent to the initial investment;
- the audit committee of our board of directors reviews the preliminary valuations of our investment advisor and of the independent valuation firms and responds to and supplements the valuation recommendations to reflect any comments; and
- the board of directors discusses the valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our investment advisor, the independent valuation firms and the audit committee.

In making the good faith determination of the value of portfolio investments, we start with the cost basis of the security, which includes the amortized original issue discount and payment-in-kind interest or dividends,

if any. The transaction price is typically the best estimate of fair value at inception. When evidence supports a subsequent change to the carrying value from the original transaction price, adjustments are made to reflect the expected exit values. We perform detailed valuations of our debt and equity investments on an individual basis, using market, income and yield approaches as appropriate.

Under the market approach, we typically use the enterprise value methodology to determine the fair value of an investment. There is no one methodology to estimate enterprise value and, in fact, for any one portfolio company, enterprise value is generally best expressed as a range of values, from which we derive a single estimate of enterprise value. In estimating the enterprise value of a portfolio company, we analyze various factors consistent with industry practice, including but not limited to original transaction multiples, the portfolio company's historical and projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the nature and realizable value of any collateral, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public. Typically, the enterprise value of private companies are based on multiples of EBITDA, cash flows, net income, revenues or, in limited cases, book value.

Under the income approach, we prepare and analyze discounted cash flow models based on projections of the future free cash flows (or earnings) of the portfolio company. In determining the fair value under the income approach, we consider various factors, including but not limited to the portfolio company's projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the markets in which the portfolio company does business and comparisons of financial ratios of peer companies that are public

Under the yield approach, we use discounted cash flow models to determine the present value of the future cash flow streams of our debt investments, based on future interest and principal payments as set forth in the associated loan agreements. In determining fair value under the yield approach, we also consider the following factors: applicable market yields and leverage levels, credit quality, prepayment penalties, estimated remaining life, the nature and realizable value of any collateral, the portfolio company's ability to make payments and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made. We estimate the remaining life of our debt investments to generally be the legal maturity date of the instrument, as we generally intend to hold our loans to maturity. However, if we have information available to us that the loan is expected to be repaid in the near term, we would use an estimated remaining life based on the expected repayment date.

We classify our investments in accordance with the 1940 Act. See Note 2 to the consolidated financial statements for definitions of Control, Affiliate and Non-Control Non-Affiliate included elsewhere in this prospectus. For our Control investments, we determine the fair value of debt and equity investments using a combination of market and income approaches. The valuation approaches for our Control investments estimate the value of the investment if we were to sell, or exit, the investment, assuming the highest and best use of the investment by market participants. In addition, these valuation approaches consider the value associated with our ability to influence the capital structure of the portfolio company, as well as the timing of a potential exit.

For our Affiliate or Non-Control/Non-Affiliate equity investments, we use a combination of market and income approaches as described above to determine the fair value. For our Affiliate or Non-Control/Non-Affiliate debt investments, we generally use the yield approach to determine fair value, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, we may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our financial statements express the uncertainties with respect to the possible effect of such valuations, and any changes in such valuations, on the financial statements.

Managerial Assistance

As a business development company, we will offer, and must provide upon request, managerial assistance to our portfolio companies. This assistance could involve monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. Our investment advisor will provide such managerial assistance on our behalf to portfolio companies that request this assistance. We may receive fees for these services and will reimburse our investment advisor for its allocated costs in providing such assistance, subject to the review and approval by our board of directors, including our independent directors.

Competition

Our primary competitors in providing financing to lower middle-market companies include public and private funds, other business development companies, small business investment companies, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a business development company or to the distribution and other requirements we must satisfy to maintain our RIC status.

We expect to use the expertise of the investment professionals of our investment advisor to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, we expect that the relationships of the investment professionals of our investment advisor will enable us to learn about, and compete effectively for, financing opportunities with attractive lower middle-market companies in the industries in which we seek to invest. For additional information concerning the competitive risks we face, see “Risk Factors — Risks Relating to our Business and Structure — We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.”

Administration

We will not have any direct employees, and our day-to-day investment operations will be managed by our investment advisor, which is also acting as our administrator. We have a chief executive officer, chief financial officer and chief compliance officer and, to the extent necessary, our board of directors may elect to hire additional personnel going forward. Some of our executive officers described under “Management” are also officers of our investment advisor. See “Management and Other Agreements — Administration Agreement.”

Properties

We do not own any real estate or other physical properties materially important to our operation. Our headquarters are located at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, and are provided by our investment advisor pursuant to the Administration Agreement. We believe that our office facilities are suitable and adequate to our business as we contemplate conducting it.

Legal Proceedings

We are not, and our investment advisor is not, currently subject to any material legal proceedings against them.

PORTFOLIO COMPANIES

Table of Investments

The following table sets forth certain information as of March 31, 2011, for each portfolio company in which we had a debt or equity investment. Other than these investments, our only formal relationships with our portfolio companies are the managerial assistance ancillary to our investments and the board observation or participation rights we may receive.

Based upon information provided to us by our portfolio companies (which we have not independently verified), our portfolio had a total net debt to EBITDA ratio of approximately 3.5 to 1.0 and an EBITDA to interest expense ratio of 3.0 to 1.0. In calculating these ratios, we included all portfolio company debt, EBITDA and interest expense as of December 31, 2010, including debt junior to our debt investments. If we excluded debt junior to our debt investments in calculating these ratios, the ratios would be 3.4 to 1.0 and 3.1 to 1.0, respectively. At March 31, 2011, we had an equity ownership in 81.3% of our portfolio companies and the average fully diluted equity ownership in such portfolio companies was 9.2%.

The following table sets forth certain information about our investments by portfolio company as of March 31, 2011.

Name and Address of Portfolio Company	Nature of Its Principal Business	Type of Investment	Percentage of Class Held	Cost of Investment	Fair Value of Investment
				(Dollars in thousands)	
Avrio Technology Group, LLC 8840 N. Greenview Drive Middleton, WI 53562	Provider of electronic components and software	Subordinated Notes Common Units	— 7.0%	$ 8,185 1,000	$ 8,185 1.000
Brook & Whittle Limited P.O. Box 409 260 Branford Road North Branford, CT 06471	Specialty label printer	Subordinated Notes Subordinated Notes Warrants	— — 1.5%	6,094 1,919 285	6,094 2,087 400
Caldwell & Gregory, LLC 129 Broad Street Road Manakin-Sabot, VA 23103	Laundry room operator	Subordinated Notes Preferred Units Common Units	— — 4.0%	8,090 1,163 4	8,090 1,404 259
Casino Signs & Graphics, LLC 3655 W. Diablo Drive, #1 Las Vegas, NV 89118	Sign manufacturer	Senior Secured Loan	—	4,500	934
Connect-Air International, Inc. 4240 B Street N.W. Auburn, WA 98001	Distributor of wire and cable assemblies	Subordinated Notes Preferred Units	— 27.0%	4,347 4,759	4,347 4,759
Fairchild Industrial Products Company 3920 Westpoint Blvd. Winston-Salem, NC 27103	Manufacturer of pneumatic and mechanical process controls	Subordinated Notes Subordinated Notes	— —	650 8,500	650 8,500
Goodrich Quality Theaters, Inc. 4417 Broadmoor Ave. S.E. Grand Rapids, MI 49512	Movie theater operator	Subordinated Notes Warrants	— 4.5%	11,897 750	12,500 1,765
Interactive Technology Solutions, LLC 8757 Georgia Ave. Suite 500 Silver Spring, MD 20910	Government information technology services	Subordinated Notes Common Units	— 0.5%	5,065 500	5,065 400
Jan-Pro International, LLC 11605 Haynes Bridge Road, Suite 425 Alpharetta, GA 30004	Franchisor of commercial cleaning services	Subordinated Notes Preferred Equity	— 2.1%	7,386 750	7,386 609
K2 Industrial Services, Inc. 5233 Hohman Avenue Hammond, IN 46320	Industrial cleaning and coatings	Subordinated Notes	—	8,000	8,240
Paramount Building Solutions, LLC 401 W. Baseline Road, #209 Tempe, AZ 85283	Janitorial services provider	Subordinated Notes Common Units	— 6.0%	6,053 1,500	6,053 3,308

Name and Address of Portfolio Company	Nature of Its Principal Business	Type of Investment	Percentage of Class Held	Cost of Investment	Fair Value of Investment
				(Dollars in thousands)	
Simplex Manufacturing Co. 13340 NE Whitaker Way Portland, OR 97230	Provider of helicopter tank systems	Senior Secured Loans	—	$ —	$ —
		Senior Secured Loans	—	4,214	4,205
		Warrants	23.7%	710	188
TBG Anesthesia Management, LLC 1770 1st Street, Suite 703 Highland Park, IL 60035	Physician management company	Senior Secured Loan	—	10,800	11,000
		Warrants	2.5%	276	456
Tulsa Inspection Resources, Inc. 4111 S. Darlington Ave., Suite 1000 Tulsa, OK 74135	Pipeline inspection services	Subordinated Notes	—	3,887	3,784
		Subordinated Notes	—	648	648
		Warrants	4.7%	193	—
Westminster Cracker Company, Inc. 1 Scale Avenue, Suite 81, Building 14 Rutland, VT 05701	Specialty cracker manufacturer	Subordinated Notes	—	6,863	6,863
		Common Units	11.3%	1,000	1,000
Worldwide Express Operations, LLC 2828 Routh Street, Suite 400 Dallas, TX 75201	Franchisor of shipping and logistics services	Subordinated Notes	—	8,637	8,637
		Subordinated Notes	—	9,773	10,094
		Warrants	21.4%	—	3,939
		Common Units	3.5%	270	803
			Total:	$ 138,668	$ 143,652

Set forth below is a brief description of each portfolio company in which we have made an investment that represents greater than 5.0% of our total assets:

Avrio Technology Group, LLC is a leading supplier of frequency control components, integrated sub-assemblies and software engineering solutions serving the commercial, industrial, aviation, military and space end markets.

Brook & Whittle Limited is a leading provider of printing and packaging solutions. The company produces pressure sensitive labels for consumer products across all industries including personal care, beverage, food and household.

Caldwell & Gregory, LLC is a leading provider of laundry equipment and facility management services primarily for colleges, universities, apartments and condominiums.

Connect-Air International, Inc. is a leading distributor of specialty low-voltage wire and cable products in the United States. The company's primary focus is on control and signal wire for HVAC, security and fire alarm systems. In addition, the company designs and distributes custom cable assemblies and adapters.

Fairchild Industrial Products Company is the leading designer and manufacturer of pneumatic and electro-pneumatic industrial control products and power transmission products. The company's customer base spans multiple end markets, including food processing, pharmaceutical, pulp and paper, oil and gas, textile and automotive.

Goodrich Quality Theaters, Inc. is one of the largest regional theater companies in the United States, operating 30 theaters in the Midwest.

Jan-Pro International, LLC is a leading franchisor of commercial cleaning services in the United States and internationally. The company focuses on light commercial businesses, including automotive dealerships, offices, schools and medical facilities.

K2 Industrial Services, Inc. is an independent provider of outsourced mission-critical industrial cleaning, coating, and maintenance services. Its six business units operate out of 24 facilities and serve more than 500 companies in a variety of markets, including steel, power generation, oil and gas, paper production and government.

Paramount Building Solutions, LLC is a leading provider of outsourced janitorial and floor care services to "big box" retailers nationwide, including grocery, club stores, etc.

TBG Anesthesia Management, LLC is an outsourced anesthesiology practice management company. The company provides services to hospitals and medical centers in the Midwest under exclusive contracts.

Westminster Cracker Company, Inc. is a manufacturer of premium, all-natural oyster crackers and other baked goods. The company's products are served nationally in restaurants and other foodservice establishments and are also sold in grocery stores.

Worldwide Express Operations, LLC is one of the largest authorized resellers of UPS express and ground shipping services. In addition, the company has partnered with more than 30 freight carriers. Through its network of more than 150 franchisees, the company services the shipping needs of small- and medium-sized businesses nationwide.

Recent Developments

On April 6, 2011, we invested $8.1 million of subordinated debt and equity securities in Nobles Manufacturing, Inc., a leading manufacturer of ammunition feed systems and components and centrifugal dryers.

On April 12, 2011, we invested $4.8 million of subordinated debt and equity securities in Medsurant Holdings, LLC, a provider of intraoperative monitoring technology and services.

MANAGEMENT

Our business and affairs will be managed under the direction of our board of directors. In addition, the business and affairs of Fidus Mezzanine Capital, L.P. will be managed under the direction of its board of directors, which will consist of the same individuals as our board of directors. Upon completion of this offering, the board of directors is expected to consist of five members, three of whom are not "interested persons" of Fidus Investment Corporation, our investment advisor or their respective affiliates as defined in Section 2(a)(19) of the 1940 Act. We refer to these individuals as our "independent directors." Our board of directors elects our officers, who will serve at the discretion of the board of directors. The responsibilities of our board of directors include, among other things, oversight of our investment activities, quarterly valuation of our assets, oversight of our financing arrangements and corporate governance activities.

Our board of directors will establish an audit committee and a nominating and corporate governance committee, and may establish additional committees from time to time as necessary. The scope of each committee's responsibilities is discussed in greater detail below. Edward H. Ross, an interested person of Fidus Investment Corporation, serves as chairman of our board of directors. Our board of directors believes that it is in the best interests of our investors for Mr. Ross to lead our board of directors because of his broad experience with the day-to-day management and operation of other investment funds and his significant background in the financial services industry, as described below. Our board of directors does not have a lead independent director. However, Wayne F. Robinson, the chairman of the audit committee, is an independent director and acts as a liaison between the independent directors and management between meetings of our board of directors and is involved in the preparation of agendas for board and committee meetings. Our board of directors believes that its leadership structure is appropriate in light of the characteristics and circumstances of Fidus Investment Corporation because the structure allocates areas of responsibility among the individual directors and the committees in a manner that encourages effective oversight. Our board of directors also believes that its small size creates a highly efficient governance structure that provides ample opportunity for direct communication and interaction between our investment advisor and our board of directors.

Board of Directors

Under our charter, our directors will be divided into three classes. Each class of directors will hold office for a three-year term. However, the initial members of the three classes will have initial terms of one, two and three years, respectively. At each annual meeting of our stockholders, the successors to the class of directors whose terms expire at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. This classification of our board of directors may have the effect of delaying or preventing a change in control of our management. Each director will hold office for the term to which he or she is elected and until his or her successor is duly elected and qualifies. Our charter, to be effective immediately prior to the completion of this offering, permits the board of directors to elect directors to fill vacancies that are created either through an increase in the number of directors or due to the resignation, removal or death of any director. These persons will serve as directors of Fidus Mezzanine Capital, L.P. having terms that run concurrently with their terms on our board of directors.

The following individuals will serve on our board of directors immediately prior to the completion of this offering:

Name	Age	Position	Director Since	Expiration of Term
Interested Directors:				
Edward H. Ross	45	Chairman of the Board and Chief Executive Officer	2011	2014
Thomas C. Lauer	43	Director	2011	2013
Independent Directors:				
Wayne F. Robinson	57	Director		2014
Charles D. Hyman	52	Director		2012
Charles G. Phillips	62	Director		2013

The address for each of our directors is c/o Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.

Executive Officers Who Are Not Directors

Information regarding our executive officers who are not directors is as follows:

Name	Age	Position
Cary L. Schaefer	35	Chief Financial Officer and Chief Compliance Officer

The address for each of our executive officers is c/o Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.

Biographical Information

For purposes of this presentation, our directors have been divided into two groups — independent directors and interested directors. Interested directors are "interested persons" as defined in the 1940 Act.

Independent Directors

Wayne F. Robinson served as a managing director and head of global capital finance of Wachovia Capital Markets, LLC, a division of Wachovia Securities, from 2002 until his retirement in 2009. Mr. Robinson previously served as managing director and head of leveraged finance of First Union Securities from 1983 until the firm's merger with Wachovia Securities in 2002. Mr. Robinson is currently on the board of directors of one private company. Mr. Robinson will bring to our board of directors extensive senior executive management experience in corporate finance and investment banking.

Charles D. Hyman is the founder and chief executive officer of Charles D. Hyman & Co., a private, registered investment management firm located in Ponte Vedra Beach, Florida. Prior to forming Charles D. Hyman & Co. in 1994, Mr. Hyman served as a senior vice president of St. Johns Investment Management Company. Mr. Hyman has served on the board of directors for several not-for-profit companies in the past five years. Mr. Hyman will bring to our board of directors extensive investment management experience.

Charles G. Phillips was employed by Prentice Capital Management, LLC, an investment management firm, from 2005 until his retirement in 2008. Mr. Phillips was previously a managing director from 1991 to 2002 and president from 1998 to 2001 of Gleacher & Co., an investment banking and management firm. Mr. Phillips is currently a member of the board of directors of California Pizza Kitchen, Inc. (Nasdaq: CPKI), and has served on the boards of several public and private companies and private investment funds, including Whitehall Jewelers Holdings, Inc. Mr. Phillips will bring to our board of directors extensive senior executive management experience in corporate finance and investment banking and experience gained from his service on the board of directors of several public and private companies and private investment funds.

Interested Directors

Edward H. Ross will serve as our chairman of the board and chief executive officer and as chairman of our investment advisor's investment committees. Mr. Ross has more than 19 years of alternative asset investing experience with middle-market companies. Mr. Ross co-founded Fidus Capital, LLC in 2005. Mr. Ross was a managing director and the head of the Chicago office for Allied Capital Corporation, a publicly-traded business development company, where he focused on making debt and equity investments in middle-market companies from 2002 to 2005. Prior to joining Allied Capital Corporation, Mr. Ross co-founded Middle Market Capital, a merchant banking group of Wachovia Securities and its predecessor, First Union Securities, Inc. Mr. Ross earned a bachelor of arts from Southern Methodist University and a master of business administration from the University of Notre Dame's Mendoza College of Business. Mr. Ross is the brother of John J. Ross, II, a member of our investment committee.

Mr. Ross was elected and is qualified to serve on our board of directors due to his significant experience in alternative asset investing with middle-market companies, which provides our board of directors with valuable experience, insight and perspective.

Thomas C. Lauer will serve as our director and as a member of the investment committee of our investment advisor responsible for advising us. Mr. Lauer has more than 15 years of experience investing debt and equity capital in lower middle-market companies. Mr. Lauer has served as a managing partner of Fidus Partners, LLC since 2008. Mr. Lauer was a managing director of Allied Capital Corporation from 2004 to 2008, where he was a member of the firm's Management Committee from 2006 to 2008, Private Finance Investment Committee from 2005 to 2008, and Senior Debt Fund Investment Committee from 2007 to 2008. Prior to joining Allied Capital Corporation, Mr. Lauer worked with GE Capital's Global Sponsor Finance Group, the Leveraged Capital Group at Wachovia Securities and its predecessor, First Union Securities, Inc. and the Platform Components Division of Intel Corporation. Mr. Lauer earned a bachelor of business administration and master of business administration from the University of Notre Dame.

Mr. Lauer was selected and is qualified to serve on our board of directors due to his experience with investing debt and equity capital in middle-market companies, which provides our board of directors with valuable investment knowledge, experience and insight.

Executive Officers Who Are Not Directors

Cary L. Schaefer will serve as our chief financial officer and chief compliance officer. Ms. Schaefer has more than eleven years of credit and finance experience. Since joining Fidus Capital, LLC in 2006, Ms. Schaefer has served in a variety of roles, including vice president. Ms. Schaefer was an associate in investment banking at Credit Suisse First Boston from 2004 to 2006, where she executed advisory, debt and equity transactions in the Global Industrial & Services Group. Prior to joining Credit Suisse First Boston, Ms. Schaefer worked at Wachovia Securities and its predecessor, First Union Securities, Inc. Ms. Schaefer earned a bachelor of science in analytical finance from Wake Forest University and a master of business administration with honors from the University of Chicago Graduate School of Business.

Board Committees

Audit Committee

The members of our audit committee are Messrs. Robinson, Hyman and Phillips, each of whom meets the independence standards established by the SEC and Nasdaq for audit committees and is not an "interested person" of us or our investment advisor for purposes of the 1940 Act. Mr. Robinson serves as chairman of the audit committee. Our board of directors has determined that Mr. Robinson is an "audit committee financial expert" as that term is defined under Item 407 of Regulation S-K of the Exchange Act. The audit committee is responsible for approving our independent accountants, reviewing with our independent accountants the plans and results of the audit engagement, approving professional services provided by our independent accountants, reviewing the independence of our independent accountants and reviewing the adequacy of our internal accounting controls. The audit committee is also responsible for aiding our board of directors in determining the fair value of debt and equity securities that are not publicly-traded or for which current market values are not readily available. The board of directors and audit committee will utilize the services of an independent valuation firm to help them determine the fair value of these securities.

Nominating and Corporate Governance Committee

The members of the nominating and corporate governance committee are Messrs. Hyman, Robinson and Phillips, each of whom is independent for purposes of the 1940 Act and the Nasdaq corporate governance regulations. Mr. Hyman serves as chairman of the nominating and corporate governance committee. The nominating and corporate governance committee is responsible for selecting, researching and nominating directors for election by our stockholders, selecting nominees to fill vacancies on the board or a committee of the board, developing and recommending to the board a set of corporate governance principles and overseeing the evaluation of the board and our management.

The nominating and corporate governance committee will consider nominees to the board of directors recommended by a stockholder, if such stockholder complies with the advance notice provisions of our bylaws. Our bylaws provide that a stockholder who wishes to nominate a person for election as a director at a meeting of stockholders must deliver written notice to our corporate secretary. This notice must contain, as to each nominee, all of the information relating to such person as would be required to be disclosed in a proxy statement meeting the requirements of Regulation 14A under the Exchange Act, and certain other information set forth in the bylaws. In order to be eligible to be a nominee for election as a director by a stockholder, such potential nominee must deliver to our corporate secretary a written questionnaire providing the requested information about the background and qualifications of such person and a written representation and agreement that such person is not and will not become a party to any voting agreements, any agreement or understanding with any person with respect to any compensation or indemnification in connection with service on the board of directors, and would be in compliance with all of our publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines.

Compensation Committee

We do not have a compensation committee because our executive officers do not receive any direct compensation from us. Our executive officers are paid by our investment advisor.

Compensation of Directors

Prior to the completion of this offering, our directors are not entitled to compensation. Following the completion of this offering, each independent director will receive an annual fee of $50,000 for serving on the board of directors. In addition, each independent director will receive $5,000 for each quarterly meeting that they attend. The chairman of our audit committee receives an annual fee of $10,000 and the chairman of the nominating and corporate governance committee receives an annual fee of $5,000 for their additional services in these capacities. Directors who are employees of our investment advisor do not receive additional compensation for service as a member of our board of directors. We will also reimburse each of the above directors for all reasonable and authorized business expenses in accordance with our policies as in effect from time-to-time.

Compensation of Executive Officers

None of our executive officers receive direct compensation from us. The compensation of our chief financial officer and chief compliance officer, will be paid by our investment advisor. Compensation paid to our chief financial officer and chief compliance officer is set by our investment advisor and subject to reimbursement by us of an allocable portion of such compensation for services rendered to us.

Investment Committee

The investment committees of our investment advisor responsible for our investments will meet regularly to consider our investments, direct our strategic initiatives and supervise the actions taken by our investment advisor on our behalf. In addition, the investment committees will review and determine whether to make prospective investments identified by our investment advisor and monitor the performance of our investment portfolio. Our investment advisor's investment committee that advises us will consist of Messrs. E. Ross, J. Ross, Comer, Tierney, Grigg, Lauer and Worth. Our investment advisor's investment committee that advises Fidus Mezzanine Capital, L.P. will consist of Messrs. E. Ross, J. Ross, Comer, Tierney and Grigg. Upon approval by the SBA, we expect to appoint Messrs. Lauer and Worth to the investment committee that advises Fidus Mezzanine Capital, L.P.

Information regarding members of the investment committee who are not also directors is as follows:

John J. Ross, II will serve as a member of the investment committee of our investment advisor responsible for advising us and will also serve as a member of the investment committee responsible for advising Fidus Mezzanine Capital, L.P. upon consummation of this offering. Mr. Ross has over 16 years experience advising clients on mergers and acquisitions. Mr. Ross currently serves as a member of the

investment committee of Fidus Mezzanine Capital GP, LLC. In 2004, Mr. Ross co-founded Fidus Partners, LLC, an investment banking firm. Prior to co-founding Fidus Partners, LLC, Mr. Ross served as a managing director at Wachovia Securities and its predecessors, First Union Securities, Inc. and Bowles Hollowell Conner & Co, from 1999 to 2002. Mr. Ross earned a bachelor of science from Southern Methodist University and a master of business administration from the Harvard Business School. Mr. Ross is the brother of Edward H. Ross, our chairman of the board and chief executive officer, and chairman of the investment committees.

B. Bragg Comer, III will serve as a member of the investment committee of our investment advisor responsible for advising us and will also serve as a member of the investment committee responsible for advising Fidus Mezzanine Capital, L.P. upon consummation of this offering. Mr. Comer has over 20 years of broad leveraged finance experience, including experience related to senior debt, mezzanine debt, and bridge loans. Mr. Comer currently serves as a member of the investment committee of Fidus Mezzanine Capital GP, LLC. Mr. Comer co-founded Fidus Capital, LLC, the investment advisor of Fidus Mezzanine Capital, L.P., in 2006. Prior to co-founding and joining Fidus Capital, LLC, Mr. Comer served as a managing director within Wachovia Securities' Leveraged Finance Group from 2003 to 2006. Prior to 2003, Mr. Comer was a managing director in the Leveraged Capital Group, a merchant banking group of Wachovia Securities and its predecessor, First Union Securities, Inc. Mr. Comer earned a bachelor of arts from the University of North Carolina at Chapel Hill and a master of business administration from Duke University's Fuqua School of Business.

Paul E. Tierney, Jr. will serve as a member of the investment committee of our investment advisor responsible for advising us and will also serve as a member of the investment committee responsible for advising Fidus Mezzanine Capital, L.P. upon consummation of this offering. Mr. Tierney has over 35 years of debt and equity investing experience in a variety of industries. Mr. Tierney currently serves as a member of the investment committee for Fidus Mezzanine Capital GP, LLC. Since 1999, Mr. Tierney has served as the general partner of Development Capital, LLC, a diversified private investment company. He has also served as a senior principal of Aperture Venture Partners, a firm that primarily manages two venture capital funds that focus on investing in early- stage healthcare and healthy living businesses since 2002. In 1999, Mr. Tierney was the founding principal of Darwin Capital Partners, L.P. From 1996 through 1999, Mr. Tierney was the managing member of the general partner of Corporate Value Partners, L.P. In 1978, Mr. Tierney co-founded Gollust, Tierney and Oliver, the general partner of Coniston Partners and other investment entities. Mr. Tierney serves on the boards of directors of Nina McLemore, Inc., Altea Therapeutics, Prosperity Voskhod Fund and The Protective Group, Inc. He was previously a director of a number of public companies, including United Airlines, Inc. and Liz Claiborne, Inc. Mr. Tierney also serves on the Advisory Board of the U.S. Committee for Refugees and was chairman of the Foreign Policy School (SIPA) of Columbia University. He is chairman of TechnoServe, Inc., a not-for-profit economic development company serving Africa and Latin America. He is also an adjunct professor at Columbia Business School. Mr. Tierney earned a bachelor of arts from the University of Notre Dame and a master of business administration as a Baker Scholar from the Harvard Business School.

John H. Grigg will serve as a member of the investment committee of our investment advisor responsible for advising us, will serve as a member of the investment committee responsible for advising Fidus Mezzanine Capital, L.P. and will be a senior origination professional of our investment advisor upon consummation of this offering. Mr. Grigg has over 21 years of experience advising clients on mergers and acquisitions. Mr. Grigg currently serves as a member of the investment committee of Fidus Mezzanine Capital GP, LLC and as a senior origination professional for Fidus Capital, LLC. Prior to co-founding Fidus Partners, LLC, an investment banking firm, in 2004, Mr. Grigg served as managing director and partner at First Union Securities, Inc. and its predecessor, Bowles Hollowell Conner & Co., from 1989 to 2000. Prior to joining Bowles Hollowell Conner & Co., Mr. Grigg worked in the investment banking group of Merrill Lynch & Co. Mr. Grigg earned a bachelor of arts from the University of North Carolina and a master of business administration from the University of Virginia's Darden School of Business.

W. Andrew Worth will serve as a member of the investment committee of our investment advisor responsible for advising us upon consummation of this offering. Mr. Worth has over 13 years of experience

investing in debt and equity securities of lower middle-market companies. Mr. Worth is a principal of Fidus Capital, LLC. Prior to joining Fidus Capital, LLC in 2008, Mr. Worth served as a principal with Allied Capital Corporation from 2002 to 2008, where he was responsible for all aspects of the investment process including origination, execution and portfolio management. From 1996 to 2002, Mr. Worth was an associate in Credit Suisse First Boston's Global Industrials and Services investment banking practice and an analyst in the Leveraged Finance Group of First Union Securities, Inc. Mr. Worth earned a bachelor of arts from the University of North Carolina at Chapel Hill and a master of business administration from the University of Chicago Graduate School of Business.

Senior Origination Professionals

The following individuals currently serve as senior origination professionals of Fidus Capital, LLC. Upon the closing of this offering, in addition to the members of the investment committee, these individuals will be senior origination professionals of our investment advisor. Brief summaries of the backgrounds of these individuals are provided below:

Edward P. Imbrogno will serve as a senior origination professional of our investment advisor. Mr. Imbrogno has over 25 years of experience advising clients on mergers and acquisitions. In 2004, Mr. Imbrogno co-founded Fidus Partners, LLC, an investment banking firm. Prior to co-founding Fidus Partners, LLC, Mr. Imbrogno served as a managing director and partner at Wachovia Securities and its predecessors, First Union Securities, Inc. and Bowles Hollowell Conner & Co, from 1985 to 2004. Mr. Imbrogno also served as the head of Wachovia Securities' private equity group coverage effort from 1998 to 2002. Mr. Imbrogno earned a bachelor of arts from Davidson College and a master of business administration from the University of Virginia's Darden School of Business.

J. Stephen Dockery will serve as a senior origination professional of our investment advisor. Mr. Dockery has over 21 years of experience advising clients on mergers and acquisitions and corporate finance transactions. Prior to joining Fidus Partners, LLC, an investment banking firm, in 2006, Mr. Dockery served in various capacities at Wachovia Securities and its predecessors, First Union Securities, Inc. and Bowles Hollowell Conner & Co., including managing director and officer from 1997 to 2006. Prior to joining Bowles Hollowell Conner & Co., Mr. Dockery worked as a corporate attorney for Robinson Bradshaw & Hinson, P.A. Mr. Dockery earned a bachelor of arts from Davidson College and a juris doctor from Yale Law School.

Michael Miller will serve as a senior origination professional of our investment advisor. Mr. Miller has over 21 years of leveraged finance and corporate lending and origination experience. Prior to joining Fidus Partners, LLC, an investment banking firm, in 2010, Mr. Miller served in various capacities, including managing director and head of business development, at Allied Capital Corporation from 2005 until 2010. Prior to joining Allied Capital Corporation, Mr. Miller spent more than 16 years with JPMorgan Chase and its predecessors where he worked in their middle-market leveraged finance, asset based and corporate lending groups. Mr. Miller earned his bachelor of science in industrial and labor relations from Cornell University and his master of business administration from The Stern School at New York University.

Portfolio Management

Each investment opportunity requires the approval of five of the seven members of the investment committee responsible for advising us, or four of the five members of the investment committee for Fidus Mezzanine Capital, L.P., and generally receives the unanimous approval of the investment committee. Follow-on investments in existing portfolio companies will require the investment committee's approval in addition to what was obtained when the initial investment in the company was made. In addition, temporary investments, such as those in cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less, may require approval by the appropriate investment committee. The day-to-day management of investments approved by the investment committees will be overseen by the members of the investment committee. Biographical information with respect to the members of the investment committee is set out under "— Biographical Information" and "— Investment Committee."

Each of our investment committee members has ownership and financial interests in, and may receive compensation and/or profit distributions from, our investment advisor. None of the members of the investment committee receive any direct compensation from us. The following table shows the dollar range of our common stock to be beneficially owned by each member of our investment advisor's investment committees upon consummation of this offering based on the anticipated $15.00 initial public offering price:

Portfolio Managers of Our Investment Advisor	Dollar Range of Equity Securities in Fidus Investment Corporation(1)(2)
Edward H. Ross	$500,001-$1,000,000
John J. Ross, II	$500,001-$1,000,000
B. Bragg Comer, III	$100,001-$500,000
Thomas C. Lauer	$100,001-$500,000
Paul E. Tierney, Jr.	Over $1,000,000
John H. Grigg	$100,001-$500,000
W. Andrew Worth	$100,001-$500,000

(1) Dollar ranges are as follows: None, $1-$10,000, $10,001-$50,000, $50,001-$100,000, $100,001-$500,000, $500,001-$1,000,000 or Over $1,000,000.

(2) Amounts reflect shares acquired in the Formation Transactions, but exclude any shares that may be purchased in the directed share program. See "Underwriting — Directed Share Program."

MANAGEMENT AND OTHER AGREEMENTS

Our investment advisor is located at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201. Our investment advisor will be registered as an investment adviser under the Advisers Act. Subject to the overall supervision of our board of directors and in accordance with the 1940 Act, our investment advisor will manage our day-to-day operations and provide investment advisory services to us. Under the terms of the Investment Advisory Agreement, our investment advisor will:

- determine the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- assist us in determining what securities we purchase, retain or sell;
- identify, evaluate and negotiate the structure of the investments we make (including performing due diligence on our prospective portfolio companies); and
- execute, close, service and monitor the investments we make.

Investment Advisory Agreement

Management Fee

Pursuant to the Investment Advisory Agreement with our investment advisor and subject to the overall supervision of our board of directors, our investment advisor provides investment advisory services to us. For providing these services, our investment advisor receives a fee from us, consisting of two components — a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1.75% based on the average value of our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts) at the end of the two most recently completed calendar quarters. The base management fee is payable quarterly in arrears.

The incentive fee has two parts. One part is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the quarter. 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 and consulting fees or other fees that we receive from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee and any organizing and offering costs). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as market discount, debt instruments with payment-in-kind interest, preferred stock with payment-in-kind dividends and zero-coupon securities), accrued income that we have not yet received in cash. Our investment advisor is not under any obligation to reimburse us for any part of the incentive fee it receives that was based on accrued interest that we never actually receive.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that we may pay an incentive fee in a quarter where we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate (as defined below) for a quarter, we will pay the applicable incentive fee even if we have incurred a loss in that quarter due to realized and unrealized capital losses.

Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed “hurdle rate” of 2.0% per quarter. If market interest rates rise, we may be able to invest our funds in debt instruments that provide for a higher return, which would increase our pre-incentive fee net investment income and make it easier for our investment advisor to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income. Our pre-incentive fee net investment income used to calculate this part of the incentive fee

is also included in the amount of our total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts) used to calculate the 1.75% base management fee.

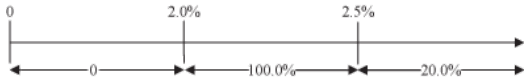
We pay our investment advisor an incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee in any calendar quarter in which the pre-incentive fee net investment income does not exceed the hurdle rate of 2.0%;
- 100.0% of our pre-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 2.5% in any calendar quarter. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.5%) as the "catch-up" provision. The catch-up is meant to provide our investment advisor with 20.0% of the pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeds 2.5% in any calendar quarter; and
- 20.0% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.5% in any calendar quarter.

The following is a graphical representation of the calculation of the income-related portion of the incentive fee:

Quarterly Incentive Fee Based on Net Investment Income

Pre-incentive fee net investment income (expressed as a percentage of the value of net assets)



Percentage of pre-incentive fee net investment income allocated to income-related portion of incentive fee

These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The second part of the incentive fee is a capital gains incentive fee that is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 20.0% of our net realized capital gains as of the end of the fiscal year. In determining the capital gains incentive fee payable to our investment advisor, we calculate the cumulative aggregate realized capital gains and cumulative aggregate realized capital losses since our inception, and the aggregate unrealized capital depreciation as of the date of the calculation, as applicable, with respect to each of the investments in our portfolio. For this purpose, cumulative aggregate realized capital gains, if any, equal the sum of the differences between the net sales price of each investment, when sold, and the original cost of such investment. Cumulative aggregate realized capital losses equals the sum of the amounts by which the net sales price of each investment, when sold, is less than the original cost of such investment. Aggregate unrealized capital depreciation equals the sum of the difference, if negative, between the valuation of each investment as of the applicable calculation date and the original cost of such investment. At the end of the applicable year, the amount of capital gains that serves as the basis for our calculation of the capital gains incentive fee equals the cumulative aggregate realized capital gains less cumulative aggregate realized capital losses, less aggregate unrealized capital depreciation, with respect to our portfolio of investments. If this number is positive at the end of such year, then the capital gains incentive fee for such year equals 20.0% of such amount, less the aggregate amount of any capital gains incentive fees paid in respect of our portfolio in all prior years.

Examples of Quarterly Incentive Fee Calculation

Example 1: Income Related Portion of Incentive Fee

Alternative 1

Assumptions

Investment income (including interest, dividends, fees, etc.) = 1.25%
Hurdle rate[1] = 2.0%
Management fee[2] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[3] = 0.2%
Pre-incentive fee net investment income
(investment income – (management fee + other expenses)) = 0.6125%

Pre-incentive fee net investment income does not exceed hurdle rate, therefore there is no income-related incentive fee.

Alternative 2

Assumptions

Investment income (including interest, dividends, fees, etc.) = 2.9%
Hurdle rate[1] = 2.0%
Management fee[2] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[3] = 0.2%
Pre-incentive fee net investment income
(investment income – (management fee + other expenses)) = 2.2625%

Incentive fee = 100.0% × pre-incentive fee net investment income (subject to "catch-up")[4]
= 100.0% × (2.2625% – 2.0%)
= 0.2625%

Pre-incentive fee net investment income exceeds the hurdle rate, but does not fully satisfy the "catch-up" provision, therefore the income related portion of the incentive fee is 0.2625%.

Alternative 3

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.5%
Hurdle rate[1] = 2.0%
Management fee[2] = 0.4375%
Other expenses (legal, accounting, custodian, transfer agent, etc.)[3] = 0.2%
Pre-incentive fee net investment income
(investment income – (management fee + other expenses)) = 2.8625%
Incentive fee = 100.0% × pre-incentive fee net investment income (subject to "catch-up")[4]
Incentive fee = 100.0% × "catch-up" + (20.0% × (pre-incentive fee net investment income – 2.5%))

"Catch-up" = 2.5% – 2.0%
= 0.5%

Incentive fee = (100.0% × 0.5%) + (20.0% × (2.8625% – 2.5%))
= 0.5% + (20.0% × 0.3625%)
= 0.5% + 0.0725%
= 0.575%

Pre-incentive fee net investment income exceeds the hurdle rate, and fully satisfies the "catch-up" provision, therefore the income related portion of the incentive fee is 0.575%.

(1) Represents 8.0% annualized hurdle rate.

(2) Represents 1.75% annualized base management fee.

(3) Excludes organizational and offering expenses.

(4) The "catch-up" provision is intended to provide our investment advisor with an incentive fee of 20.0% on all pre-incentive fee net investment income as if a hurdle rate did not apply when our net investment income exceeds 2.5% in any fiscal quarter.

Example 2: Capital Gains Portion of Incentive Fee(*):

Alternative 1:

Assumptions

Year 1: $5.0 million investment made in Company A ("Investment A"), and $7.5 million investment made in Company B ("Investment B")

Year 2: Investment A sold for $12.5 million and fair market value ("FMV") of Investment B determined to be $8.0 million

Year 3: FMV of Investment B determined to be $6.25 million

Year 4: Investment B sold for $7.75 million

The capital gains portion of the incentive fee would be:

Year 1: None

Year 2: Capital gains incentive fee of $1.5 million — ($7.5 million realized capital gains on sale of Investment A multiplied by 20.0%)

Year 3: None — $1.25 million (20.0% multiplied by ($7.5 million cumulative capital gains less $1.25 million cumulative capital depreciation)) less $1.5 million (previous capital gains fee paid in Year 2)

Year 4: Capital gains incentive fee of $50,000 — $1.55 million ($7.75 million cumulative realized capital gains multiplied by 20.0%) less $1.5 million (capital gains incentive fee taken in Year 2)

Alternative 2

Assumptions

Year 1: $4.0 million investment made in Company A ("Investment A"), $7.5 million investment made in Company B ("Investment B") and $6.25 million investment made in Company C ("Investment C")

Year 2: Investment A sold for $12.5 million, FMV of Investment B determined to be $6.25 million and FMV of Investment C determined to be $6.25 million

Year 3: FMV of Investment B determined to be $6.75 million and Investment C sold for $7.5 million

Year 4: FMV of Investment B determined to be $8.75 million

Year 5: Investment B sold for $5.0 million

The capital gains incentive fee, if any, would be:

Year 1: None

Year 2: $1.45 million capital gains incentive fee — 20.0% multiplied by $7.25 million ($8.5 million realized capital gains on Investment A less $1.25 million unrealized capital depreciation on Investment B)

Year 3: $0.35 million capital gains incentive fee[(1)] — $1.8 million (20.0% multiplied by $9.0 million ($9.75 million cumulative realized capital gains less $0.75 million unrealized capital depreciation)) less $1.45 million capital gains incentive fee received in Year 2

Year 4: None

Year 5: None — $1.45 million (20.0% multiplied by $7.25 million (cumulative realized capital gains of $9.75 million less realized capital losses of $2.5 million)) is less than $1.8 million cumulative capital gains incentive fee paid in Year 2 and Year 3[(2)]

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* The hypothetical amounts of returns shown are based on a percentage of our total net assets and assume no leverage. There is no guarantee that positive returns will be realized and actual returns may vary from those shown in this example.

(1) As illustrated in Year 3 of Alternative 2 above, if we were to be wound up on a date other than our fiscal year end of any year, we may have paid aggregate capital gains incentive fees that are more than the amount of such fees that would be payable if we had been wound up on our fiscal year end of such year.

(2) As noted above, it is possible that the cumulative aggregate capital gains fee received by our investment advisor ($1.8 million) is effectively greater than $1.45 million (20.0% of cumulative aggregate realized capital gains less net realized capital losses or net unrealized depreciation ($7.25 million)).

Payment of Our Expenses

All investment professionals of our investment advisor and/or its affiliates, when and to the extent engaged in providing investment advisory and management services to us, and the compensation and routine overhead expenses of personnel allocable to these services to us, will be provided and paid for by our investment advisor and not by us. We will bear all other out-of-pocket costs and expenses of our operations and transactions, including, without limitation, those relating to:

- organization;
- calculating our net asset value (including the cost and expenses of any independent valuation firm);
- fees and expenses incurred by our investment advisor under the Investment Advisory Agreement or payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for us and in monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt, if any, incurred to finance our investments;
- offerings of our common stock and other securities;
- investment advisory fees and management fees;
- administration fees and expenses, if any, payable under the Administration Agreement (including payments under the Administration Agreement between us and our investment advisor based upon our allocable portion of our investment advisor's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our officers, including a chief compliance officer, chief financial officer, if any, and their respective staffs);
- transfer agent, dividend agent and custodial fees and expenses;
- federal and state registration fees;
- all costs of registration and listing our shares on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC or other regulators including printing costs;
- costs of any reports, proxy statements or other notices to stockholders, including printing and mailing costs;

- our allocable portion of any 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;
- proxy voting expenses; and
- all other expenses reasonably incurred by us or our investment advisor in connection with administering our business.

Duration and Termination

Unless terminated earlier as described below, the Investment Advisory Agreement will continue in effect for a period of two years from its effective date. It will remain in effect from year to year thereafter if approved annually by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, and, in either case, if also approved by a majority of our directors who are not "interested persons." The Investment Advisory Agreement automatically terminates in the event of its assignment, as defined in the 1940 Act, by our investment advisor and may be terminated by either party without penalty upon not less than 60 days' written notice to the other. The holders of a majority of our outstanding voting securities may also terminate the Investment Advisory Agreement without penalty. See "Risk Factors — Risks Relating to our Business and Structure — We will be dependent upon our investment advisor's managing members and our executive officers for our future success. If our investment advisor were to lose any of its managing members or we lose any of our executive officers, our ability to achieve our investment objective could be significantly harmed."

Indemnification

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our investment advisor and its and its affiliates' respective officers, directors, members, managers, partners, stockholders and employees are entitled to indemnification from us from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Investment Advisory Agreement.

Administration Agreement

Pursuant to an Administration Agreement, Fidus Investment Advisors, LLC will act as our administrator and will furnish us with office facilities and equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, our investment advisor will perform, or oversee the performance of, our required administrative services, which include being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, our investment advisor will assist us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, our investment advisor will also provide managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance. Payments under the Administration Agreement will be equal to an amount based upon our allocable portion (subject to the review and approval of our board of directors) of our investment advisor's overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our officers, including our chief financial officer and chief compliance officer and their respective staffs. The Administration Agreement will have an initial term of two years and may be renewed with the approval of our board of directors or by a vote of the holders of a majority of our outstanding voting securities, and, in either case, if also approved by a majority of our directors who are not "interested persons." The Administration Agreement may be terminated by either party without penalty upon 60 days' written

notice to the other party. The holders of a majority of our outstanding voting securities may also terminate the Administration Agreement without penalty. To the extent that our investment advisor outsources any of its functions we will pay the fees associated with such functions on a direct basis without profit to our investment advisor.

Indemnification

The Administration Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our investment advisor and its and its affiliates' respective officers, directors, members, managers, stockholders and employees are entitled to indemnification from us from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Administration Agreement.

License Agreement

We intend to enter into a license agreement with Fidus Partners, LLC under which Fidus Partners, LLC will grant us a non-exclusive (provided that there is not a change in control of Fidus Partners, LLC), royalty-free license to use the name "Fidus." Under this agreement, we will have a right to use the "Fidus" name for so long as our investment advisor remains our investment advisor. Other than with respect to this limited license, we will have no legal right to the "Fidus" name. This license agreement will remain in effect for so long as our investment advisor remains our investment advisor.

RELATED-PARTY TRANSACTIONS AND CERTAIN RELATIONSHIPS

Immediately prior to our election to be treated as a business development company under the 1940 Act and the closing of this offering, we will acquire Fidus Mezzanine Capital, L.P. through the merger of Fidus Mezzanine Capital, L.P. with our wholly-owned subsidiary and, as a result, we will acquire 100.0% of the limited partnership interests in Fidus Mezzanine Capital, L.P. In addition, we will acquire Fidus Mezzanine Capital GP, LLC, Fidus Mezzanine Capital, L.P.'s general partner, through a merger of Fidus Mezzanine Capital GP, LLC with and into our wholly-owned subsidiary and, as a result, we will acquire 100.0% of the general partnership interests in Fidus Mezzanine Capital, L.P. Fidus Mezzanine Capital GP, LLC's partnership interest in Fidus Mezzanine Capital, L.P. will be converted into shares of our common stock on the same terms as the partnership interests held by the limited partners. The members of Fidus Mezzanine Capital GP, LLC will each receive a pro rata portion of these shares of our common stock in exchange for their interest in Fidus Mezzanine Capital GP, LLC.

The members of Fidus Mezzanine Capital GP, LLC, including Messrs. E. Ross, J. Ross, Comer, Tierney, Grigg, Dockery and Imbrogno, currently control Fidus Mezzanine Capital GP, LLC and, through their control of Fidus Mezzanine Capital GP, LLC, Fidus Mezzanine Capital, L.P. Mr. E. Ross will be the chairman of our board of directors and the chairman of our investment advisor's investment committees. In addition to Mr. E. Ross, Messrs. J. Ross, Comer, Tierney, Grigg, Dockery and Imbrogno are investment professionals of our investment advisor. As a result, the amount of consideration to be received by the limited partners of Fidus Mezzanine Capital, L.P. and the members of Fidus Mezzanine Capital GP, LLC in the formation transactions has not been determined through arm's-length negotiations. However, our board of directors, which will consist of a majority of non-interested directors prior to the consummation of the formation transactions, will approve the consideration to be received in the formation transactions and all other related party transactions that have not been determined through arm's-length negotiations.

In addition, upon the consummation of the formation transactions, certain of the members of Fidus Mezzanine Capital GP, LLC will become members of our investment advisor and will each receive a portion of the profits of our investment advisor. The members of Fidus Mezzanine Capital GP, LLC will receive a preference in the payment of the profits of our investment advisor, such that they will receive at least 50.0% of the annual net profits of our investment advisor, until such time as they receive, in the aggregate, $11.0 million, and the members of our investment advisor, which will also include the members of Fidus Mezzanine Capital GP, LLC, will receive the remaining net profits. Upon payment of such preference, the members of Fidus Mezzanine Capital GP, LLC, which also includes certain of the members of our investment advisor, will receive 20.0% of the annual net profits of our investment advisor, and the members of our investment advisor, which will also include the members of Fidus Mezzanine Capital GP, LLC, will receive the remaining net profits.

Concurrently with the closing of this offering, Fidus Mezzanine Capital, L.P. will terminate its investment advisory agreement with Fidus Capital, LLC and we will enter into the Investment Advisory Agreement with Fidus Investment Advisors, LLC. The investment professionals of Fidus Capital, LLC are also the investment professionals of Fidus Investment Advisors, LLC, our investment advisor.

Investment Advisory Agreement

We have entered into the Investment Advisory Agreement with our investment advisor and will pay our investment advisor a management fee and incentive fee. The incentive fee will be computed and paid on income that we may not have yet received in cash. This fee structure may create an incentive for our investment advisor to invest in certain types of securities that may have a high degree of risk. Additionally, we rely on investment professionals from our investment advisor to assist our board of directors with the valuation of our portfolio investments. Our investment advisor's management fee and incentive fee are based on the value of our investments and there may be a conflict of interest when personnel of our investment advisor are involved in the valuation process for our portfolio investments.

Administration Agreement

Pursuant to the Administration Agreement, our investment advisor will furnish us with office facilities and equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, our investment advisor will perform, or oversee the performance of, our required

administrative services, which include being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, our investment advisor will assist us in determining and publishing our net asset value, oversee the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversee the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, our investment advisor will also provide managerial assistance on our behalf to those portfolio companies that have accepted our offer to provide such assistance. Payments under the Administration Agreement will be equal to an amount based upon our allocable portion (subject to the review and approval of our board of directors) of our investment advisor's overhead in performing its obligations under the Administration Agreement, including rent and our allocable portion of the cost of our officers, including our chief financial officer and chief compliance officer and their respective staffs.

Conflicts of Interests

Our investment advisor may in the future manage investment vehicles with similar or overlapping investment strategies and will put in place a conflict-resolution policy that addresses the co-investment restrictions set forth under the 1940 Act and the allocation of investment opportunities. The 1940 Act generally prohibits us from making certain negotiated co-investments with affiliates unless we first obtain an order from the SEC permitting us to do so. Where co-investments can be made, or where an investment opportunity becomes available to one investment vehicle managed by our investment advisor, then an equitable allocation must be made with respect to the investment.

Our investment advisor will seek to ensure the equitable allocation of investment opportunities when we are able to invest alongside other accounts managed by our investment advisor. When we invest alongside such other accounts as permitted, such investments will be made consistent with our investment advisor's allocation policy. Under this allocation policy, a fixed percentage of each opportunity, which may vary based on asset class and from time to time, will be offered to us and similar eligible accounts, as periodically determined by our investment advisor and approved by our board of directors, including our independent directors. The allocation policy will provide that allocations among us and other accounts will generally be made pro rata based on each account's capital available for investment, as determined, in our case, by our board of directors, including our independent directors. It will be our policy to base our determinations as to the amount of capital available for investment based on such factors as the amount of cash on hand, existing commitments and reserves, if any, the targeted leverage level, the targeted asset mix and diversification requirements and other investment policies and restrictions set by our board of directors, or imposed by applicable laws, rules, regulations or interpretations. We expect that these determinations will be made similarly for other accounts.

In situations where co-investment with other entities managed by our investment advisor is not permitted or appropriate, such as when there is an opportunity to invest in different securities of the same issuer, our investment advisor will need to decide whether we or such other entity or entities will proceed with the investment. Our investment advisor will make these determinations based on an allocation policy that will generally require that such opportunities be offered to eligible accounts on a basis that will be fair and equitable over time, including, for example, through random or rotational methods.

In addition, certain members of our investment advisor and its investment committees are also members of Fidus Partners, LLC, an investment banking firm. Fidus Partners, LLC may in the future serve as an advisor to our portfolio companies and we may invest in companies that Fidus Partners, LLC is advising. Fidus Partners, LLC may receive fees in connection with these advisory services, subject to regulatory restrictions imposed by the 1940 Act.

CONTROL PERSONS AND PRINCIPAL STOCKHOLDERS

After this offering, no person will be deemed to control us, as such term is defined in the 1940 Act. The following table sets forth information with respect to the beneficial ownership of our common stock after the consummation of the formation transactions and this offering (but excluding any shares of our common stock that may be purchased in the offering by any person listed below) by:

- each person known to us to beneficially own more than 5.0% of the outstanding shares of our common stock;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the federal securities laws and includes voting or investment power with respect to the securities. Percentage of beneficial ownership is based on 8,723,188 shares of our common stock outstanding at the time of the consummation of the formation transactions and this offering.

	Shares Beneficially Owned Immediately After the Formation Transactions and This Offering	
Name and Address(4)	Number(1)(2)	Percentage(3)
Pinebridge Secondary Partners II Holdings, L.P.(5)	1,162,854	13.3%
Interested Directors:		
Edward H. Ross	52,021	0.6%
Thomas C. Lauer	18,207	0.2%
Independent Directors:		
Wayne F. Robinson	—	—
Charles D. Hyman	13,005	0.1%
Charles G. Phillips	—	—
Executive Officers Who Are Not Directors:		
Cary L. Schaefer	5,202	*
All officers and directors as a group (6 persons)	88,435	1.0%

* Represents less than 0.1%.

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 of the Exchange Act.

(2) Excludes any shares that may be purchased in the directed share program. See “Underwriting — Directed Share Program.”

(3) Based on a total of 8,723,188 shares of our common stock issued and outstanding as of the closing of this offering.

(4) The address for each of our officers and directors is c/o Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.

(5) The address for Pinebridge Secondary Partners II Holdings, L.P. is 399 Park Avenue, 4th Floor, New York, New York 10022. We have been advised that Pinebridge Secondary Partners II Holdings, L.P. owns all shares both of record and beneficially.

The following table sets out the dollar range of our equity securities beneficially owned by each of our directors. We are not part of a "family of investment companies," as that term is defined in the 1940 Act.

Name of Director	Dollar Range of Equity Securities in Fidus Investment Corporation(1)
Interested Directors:	
Edward H. Ross	Over $100,000
Thomas C. Lauer	Over $100,000
Independent Directors:	
Wayne F. Robinson	None
Charles D. Hyman	Over $100,000
Charles G. Phillips	None

(1) Dollar ranges are as follows: None, $1 – $10,000, $10,001 $50,000, $50,001 – $100,000, or over $100,000.

DIVIDEND REINVESTMENT PLAN

We have adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, unless a stockholder elects to receive cash as provided below. As a result, if our board of directors authorizes, and we declare, a cash dividend or other distribution, then our stockholders who have not "opted out" of our dividend reinvestment plan will have their cash distribution automatically reinvested in additional shares of our common stock, rather than receiving the cash distribution.

No action is required on the part of a registered stockholder to have their cash dividend or other distribution reinvested in shares of our common stock. A registered stockholder may elect to receive an entire distribution in cash by notifying American Stock Transfer & Trust, LLC, the plan administrator and our transfer agent and registrar, in writing so that such notice is received by the plan administrator no later than three days prior to the payment date for distributions to stockholders. The plan administrator will set up an account for shares acquired through the plan for each stockholder who has not elected to receive dividends or other distributions in cash and hold such shares in non-certificated form. Upon request by a stockholder participating in the plan, received in writing not less than three days prior to the payment date, the plan administrator will, instead of crediting shares to and/or carrying shares in the participant's account, issue a certificate registered in the participant's name for the number of whole shares of our common stock and a check for any fractional share.

Those stockholders whose shares are held by a broker or other financial intermediary may receive dividends and other distributions in cash by notifying their broker or other financial intermediary of their election.

We intend to use primarily newly issued shares to implement the plan, so long as our shares are trading at or above net asset value. If our shares are trading below net asset value, we intend to purchase shares in the open market in connection with our implementation of the plan. The number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of our common stock at the close of regular trading on The Nasdaq Global Market on the valuation date fixed for such distribution. Market price per share on that date will be the closing price for such shares on The Nasdaq Global Market or, if no sale is reported for such day, at the average of their reported bid and asked prices. The number of shares of our common stock to be outstanding after giving effect to payment of the dividend or other distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of our stockholders have been tabulated.

There will be no brokerage charges or other charges to stockholders who participate in the plan. The plan administrator's fees will be paid by us. If a participant elects by written notice to the plan administrator to have the plan administrator sell part or all of the shares held by the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a $15.00 transaction fee plus a $0.10 per share brokerage commissions from the proceeds.

Stockholders who receive dividends and other distributions in the form of stock are subject to the same U.S. federal, state and local tax consequences as are stockholders who elect to receive their distributions in cash; however, since their cash dividends will be reinvested, such stockholders will not receive cash with which to pay any applicable taxes on reinvested dividends. A stockholder's basis for determining gain or loss upon the sale of stock received in a dividend or other distribution from us will be equal to the total dollar amount of the distribution payable to the stockholder. Any stock received in a dividend or other distribution will have a new holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. stockholder's account.

Participants may terminate their accounts under the plan by notifying the plan administrator via its website at www.amstock.com or by filling out the transaction request form located at bottom of their statement and sending it to the plan administrator.

The plan may be terminated by us upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any dividend by us. All correspondence concerning the plan should be

directed to the plan administrator by mail at Post Office Box 922, Wall Street Station, New York, New York 10269-0560, or by the Plan Administrator's Interactive Voice Response System at 1-877-573-4005.

If you withdraw or the plan is terminated, you will receive the number of whole shares in your account under the plan and a cash payment for any fraction of a share in your account.

If you hold your common stock with a brokerage firm that does not participate in the plan, you will not be able to participate in the plan, and any dividend reinvestment may be effected on different terms than those described above. Consult your financial advisor for more information.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of the material U.S. federal income tax considerations applicable to us and to an investment in our shares of common stock. This summary does not purport to be a complete description of the income tax considerations applicable to such an investment. For example, we have not described certain considerations that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, pension plans and trusts, financial institutions, U.S. stockholders (as defined below) whose functional currency is not the U.S. dollar, persons who mark-to-market shares of our common stock and persons who hold our shares as part of a "straddle," "hedge" or "conversion" transaction. This summary assumes that investors hold our common stock as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations and administrative and judicial interpretations, each as of the date of this prospectus and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. We have not sought and will not seek any ruling from the Internal Revenue Service, or the IRS, regarding this offering. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

For purposes of this discussion, a "U.S. stockholder" means a beneficial owner of shares of our common stock that is for U.S. federal income tax purposes:

- a citizen or individual 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;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if either a U.S. court can exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or the trust was in existence on August 20, 1996, was treated as a U.S. person prior to that date and has made a valid election to be treated as a U.S. person.

For purposes of this discussion, a "Non-U.S. stockholder" means a beneficial owner of shares of our common stock that is not a U.S. stockholder.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds shares of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective investor that is a partner in a partnership that will hold shares of our common stock should consult its tax advisors with respect to the purchase, ownership and disposition of shares of our common stock.

Tax matters are very complicated and the tax consequences to an investor of an investment in our shares of common stock will depend on the facts of his, her or its particular situation. We urge investors to consult their own tax advisors regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U.S. federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty, and the effect of any possible changes in the tax laws.

Election to Be Taxed as a RIC

As a business development company, we intend to elect to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally will not have to pay corporate-level federal income taxes on any ordinary income or capital gains that we timely distribute to our stockholders as dividends. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, we must distribute to our stockholders, for each taxable year, at least 90.0% of our "investment company taxable income," which is generally our net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses (the "Annual Distribution Requirement").

Taxation as a RIC

If we:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement;

then we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain, defined as net long-term capital gains in excess of net short-term capital losses, we distribute to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any net income or net capital gain not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4.0% nondeductible federal excise tax on our undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (a) 98.0% of our ordinary income for each calendar year, (b) 98.2% of our capital gain net income (both long-term and short-term) for the one-year period ending October 31 in that calendar year and (c) any income realized, but not distributed, in the preceding year (the "Excise Tax Avoidance Requirement"). For this purpose, however, any ordinary income or capital gain net income retained by us that is subject to corporate income tax for the tax year ending in that calendar year will be considered to have been distributed by year end. We currently intend to make sufficient distributions each taxable year to satisfy the Excise Tax Avoidance Requirement.

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- elect to be treated as a RIC;
- meet the Annual Distribution Requirement;
- qualify to be treated as a business development company under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90.0% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities, or other income derived with respect to our business of investing in such stock or securities, and net income derived from interests in "qualified publicly-traded partnerships" (partnerships that are traded on an established securities market or tradable on a secondary market, other than partnerships that derive 90.0% of their income from interest, dividends and other permitted RIC income) (the "90% Income Test"); and
- diversify our holdings so that at the end of each quarter of the taxable year:
  - at least 50.0% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs and other securities if such other securities of any one issuer do not represent more than 5.0% of the value of our assets or more than 10.0% of the outstanding voting securities of the issuer (which for these purposes includes the equity securities of a "qualified publicly-traded partnership"); and
  - no more than 25.0% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer or of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or in the securities of one or more qualified publicly-traded partnerships (the "Diversification Tests").

To the extent that we invest in entities treated as partnerships for U.S. federal income tax purposes (other than a "qualified publicly-traded partnership"), we generally must include our allocable share of the items of gross income derived by the partnerships for purposes of the 90% Income Test, and such gross income that is derived from a partnership (other than a "qualified publicly-traded partnership") will be treated as qualifying income for purposes of the 90% Income Test only to the extent that such income is attributable to items of income of the partnership that would be qualifying income if realized by us directly. In addition, we generally must take into account our proportionate share of the assets held by partnerships (other than a "qualified publicly-traded partnership") in which we are a partner for purposes of the Diversification Tests.

In order to meet the 90% Income Test, we may establish one or more special purpose corporations to hold assets from which we do not anticipate earning dividend, interest or other qualifying income under the 90% Income Test. Any investments held through a special purpose corporation would generally be subject to U.S. federal income taxes and other taxes, and therefore would be expected to achieve a reduced after-tax yield.

We may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with payment-in-kind interest or, in certain cases, increasing interest rates or issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in our income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. We anticipate that a portion of its income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash.

Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the Annual Distribution Requirement. We may have to sell some of our investments at times and/or at prices we do not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level federal income tax.

In addition, our taxable income will include the income of Fidus Mezzanine Capital, L.P. (and possibly other subsidiaries). Fidus Mezzanine Capital, L.P.'s ability to make distributions to us is limited by the Small Business Investment Act of 1958. As a result, in order to qualify and maintain our status as a RIC, we may be required to make distributions attributable to Fidus Mezzanine Capital, L.P.'s income without receiving cash distributions from it with respect to such income. We can make no assurances that Fidus Mezzanine Capital, L.P. will be able to make, or not be limited in making, distributions to us. If we are unable to satisfy the Annual Distribution Requirement, we may fail to qualify or maintain our RIC status, which would result in the imposition of corporate-level federal income tax on our entire taxable income without regard to any distributions made by us. We intend to retain a portion of the net proceeds of this offering to make cash distributions to enable us to meet the Annual Distribution Requirement.

Gain or loss realized by us from warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term, depending on how long we held a particular warrant.

Our investments in non-U.S. securities may be subject to non-U.S. income, withholding and other taxes. In that case, our yield on those securities would be decreased. Stockholders will generally not be entitled to claim a credit or deduction with respect to non-U.S. taxes paid by us.

If we purchase shares in a "passive foreign investment company," (a "PFIC"), we may be subject to U.S. federal income tax on a portion of any "excess distribution" or gain from the disposition of such shares even if such income is distributed as a taxable dividend by us to our stockholders. Additional charges in the nature of interest may be imposed on us in respect of deferred taxes arising from such distributions or gains. If we invest in a PFIC and elect to treat the PFIC as a "qualified electing fund" under the Code (a "QEF"), in lieu of the foregoing requirements, we will be required to include in income each year a portion of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed to us. Alternatively, we can elect to mark-to-market at the end of each taxable year our shares in a PFIC; in that case, we will recognize as ordinary income any increase in the value of such shares and as ordinary loss any decrease in such value to the extent it does not exceed prior increases included in income. Under either election, we may be required to recognize in a year income in excess of our distributions from PFICs and our proceeds from

dispositions of PFIC stock during that year, and such income will be taken into account for purposes of the Annual Distribution Requirement and the 4.0% federal excise tax.

Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (1) treat dividends that would otherwise constitute qualified dividend income as non-qualified dividend income, (2) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (3) convert lower-taxed long-term capital gain into higher-taxed short-term capital gain or ordinary income, (4) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (5) cause us to recognize income or gain without receipt of a corresponding distribution of cash, (6) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (7) adversely alter the characterization of certain complex financial transactions and (8) produce income that will not be qualifying income for purposes of the 90% Income Test. We intend to monitor our transactions and may make certain tax elections to mitigate the potential adverse effect of these provisions, but there can be no assurance that any adverse effects of these provisions will be mitigated.

Under Section 988 of the Code, gain or loss attributable to fluctuations in exchange rates between the time we accrue income, expenses or other liabilities denominated in a foreign currency and the time we actually collect such income or pay such expenses or liabilities is generally treated as ordinary income or loss. Similarly, gain or loss on foreign currency forward contracts and the disposition of debt denominated in a foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, is also treated as ordinary income or loss.

Although we do not expect to do so, we will be authorized to borrow funds and to sell assets in order to satisfy the Annual Distribution Requirement and avoid corporate-level U.S. federal income tax or the 4.0% federal excise tax. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain "asset coverage" tests are met. Moreover, our ability to dispose of assets to meet the Annual Distribution Requirement and avoid corporate-level U.S. federal income tax and the 4.0% federal excise tax may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or to avoid corporate-level U.S. federal income tax or the 4.0% federal excise tax, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

If we fail to satisfy the Annual Distribution Requirement or otherwise fail to qualify as a RIC in any taxable year, we will be subject to tax in that year on all of our taxable income, regardless of whether we make any distributions to our stockholders. In that case, all of such income will be subject to corporate-level U.S. federal income tax, reducing the amount available to be distributed to our stockholders. See "— Failure To Qualify as a RIC."

As a RIC, we will not be allowed to carry forward or carry back a net operating loss for purposes of computing our investment company taxable income in other taxable years. U.S. federal income tax law generally permits a RIC to carry forward (i) the excess of the RIC's net short-term capital loss over its net long-term capital gain for a given year as a short-term capital loss arising on the first day of the following year and (ii) the excess of the RIC's net long-term capital loss over its net short-term capital gain for a given year as a long-term capital loss arising on the first day of the following year.

As described above, to the extent that we invest in equity securities of entities that are treated as partnerships for U.S. federal income tax purposes, the effect of such investments for purposes of the 90% Income Test and the Diversification Tests will depend on whether or not the partnership is a "qualified publicly-traded partnership" (as defined in the Code). If the partnership is a "qualified publicly-traded partnership," the net income derived from such investments will be qualifying income for purposes of the 90% Income Test and will be "securities" for purposes of the Diversification Tests. If the partnership, however, is not treated as a "qualified publicly-traded partnership," then the consequences of an investment in the partnership will depend upon the amount and type of income and assets of the partnership allocable to us. The income derived from such investments may not be qualifying income for purposes of the 90% Income Test and, therefore, could adversely affect our qualification as a RIC. We intend to monitor our investments in

equity securities of entities that are treated as partnerships for U.S. federal income tax purposes to prevent our disqualification as a RIC.

Failure to Qualify as a RIC

If we were unable to qualify for treatment as a RIC, we would be subject to tax on all of our taxable income at regular corporate rates. We would not be able to deduct distributions to stockholders, nor would they be required to be made. Distributions, including distributions of net long-term capital gain, would generally be taxable to our stockholders as dividend income (at a maximum U.S. federal income tax rate of 15.0% (currently through 2012) in the case of U.S. individual stockholders) to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain. If we fail to qualify as a RIC for a period greater than two taxable years, to qualify as a RIC in a subsequent year we may be subject to regular corporate tax on any net built-in gains with respect to certain of our assets (*i.e.*, the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if we had been liquidated) that we elect to recognize on requalification or when recognized over the next ten years.

The remainder of this discussion assumes that we qualify as a RIC and have satisfied the Annual Distribution Requirement.

Taxation of U.S. Stockholders

Whether an investment in shares of our common stock is appropriate for a U.S. stockholder will depend upon that person's particular circumstances. An investment in shares of our common stock by a U.S. stockholder may have adverse tax consequences. The following summary generally describes certain U.S. federal income tax consequences of an investment in shares of our common stock by taxable U.S. stockholders and not by U.S. stockholders that are generally exempt from U.S. federal income taxation. U.S. stockholders should consult their own tax advisors before making an investment in our common stock.

Distributions by us generally are taxable to U.S. stockholders as ordinary income or capital gains. Distributions of our "investment company taxable income" (which is, generally, our net ordinary income plus net short-term capital gains in excess of net long-term capital losses) will be taxable as ordinary income to U.S. stockholders to the extent of our current or accumulated earnings and profits, whether paid in cash or reinvested in additional shares of our common stock. For the tax years beginning on or before December 31, 2012, to the extent such distributions paid by us to non-corporate stockholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations, such distributions generally will be eligible for a maximum U.S. federal income tax rate of 15.0% (currently through 2012). In this regard, it is anticipated that distributions paid by us will generally not be attributable to dividends and, therefore, generally will not qualify for the preferential U.S. federal income tax rate. Distributions of our net capital gains (which is generally our realized net long-term capital gains in excess of realized net short-term capital losses) properly designated by us as "capital gain dividends" will be taxable to a U.S. stockholder as long-term capital gains (at a maximum U.S. federal income tax rate of 15.0% (currently through 2012) in the case of individuals, trusts or estates), regardless of the U.S. stockholder's holding period for his, her or its common stock and regardless of whether paid in cash or reinvested in additional common stock. Distributions in excess of our earnings and profits first will reduce a U.S. stockholder's adjusted tax basis in such stockholder's common stock and, after the adjusted basis is reduced to zero, will constitute capital gains to such U.S. stockholder. Stockholders receiving dividends or distributions in the form of additional shares of our common stock purchased in the market should be treated for U.S. federal income tax purposes as receiving a distribution in an amount equal to the amount of money that the stockholders receiving cash dividends or distributions will receive, and should have a cost basis in the shares received equal to such amount. Stockholders receiving dividends in newly issued shares of our common stock will be treated as receiving a distribution equal to the value of the shares received and should have a cost basis of such amount.

Although we currently intend to distribute any net long-term capital gains at least annually, we may in the future decide to retain some or all of our net long-term capital gains but designate the retained amount as a "deemed distribution." In that case, among other consequences, we will pay tax on the retained amount, each U.S. stockholder will be required to include their share of the deemed distribution in income as if it had been distributed to the U.S. stockholder and the U.S. stockholder will be entitled to claim a credit equal to their allocable share of the U.S. federal corporate income tax paid on the deemed distribution by us. The amount of the deemed distribution net of such tax will be added to the U.S. stockholder's tax basis for their common stock. Since we expect to pay U.S. federal corporate income tax on any retained capital gains at our regular U.S. federal corporate income tax rate, and since that rate is in excess of the maximum U.S. federal income tax rate currently payable by individuals on long-term capital gains, the amount of U.S. federal corporate income tax that individual stockholders will be treated as having paid and for which they will receive a credit will exceed the U.S. federal income tax they owe on the retained net capital gain. Such excess generally may be claimed as a credit against the U.S. stockholder's other U.S. federal income tax obligations or may be refunded to the extent it exceeds a stockholder's liability for U.S. federal income tax. A stockholder that is not subject to U.S. federal income tax or otherwise required to file a U.S. federal income tax return would be required to file a U.S. federal income tax return on the appropriate form in order to claim a refund for the taxes we paid. In order to utilize the deemed distribution approach, we must provide written notice to our stockholders prior to the expiration of 60 days after the close of the relevant taxable year. We cannot treat any of our investment company taxable income as a "deemed distribution."

For purposes of determining (a) whether the Annual Distribution Requirement is satisfied for any year and (b) the amount of capital gain dividends paid for that year, we may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If we make such an election, the U.S. stockholder will still be treated as receiving the dividend in the taxable year in which the distribution is made. However, any dividend declared by us in October, November or December of any calendar year, payable to stockholders of record on a specified date in such a month and actually paid during January of the following year, will be treated as if it had been received by our U.S. stockholders on December 31 of the year in which the dividend was declared.

We will have the ability to declare a large portion of a distribution in shares of our common stock to satisfy the Annual Distribution Requirement. If a portion of such distribution is paid in cash (which portion may be as low as 10.0% for dividends declared on or before December 31, 2012 with respect to our taxable years ending on or before December 31, 2011) and certain requirements are met, the entire distribution to the extent of our current and accumulated earnings and profits will be treated as a dividend for U.S. federal income tax purposes. As a result, U.S. stockholders will be taxed on the distribution as if the entire distribution was cash distribution, even though most of the distribution was paid in shares of our common stock.

If an investor purchases shares of our common stock shortly before the record date of a distribution, the price of the shares of our common stock will include the value of the distribution and the investor will be subject to tax on the distribution even though it represents a return of their investment.

A U.S. stockholder generally will recognize taxable gain or loss if the stockholder sells or otherwise disposes of their shares of our common stock. Any gain arising from such sale or disposition generally will be treated as long-term capital gain or loss if the stockholder has held their shares of common stock for more than one year. Otherwise, it would be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of shares of our common stock held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such shares. In addition, all or a portion of any loss recognized upon a disposition of shares of our common stock may be disallowed if other shares of our common stock are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition. In such a case, the basis of the common stock acquired will be increased to reflect the disallowed loss.

In general, individual U.S. stockholders are subject to a maximum U.S. federal income tax rate of 15.0% (currently through 2012) on their net capital gain, *i.e.*, the excess of realized net long-term capital gain over realized net short-term capital loss for a taxable year, including a long-term capital gain derived from an investment in our shares of common stock. Such rate is lower than the maximum rate on ordinary income currently payable by individuals. In addition, for taxable years beginning after December 31, 2012, individuals with modified adjusted gross income in excess of $200,000 ($250,000 in the case of married individuals filing jointly) and certain estates and trusts are subject to an additional 3.8% tax on their "net investment income," which generally includes net income from interest, dividends, annuities, royalties, and rents, and net capital gains (other than certain amounts earned from trades or businesses). Corporate U.S. stockholders currently are subject to U.S. federal income tax on net capital gain at the maximum 35.0% rate also applied to ordinary income. Non-corporate stockholders with net capital losses for a year (*i.e.*, net capital losses in excess of net capital gains) generally may deduct up to $3,000 of such losses against their ordinary income each year; any net capital losses of a non-corporate stockholder in excess of $3,000 generally may be carried forward and used in subsequent years as provided in the Code. Corporate stockholders generally may not deduct any net capital losses for a year, but may carryback such losses for three years or carry forward such losses for five years.

We will send to each of our U.S. stockholders, as promptly as possible after the end of each calendar year, a notice detailing, on a per share and per distribution basis, the amounts includible in such U.S. stockholder's taxable income for such year as ordinary income and as long-term capital gain. In addition, the U.S. federal tax status of each year's distributions generally will be reported to the IRS. Distributions may also be subject to additional state, local and foreign taxes depending on a U.S. stockholder's particular situation. Dividends distributed by us generally will not be eligible for the dividends-received deduction or the lower tax rates applicable to certain qualified dividends.

We may be required to withhold U.S. federal income tax ("backup withholding") at a rate of 28.0% (currently through 2012) from all distributions to any non-corporate U.S. stockholder (a) who fails to furnish us with a correct taxpayer identification number or a certificate that such stockholder is exempt from backup withholding or (b) with respect to whom the IRS notifies us that such stockholder has failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect. An individual's taxpayer identification number is his or her social security number. Any amount withheld under backup withholding is allowed as a credit against the U.S. stockholder's federal income tax liability and may entitle such stockholder to a refund, provided that proper information is timely provided to the IRS.

If a U.S. stockholder recognizes a loss with respect to shares of our common stock of $2.0 million or more for an individual stockholder or $10.0 million or more for a corporate stockholder, the stockholder must file with the IRS a disclosure statement on Form 8886. Direct stockholders of portfolio securities are in many cases exempted from this reporting requirement, but under current guidance, stockholders of a RIC are not exempted. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. U.S. stockholders should consult their tax advisors to determine the applicability of these regulations in light of their specific circumstances.

Taxation of Non-U.S. Stockholders

Whether an investment in the shares of our common stock is appropriate for a Non-U.S. stockholder will depend upon that person's particular circumstances. An investment in the shares of our common stock by a Non-U.S. stockholder may have adverse tax consequences. Non-U.S. stockholders should consult their tax advisors before investing in our common stock.

Distributions of our "investment company taxable income" to Non-U.S. stockholders that are not "effectively connected" with a U.S. trade or business carried on by the Non-U.S. stockholder, will generally be subject to withholding of U.S. federal income tax at a rate of 30.0% (or lower rate provided by an applicable treaty) to the extent of our current and accumulated earnings and profits.

If the distributions are effectively connected with a U.S. trade or business of the Non-U.S. stockholder, or, if an income tax treaty applies, attributable to a permanent establishment in the United States, in which

case the distributions will be subject to U.S. federal income tax at the rates applicable to U.S. persons. In that case, we will not be required to withhold U.S. federal tax if the Non-U.S. stockholder complies with applicable certification and disclosure requirements. Special certification requirements apply to a Non-U.S. stockholder that is a foreign partnership or a foreign trust, and such entities are urged to consult their own tax advisors.

For taxable years beginning before January 1, 2012, properly designated dividends received by a Non-U.S. stockholder are generally exempt from U.S. federal withholding tax when they (a) are paid in respect of our "qualified net interest income" (generally, our U.S. source interest income, other than certain contingent interest and interest from obligations of a corporation or partnership in which we are at least a 10.0% stockholder, reduced by expenses that are allocable to such income), or (b) are paid in connection with our "qualified short-term capital gains" (generally, the excess of our net short-term capital gain over our long-term capital loss for such taxable year). Depending on the circumstances, we may designate all, some or none of our potentially eligible dividends as such qualified net interest income or as qualified short-term capital gains, or treat such dividends, in whole or in part, as ineligible for this exemption from withholding. In order to qualify for this exemption from withholding, a Non-U.S. stockholder must comply with applicable certification requirements relating to its non-U.S. status (including, in general, furnishing an IRS Form W-8BEN or an acceptable substitute or successor form). In the case of shares held through an intermediary, the intermediary could withhold even if we designate the payment as qualified net interest income or qualified short-term capital gain. Non-U.S. stockholders should contact their intermediaries with respect to the application of these rules to their accounts. It is unclear whether such exemption will be renewed for taxable years beginning after December 31, 2011.

Actual or deemed distributions of our net capital gains to a Non-U.S. stockholder, and gains realized by a Non-U.S. stockholder upon the sale of our common stock, will not be subject to U.S. federal withholding tax and generally will not be subject to U.S. federal income tax unless the distributions or gains, as the case may be, are effectively connected with a U.S. trade or business of the Non-U.S. stockholder and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the Non-U.S. stockholder in the United States or, in the case of an individual Non-U.S. stockholder, the stockholder is present in the United States for 183 days or more during the year of the sale or capital gain dividend and certain other conditions are met.

If we distribute our net capital gains in the form of deemed rather than actual distributions (which we may do in the future), a Non-U.S. stockholder will be entitled to a U.S. federal income tax credit or tax refund equal to the stockholder's allocable share of the tax we pay on the capital gains deemed to have been distributed. In order to obtain the refund, the Non-U.S. stockholder must obtain a U.S. taxpayer identification number and file a U.S. federal income tax return even if the Non-U.S. stockholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. federal income tax return. For a corporate Non-U.S. stockholder, distributions (both actual and deemed) and gains realized upon the sale of our common stock that are effectively connected with a U.S. trade or business may, under certain circumstances, be subject to an additional "branch profits tax" at a 30.0% rate (or at a lower rate if provided for by an applicable treaty). Accordingly, an investment in the shares of our common stock may not be appropriate for a Non-U.S. stockholder.

The tax consequences to a Non-U.S. stockholder entitled to claim the benefits of an applicable tax treaty may differ from those described herein. Non-U.S. stockholders are advised to consult their own tax advisers with respect to the particular tax consequences to them of an investment in shares of our common stock.

A Non-U.S. stockholder who is a non-resident alien individual, and who is otherwise subject to withholding of U.S. federal income tax, may be subject to information reporting and backup withholding of U.S. federal income tax on dividends unless the Non-U.S. stockholder provides us or the dividend paying agent with an IRS Form W-8BEN (or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a Non-U.S. stockholder or otherwise establishes an exemption from backup withholding.

Non-U.S. persons should consult their own tax advisors with respect to the U.S. federal income tax and withholding tax, and state, local and foreign tax consequences of an investment in the shares of our common stock.

Recently enacted legislation that becomes effective after December 31, 2012, generally imposes a 30.0% withholding tax on payment of certain types of income to foreign financial institutions that fail to enter into an agreement with the United States Treasury to report certain required information with respect to accounts held by United States persons (or held by foreign entities that have United States persons as substantial owners). The types of income subject to the tax include U.S.-source interest and dividends and the gross proceeds from the sale of any property that could produce U.S.-source interest or dividends. The information required to be reported includes the identity and taxpayer identification number of each account holder that is a U.S. person and transaction activity within the holder's account. In addition, subject to certain exceptions, this legislation also imposes a 30.0% withholding on payments to foreign entities that are not financial institutions unless the foreign entity certifies that it does not have a 10.0% or greater U.S. owner or provides the withholding agent with identifying information on each 10.0% or greater U.S. owner. When these provisions become effective, depending on the status of a Non-U.S. Stockholder and the status of the intermediaries through which they hold their units, Non-U.S. Stockholders could be subject to this 30.0% withholding tax with respect to distributions on their units and proceeds from the sale of their units. Under certain circumstances, a Non-U.S. Stockholder might be eligible for refunds or credits of such taxes.

DESCRIPTION OF OUR SECURITIES

The following description is based on relevant portions of the Maryland General Corporation Law and on our charter and bylaws. This summary is not necessarily complete, and we refer you to the Maryland General Corporation Law and charter and bylaws for a more detailed description of the provisions summarized below.

Capital Stock

Our authorized capital stock consists of 100,000,000 shares of common stock, par value $0.001 per share, and 0 shares of preferred stock. There is currently no market for our common stock, and we can offer no assurances that a market for our common stock will develop in the future. We intend to apply to have our common stock listed on The Nasdaq Global Market under the ticker symbol "FDUS." There are no outstanding options or warrants to purchase our stock. No stock has been authorized for issuance under any equity compensation plan. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

Under our charter, our board of directors is authorized to classify and reclassify any unissued shares of stock into other classes or series of stock, including preferred stock, without obtaining stockholder approval. As permitted by the Maryland General Corporation Law, our charter provides that the board of directors, without any action by our stockholders, may amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

Common Stock

All shares of our common stock have equal rights as to earnings, assets, voting, and dividends and, when they are issued, will be duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of our common stock if, as and when authorized by our board of directors and declared by us out of assets legally available therefor. Shares of our common stock have no preemptive, conversion or redemption rights and are freely transferable, except where their transfer is restricted by federal and state securities laws or by contract. In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock will possess exclusive voting power. There is no cumulative voting in the election of directors, which means that holders of a majority of the outstanding shares of common stock can elect all of our directors, and holders of less than a majority of such shares will be unable to elect any director.

Preferred Stock

Our charter authorizes our board of directors to classify and reclassify any unissued shares of stock into other classes or series of stock, including preferred stock. The cost of any such reclassification would be borne by our existing common stockholders. Prior to issuance of shares of each class or series, the board of directors is required by Maryland law and by our charter to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the board of directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest. You should note, however, that any issuance of preferred stock must comply with the requirements of the 1940 Act. The 1940 Act requires, among other things, that (a) our asset coverage ratio, as defined in the 1940 Act, equals at least 200.0% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of preferred stock, and (b) the holders of shares of preferred stock, if any are issued, must be entitled as a class to elect two directors at all times and to elect a majority of the directors if dividends on such preferred stock are in arrears by two full years or more. Certain

matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, holders of preferred stock would vote separately from the holders of common stock on a proposal to cease operations as a business development company. We believe that the availability for issuance of preferred stock will provide us with increased flexibility in structuring future financings and acquisitions. However, we do not currently have any plans to issue preferred stock.

Long-Term Debt

The debentures issued by Fidus Mezzanine Capital, L.P. to the SBA have a maturity of ten years and bear interest semi-annually at fixed rates. As of March 31, 2011, Fidus Mezzanine Capital, L.P. had $93.5 million of SBA debentures. With $75.9 million of regulatory capital as of March 31, 2011, Fidus Mezzanine Capital, L.P. has the current capacity to issue up to a total of $150.0 million of SBA debentures.

Outstanding Securities

The following table shows our outstanding classes of securities:

(a) Title of Class	(b) Amount Authorized	(c) Amount Held by Us or for Our Account	(d) Amount Outstanding Exclusive of Amounts Shown Under (c)
Common Stock	100,000,000	—	8,723,188
Preferred Stock	—	—	—
SBA Debentures	$150.0 million(1)	—	$93.5 million

(1) Based on $75.9 million of regulatory capital as of March 31, 2011. For more information regarding our limitations as to SBA debenture issuances, see “Regulation — Small Business Administration Regulations.”

Limitation on Liability of Directors and Officers; Indemnification and Advance of Expenses

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates directors’ and officers’ liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Our charter authorizes us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while serving as our director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. Our bylaws obligate us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while serving as our director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. The charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of us in any of the capacities described above and any of our employees or agents or any employees or agents of our predecessor. In accordance with the 1940 Act, we will not indemnify any person for any liability to which such person would be subject by reason of such

person's willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

Maryland law requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received unless, in either case, a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer in advance of final disposition of a proceeding upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

We have entered into indemnification agreements with our directors. The indemnification agreements provide our directors the maximum indemnification permitted under Maryland law and the 1940 Act.

Our insurance policy does not currently provide coverage for claims, liabilities and expenses that may arise out of activities that our present or former directors or officers have performed for another entity at our request. There is no assurance that such entities will in fact carry such insurance. However, we note that we do not expect to request our present or former directors or officers to serve another entity as a director, officer, partner or trustee unless we can obtain insurance providing coverage for such persons for any claims, liabilities or expenses that may arise out of their activities while serving in such capacities.

Certain Provisions of the Maryland General Corporation Law and Our Charter and Bylaws

The Maryland General Corporation Law and our charter and bylaws contain provisions that could make it more difficult for a potential acquiror to acquire us by means of a tender offer, proxy contest or otherwise. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

Classified Board of Directors

Our board of directors will be divided into three classes of directors serving staggered three-year terms. The initial terms of the first, second and third classes will expire in 2012, 2013 and 2014, respectively, and in each case, those directors will serve until their successors are elected and qualify. Beginning in 2012, upon expiration of their current terms, directors of each class will be elected to serve for three-year terms and until their successors are duly elected and qualify and each year one class of directors will be elected by the stockholders. A classified board may render a change in control of us or removal of our incumbent management more difficult. We believe, however, that the longer time required to elect a majority of a classified board of directors will help to ensure the continuity and stability of our management and policies.

Election of Directors

Our charter and bylaws provide that the affirmative vote of the holders of a plurality of the outstanding shares of stock entitled to vote in the election of directors cast at a meeting of stockholders duly called and at which a quorum is present will be required to elect a director. Pursuant to our bylaws our board of directors may amend the bylaws to alter the vote required to elect directors.

Number of Directors; Vacancies; Removal

Our charter provides that the number of directors will be set only by the board of directors in accordance with our bylaws. Our bylaws provide that a majority of our entire board of directors may at any time increase or decrease the number of directors. However, unless our bylaws are amended, the number of directors may never be less than one nor more than eight. Our charter provides that, at such time as we have at least three independent directors and our common stock is registered under the Exchange Act we elect to be subject to the provision of Subtitle 8 of Title 3 of the Maryland General Corporation Law regarding the filling of vacancies on the board of directors. Accordingly, at such time, except as may be provided by the board of directors in setting the terms of any class or series of preferred stock, any and all vacancies on the board of directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the 1940 Act.

Our charter provides that a director may be removed only for cause, as defined in our charter, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors.

Action by Stockholders

Under the Maryland General Corporation Law, stockholder action can be taken only at an annual or special meeting of stockholders or (unless the charter provides for stockholder action by less than unanimous written consent, which our charter does not) by unanimous written consent in lieu of a meeting. These provisions, combined with the requirements of our bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the board of directors and the proposal of business to be considered by stockholders may be made only (a) pursuant to our notice of the meeting, (b) by the board of directors or (c) by a stockholder who was a stockholder of record both at the time of giving notice and at the time of the annual meeting and who is entitled to vote at the meeting and who has complied with the advance notice procedures of our bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to the board of directors at a special meeting may be made only (a) pursuant to our notice of the meeting, (b) by the board of directors or (c) provided that the board of directors has determined that directors will be elected at the meeting, by a stockholder who was a stockholder of record both at the time of giving notice and at the time of the annual meeting and who is entitled to vote at the meeting and who has complied with the advance notice provisions of the bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our board of directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our board of directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our bylaws do not give our board of directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of (a) precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and

(b) discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

Calling of Special Meetings of Stockholders

Our bylaws provide that special meetings of stockholders may be called by the chairman of our board of directors, our President and our board of directors. Additionally, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders will be called by the secretary of the corporation upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter provides that certain charter amendments, any proposal for our conversion, whether by charter amendment, merger or otherwise, from a closed-end company to an open-end company and any proposal for our liquidation or dissolution requires the approval of the stockholders entitled to cast at least 80.0% of the votes entitled to be cast on such matter. However, if such amendment or proposal is approved by a majority of our continuing directors (in addition to approval by our board of directors), such amendment or proposal may be approved by a majority of the votes entitled to be cast on such a matter. The “continuing directors” are defined in our charter as (a) our current directors, (b) those directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of our current directors then on the board of directors or (c) any successor directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of continuing directors or the successor continuing directors then in office.

Our charter and bylaws provide that the board of directors will have the exclusive power to make, alter, amend or repeal any provision of our bylaws.

No Appraisal Rights

Except with respect to appraisal rights arising in connection with the Control Share Act discussed below, as permitted by the Maryland General Corporation Law, our charter provides that stockholders will not be entitled to exercise appraisal rights unless a majority of the board of directors shall determine such rights apply.

Control Share Acquisitions

The Maryland General Corporation Law provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter (the “Control Share Act”). Shares owned by the acquiror, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

The requisite stockholder approval must be obtained each time an acquiror crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations, including, as provided in our bylaws compliance with the 1940 Act. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The Control Share Act does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation. Our bylaws contain a provision exempting from the Control Share Act any and all acquisitions by any person of our shares of stock. There can be no assurance that such provision will not be amended or eliminated at any time in the future. However, we will amend our bylaws to be subject to the Control Share Act only if the board of directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Control Share Act does not conflict with the 1940 Act.

Business Combinations

Under Maryland law, “business combinations” between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder (the “Business Combination Act”). These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10.0% or more of the voting power of the corporation’s outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10.0% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if the board of directors approved in advance the transaction by which the stockholder otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80.0% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution, subject to the provisions of the 1940 Act, that any business combination between us and any other person is exempted from the provisions of the Business Combination Act, provided that the business combination is first approved by the board of directors, including a majority of the directors who are not interested persons as defined in the 1940 Act. This resolution may be altered or repealed in whole or in part at any time; however, our board of directors will adopt resolutions so as to make us subject to the provisions of the Business Combination Act only if the board of directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Business Combination Act does not conflict with the 1940 Act. If this resolution is repealed, or the board of directors does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Conflict with 1940 Act

Our bylaws provide that, if and to the extent that any provision of the Maryland General Corporation Law, including the Control Share Act (if we amend our bylaws to be subject to such Act) and the Business Combination Act, or any provision of our charter or bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

REGULATION

We and Fidus Mezzanine Capital, L.P. are business development companies under the 1940 Act and we intend to elect to be treated as a RIC under the Code. The 1940 Act contains prohibitions and restrictions relating to transactions between business development companies and their affiliates (including any investment advisors), principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a business development company unless approved by a majority of our outstanding voting securities.

We may invest up to 100.0% of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an "underwriter" as that term is defined in the Securities Act. Our intention is to not write (sell) or buy put or call options to manage risks associated with the publicly-traded securities of our portfolio companies, except that we may enter into hedging transactions to manage the risks associated with interest rate fluctuations. However, we may purchase or otherwise receive warrants to purchase the common stock of our portfolio companies in connection with acquisition financing or other investments. Similarly, in connection with an acquisition, we may acquire rights to require the issuers of acquired securities or their affiliates to repurchase them under certain circumstances. We also do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, we generally cannot acquire more than 3.0% of the voting stock of any registered investment company, invest more than 5.0% of the value of our total assets in the securities of one investment company or invest more than 10.0% of the value of our total assets in the securities of more than one investment company. With regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments might subject our stockholders to additional expenses. None of these policies is fundamental and may be changed without stockholder approval.

Qualifying Assets

Under the 1940 Act, a business development company may not acquire any asset other than assets of the type listed in section 55(a) of the 1940 Act, which are referred to as "qualifying assets," unless, at the time the acquisition is made, qualifying assets represent at least 70.0% of the company's total assets. The principal categories of qualifying assets relevant to our proposed business are the following:

(a) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer that:

- is organized under the laws of, and has its principal place of business in, the United States;
- is not an investment company (other than a small business investment company wholly-owned by the business development company) or a company that would be an investment company but for certain exclusions under the 1940 Act; and
- satisfies either of the following:
  - does not have any class of securities listed on a national securities exchange or has any class of securities listed on a national securities exchange subject to a $250.0 million market capitalization maximum; or
  - is controlled by a business development company or a group of companies including a business development company, the business development company actually exercises a controlling influence over the management or policies of the eligible portfolio company, and, as a result,

the business development company has an affiliated person who is a director of the eligible portfolio company.

(b) Securities of any eligible portfolio company which we control.

(c) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident to such a private transaction, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

(d) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60.0% of the outstanding equity of the eligible portfolio company.

(e) Securities received in exchange for or distributed on or with respect to securities described above, or pursuant to the exercise of warrants or rights relating to such securities.

(f) Cash, cash equivalents, U.S. government securities or high-quality debt securities that mature in one year or less from the date of investment.

The regulations defining qualifying assets may change over time. We may adjust our investment focus as needed to comply with and/or take advantage of any regulatory, legislative, administrative or judicial actions in this area.

Managerial Assistance to Portfolio Companies

A business development company must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (a), (b) or (c) above. However, in order to count portfolio securities as qualifying assets for the purpose of the 70.0% test, the business development company must either control the issuer of the securities or must offer to make available to the issuer of the securities significant managerial assistance; except that, when the business development company purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the business development company, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. Our investment advisor will provide such managerial assistance on our behalf to portfolio companies that request this assistance.

Temporary Investments

Pending investment in other types of qualifying assets, as described above, our investments may consist of cash, cash equivalents, U.S. government securities, repurchase agreements and high-quality debt investments that mature in one year or less from the date of investment, which we refer to, collectively, as temporary investments, so that 70.0% of our assets are qualifying assets or temporary investments. Typically, we will invest in U.S. Treasury bills or in repurchase agreements, so long as the agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25.0% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the Diversification Tests in order to qualify as a RIC for U.S. federal income tax purposes. Accordingly, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our investment advisor will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 200.0% immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5.0% of the value of our total assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Relating to our Business and Structure — Regulations governing our operation as a business development company affect our ability to and the way in which we raise additional capital. As a business development company, we will need to raise additional capital, which will expose us to risks, including the typical risks associated with leverage."

Codes of Ethics

We, Fidus Mezzanine Capital, L.P. and our investment advisor have each adopted a joint code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code of ethics may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code's requirements. You may read and copy the joint code of ethics at the SEC's Public Reference Room in Washington, D.C. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0300. In addition, the joint code of ethics is attached as an exhibit to the registration statement of which this prospectus is a part, and is available on the EDGAR Database on the SEC's website at *www.sec.gov*. You may also obtain copies of the joint code of ethics, after paying a duplicating fee, by electronic request at the following e-mail address: *publicinfo@sec.gov*, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to our investment advisor. The proxy voting policies and procedures of our investment advisor are set out below. The guidelines are reviewed periodically by our investment advisor and our directors who are not "interested persons," and, accordingly, are subject to change. For purposes of these proxy voting policies and procedures described below, "we," "our" and "us" refer to our investment advisor.

Introduction

As an investment adviser registered under the Advisers Act, we have a fiduciary duty to act solely in the best interests of our clients. As part of this duty, we recognize that we must vote client securities in a timely manner free of conflicts of interest and in the best interests of our clients.

These policies and procedures for voting proxies for our investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy Policies

We vote proxies relating to our portfolio securities in what we perceive to be the best interest of our clients' stockholders. We review on a case-by-case basis each proposal submitted to a stockholder vote to determine its effect on the portfolio securities held by our clients. In most cases we will vote in favor of proposals that we believe are likely to increase the value of the portfolio securities held by our clients. Although we will generally vote against proposals that may have a negative effect on our clients' portfolio securities, we may vote for such a proposal if there exist compelling long-term reasons to do so.

Our proxy voting decisions are made by those senior investment professionals who are responsible for monitoring each of our clients' investments. To ensure that our vote is not the product of a conflict of interest, we require that (a) anyone involved in the decision-making process disclose to our chief compliance officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (b) employees involved in the decision-making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties. Where conflicts of interest may be present, we will disclose such conflicts to our client, including with respect to Fidus Investment Corporation, those directors who are not interested persons and we may request guidance from such persons on how to vote such proxies for their account.

Proxy Voting Records

You may obtain information about how we voted proxies for Fidus Investment Corporation by making a written request for proxy voting information to: Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, Attention: Investor Relations, or by calling Fidus Investment Corporation collect at (847) 859-3940. The SEC also maintains a website at *http://www.sec.gov* that contains such information.

Privacy Principles

We are committed to maintaining the privacy of our stockholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any nonpublic personal information relating to our stockholders, although certain nonpublic personal information of our stockholders may become available to us. We do not disclose any nonpublic personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to nonpublic personal information about our stockholders to employees of our investment advisor and its affiliates with a legitimate business need for the information. We will maintain physical, electronic and procedural safeguards designed to protect the nonpublic personal information of our stockholders.

Other

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a business development company, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

We and our investment advisor will each be required to adopt and implement written policies and procedures reasonably designed to prevent violation of relevant federal securities laws, review these policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a chief compliance officer to be responsible for administering the policies and procedures.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our board of directors who are not interested persons and, in some cases, prior approval by the SEC. The SEC has interpreted the business development company prohibition on transactions with affiliates to prohibit all "joint transactions" between entities that share a common investment advisor. The staff of the SEC has granted no-action relief permitting purchases of a single class of privately placed securities provided that the advisor negotiates no term other than price and certain other conditions are

met. As a result, we only expect to co-invest on a concurrent basis with other funds advised by our investment advisor when each of us will own the same securities of the issuer and when no term is negotiated other than price. Any such investment would be made subject to compliance with existing regulatory guidance, applicable regulations and our allocation procedures. If opportunities arise that would otherwise be appropriate for us and for another fund advised by our investment advisor to invest in different securities of the same issuer, our investment advisor will need to decide which fund will proceed with the investment. Moreover, except in certain circumstances, we will be unable to invest in any issuer in which another fund advised by our investment advisor has previously invested, and which investment remains currently effective.

Small Business Administration Regulations

Fidus Mezzanine Capital, L.P. is licensed by the SBA to operate as an SBIC under Section 301(c) of the Small Business Investment Act of 1958. Upon the closing of this offering, Fidus Mezzanine Capital, L.P. will be our wholly-owned subsidiary and will continue to hold its SBIC license. Fidus Mezzanine Capital, L.P. initially obtained its SBIC license on October 22, 2007.

SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under SBA regulations, SBICs can provide financing in the form of debt and/or equity securities and provide consulting and advisory services to "eligible" small businesses. Fidus Mezzanine Capital, L.P. has typically invested in senior subordinated debt, acquired warrants and/or made other equity investments in qualifying small businesses.

Under present SBA regulations, eligible small businesses generally include businesses that (together with their affiliates) have a tangible net worth not exceeding $18.0 million and have average annual net income after U.S. federal income taxes not exceeding $6.0 million (average net income to be computed without benefit of any carryover loss) for the two most recent fiscal years. In addition, an SBIC must devote between 20.0% and 25.0% (depending upon when it was licensed, when it obtained leverage commitments, the amount of leverage drawn and when financings occur) of its investment activity to "smaller" concerns as defined by the SBA. A smaller concern generally includes businesses that have a tangible net worth not exceeding $6.0 million and have average annual net income after U.S. federal income taxes not exceeding $2.0 million (average net income to be computed without benefit of any net carryover loss) for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility for designation as an eligible small business or smaller concern, which criteria depend on the industry in which the business (including its affiliates) is engaged and are based on the number of employees and gross revenue. However, once an SBIC has invested in a company, it may continue to make follow-on investments in the company, regardless of the size of the portfolio company at the time of the follow-on investment, up to the time of the portfolio company's initial public offering.

The SBA prohibits an SBIC from providing funds to small businesses for certain purposes, such as relending and investment outside the United States, to businesses engaged in a few prohibited industries, and to certain "passive" (non-operating) companies. In addition, under SBA regulations, without prior SBA approval, an SBIC may not invest more than 30.0% of its regulatory capital in any one portfolio company (assuming the SBIC intends to draw leverage equal to twice its regulatory capital).

The SBA places certain limitations on the financing terms of investments by SBICs in portfolio companies (such as limiting the permissible interest rate on debt securities held by an SBIC in a portfolio company). SBA regulations allow an SBIC to exercise control over a small business for a period of seven years from the date on which the SBIC initially acquires its control position. This control period may be extended for an additional period of time with the SBA's prior written approval.

The SBA restricts the ability of an SBIC to lend money to any of its officers, directors and employees or to invest in affiliates thereof. The SBA also prohibits, without prior SBA approval, a "change of control" of an SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10.0% or more of a class of capital stock of a licensed SBIC. A "change of control" is any event which would result in the transfer of the power, direct or indirect, to direct the management and policies of an SBIC, whether through ownership, contractual arrangements or otherwise.

Our SBIC subsidiary is subject to regulation and oversight by the SBA, including requirements with respect to maintaining certain minimum financial ratios and other covenants. There is no assurance that our SBIC subsidiary will continue to receive SBA guaranteed debenture funding, which is dependent upon our SBIC subsidiary's continuing compliance with SBA regulations and policies. The SBA, as a creditor, has and will have a superior claim to our SBIC subsidiary's assets over our stockholders in the event that we liquidate our SBIC subsidiary or the SBA exercises its remedies under the SBA-guaranteed debentures issued by our SBIC subsidiary upon an event of default. Our SBIC subsidiary will be periodically examined and audited by the SBA's staff to determine its compliance with regulations applicable to SBICs and will be periodically required to file certain forms with the SBA.

Neither the United States Small Business Administration nor the U.S. government or any of its agencies or officers has approved any shares to be issued by us or any of the obligations we may incur.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act imposes a wide variety of regulatory requirements on publicly held companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 under the Exchange Act, our principal executive officer and principal financial officer must certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 under Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 under the Exchange Act, our management must prepare an annual report regarding its assessment of our internal control over financial reporting; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 under the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated under such act. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance with that act.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering and the formation transactions, 8,723,188 shares of our common stock will be outstanding, assuming no exercise of the underwriters' over-allotment option. The 4,666,667 shares of common stock (assuming no exercise of the underwriters' over-allotment option) sold in this offering will be freely tradable without restriction or limitation under the Securities Act. Any shares purchased in this offering by our affiliates, as defined in the Securities Act, will be subject to the public information, manner of sale and volume limitations of Rule 144 under the Securities Act. The remaining 4,056,521 shares of our common stock that will be outstanding upon the completion of this offering, including 4,056,521 shares sold in connection with the formation transactions will be "restricted securities" under the meaning of Rule 144 promulgated under the Securities Act and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including exemptions contained in Rule 144.

In general, under Rule 144 as currently in effect, if six months have elapsed since the date of acquisition of restricted securities from us or any of our affiliates and we are subject to the Exchange Act periodic reporting requirements for at least three months prior to the sale, the holder of such restricted securities can sell such securities. However, the number of securities sold by such person within any three-month period cannot exceed the greater of:

- 1.0% of the total number of securities then outstanding; or
- the average weekly trading volume of our securities during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 by our efforts also are subject to certain manners of sale provisions, notice requirements and the availability of current public information about us. No assurance can be given as to (a) the likelihood that an active market for our common stock will develop, (b) the liquidity of any such market, (c) the ability of our stockholders to sell our securities or (d) the prices that stockholders may obtain for any of our securities. No prediction can be made as to the effect, if any, that future sales of securities, or the availability of securities for future sales, will have on the market price prevailing from time to time. Sales of substantial amounts of our securities, or the perception that such sales could occur, may affect adversely prevailing market prices of our common stock. See "Risk Factors — Risks Relating to this Offering."

Lock-Up Agreements

In connection with the formation transactions, the limited partners of Fidus Mezzanine Capital, L.P. and the members of Fidus Mezzanine Capital GP, LLC have agreed, subject to certain exceptions, not to issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, transfer, grant any option to purchase, establish an open put equivalent position or otherwise dispose of or agree to dispose of directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock, for a period of 180 days from the effective date of this prospectus, subject to extension upon material announcements or earnings releases. At any time and without notice, the underwriter in this offering, Morgan Keegan & Company, Inc., as representative for the underwriters, may release all or any portion of our common stock subject to the foregoing lock-up agreements.

In addition, we and our directors and officers have agreed, subject to certain exceptions, not to issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, transfer, grant any option to purchase, establish an open put equivalent position or otherwise dispose of or agree to dispose of directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock, for a period of 180 days from the effective date of this prospectus, subject to extension upon material announcements or earnings releases. At any time and without notice, the underwriter in this offering, Morgan Keegan & Company, Inc., as representative for the underwriters, may release all or any portion of our common stock subject to the foregoing lock-up agreements.

CUSTODIAN, TRANSFER AND DIVIDEND PAYING AGENT AND REGISTRAR

Our securities are held by U.S. Bank National Association pursuant to a custody agreement. The principal business address of U.S. Bank National Association is Corporate Trust Services, One Federal Street, 3rd Floor, Boston, MA 02110, telephone: (617) 603-6538. American Stock Transfer & Trust Company, LLC will serve as our transfer agent, distribution paying agent and registrar. The principal business address of American Stock Transfer & Trust Company, LLC is 59 Maiden Lane, Plaza Level, New York, New York 10038, telephone: (800) 937-5449.

BROKERAGE ALLOCATION AND OTHER PRACTICES

Since we will acquire and dispose of many of our investments in privately negotiated transactions, many of the transactions that we engage in will not require the use of brokers or the payment of brokerage commissions. Subject to policies established by our board of directors, our investment advisor will be primarily responsible for selecting brokers and dealers to execute transactions with respect to the publicly-traded securities portion of our portfolio transactions and the allocation of brokerage commissions. Our investment advisor does not expect to execute transactions through any particular broker or dealer but will seek to obtain the best net results for us under the circumstances, 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. Our investment advisor generally will seek reasonably competitive trade execution costs but will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements and consistent with Section 28(e) of the Exchange Act, our investment advisor may select a broker based upon brokerage or research services provided to our investment advisor and us and any other clients. In return for such services, we may pay a higher commission than other brokers would charge if our investment advisor determines in good faith that such commission is reasonable in relation to the services provided.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement between us and the underwriters named below, for whom Morgan Keegan & Company, Inc. is acting as representative, the underwriters have severally agreed to purchase, and we have agreed to sell to them, the number of shares of common stock indicated in the table below.

Underwriter	Number of Shares
Morgan Keegan & Company, Inc.	
Robert W. Baird & Co. Incorporated	
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	
Oppenheimer & Co. Inc.	
Total	4,666,667

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are severally obligated to take and pay for all shares of common stock offered hereby (other than those covered by the underwriters' over-allotment option described below) if any such shares are taken. We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We have applied for approval for listing of our common stock on The Nasdaq Global Market under the symbol "FDUS."

Over-Allotment Option

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of 700,000 additional shares of common stock at the public offering price set forth on the cover page hereof, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered hereby. To the extent such option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of such additional shares of common stock as the number set forth next to such underwriter's name in the preceding table bears to the total number of shares set forth next to the names of all underwriters in the preceding table.

Lock-Up Agreements

We, each of the limited partners of Fidus Mezzanine Capital, L.P., the members of Fidus Mezzanine Capital GP, LLC, and each of our officers and directors, have agreed, for a period of 180 days after the date of this prospectus, not to, directly or indirectly: (a) offer, sell, agree to offer or sell, solicit offers to purchase, grant any call option or purchase any put option with respect to, pledge, borrow or otherwise dispose of any shares of, our common stock, or any securities convertible into, or exercisable or exchangeable for our common stock, and (b) establish or increase any put equivalent position or liquidate or decrease any call equivalent position with respect to our common stock, or otherwise enter into any swap, derivative or other transaction or arrangement that transfers to another, in whole or in part, any economic consequences of ownership of our common stock, whether or not such transaction would be settled by delivery of common stock or other securities, in cash or otherwise, without, in each case, the prior written consent of Morgan Keegan & Company, Inc., subject to certain specified exceptions.

The restricted period described above is subject to extension under limited circumstances. In the event either: (a) during the last 17 days of the applicable restricted period, we issue an earnings results or material news or a material event relating to us occurs; or (b) before the expiration of the applicable restricted period, we announce that we will release earnings results during the 16-day period following the last day of the applicable period, the "lock up" restrictions described above will, subject to limited exceptions, continue to

apply until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of material news or a material event.

Determination Of Offering Price

Prior to the offering, there has been no public market for our common stock. The initial public offering price was determined by negotiation among the underwriters and us. The principal factors considered in determining the public offering price include the following:

- the information set forth in this prospectus and otherwise available to the underwriters;
- market conditions for initial public offerings;
- the history and the prospects for the industry in which we compete;
- an assessment of the ability of our investment advisor;
- our prospects for future earnings;
- the present state of our development and our current financial condition;
- the general condition of the securities markets at the time of this offering; and
- the recent market prices of, and demand for, publicly traded common stock of generally comparable entities.

Underwriting Discounts and Commissions

The underwriters initially propose to offer the shares directly to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers at a price that represents a concession not in excess of $ per share below the public offering price. Any underwriters may allow, and such dealers may re-allow, a concession not in excess of $ per share to other underwriters or to certain dealers. After the initial offering of the shares, the offering price and other selling terms may from time to time be varied by the representative.

The following table provides information regarding the per share and total underwriting discounts and commissions that we are to pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to 700,000 additional shares from us.

	Price per Share	Total Without Over-Allotment	Total With Over-Allotment
Underwriting discounts and commissions payable by us	$1.05	$4,900,000	$5,635,000

We will pay all expenses incident to the offering and sale of shares of our common stock by us in this offering. We estimate that the total expenses of the offering, excluding the underwriting discounts and commissions will be approximately 1.7 million.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of shares to underwriters and selling group members for the sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations. The representative may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders.

Price Stabilization, Short Positions and Penalty Bids

In connection with this offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. An over-allotment involves syndicate sales of shares in excess of the number of shares

to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of shares in the open market after the distribution has been completed in order to cover syndicate short positions.

Stabilizing transactions consist of some bids or purchases of shares of our common stock made for the purpose of preventing or slowing a decline in the market price of the shares while the offering is in progress.

In addition, the underwriters may impose penalty bids, under which they may reclaim the selling concession from a syndicate member when the shares of our common stock originally sold by that syndicate member are purchased in a stabilizing transaction or syndicate covering transaction to cover syndicate short positions.

Similar to other purchase transactions, these activities may have the effect of raising or maintaining the market price of the common stock or preventing or slowing a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. Except for the sale of shares of our common stock in this offering, the underwriters may carry out these transactions on The Nasdaq Global Market, in the over-the-counter market or otherwise.

Neither the underwriters nor we make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the shares. In addition, neither the underwriters nor we make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Directed Share Program

At our request, the underwriters have reserved up to % of the common stock being offered by this prospectus for sale at the initial public offering price to our directors, officers, employees and other individuals associated with us and members of their families. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public.

Affiliations

The underwriters and/or their affiliates from time to time provide and may in the future provide investment banking, commercial banking and financial advisory services to us, for which they have received and may receive customary compensation.

The addresses of the underwriters are: Morgan Keegan & Company, Inc., 50 North Front Street, Memphis Tennessee 38103; Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202; BB&T Capital Markets, a division of Scott & Stringfellow, LLC, 901 East Byrd Street, Suite 300, Richmond, Virginia 23219; and Oppenheimer & Co. Inc., 300 Madison Avenue, 5th Floor, New York, New York 10017.

VALIDITY OF COMMON STOCK

The validity of the common stock offered hereby this prospectus will be passed upon for us by Nelson Mullins Riley & Scarborough LLP, Washington D.C. Nelson Mullins Riley & Scarborough LLP also represents our investment advisor. Certain legal matters in connection with the offering will be passed upon for the underwriters by Bass, Berry & Sims PLC, Memphis, Tennessee.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements and schedules of Fidus Mezzanine Capital, L.P. as of December 31, 2010 and 2009 and for the three-year period ended December 31, 2010 appearing in this prospectus and registration statement have been audited by McGladrey & Pullen, LLP, an independent registered public accounting firm, as stated in their reports appearing elsewhere herein, which reports express an unqualified opinion, and includes an explanatory paragraph relating to Fidus Mezzanine Capital, L.P.'s investments whose fair values have been estimated by management, and are included in reliance upon such report and upon the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our shares of common stock offered by this prospectus. The registration statement contains additional information about us and our shares of common stock being offered by this prospectus.

Upon completion of this offering, we will file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Exchange Act. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549-0102. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. We maintain a website at *http://www.fdus.com* and intend to make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available, free of charge, on or through our website. Information contained on our website is not incorporated into this prospectus, and you should not consider information on our website to be part of this prospectus. You may also obtain such information by contacting us in writing at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, Attention: Investor Relations. The SEC maintains a website that contains reports, proxy and information statements and other information we file with the SEC at *http://www.sec.gov*. Copies of these reports, proxy and information statements and other information may also be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-0102.

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Fidus Mezzanine Capital, L.P.

Consolidated Statements of Assets and Liabilities

	March 31, 2011 (unaudited)	December 31, 2010
ASSETS		
Investments, at fair value		
Control investments (cost: $27,786,627 and $26,985,897, respectively)	$ 32,578,857	$ 29,419,402
Affiliate investments (cost: $24,601,576 and $24,413,389, respectively)	26,408,876	26,860,320
Non-control/non-affiliate investments (cost: $86,280,065 and $93,907,155, respectively)	84,663,919	85,061,756
Total investments at fair value (cost: $138,668,268 and $145,306,441, respectively)	143,651,652	141,341,478
Cash and cash equivalents	8,996,523	1,757,139
Interest receivable	1,459,631	1,141,357
Deferred financing costs (net of accumulated amortization of $901,302 and $812,118, respectively)	2,706,073	2,795,257
Prepaid expenses and other assets	390,666	341,558
Total assets	157,204,545	147,376,789
LIABILITIES		
SBA debentures	93,500,000	93,500,000
Credit facility payable	750,000	—
Accrued interest payable	426,920	1,638,862
Due to affiliates	4,362	958
Accounts payable and other liabilities	175,451	232,305
Total liabilities	94,856,733	95,372,125
Net assets	$ 62,347,812	$ 52,004,664
Net assets represented by partners' capital		
Contributed capital (net of syndication costs of $75,167)	$ 56,821,847	$ 49,821,847
Capital distributions	(1,500,000)	(1,500,000)
Accumulated net investment income	19,386,738	17,056,508
Accumulated realized losses on investments	(17,344,150)	(9,408,720)
Accumulated net unrealized appreciation (depreciation) on investments	4,983,377	(3,964,971)
Total net assets represented by partners' capital	$ 62,347,812	$ 52,004,664

See Notes to Consolidated Financial Statements (unaudited).

Fidus Mezzanine Capital, L.P.

Consolidated Statements of Operations (unaudited)

	Three Months Ended March 31, 2011	2010
Investment Income:		
Interest and fee income		
Control investments	$ 819,498	$ 736,217
Affiliate investments	866,860	508,362
Non-control/non-affiliate investments	2,975,084	2,710,756
Total interest and fee income	4,661,442	3,955,335
Dividend income		
Control investments	116,076	105,015
Non-control/non-affiliate investments	—	143,926
Total dividend income	116,076	248,941
Interest on idle funds and other income	16,245	17,640
Total investment income	4,793,763	4,221,916
Expenses:		
Management fee	1,036,213	1,035,907
Less: management fee offset	—	(280,000)
Interest expense	1,324,285	1,088,345
Professional fees	79,673	32,134
Other expenses	23,362	20,080
Total expenses	2,463,533	1,896,466
Net investment income	2,330,230	2,325,450
Net realized and unrealized gains (losses) on investments:		
Realized loss on non-control/non-affiliate investments	(7,935,430)	(2,307)
Net change in unrealized appreciation (depreciation) on investments	8,948,348	(5,744,160)
Net gain/(loss) on investments	1,012,918	(5,746,467)
Net increase (decrease) in net assets resulting from operations	$ 3,343,148	$ (3,421,017)

See Notes to Consolidated Financial Statements (unaudited).

Fidus Mezzanine Capital, L.P.

Consolidated Statements of Changes in Net Assets (unaudited)

	General Partner	Limited Partners	Total
Balances at December 31, 2009	4,504,972	43,975,979	48,480,951
Net increase (decrease) resulting from operations:			
Net investment income	268,705	2,056,745	2,325,450
Realized loss from investments	(201)	(2,106)	(2,307)
Net change in unrealized appreciation (depreciation) on investments	(500,911)	(5,243,249)	(5,744,160)
Balances at March 31, 2010	$ 4,272,565	$ 40,787,369	$ 45,059,934
Balances at December 31, 2010	$ 5,111,894	$ 46,892,770	$ 52,004,664
Capital contributions	610,424	6,389,576	7,000,000
Net increase (decrease) resulting from operations:			
Net investment income	293,565	2,036,665	2,330,230
Realized loss from investments	(691,997)	(7,243,433)	(7,935,430)
Net change in unrealized appreciation (depreciation) on investments	780,327	8,168,021	8,948,348
Balances at March 31, 2011	$ 6,104,213	$ 56,243,599	$ 62,347,812

See Notes to Consolidated Financial Statements (unaudited).

Fidus Mezzanine Capital, L.P.

Consolidated Statements of Cash Flows (unaudited)

	Three Months Ended March 31,	
	2011	2010
Cash Flows from Operating Activities		
Net increase (decrease) in net assets resulting from operations	$ 3,343,148	$ (3,421,017)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities:		
Net change in unrealized depreciation (appreciation) on investments	(8,948,348)	5,744,160
Realized loss on investments	7,935,430	2,307
Interest and dividend income paid-in-kind	(1,157,822)	(1,132,784)
Accretion of original issue discount	(132,950)	(153,585)
Amortization of deferred financing costs	89,184	83,166
Purchase of investments	(256,484)	(12,752,307)
Principal payments received on debt securities	250,000	1,050,000
Changes in operating assets and liabilities:		
Interest receivable	(318,274)	(367,470)
Prepaid expenses and other assets	(49,108)	(9,274)
Accrued interest payable	(1,211,942)	(942,353)
Due to affiliates	3,404	(173,751)
Accounts payable and other liabilities	(56,854)	(16,001)
Net cash used in operating activities	(510,616)	(12,088,909)
Cash Flows from Financing Activities		
Proceeds received from SBA debentures	—	12,500,000
Net proceeds from credit facility	750,000	—
Payment of deferred financing costs	—	(303,125)
Capital contributions	7,000,000	—
Net cash provided by financing activities	7,750,000	12,196,875
Net increase in cash and cash equivalents	7,239,384	107,966
Cash and cash equivalents:		
Beginning of year	1,757,139	2,671,884
End of period	$ 8,996,523	$ 2,779,850
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	$ 2,447,044	$ 1,947,531

See Notes to Consolidated Financial Statements (unaudited).

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments (unaudited)
March 31, 2011

Portfolio Company / Type of Investment[1][2][3]	Industry	Rate[4] Cash/PIK	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Control Investments[5]							
Connect-Air International, Inc.	Specialty Distribution						
Subordinated Note		12.5%/3.0%	9/6/2013	$ 4,347,329	$ 4,347,329	$ 4,347,329	
Preferred Interest[6]		0.0%/10.0%	9/3/2014		4,759,101	4,759,101	
Sub Total					9,106,430	9,106,430	15%
Worldwide Express Operations, LLC	Transportation Services						
Subordinated Note		0.0%/14.0%	2/1/2014	8,636,734	8,636,734	8,636,734	
Subordinated Note		0.0%/14.0%	2/1/2014	10,093,893	9,773,073	10,093,893	
Warrant (213,381 units)[7]					—	3,939,100	
Common Units (51,946 units)[7]					270,390	802,700	
Sub Total					18,680,197	23,472,427	38%
Total Control Investments					27,786,627	32,578,857	52%
Affiliate Investments[5]							
Avrio Technology Group, LLC	Electronic Control Supplier						
Subordinated Note		13.0%/3.0%	10/15/2015	8,184,978	8,184,978	8,184,978	
Common Units (1,000 units)[7]					1,000,000	1,000,000	
Sub Total					9,184,978	9,184,978	15%
Paramount Building Solutions, LLC	Retail Cleaning						
Subordinated Note		12.0%/4.0%	2/15/2014	6,053,173	6,053,173	6,053,173	
Common Units (107,143 units)[7]					1,500,000	3,307,300	
Sub Total					7,553,173	9,360,473	15%
Westminster Cracker Company, Inc.	Specialty Cracker Manufacturer						
Subordinated Note		14.0%/4.0%	11/17/2014	6,863,425	6,863,425	6,863,425	
Common Units (1,000,000 units)					1,000,000	1,000,000	
Sub Total					7,863,425	7,863,425	13%
Total Affiliate Investments					24,601,576	26,408,876	42%
Non-Control/Non-Affiliate Investments[5]							
Brook & Whittle Limited	Specialty Printing						
Subordinated Note		12.0%/4.8%	2/9/2014	6,093,434	6,093,434	6,093,434	
Subordinated Note		12.0%/2.0%	2/9/2014	2,087,338	1,919,118	2,087,338	
Warrant (1,011 shares)					285,000	399,800	
Sub Total					8,297,552	8,580,572	14%
Caldwell & Gregory, LLC	Laundry Services						
Subordinated Note		12.5%/1.5%	4/23/2015	8,089,633	8,089,633	8,089,633	
Preferred Units (11,628 units)[7]					1,162,786	1,404,017	
Common Units (4,464 units)[7]					4,464	258,600	
Sub Total					9,256,883	9,752,250	16%

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments (unaudited) — (Continued)
March 31, 2011

Portfolio Company / Type of Investment[1][2][3]	Industry	Rate[4] Cash/PIK	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Casino Signs & Graphics, LLC	Niche Manufacturing						
Senior Secured Loan		2.0%/0.0%	12/31/2016	$ 4,500,000	$ 4,500,000	$ 934,229	1%
Fairchild Industrial Products Company	Industrial Products						
Subordinated Note		13.0%/0.0%	7/24/2014	650,000	650,000	650,000	
Subordinated Note		13.0%/4.0%	7/24/2014	8,500,000	8,500,000	8,500,000	
Sub Total					9,150,000	9,150,000	15%
Goodrich Quality Theaters, Inc.	Movie Theaters						
Subordinated Note		12.8%/0.0%	3/31/2015	12,500,000	11,896,705	12,500,000	
Warrant (71 shares)					750,000	1,765,400	
Sub Total					12,646,705	14,265,400	23%
Interactive Technology Solutions, LLC	Government IT Services						
Subordinated Note		12.0%/3.0%	12/31/2015	5,065,206	5,065,206	5,065,206	
Common Units (499 units)					500,000	400,000	
Sub Total					5,565,206	5,465,206	9%
Jan-Pro Holdings, LLC	Commercial Cleaning						
Subordinated Note		12.5%/2.5%	3/18/2015	7,386,391	7,386,391	7,386,391	
Preferred Equity (750,000 shares)					750,000	608,600	
Sub Total					8,136,391	7,994,991	13%
K2 Industrial Services, Inc.	Industrial Cleaning & Coatings						
Subordinated Note		14.0%/1.5%	2/27/2014	8,000,000	8,000,000	8,240,000	13%
Simplex Manufacturing Co.	Aerospace Manufacturing						
Senior Secured Loan[8]		N/A	4/25/2011	—	—	—	
Senior Secured Loan		13.0%/0.0%	10/31/2013	4,550,000	4,213,559	4,205,400	
Warrant (24 shares)					710,000	187,700	
Sub Total					4,923,559	4,393,100	7%
TBG Anesthesia Management, LLC	Healthcare Services						
Senior Secured Loan		13.5%/0.0%	11/10/2014	11,000,000	10,799,696	11,000,000	
Warrant (263 shares)					276,070	456,200	
Sub Total					11,075,766	11,456,200	18%
Tulsa Inspection Resources, Inc.	Oil & Gas Services						
Subordinated Note		14.0%/0.0%	3/12/2014	4,000,000	3,886,097	3,783,500	
Subordinated Note		17.5%/0.0%	3/12/2014	648,471	648,471	648,471	
Warrant (6 shares)					193,435	—	
Sub Total					4,728,003	4,431,971	7%
Total Non-Control/Non-Affiliate Investments					86,280,065	84,663,919	136%
Total Investments					$ 138,668,268	$ 143,651,652	230%

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments (unaudited) — (Continued)
March 31, 2011

(1) All debt investments are income producing. Equity investments are non-income producing unless otherwise noted.
(2) See Note 3 to the Financial Statements for portfolio composition by geographic location.
(3) Equity ownership may be held in shares or units of companies related to the portfolio companies.
(4) Rate includes the cash interest or dividend rate and paid-in-kind interest or dividend rate, if any.
(5) See Note 2 — Significant Accounting Policies, Investment Classification for definitions of Control and Affiliate classifications.
(6) Income producing.
(7) Investment is held by a wholly-owned subsidiary of the Fund.
(8) The entire commitment was unfunded at March 31, 2011. As such, no interest is being earned on this investment.

See Notes to Consolidated Financial Statements (unaudited).

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments
December 31, 2010

Portfolio Company / Type of Investment[1][2][3]	Industry	Rate[4] Cash/PIK	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Control Investments[5]							
Connect-Air International, Inc.	Specialty Distribution						
Subordinated Note		12.5%/3.0%	9/6/2013	$ 4,314,967	$ 4,314,967	$ 4,314,967	
Preferred Interest[6]		0.0%/10.0%	9/3/2014		4,643,025	4,643,025	
Sub Total					8,957,993	8,957,993	17%
Worldwide Express Operations, LLC	Transportation Services						
Subordinated Note		0.0%/14.0%	2/1/2014	8,348,609	8,348,609	8,348,609	
Subordinated Note		0.0%/14.0%	2/1/2014	9,757,158	9,408,905	9,757,159	
Warrant (213,381 units)[7]					—	2,022,010	
Common Units (51,946 units)[7]					270,390	333,631	
Sub Total					18,027,905	20,461,409	39%
Total Control Investments					26,985,897	29,419,402	57%
Affiliate Investments[5]							
Avrio Technology Group, LLC	Electronic Control Supplier						
Subordinated Note		13.0%/3.0%	10/15/2015	8,124,876	8,124,876	8,124,876	
Common Units (1,000 units)[7]					1,000,000	1,000,000	
Sub Total					9,124,876	9,124,876	18%
Paramount Building Solutions, LLC	Retail Cleaning						
Subordinated Note		12.0%/4.0%	2/15/2014	5,993,043	5,993,043	6,052,975	
Common Units (107,143 units)[7]					1,500,000	3,887,000	
Sub Total					7,493,043	9,939,975	19%
Westminster Cracker Company, Inc.	Specialty Cracker Manufacturer						
Subordinated Note		14.0%/4.0%	11/17/2014	6,795,470	6,795,470	6,795,470	
Common Units (1,000,000 units)					1,000,000	1,000,000	
Sub Total					7,795,470	7,795,470	15%
Total Affiliate Investments					24,413,389	26,860,320	52%
Non-Control/Non-Affiliate Investments[5]							
Brook & Whittle Limited	Specialty Printing						
Subordinated Note		12.0%/4.8%	2/9/2014	6,020,894	6,020,894	6,020,894	
Subordinated Note		12.0%/2.0%	2/9/2014	2,076,936	1,894,690	2,076,938	
Warrant (1,011 shares)					285,000	384,700	
Sub Total					8,200,583	8,482,532	16%
Caldwell & Gregory, LLC	Laundry Services						
Subordinated Note		12.5%/1.5%	4/23/2015	8,059,822	8,059,822	8,059,822	
Preferred Units (11,628 units)[7]					1,162,786	1,376,490	
Common Units (4,464 units)[7]					4,464	219,400	
Sub Total					9,227,072	9,655,712	19%
Casino Signs & Graphics, LLC	Niche Manufacturing						
Senior Secured Loan		2.0%/0.0%	12/31/2016	4,500,000	4,500,000	1,163,828	2%
Fairchild Industrial Products Company	Industrial Products						
Subordinated Note		13.0%/0.0%	7/24/2014	650,000	650,000	650,000	
Subordinated Note		13.0%/4.0%	7/24/2014	8,500,000	8,500,000	8,500,000	
Sub Total					9,150,000	9,150,000	18%

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments — (Continued)
December 31, 2010

Portfolio Company / Type of Investment[1][2][3]	Industry	Rate[4] Cash/PIK	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Goodrich Quality Theaters, Inc.	Movie Theaters						
Subordinated Note		12.8%/0.0%	3/31/2015	$ 12,500,000	$ 11,859,958	$ 12,500,000	
Warrant (71 shares)					750,000	2,080,000	
Sub Total					12,609,958	14,580,000	28%
Interactive Technology Solutions, LLC	Government IT Services						
Subordinated Note		12.0%/3.0%	12/31/2015	5,027,500	5,027,500	5,027,500	
Common Units (499 units)					500,000	500,000	
Sub Total					5,527,500	5,527,500	11%
Jan-Pro Holdings, LLC	Commercial Cleaning						
Subordinated Note		12.5%/2.5%	3/18/2015	7,340,513	7,340,513	7,340,513	
Preferred Equity (750,000 shares)					750,000	663,000	
Sub Total					8,090,513	8,003,513	15%
K2 Industrial Services, Inc.	Industrial Cleaning & Coatings						
Subordinated Note		14.0%/1.5%	2/27/2014	8,000,000	8,000,000	8,240,000	16%
Pure Earth, Inc.	Environmental Services						
Preferred Equity (6,300 shares)[8]		10.0%/4.0%	3/3/2013		6,104,575	—	
Preferred Equity (50,000 shares)[8]		0.0%/15.0%	N/A		516,913	—	
Warrant (767,375 shares)					1,307,457	—	
Sub Total					7,928,945	—	0%
Simplex Manufacturing Co.	Aerospace Manufacturing						
Senior Secured Loan[9]		N/A	1/13/2011	—	—	—	
Senior Secured Loan		14.0%/0.0%	10/31/2013	4,550,000	4,182,280	4,139,000	
Warrant (24 shares)					710,000	150,000	
Sub Total					4,892,280	4,289,000	8%
TBG Anesthesia Management, LLC	Healthcare Services						
Senior Secured Loan		13.5%/0.0%	11/10/2014	11,000,000	10,786,012	11,000,000	
Warrant (263 shares)					276,070	456,200	
Sub Total					11,062,082	11,456,200	22%
Tulsa Inspection Resources, Inc.	Oil & Gas Services						
Subordinated Note		14.0%/0.0%	3/12/2014	4,000,000	3,876,315	3,865,000	
Subordinated Note		17.5%/0.0%	3/12/2014	648,471	648,471	648,471	
Warrant (6 shares)					193,435	—	
Sub Total					4,718,221	4,513,471	9%
Total Non-Control/Non-Affiliate Investments					93,907,155	85,061,756	164%
Total Investments					$ 145,306,441	$ 141,341,478	272%

(1) All debt investments are income producing. Equity investments are non-income producing unless otherwise noted.

(2) See Note 3 to the Financial Statements for portfolio composition by geographic location.

(3) Equity ownership may be held in shares or units of companies related to the portfolio companies.

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments — (Continued)
December 31, 2010

(4) Rate includes the cash interest or dividend rate and paid-in-kind interest or dividend rate, if any.
(5) See Note 2 — Significant Accounting Policies, Investment Classification for definitions of Control and Affiliate classifications.
(6) Income producing.
(7) Investment is held by a wholly-owned subsidiary of the Fund.
(8) Investment was on non-accrual status at December 31, 2010.
(9) The entire commitment was unfunded at December 31, 2010. As such, no interest is being earned on this investment.

See Notes to Consolidated Financial Statements (unaudited).

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements (unaudited)

Note 1. Organization and Nature of Business

Fidus Mezzanine Capital, L.P. (the "Fund"), a Delaware limited partnership, was formed on February 19, 2007, to provide customized mezzanine debt and equity financing solutions to lower middle-market companies located in the United States. The general partner of the Fund is Fidus Mezzanine Capital GP, LLC, a Delaware limited liability company (the "General Partner").

The Fund commenced operations on May 1, 2007, and on October 22, 2007, the Fund was granted a license to operate as a Small Business Investment Company ("SBIC") under the authority of the United States Small Business Administration ("SBA"). The SBIC license allows the Fund to obtain leverage by issuing SBA-guaranteed debentures ("SBA debentures"), subject to the issuance of a leverage commitment by the SBA and other customary procedures. As an SBIC, the Fund is subject to a variety of regulations and oversight by the SBA under the Small Business Investment Act of 1958 (as amended "SBIC Act"), concerning, among other things, the size and nature of the companies in which it may invest and the structure of those investments.

The Fund has a term of the later of: a) ten (10) years from the commencement date (May 1, 2017), provided that the General Partner may extend the initial term by up to two additional one-year periods upon notice to the Limited Partners or b) two (2) years after the expiration of the final SBA debenture maturity. The General Partner has entered into an investment advisory agreement with Fidus Capital, LLC (the "Management Company") under which the Management Company manages the day-to-day operations of, and provides investment advisory services to, the Fund.

New Entity Formation

On February 14, 2011, a newly organized corporation, Fidus Investment Corporation, was formed for the purpose of acquiring 100.0% of the equity interests in the Fund and the General Partner, raising capital in an initial public offering and thereafter operating as an externally managed, closed-end, non-diversified management investment company. Fidus Investment Corporation intends to elect to be regulated as a business development company under the 1940 Act.

On March 1, 2011, Fidus Investment Corporation and the Fund filed a joint registration statement on Form N-2/N-5, pursuant to the Securities Act of 1933, as amended. Immediately prior to Fidus Investment Corporation's election to be treated as a business development company under the Investment Company Act of 1940 and the closing of its initial public offering, Fidus Investment Corporation will consummate the following formation transactions:

- Fidus Investment Corporation will acquire 100.0% of the equity interests in the Fund, which will become Fidus Investment Corporation's wholly-owned subsidiary, retain its SBIC license, continue to hold its existing investments and make new investments with available funds. The Fund intends to elect to be regulated as a business development company under the 1940 Act.
- Fidus Investment Corporation will acquire 100.0% of the equity interests in the General Partner of the Fund through the merger of the General Partner with and into a wholly-owned subsidiary of Fidus Investment Corporation.

In addition, concurrently with the planned initial public offering, the Fund will terminate its management services agreement with the Management Company and Fidus Investment Corporation will enter into a new investment advisory agreement with Fidus Investment Advisors, LLC. The investment professionals of the Management Company are also the investment professionals of Fidus Investment Advisors, LLC.

There can be no assurance that the initial public offering by Fidus Investment Corporation will be completed.

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements (unaudited) — (Continued)

Note 2. Significant Accounting Policies

Basis of presentation: The accompanying consolidated financial statements of the Fund have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"), as established by the Financial Accounting Standards Board ("FASB"). These consolidated financial statements reflect the guidance in the Accounting Standards Codification ("ASC"), which is the single source of authoritative GAAP recognized by the FASB. In the opinion of management, the consolidated financial statements reflect all adjustments and reclassifications that are necessary for the fair presentation of financial results as of and for the periods presented. Certain prior period amounts have been reclassified to conform to the current period presentation.

Use of estimates: The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation: In accordance with Regulation S-X and the Audit and Accounting Guide for Investment Companies issued by the American Institute of Certified Public Accountants ("AICPA"), the Fund will generally not consolidate its investments in a company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Fund. As a result, the consolidated financial statements of the Fund include the accounts of the Fund and its wholly-owned investment company subsidiaries. All significant intercompany balances and transactions have been eliminated.

Fair value of financial instruments: The Fund applies fair value to substantially all of its financial instruments in accordance with ASC Topic 820 — *Fair Value Measurements and Disclosures*. ASC Topic 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements. The Fund believes that the carrying amounts of its financial instruments, consisting of cash and cash equivalents, receivables, SBA debentures, accounts payable and accrued liabilities approximate the fair values of such items due to their short maturity or comparable interest rates. The Fund accounts for its portfolio investments at fair value. See Note 4 to the consolidated financial statements.

Investment classification: The Fund classifies its investments in accordance with the requirements of the 1940 Act. Under the 1940 Act, "Control investments" are defined as investments in those companies where the Fund owns more than 25% of the voting securities of such company or has rights to maintain greater than 50% of the board representation. Under the 1940 Act, "Affiliate investments" are defined as investments in those companies where the Fund owns between 5% and 25% of the voting securities of such company. "Non-control/non-affiliate investments" are those that neither qualify as Control Investments nor Affiliate Investments.

Segments: In accordance with ASC Topic 280 — *Segment Reporting*, the Fund has determined that it has a single reporting segment and operating unit structure.

Cash and cash equivalents: Cash and cash equivalents are highly liquid investments with an original maturity of three months or less at the date of acquisition. The Fund places its cash in financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Deferred financing costs: Deferred financing costs include SBA debenture commitment and leverage fees which have been capitalized and are amortized on a straight-line basis into interest expense over the term of the debenture agreement (10 years). Deferred financing costs also include costs related to the Fund's revolving credit facility. These costs have been capitalized and are amortized into interest expense over the term of the credit facility.

Revenue recognition: The Fund's revenue recognition policies are as follows:

Investments and related investment income: Realized gains or losses on portfolio investments are calculated based upon the difference between the net proceeds from the disposition and the cost basis of the investment. Changes in the fair value of investments, as determined by the General Partner through the application of the Fund's valuation policy, are included as changes in unrealized appreciation or depreciation of investments in the consolidated statement of operations.

Interest, fee and dividend income: Interest and dividend income is recorded on the accrual basis to the extent amounts are expected to be collected. Interest and dividend income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Distributions of earnings from portfolio companies are evaluated to determine if the distribution is income or a return of capital. Upon the prepayment of a loan or debt security, any prepayment penalties are recorded as fee income when received.

The Fund has investments in its portfolio that contain a payment-in-kind ("PIK") interest or dividend provision, which represents contractual interest or dividends accrued and added to the principal balance that generally becomes due at maturity. The Fund will not accrue PIK interest or dividends if the portfolio company valuation indicates that the PIK interest or dividends is not collectible.

In connection with its debt investments, the Fund will sometimes receive warrants or other equity-related securities ("Warrant"). The Fund determines the cost basis of the Warrant based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt and Warrant received. Any resulting difference between the face amount of the debt and its recorded fair value resulting from the assignment of value to the Warrant is treated as original issue discount ("OID") and accreted into interest income based on the effective interest method over the life of the debt security.

Non-accrual: Loans or preferred equity securities are placed on non-accrual status when principal, interest or dividend payments become materially past due, or when there is reasonable doubt that principal, interest or dividends will be collected. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are restored to accrual status when past due principal, interest or dividends are paid and, in management's judgment, are likely to remain current.

Income taxes: The Fund is taxed under the partnership provisions of the Internal Revenue Code. Under these provisions of the Internal Revenue Code, the General Partner and Limited Partners are responsible for reporting their share of the Partnership's income or loss on their income tax returns. Accordingly, the Fund is not subject to income taxes.

The Fund has certain wholly-owned taxable subsidiaries, each of which generally holds one of its portfolio investments listed on the consolidated schedule of investments. The taxable subsidiaries are consolidated for financial reporting purposes, such that the Fund's consolidated financial statements reflect the Fund's investment in the portfolio companies owned by the taxable subsidiaries. The purpose of the taxable subsidiaries is to permit the Fund to hold equity investments in portfolio companies that are organized as limited liability companies ("LLCs") (or other forms of pass through entities) while preserving certain tax benefits for the Fund's partners. When LLCs (or other pass through entities) are owned by the taxable subsidiaries, their income is taxed to the taxable subsidiary and does not flow through to the Fund's partners. The taxable subsidiaries are not consolidated with the Fund for income tax purposes and may generate either income from any tax distributions received from the portfolio company or income tax expense as a result of their ownership of the portfolio companies. Any such income or expense is reflected in the consolidated statements of operations.

ASC Topic 740 — *Accounting for Uncertainty in Income Taxes* ("ASC Topic 740") provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. ASC Topic 740 requires the evaluation of tax positions taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. It is the Fund's policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. There were no material uncertain income tax positions at March 31, 2011 and December 31, 2010. The 2007 through 2010 tax years remain subject to examination by U.S. federal and most state tax authorities.

Recent accounting standards: In January 2010, the FASB issued Accounting Standards Update ("ASU") 2010-06 — *Fair Value Measurements and Disclosure — Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amends ASC Topic 820 to add new requirements for disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. ASU 2010-06 also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. On January 1, 2010, we adopted ASU 2010-06 and included the required disclosures in Note 4.

Subsequent events: In February 2010, the FASB issued ASU Topic 855 — *Subsequent Events*. This ASU amended its authoritative guidance related to subsequent events to alleviate potential conflicts with current SEC guidance. The adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

Note 3. Portfolio Company Investments

The Fund's portfolio investments principally consist of secured and unsecured debt, equity warrants and direct equity investments in privately held companies. The debt investments may or may not be secured by either a first or second lien on the assets of the portfolio company. The debt investments generally bear interest at fixed rates, and generally mature between five and seven years from the original investment. In connection with a debt investment, the Fund also often receives nominally priced equity warrants and/or makes direct equity investments. The Fund's warrants or equity investments may be in a holding company related to the portfolio company. In addition, the Fund periodically makes equity investments in its portfolio companies through a wholly-owned taxable subsidiary which owns the equity securities of the underlying operating company. In both situations, the name of the operating company is reflected on the consolidated schedule of investments.

As of March 31, 2011, the Fund had debt and equity investments in 16 portfolio companies with an aggregate fair value of $143,651,652 and a weighted average effective yield on its debt investments of 14.9%. At March 31, 2011, the Fund held equity ownership in 81.3% of its portfolio companies and the average fully diluted equity ownership in those portfolio companies was 9.2%. As of December 31, 2010, the Fund held debt and equity investments in 17 portfolio companies with an aggregate fair value of $141,341,478 and a weighted average effective yield on its debt investments of 15.0%. At December 31, 2010, the Fund held equity ownership in 82.4% of its portfolio companies and the average fully diluted equity ownership in those portfolio companies was 8.8%.The weighted average yields were computed using the effective interest rates for all debt investments at cost as of March 31, 2011 and December 31, 2010, including accretion of original issue discount but excluding any debt investments on non-accrual status.

Purchases of debt and equity investments for the three months ended March 31, 2011 and 2010 totaled $256,484 and $12,752,307, respectively. Repayments of portfolio investments for the three months ended March 31, 2011 and 2010 totaled $250,000 and $1,050,000, respectively.

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements (unaudited) — (Continued)

Investments by type with corresponding percentage of total portfolio investments consisted of the following:

	March 31, 2011		December 31, 2010	
Cost:				
Senior secured loans	$ 19,513,255	14.1%	$ 19,468,293	13.4%
Subordinated notes	105,993,767	76.4%	104,864,032	72.2%
Equity	10,946,741	7.9%	17,452,154	12.0%
Warrants	2,214,505	1.6%	3,521,962	2.4%
Total	$ 138,668,268	100.0%	$ 145,306,441	100.0%
Fair value:				
Senior secured loans	$ 16,139,629	11.2%	$ 16,302,829	11.6%
Subordinated notes	107,223,505	74.7%	106,323,193	75.2%
Equity	13,540,318	9.4%	13,622,546	9.6%
Warrants	6,748,200	4.7%	5,092,910	3.6%
Total	$ 143,651,652	100.0%	$ 141,341,478	100.0%

All investments made by the Fund as of March 31, 2011 and December 31, 2010, have been made in portfolio companies located in the United States. The following tables show portfolio composition by geographic region at cost and fair value and as a percentage of total investments. The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio company's business.

	March 31, 2011		December 31, 2010	
Cost:				
Midwest	$ 40,907,449	29.5%	$ 40,796,916	28.1%
Southwest	30,961,373	22.3%	30,239,168	20.8%
Northeast	21,726,183	15.7%	29,452,499	20.3%
Southeast	26,543,274	19.1%	26,467,585	18.2%
West	18,529,989	13.4%	18,350,273	12.6%
Total	$ 138,668,268	100.0%	$ 145,306,441	100.0%
Fair value:				
Midwest	$ 43,146,578	30.0%	$ 43,401,076	30.7%
Southwest	37,264,871	25.9%	34,914,855	24.7%
Northeast	21,909,203	15.3%	21,805,502	15.4%
Southeast	26,897,241	18.7%	26,809,225	19.0%
West	14,433,759	10.1%	14,410,820	10.2%
Total	$ 143,651,652	100.0%	$ 141,341,478	100.0%

At March 31, 2011, the Fund had one portfolio company investment that represented more than 10% of the total investment portfolio. Such investment represented 16.3% of the fair value of the portfolio and 13.5% of cost as of March 31, 2011. At December 31, 2010, the Fund had two portfolio company investments that each represented more than 10% of the total investment portfolio. Such investments represented 24.8% of the fair value of the portfolio and 21.1% of cost as of December 31, 2010.

As of March 31, 2011, there were no investments on non-accrual status. As of December 31, 2010, there was one investment on non-accrual status which comprised 0.0% of the total portfolio on a fair value basis, and 5.5% of the total portfolio on a cost basis.

Note 4. Fair Value Measurements

The Fund has established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring basis in accordance with ASC Topic 820. Fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available or reliable, valuation techniques are applied. Because the Fund's portfolio investments generally do not have readily ascertainable market values, the Fund values its portfolio investments at fair value, as determined in good faith by the General Partner, based on input of management and an independent valuation firm, and under a valuation policy and a consistently applied valuation process.

Portfolio investments recorded at fair value in the consolidated financial statements are classified based upon the level of judgment associated with the inputs used to measure their value, as defined below:

Level 1 — Investments whose values are based on unadjusted, quoted prices for identical assets in an active market.

Level 2 — Investments whose values are based on quoted prices for similar assets in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the investment.

Level 3 — Investments whose values are based on inputs that are both unobservable and significant to the overall fair value measurement. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Fund's investment portfolio is comprised of debt and equity securities of privately held companies for which quoted prices falling within the categories of Level 1 and Level 2 inputs are not available. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments classified as Level 3. As of March 31, 2011 and December 31, 2010, all of the Fund's portfolio company investments are classified as Level 3. The fair value of the Fund's total portfolio investments at March 31, 2011 and December 31, 2010 were $143,651,652 and $141,341,478, respectively.

In making the good faith determination of the value of portfolio investments, the General Partner engages an independent valuation firm to assist in the valuation of the Fund's portfolio investment without a readily available market quotation. The Fund intends to continue consulting with an independent valuation firm relative to each portfolio investment at least once in every calendar year, and for new portfolio companies, at least once in the twelve-month period subsequent to the initial investment. As of March 31, 2011, the General Partner consulted with the independent valuation firm in arriving at the Fund's determination of fair value on seven of its portfolio company investments representing 57.0% of the total portfolio investments at fair value. As of December 31, 2010, the General Partner consulted with the independent valuation firm in arriving at the Fund's determination of fair value on 16 of its portfolio company investments representing 100.0% of the total portfolio investments at fair value. The Fund also uses an internally developed investment rating system in connection with its investment oversight, portfolio management and investment valuation procedures. This system takes into account both quantitative and qualitative factors of the portfolio company and the investments.

In making the good faith determination of the value of portfolio investments, the Fund starts with the cost basis of the security, which includes the amortized original issue discount and PIK interest or dividends, if any. The transaction price is typically the best estimate of fair value at inception. When evidence supports a subsequent change to the carrying value from the original transaction price, adjustments are made to reflect the expected exit values. The Fund performs detailed valuations of its debt and equity investments on an individual basis, using market, income and yield approaches as appropriate.

Under the market approach, the Fund typically uses the enterprise value methodology to determine the fair value of an investment. There is no one methodology to estimate enterprise value and, in fact, for any one portfolio company, enterprise value is generally best expressed as a range of values, from which the Fund derives a single estimate of enterprise value. In estimating the enterprise value of a portfolio company, the Fund analyzes various factors consistent with industry practice, including but not limited to original transaction multiples, the portfolio company's historical and projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the nature and realizable value of any collateral, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public. Typically, the enterprise value of private companies are based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value.

Under the income approach, the Fund prepares and analyzes discounted cash flow models based on projections of the future free cash flows (or earnings) of the portfolio company. In determining the fair value under the income approach, the Fund considers various factors, including but not limited to the portfolio company's projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public.

Under the yield approach, the Fund uses discounted cash flow models to determine the present value of the future cash flow streams of its debt investments, based on future interest and principal payments as set forth in the associated loan agreements. In determining fair value under the yield approach, the Fund also considers the following factors: applicable market yields and leverage levels, credit quality, prepayment penalties, estimated remaining life, the nature and realizable value of any collateral, the portfolio company's ability to make payments, and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made. The Fund estimates the remaining life of its debt investments to generally be the legal maturity date of the instrument, as the Fund generally intends to hold its loans to maturity. However, if the Fund has information available to it that the loan is expected to be repaid in the near term, it would use an estimated remaining life based on the expected repayment date.

For the Fund's Control investments, the Fund determines the fair value of debt and equity investments using a combination of market and income approaches. The valuation approaches for the Fund's Control investments estimate the value of the investment if it were to sell, or exit, the investment, assuming the highest and best use of the investment by market participants. In addition, these valuation approaches consider the value associated with the Fund's ability to influence the capital structure of the portfolio company, as well as the timing of a potential exit.

For the Fund's Affiliate or Non-Control/Non-Affiliate equity investments, the Fund uses a combination of market and income approaches as described above to determine the fair value.

For Affiliate or Non-Control/Non-Affiliate debt investments, the Fund generally uses the yield approach to determine fair value, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, the Fund may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis.

Due to the inherent uncertainty in the valuation process, the General Partner's estimate of fair value may differ materially from the values that would have been used had a ready market for the securities existed. In addition, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned.

The Fund's investments are subject to market risk. Market risk is the potential for changes in the value of investments due to market changes. Market risk is directly impacted by the volatility and liquidity in the markets in which the investments are traded.

Financial instruments classified as Level 3 in the fair value hierarchy represent the Fund's investments in portfolio companies, see the consolidated schedules of investments for further description. The following table presents a reconciliation of activity for the Level 3 financial instruments:

	Senior Secured Loans	Subordinated Notes	Equity	Warrants	Total
Balance, December 31, 2009	$ 14,801,858	$ 89,203,733	$ 17,690,221	$ 1,204,444	$ 122,900,256
Realized loss on investments	—	—	(2,307)	—	(2,307)
Net unrealized appreciation (depreciation)	(898,400)	(142,032)	(4,131,459)	(572,269)	(5,744,160)
Purchases of investment securities	250,000	11,750,000	2,307	750,000	12,752,307
Repayments of investments received	(200,000)	(850,000)	—	—	(1,050,000)
Interest and dividend income paid-in-kind	—	947,412	185,372	—	1,132,784
Accretion of original issue discount	39,421	50,593	63,571	—	153,585
Balance, March 31, 2010	$ 13,992,879	$ 100,959,706	$ 13,807,705	$ 1,382,175	$ 130,142,465
Balance, December 31, 2010	$ 16,302,829	$ 106,323,193	$ 13,622,546	$ 5,092,910	$ 141,341,478
Realized loss on investments			(6,627,973)	(1,307,457)	(7,935,430)
Net unrealized appreciation (depreciation)	(208,162)	(229,422)	6,423,185	2,962,747	8,948,348
Purchases of investment securities	250,000	—	6,484	—	256,484
Repayments of investments received	(250,000)	—	—	—	(250,000)
Interest and dividend income paid-in-kind	—	1,041,746	116,076	—	1,157,822
Accretion of original issue discount	44,962	87,988	—	—	132,950
Balance, March 31, 2011	$ 16,139,629	$ 107,223,505	$ 13,540,318	$ 6,748,200	$ 143,651,652

The total change in unrealized appreciation (depreciation) included in the consolidated statements of operations attributable to Level 3 investments still held at March 31, 2011 and 2010, was $1,019,402 and $(5,744,160), respectively.

Note 5. Net Assets Represented by Partners' Capital

As of March 31, 2011, the Fund had received irrevocable commitments from investors to contribute capital of $77,978,571. As of March 31, 2011 and December 31, 2010, the Fund had made capital calls totaling $56,897,014 and $49,897,014, respectively. During the year ended December 31, 2010, the Fund made a capital distribution totaling $1,500,000. The Fund did not make any distributions during the three months ended March 31, 2011 and 2010.

Net profits and losses are generally allocated to the General Partner and the Limited Partners (collectively, the "Partners") as follows:

Net Profits:

(1) First, 100% to all Partners in proportion to their respective commitments until the cumulative amount of net profit allocated to the Limited Partners equals the Preferred Return, as defined in the Agreement;

(2) Second, 100% to the General Partner until the General Partner has been allocated on a cumulative basis an amount of net profit equal to 20% of the cumulative amounts previously allocated to all Partners pursuant to (a) above; and

(3) Thereafter, 80% to all Partners in proportion to their respective commitments, and 20% to the General Partner.

If the Fund has accumulated net losses, they are allocated to all Partners having positive capital accounts in proportion to, and to the extent of, their respective positive capital accounts. As described in Note 6, certain partners are not charged management fees; therefore, losses associated with management fees are specifically allocated to Partners who pay management fees. Net losses that occur in periods after net profits have been allocated are allocated in reverse order of the previously allocated net profits.

Distributions from the Fund are made in the following order and amounts:

(1) First, 100% to all Partners (including the General Partner) in proportion to their respective commitments until the Limited Partners have received distributions equal to their funded capital contributions related to investments or partnership expenses, as of the date of distribution.

(2) Second, 100% to all Partners (including the General Partner) in proportion to their respective commitments until the Limited Partners have received current or prior distributions equal to the Preferred Return, as defined in the Agreement, as of the date of distribution.

(3) Third, to the General Partner until the General Partner has received current or prior distributions (including tax distributions attributable to its Carried Interest, as defined in the Agreement) equal to 20% of the cumulative distributions made to all Partners pursuant to (2) above; and

(4) Any remaining balance will be distributed 80% to all Partners (including the General Partner) in proportion to their respective commitments, and 20% to the General Partner.

The Agreement also includes, among other things, provisions for in-kind distributions, escrow of certain distributions and tax distributions. The Fund's ability to make distributions is limited by the SBIC Act.

Note 6. Management Fees and Related Parties

The Fund has a management agreement with the Management Company to manage the day-to-day operational and investment activities of the Fund. During the first five years of the Fund's operations, the Fund pays the Management Company, each fiscal quarter in advance, 0.5% of the sum of (i) the Fund's Regulatory Capital (as defined in the SBIC Act), (ii) any Permitted Distribution as defined by the Partnership Agreement, and (iii) an assumed two tiers (two times) of outstanding SBA debenture leverage on the sum of clauses (i) and (ii) up to the maximum amount as determined by the SBA, currently $150.0 million. Following the initial five year period, the Fund will pay the Management Company, each fiscal quarter in advance, 0.5% of the then outstanding aggregate cost of investments for active portfolio companies of the Fund. The General Partner and any Limited Partners who are members of the General Partner are not charged management fees. At March 31, 2011, one of the Limited Partners of the Fund is also a member of the General Partner.

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements (unaudited) — (Continued)

Gross management fees for the three months ended March 31, 2011 and 2010, were $1,036,213 and $1,035,907, respectively. Typically a portfolio company pays certain transaction fees in connection with the Fund's investments. These fees are related to structuring and advisory services provided by the Management Company, and in accordance with the Fund's limited partnership agreement, such fees are recorded as a direct offset to the gross amount of management fees. For the three months ended March 31, 2011 and 2010, management fees were reduced by transaction fees received from portfolio companies totaling $0 and $280,000, respectively.

Note 7. Debt

Credit facility: In April 2009, the Fund obtained an $8,000,000 unsecured line of credit with American Bank & Trust. In June 2010, the Fund amended its unsecured line of credit, decreasing the committed amount to $5,000,000 and extending the term to June 3, 2011. The purpose of the line is to provide short-term liquidity to the Fund. Interest accrues monthly at a rate equal to the greater of (i) the prime rate (3.25% at March 31, 2011) plus 0.75%, or (ii) 6%. There were $750,000 and $0 principal borrowings outstanding on the unsecured line of credit as of March 31, 2011 and December 31, 2010, respectively. For the three months ended March 31, 2011 and 2010, interest and fee amortization expense on the unsecured line of credit amounted to $4,250 and $10,000, respectively.

SBA debentures: The Fund uses debenture leverage provided through the SBA to fund a portion of its investment portfolio. The SBA made an initial commitment to issue $100,000,000 in the form of debenture securities to the Fund on or before September 30, 2012, and during 2010 made a commitment to issue an additional $30,000,000 on or before September 30, 2014. Unused commitments at both March 31, 2011 and December 31, 2010, were $36,500,000. The SBA may limit the amount that may be drawn each year under these commitments, and each issuance of leverage is conditioned on the Fund's full compliance, as determined by the SBA, with the terms and conditions set forth in the SBIC Act.

As of March 31, 2011 and December 31, 2010, the Fund has issued SBA debentures which mature as follows:

Pooling Date(1)	Maturity Date	Fixed Interest Rate	March 31, 2011	December 31, 2010
3/26/2008	3/1/2018	6.188%	$ 24,750,000	$ 24,750,000
9/24/2008	9/1/2018	6.442%	11,950,000	11,950,000
3/25/2009	3/1/2019	5.337%	19,750,000	19,750,000
9/23/2009	9/1/2019	4.950%	10,000,000	10,000,000
3/24/2010	3/1/2020	4.825%	13,000,000	13,000,000
9/22/2010	9/1/2020	3.932%	12,500,000	12,500,000
3/29/2011	3/1/2021	4.801%	1,550,000	1,550,000
			$ 93,500,000	$ 93,500,000

(1) The SBA has two scheduled pooling dates for debentures (in March and in September). Certain debentures drawn during the reporting periods may not be pooled until the subsequent pooling date.

Interest on SBA debentures is payable semi-annually on March 1 and September 1. For the three months ended March 31, 2011 and 2010, interest and fee amortization expense on outstanding SBA debentures amounted to $1,320,035 and $1,078,345 respectively. As of March 31, 2011 and December 31, 2010, accrued interest payable totaled $426,920 and $1,638,862, respectively. The weighted average fixed interest rate for all SBA debentures as of March 31, 2011 and December 31, 2010 was 5.4% and 5.3%, respectively.

Deferred financing costs as of March 31, 2011 and December 31, 2010, are as follows:

	March 31, 2011	December 31, 2010
SBA debenture commitment fees	$ 1,300,000	$ 1,300,000
SBA debenture leverage fees	2,267,375	2,267,375
Line of credit fees	40,000	40,000
Subtotal	3,607,375	3,607,375
Accumulated amortization	(901,302)	(812,118)
Net deferred financing costs	$ 2,706,073	$ 2,795,257

Note 8. Commitments and Contingencies

Commitments: As of March 31, 2011 and December 31, 2010, the Fund had one outstanding revolver commitment to a portfolio company for $500,000, all of which was unfunded. Such commitments involve elements of credit risk in excess of the amounts recognized in the consolidated statements of assets and liabilities.

Indemnifications: In the normal course of business, the Fund enters into contracts and agreements that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund expects the risk of future obligation under these indemnifications to be remote.

Legal proceedings: In the normal course of business, the Fund may be subject to legal and regulatory proceedings that are generally incidental to its ongoing operations. While the outcome of these legal proceedings cannot be predicted with certainty, the Fund does not believe these proceedings will have a material adverse effect on the Fund's consolidated financial statements.

Note 9. Financial Highlights

Financial highlights for the Fund for the three months ended March 31, 2011 and 2010, were as follows:

	Three Months Ended March 31,	
	2011(1)	2010(1)
Ratio to average net assets (annualized)(2):		
Total expenses	18.1%	17.0%
Net investment income	15.8%	19.4%
Total return(3)	23.0%	(30.1)%

(1) The amounts and ratios reflected in the financial highlights above represent the amounts for the limited partners only.

(2) Annualized ratios, based on the average of the beginning and ending amounts of each quarter.

(3) Total return based upon the net increase (decrease) in net assets resulting from operations during the period divided by average net assets. A limited partner's return may vary from these returns based on participation in different expense arrangements (as applicable).

These financial highlights may not be indicative of the future performance of the Fund.

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements (unaudited) — (Continued)

Note 10. Subsequent Events

On April 6, 2011, the Fund invested $8,125,000 of subordinated debt and equity securities in Nobles Manufacturing, Inc., a leading manufacturer of ammunition feed systems and components and centrifugal dryers.

On April 12, 2011, the Fund invested $4,750,000 of subordinated debt and equity securities in Medsurant Holdings, LLC, a provider of intraoperative monitoring technology and services.

Report of Independent Registered Public Accounting Firm

To the General Partner
Fidus Mezzanine Capital, L.P.
Evanston, Illinois

We have audited the accompanying consolidated statements of assets and liabilities, including the consolidated schedules of investments, of Fidus Mezzanine Capital, L.P. (the "Fund") as of December 31, 2010 and 2009, and the related consolidated statements of operations, changes in net assets and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Fund is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Fidus Mezzanine Capital, L.P. as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

As explained in Note 4, the consolidated financial statements include investments valued at $141,341,478 (272% of net assets) and $122,900,256 (254% of net assets) as of December 31, 2010 and 2009, respectively, whose fair values have been estimated by management in the absence of readily ascertainable fair values.

/s/ McGladrey & Pullen, LLP

Chicago, Illinois
February 23, 2011

Fidus Mezzanine Capital, L.P.

Consolidated Statements of Assets and Liabilities

	December 31, 2010	December 31, 2009
ASSETS		
Investments, at fair value		
Control investments (cost: $26,985,897 and $23,982,238, respectively)	$ 29,419,402	$ 24,023,266
Affiliate investments (cost: $24,413,389 and $14,781,970, respectively)	26,860,320	16,566,970
Non-control/non-affiliate investments (cost: $93,907,155 and $88,023,402, respectively)	85,061,756	82,310,020
Total investments at fair value (cost: $145,306,441 and $126,787,610, respectively)	141,341,478	122,900,256
Cash and cash equivalents	1,757,139	2,671,884
Interest receivable	1,141,357	1,275,878
Deferred financing costs (net of accumulated amortization of $812,118 and $465,051, respectively)	2,795,257	2,501,612
Prepaid expenses and other assets	341,558	300,572
Total assets	147,376,789	129,650,202
LIABILITIES		
SBA debentures	93,500,000	79,450,000
Accrued interest payable	1,638,862	1,283,641
Due to affiliates	958	182,251
Accounts payable and other liabilities	232,305	253,359
Total liabilities	95,372,125	81,169,251
Net assets	$ 52,004,664	$ 48,480,951
Net assets represented by partners' capital		
Contributed capital (net of syndication costs of $75,167)	$ 49,821,847	$ 49,821,847
Capital distributions	(1,500,000)	—
Accumulated net investment income	17,056,508	8,096,871
Accumulated realized losses on investments	(9,408,720)	(5,550,413)
Accumulated net unrealized depreciation on investments	(3,964,971)	(3,887,354)
Total net assets represented by partners' capital	$ 52,004,664	$ 48,480,951

See Notes to Consolidated Financial Statements.

Fidus Mezzanine Capital, L.P.

Consolidated Statements of Operations

	Years Ended December 31,		
	2010	2009	2008
Investment Income:			
Interest and fee income			
Control investments	$ 3,097,915	$ 2,120,482	$ 698,780
Affiliate investments	2,376,552	2,110,399	2,039,244
Non-control/non-affiliate investments	11,634,449	8,314,153	3,480,952
Total interest and fee income	17,108,916	12,545,034	6,218,976
Dividend income			
Control investments	442,368	398,603	302,055
Non-control/non-affiliate investments	360,592	1,182,351	931,047
Total dividend income	802,960	1,580,954	1,233,102
Interest on idle funds and other income	72,882	57,753	51,791
Total investment income	17,984,758	14,183,741	7,503,869
Expenses:			
Management fee	4,144,546	4,084,496	3,781,827
Less: management fee offset	(708,427)	(1,115,066)	(694,500)
Interest expense	4,961,565	3,688,066	1,994,386
Professional fees	223,038	286,145	130,474
Other expenses	404,399	144,463	47,740
Total expenses	9,025,121	7,088,104	5,259,927
Net investment income	8,959,637	7,095,637	2,243,942
Net realized and unrealized gains (losses) on investments:			
Realized loss on control investments	—	(3,740,595)	—
Realized loss on affiliate investments	—	(1,809,818)	—
Realized loss on non-control/non-affiliate investments	(3,858,307)	—	—
Net change in unrealized depreciation on investments	(77,617)	(3,137,354)	(750,000)
Net loss on investments	(3,935,924)	(8,687,767)	(750,000)
Net increase (decrease) in net assets resulting from operations	$ 5,023,713	$ (1,592,130)	$ 1,493,942

See Notes to Consolidated Financial Statements.

Fidus Mezzanine Capital, L.P.

Consolidated Statements of Changes in Net Assets

	General Partner	Limited Partners	Total
Balances at December 31, 2007	$ 1,595,112	$ 17,995,541	$ 19,590,653
Capital contributions	948,490	10,539,996	11,488,486
Net increase (decrease) resulting from operations:			
Net investment income	465,785	1,778,157	2,243,942
Net change in unrealized depreciation on investments	(65,402)	(684,598)	(750,000)
Balances at December 31, 2008	2,943,985	29,629,096	32,573,081
Capital contributions	1,440,882	16,059,118	17,500,000
Net increase (decrease) resulting from operations:			
Net investment income	877,708	6,217,929	7,095,637
Realized loss from investments	(484,015)	(5,066,398)	(5,550,413)
Net change in unrealized depreciation on investments	(273,588)	(2,863,766)	(3,137,354)
Balances at December 31, 2009	4,504,972	43,975,979	48,480,951
Capital distributions	(130,805)	(1,369,195)	(1,500,000)
Net increase (decrease) resulting from operations:			
Net investment income	1,080,953	7,878,684	8,959,637
Realized loss from investments	(336,458)	(3,521,849)	(3,858,307)
Net change in unrealized depreciation on investments	(6,768)	(70,849)	(77,617)
Balances at December 31, 2010	$ 5,111,894	$ 46,892,770	$ 52,004,664

See Notes to Consolidated Financial Statements.

Fidus Mezzanine Capital, L.P.

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2010	2009	2008
Cash Flows from Operating Activities			
Net increase (decrease) in net assets resulting from operations	$ 5,023,713	$ (1,592,130)	$ 1,493,942
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities:			
Net change in unrealized depreciation on investments	77,617	3,137,354	750,000
Realized loss on investments	3,858,307	5,550,413	—
Interest and dividend income paid-in-kind	(4,397,721)	(4,342,615)	(2,444,162)
Accretion of original issue discount	(612,887)	(553,291)	(386,434)
Amortization of deferred financing costs	347,068	251,291	177,094
Purchase of investments	(31,678,778)	(50,842,797)	(42,617,250)
Principal payments received on debt securities	14,312,240	—	2,000,000
Changes in operating assets and liabilities:			
Interest receivable	134,521	(664,914)	(179,481)
Prepaid expenses and other assets	(40,986)	(13,292)	1,313
Accrued interest payable	355,221	529,493	696,641
Due to affiliates	(181,293)	173,195	9,056
Accounts payable and other liabilities	(21,051)	(29,338)	(7,311)
Net cash used in operating activities	(12,824,029)	(48,396,631)	(40,506,592)
Cash Flows from Financing Activities			
Proceeds received from SBA debentures	14,050,000	33,000,000	46,450,000
Principal payments on credit facility	—	—	(15,250,000)
Payment of deferred financing costs	(640,716)	(800,251)	(1,126,412)
Capital contributions	—	17,500,000	11,488,486
Capital distributions	(1,500,000)	—	—
Net cash provided by financing activities	11,909,284	49,699,749	41,562,074
Net (decrease) increase in cash and cash equivalents	(914,745)	1,303,118	1,055,482
Cash and cash equivalents:			
Beginning of year	2,671,884	1,368,766	313,284
End of year	$ 1,757,139	$ 2,671,884	$ 1,368,766
Supplemental disclosure of cash flow information cash payments for interest	$ 4,259,275	$ 2,878,949	$ 1,120,651

See Notes to Consolidated Financial Statements.

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments
December 31, 2010

Portfolio Company / Type of Investment[1][2][3]	Industry	Rate Cash/PIK[4]	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Control Investments[5]							
Connect-Air International, Inc.	Specialty Distribution						
Subordinated Note		12.5%/3.0%	09/06/13	$ 4,314,967	$ 4,314,967	$ 4,314,967	
Preferred Interest[6]		0.0%/10.0%	09/03/14		4,643,025	4,643,025	
Sub Total					8,957,993	8,957,993	17%
Worldwide Express Operations, LLC	Transportation Services						
Subordinated Note		0.0%/14.0%	02/01/14	8,348,609	8,348,609	8,348,609	
Subordinated Note		0.0%/14.0%	02/01/14	9,757,158	9,408,905	9,757,159	
Warrant (213,381 units)[7]					—	2,022,010	
Common Units (51,946 units)[7]					270,390	333,631	
Sub Total					18,027,905	20,461,409	39%
Total Control Investments					26,985,897	29,419,402	57%
Affiliate Investments[5]							
Avrio Technology Group, LLC	Electronic Control Supplier						
Subordinated Note		13.0%/3.0%	10/15/15	8,124,876	8,124,876	8,124,876	
Common Units (1,000 units)[7]					1,000,000	1,000,000	
Sub Total					9,124,876	9,124,876	18%
Paramount Building Solutions, LLC	Retail Cleaning						
Subordinated Note		12.0%/4.0%	02/15/14	5,993,043	5,993,043	6,052,975	
Common Units (107,143 units)[7]					1,500,000	3,887,000	
Sub Total					7,493,043	9,939,975	19%
Westminster Cracker Company, Inc.	Specialty Cracker Manufacturer						
Subordinated Note		14.0%/4.0%	11/17/14	6,795,470	6,795,470	6,795,470	
Common Units (1,000,000 units)					1,000,000	1,000,000	
Sub Total					7,795,470	7,795,470	15%
Total Affiliate Investments					24,413,389	26,860,320	52%
Non-Control/Non-Affiliate Investments[5]							
Brook & Whittle Limited	Specialty Printing						
Subordinated Note		12.0%/4.8%	02/09/14	6,020,894	6,020,894	6,020,894	
Subordinated Note		12.0%/2.0%	02/09/14	2,076,936	1,894,690	2,076,938	
Warrant (1,011 shares)					285,000	384,700	
Sub Total					8,200,583	8,482,532	16%
Caldwell & Gregory, LLC	Laundry Services						
Subordinated Note		12.5%/1.5%	04/23/15	8,059,822	8,059,822	8,059,822	
Preferred Units (11,628 units)[7]					1,162,786	1,376,490	
Common Units (4,464 units)[7]					4,464	219,400	
Sub Total					9,227,072	9,655,712	19%
Casino Signs & Graphics, LLC	Niche Manufacturing						
Senior Secured Loan		2.0%/0.0%	12/31/16	4,500,000	4,500,000	1,163,828	2%

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments — (Continued)
December 31, 2010

Portfolio Company / Type of Investment[1][2][3]	Industry	Rate Cash/PIK[4]	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Fairchild Industrial Products Company	Industrial Products						
Subordinated Note		13.0%/0.0%	07/24/14	$ 650,000	$ 650,000	$ 650,000	
Subordinated Note		13.0%/4.0%	07/24/14	8,500,000	8,500,000	8,500,000	
Sub Total					9,150,000	9,150,000	18%
Goodrich Quality Theaters, Inc.	Movie Theaters						
Subordinated Note		12.8%/0.0%	03/31/15	12,500,000	11,859,958	12,500,000	
Warrant (71 shares)					750,000	2,080,000	
Sub Total					12,609,958	14,580,000	28%
Interactive Technology Solutions, LLC	Government IT Services						
Subordinated Note		12.0%/3.0%	12/31/2015	5,027,500	5,027,500	5,027,500	
Common Units (499 units)					500,000	500,000	
Sub Total					5,527,500	5,527,500	11%
Jan-Pro Holdings, LLC	Commercial Cleaning						
Subordinated Note		12.5%/2.5%	3/18/2015	7,340,513	7,340,513	7,340,513	
Preferred Equity (750,000 shares)					750,000	663,000	
Sub Total					8,090,513	8,003,513	15%
K2 Industrial Services, Inc.							
Subordinated Note	Industrial Cleaning & Coatings	14.0%/1.5%	2/27/2014	8,000,000	8,000,000	8,240,000	16%
Pure Earth, Inc.	Environmental Services						
Preferred Equity (6,300 shares)[8]		10.0%/4.0%	3/3/2013		6,104,575	—	
Preferred Equity (50,000 shares)[8]		0.0%/15.0%	N/A		516,913	—	
Warrant (767,375 shares)					1,307,457	—	
Sub Total					7,928,945	—	0%
Simplex Manufacturing Co.	Aerospace Manufacturing						
Senior Secured Loan[9]		N/A	1/13/2011	—	—	—	
Senior Secured Loan		14.0%/0.0%	10/31/2013	4,550,000	4,182,280	4,139,000	
Warrant (24 shares)					710,000	150,000	
Sub Total					4,892,280	4,289,000	8%
TBG Anesthesia Management, LLC	Healthcare Services						
Senior Secured Loan		13.5%/0.0%	11/10/2014	11,000,000	10,786,012	11,000,000	
Warrant (263 shares)					276,070	456,200	
Sub Total					11,062,082	11,456,200	22%

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments — (Continued)
December 31, 2010

Portfolio Company / Type of Investment(1)(2)(3)	Industry	Rate Cash/PIK(4)	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Tulsa Inspection Resources, Inc.	Oil & Gas Services						
Subordinated Note		14.0%/0.0%	3/12/2014	$ 4,000,000	$ 3,876,315	$ 3,865,000	
Subordinated Note		17.5%/0.0%	3/12/2014	648,471	648,471	648,471	
Warrant (6 shares)					193,435	—	
Sub Total					4,718,221	4,513,471	9%
Total Non-Control/Non-Affiliate Investments					93,907,155	85,061,756	164%
Total Investments					$ 145,306,441	$ 141,341,478	272%

(1) All debt investments are income producing. Equity investments are non-income producing unless otherwise noted.

(2) See Note 3 to the Financial Statements for portfolio composition by geographic location.

(3) Equity ownership may be held in shares or units of companies related to the portfolio companies.

(4) Rate includes the stated cash interest or dividend rate and stated paid-in-kind interest or dividend rate, if any.

(5) See Note 2 — Significant Accounting Policies, Investment Classification for definitions of Control and Affiliate classifications.

(6) Income producing.

(7) Investment is held by a wholly-owned subsidiary of the Fund.

(8) Investment was on non-accrual status at December 31, 2010.

(9) The entire commitment was unfunded at December 31, 2010. As such, no interest is being earned on this investment.

See Notes to Consolidated Financial Statements.

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments
December 31, 2009

Portfolio Company / Type of Investment[1][2][3]	Industry	Rate Cash/PIK[4]	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Control Investments[5]							
Connect-Air International, Inc.	Specialty Distribution						
Subordinated Note		12.5%/3.0%	09/06/13	$ 4,186,178	$ 4,186,178	$ 4,186,178	
Preferred Interest[6]		0.0%/10.0%	09/03/14		4,200,658	3,785,000	
Sub Total					8,386,836	7,971,178	16%
Worldwide Express Operations, LLC	Transportation Services						
Subordinated Note		0.0%/14.0%	02/01/14	7,276,976	7,276,976	7,276,976	
Subordinated Note		0.0%/14.0%	02/01/14	8,504,722	8,048,036	8,504,722	
Warrant (213,281 units)[7]					—	—	
Common Units (51,946 units)[7]					270,390	270,390	
Sub Total					15,595,402	16,052,088	33%
Total Control Investments					23,982,238	24,023,266	50%
Affiliate Investments[5]							
Paramount Building Solutions, LLC	Retail Cleaning						
Subordinated Note		12.0%/4.0%	02/15/14	5,755,248	5,755,248	5,755,248	
Common Units (107,143 units)[7]					1,500,000	3,285,000	
Sub Total					7,255,248	9,040,248	19%
Westminster Cracker Company, Inc.	Specialty Cracker Manufacturer						
Subordinated Note		13.0%/4.0%	11/17/14	6,526,722	6,526,722	6,526,722	
Common Units (1,000,000 units)					1,000,000	1,000,000	
Sub Total					7,526,722	7,526,722	16%
Total Affiliate Investments					14,781,970	16,566,970	34%
Non-Control/Non-Affiliate Investments[5]							
Bob's Discount Furniture, LLC	Retail						
Subordinated Note		12.5%/3.5%	12/19/13	11,325,109	11,325,109	11,325,109	23%
						—	
Brook & Whittle Limited	Specialty Printing						
Subordinated Note		12.0%/4.8%	02/09/14	5,739,268	5,739,268	5,739,268	
Subordinated Note		12.0%/2.0%	02/09/14	2,035,844	1,798,557	1,930,114	
Warrant (1,011 shares)					285,000	153,444	
Sub Total					7,822,825	7,822,826	16%
Caldwell & Gregory, LLC	Laundry Services						
Subordinated Note		12.5%/1.5%	04/23/15	7,940,049	7,940,049	7,940,049	
Preferred Units (11,628 units)[7]					1,162,786	1,255,809	
Common Units (4,464 units)[7]					4,464	250,000	
Sub Total					9,107,299	9,445,858	19%
Casino Signs & Graphics, LLC	Niche Manufacturing						
Senior Secured Loan[8]		4.0%/0.0%	12/31/12	2,950,000	2,950,000	2,672,307	
Senior Secured Loan[8]		0.0%/4.0%	12/31/14	5,353,000	5,353,000	—	
Sub Total					8,303,000	2,672,307	6%

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments — (Continued)
December 31, 2009

Portfolio Company / Type of Investment[1][2][3]	Industry	Rate Cash/PIK[4]	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Fairchild Industrial Products Company	Industrial Products						
Subordinated Note		13.0%/0.0%	07/24/14	$ 2,500,000	$ 2,500,000	$ 2,500,000	
Subordinated Note		13.0%/4.0%	07/24/14	8,500,000	8,500,000	8,500,000	
Sub Total					11,000,000	11,000,000	23%
Jan-Pro Holdings, LLC	Commercial Cleaning						
Subordinated Note		12.5%/2.0%	03/18/15	7,181,916	7,181,916	7,181,916	
Preferred Equity (750,000 shares)					750,000	565,000	
Sub Total					7,931,916	7,746,916	16%
K2 Industrial Services, Inc.	Industrial Cleaning & Coatings						
Subordinated Note		13.0%/3.0%	02/27/14	8,000,000	8,000,000	8,000,000	17%
Pure Earth, Inc.	Environmental Services						
Preferred Equity (6,300 shares)		10.0%/4.0%	3/3/2013		5,909,036	6,774,717	
Preferred Equity (50,000 shares)		0.0%/10.0%	N/A		504,306	504,306	
Warrant (767,375 shares)					1,307,457	65,000	
Sub Total					7,720,799	7,344,023	15%
Simplex Manufacturing Co.	Aerospace Manufacturing						
Subordinated Note		13.0%/0.0%	10/31/2013	4,550,000	4,059,473	4,129,551	
Warrant (24 shares)					710,000	780,449	
Sub Total					4,769,473	4,910,000	10%
TBG Anesthesia Management, LLC	Healthcare Services						
Senior Secured Loan		14.0%/0.0%	11/10/2014	8,000,000	7,736,044	8,000,000	
Warrant (263 shares)					276,070	12,114	
Sub Total					8,012,114	8,012,114	17%
Tulsa Inspection Resources, Inc.	Oil & Gas Services						
Subordinated Note		14.0%/0.0%	3/12/2014	4,000,000	3,837,432	3,837,432	
Warrant (6 shares)					193,435	193,435	
Sub Total					4,030,867	4,030,867	8%
Total Non-Control/Non-Affiliate Investments					88,023,402	82,310,020	170%
Total Investments					$ 126,787,610	$ 122,900,256	254%

(1) All debt investments are income producing. Equity investments are non-income producing unless otherwise noted.

(2) See Note 3 to the Financial Statements for portfolio composition by geographic location.

(3) Equity ownership may be held in shares or units of companies related to the portfolio companies.

(4) Rate includes the stated cash interest or dividend rate and stated paid-in-kind interest or dividend rate, if any.

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments — (Continued)
December 31, 2009

(5) See Note 2 — Significant Accounting Policies, Investment Classification for definitions of Control and Affiliate classifications.
(6) Income producing.
(7) Investment is held by a wholly-owned subsidiary of the Fund.
(8) Investment was on non-accrual status at December 31, 2009.

See Notes to Consolidated Financial Statements.

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements

Note 1. Organization and Nature of Business

Fidus Mezzanine Capital, L.P. (the "Fund"), a Delaware limited partnership, was formed on February 19, 2007, to provide customized mezzanine debt and equity financing solutions to lower middle-market companies located in the United States. The general partner of the Fund is Fidus Mezzanine Capital GP, LLC, a Delaware limited liability company (the "General Partner").

The Fund commenced operations on May 1, 2007, and on October 22, 2007, the Fund was granted a license to operate as a Small Business Investment Company ("SBIC") under the authority of the United States Small Business Administration ("SBA"). The SBIC license allows the Fund to obtain leverage by issuing SBA-guaranteed debentures ("SBA debentures"), subject to the issuance of a leverage commitment by the SBA and other customary procedures. As an SBIC, the Fund is subject to a variety of regulations and oversight by the SBA under the Small Business Investment Act of 1958 (as amended "SBIC Act"), concerning, among other things, the size and nature of the companies in which it may invest and the structure of those investments.

The Fund has a term of the later of: a) ten (10) years from the commencement date (May 1, 2017), provided that the General Partner may extend the initial term by up to two additional one-year periods upon notice to the Limited Partners or b) two (2) years after the expiration of the final SBA debenture maturity. The General Partner has entered into an investment advisory agreement with Fidus Capital, LLC (the "Management Company") under which the Management Company manages the day-to-day operations of, and provides investment advisory services to, the Fund.

Note 2. Significant Accounting Policies

Basis of presentation: The accompanying consolidated financial statements of the Fund have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"), as established by the Financial Accounting Standards Board ("FASB"). These consolidated financial statements reflect the guidance in the Accounting Standards Codification ("ASC"), which is the single source of authoritative GAAP recognized by the FASB. In the opinion of management, the consolidated financial statements reflect all adjustments and reclassifications that are necessary for the fair presentation of financial results as of and for the periods presented. Certain prior period amounts have been reclassified to conform to the current period presentation.

Use of estimates: The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation: In accordance with Regulation S-X and the Audit and Accounting Guide for Investment Companies issued by the American Institute of Certified Public Accountants ("AICPA"), the Fund will generally not consolidate its investments in a company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Fund. As a result, the consolidated financial statements of the Fund include the accounts of the Fund and its wholly-owned investment company subsidiaries. All significant intercompany balances and transactions have been eliminated.

Fair value of financial instruments: The Fund applies fair value to substantially all of its financial instruments in accordance with ASC Topic 820 — *Fair Value Measurements and Disclosures*. ASC Topic 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements. The Fund believes that the carrying amounts of its financial instruments, consisting of cash and cash equivalents, receivables, SBA debentures, accounts payable and accrued liabilities approximate the fair

values of such items due to their short maturity or comparable interest rates. The Fund accounts for its portfolio investments at fair value. See Note 4 to the consolidated financial statements.

Investment classification: The Fund classifies its investments in accordance with the requirements of the 1940 Act. Under the 1940 Act, "Control investments" are defined as investments in those companies where the Fund owns more than 25% of the voting securities of such company or has rights to maintain greater than 50% of the board representation. Under the 1940 Act, "Affiliate investments" are defined as investments in those companies where the Fund owns between 5% and 25% of the voting securities of such company. "Non-control/non-affiliate investments" are those that neither qualify as Control Investments nor Affiliate Investments.

Segments: In accordance with ASC Topic 280 — *Segment Reporting*, the Fund has determined that it has a single reporting segment and operating unit structure.

Cash and cash equivalents: Cash and cash equivalents are highly liquid investments with an original maturity of three months or less at the date of acquisition. The Fund places its cash in financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Deferred financing costs: Deferred financing costs include SBA debenture commitment and leverage fees which have been capitalized and are amortized on a straight-line basis into interest expense over the term of the debenture agreement (10 years). Deferred financing costs also include costs related to the Fund's revolving credit facility. These costs have been capitalized and are amortized into interest expense over the term of the credit facility.

Revenue recognition: The Fund's revenue recognition policies are as follows:

Investments and related investment income: Realized gains or losses on portfolio investments are calculated based upon the difference between the net proceeds from the disposition and the cost basis of the investment. Changes in the fair value of investments, as determined by the General Partner through the application of the Fund's valuation policy, are included as changes in unrealized appreciation or depreciation of investments in the consolidated statement of operations.

Interest, fee and dividend income: Interest and dividend income is recorded on the accrual basis to the extent amounts are expected to be collected. Interest and dividend income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Distributions of earnings from portfolio companies are evaluated to determine if the distribution is income or a return of capital. Upon the prepayment of a loan or debt security, any prepayment penalties are recorded as fee income when received.

The Fund has investments in its portfolio that contain a payment-in-kind ("PIK") interest or dividend provision, which represents contractual interest or dividends accrued and added to the principal balance that generally becomes due at maturity. The Fund will not accrue PIK interest or dividends if the portfolio company valuation indicates that the PIK interest or dividends is not collectible.

In connection with its debt investments, the Fund will sometimes receive warrants or other equity-related securities ("Warrant"). The Fund determines the cost basis of the Warrant based upon their respective fair values on the date of receipt in proportion to the total fair value of the debt and Warrant received. Any resulting difference between the face amount of the debt and its recorded fair value resulting from the assignment of value to the Warrant is treated as original issue discount ("OID") and accreted into interest income based on the effective interest method over the life of the debt security.

Non-accrual: Loans or preferred equity securities are placed on non-accrual status when principal, interest or dividend payments become materially past due, or when there is reasonable doubt that principal, interest or dividends will be collected. Interest payments received on non-accrual loans may be

recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are restored to accrual status when past due principal, interest or dividends are paid and, in management's judgment, are likely to remain current.

Income taxes: The Fund is taxed under the partnership provisions of the Internal Revenue Code. Under these provisions of the Internal Revenue Code, the General Partner and Limited Partners are responsible for reporting their share of the Partnership's income or loss on their income tax returns. Accordingly, the Fund is not subject to income taxes.

The Fund has certain wholly-owned taxable subsidiaries, each of which generally holds one of its portfolio investments listed on the consolidated schedule of investments. The taxable subsidiaries are consolidated for financial reporting purposes, such that the Fund's consolidated financial statements reflect the Fund's investment in the portfolio companies owned by the taxable subsidiaries. The purpose of the taxable subsidiaries is to permit the Fund to hold equity investments in portfolio companies that are organized as limited liability companies ("LLCs") (or other forms of pass through entities) while preserving certain tax benefits for the Fund's partners. When LLCs (or other pass through entities) are owned by the taxable subsidiaries, their income is taxed to the taxable subsidiary and does not flow through to the Fund's partners. The taxable subsidiaries are not consolidated with the Fund for income tax purposes and may generate either income from any tax distributions received from the portfolio company or income tax expense as a result of their ownership of the portfolio companies. Any such income or expense is reflected in the consolidated statements of operations.

Historically, no material taxes have been payable or paid in connection with the activities of any of the Fund's taxable subsidiaries and the Fund has not accrued any taxes at this time because no tax liability is anticipated at this time.

ASC Topic 740 — *Accounting for Uncertainty in Income Taxes* ("ASC Topic 740") provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. ASC Topic 740 requires the evaluation of tax positions taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. It is the Fund's policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. There were no material uncertain income tax positions at December 31, 2010. The 2007 through 2009 tax years remain subject to examination by U.S. federal and most state tax authorities.

Recent accounting standards: In January 2010, the FASB issued Accounting Standards Update ("ASU") 2010-06 — *Fair Value Measurements and Disclosure — Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amends ASC Topic 820 to add new requirements for disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. ASU 2010-06 also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. On January 1, 2010, we adopted ASU 2010-06 and included the required disclosures in Note 4.

Subsequent events: In February 2010, the FASB issued ASU Topic 855 — *Subsequent Events*. This ASU amended its authoritative guidance related to subsequent events to alleviate potential conflicts with current SEC guidance. The adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

Note 3. Portfolio Company Investments

The Fund's portfolio investments principally consist of secured and unsecured debt, equity warrants and direct equity investments in privately held companies. The debt investments may or may not be secured by

either a first or second lien on the assets of the portfolio company. The debt investments generally bear interest at fixed rates, and generally mature between five and seven years from the original investment. In connection with a debt investment, the Fund also often receives nominally priced equity warrants and/or makes direct equity investments. The Fund's warrants or equity investments may be in a holding company related to the portfolio company. In addition, the Fund periodically makes equity investments in its portfolio companies through a wholly-owned taxable subsidiary which owns the equity securities of the underlying operating company. In both situations, the name of the operating company is reflected on the consolidated schedule of investments.

As of December 31, 2010, the Fund had debt and equity investments in 17 portfolio companies with an aggregate fair value of $141,341,478 and a weighted average effective yield on its debt investments of 15.0%. At December 31, 2010, the Fund held equity ownership in approximately 82% of its portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 9%. As of December 31, 2009, the Fund held debt and equity investments in 15 portfolio companies with an aggregate fair value of $122,900,256 and a weighted average effective yield on its debt investments of 15.6%. At December 31, 2009, the Fund held equity ownership in approximately 73% of its portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 10%. The weighted average yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2010 and 2009, including accretion of original issue discount but excluding any debt investments on non-accrual status.

Purchases of debt and equity investments for the years ended December 31, 2010, 2009 and 2008, totaled $31,678,778, $50,842,797, and $42,617,250, respectively. Repayments of portfolio investments for the years ended December 31, 2010, 2009 and 2008, totaled $14,312,240, $0, and $2,000,000, respectively.

Investments by type with corresponding percentage of total portfolio investments consisted of the following:

	December 31, 2010		December 31, 2009	
Cost:				
Senior secured loans	$ 19,468,293	13.4%	$ 20,098,517	15.8%
Subordinated notes	104,864,032	72.2%	88,615,491	69.9%
Equity	17,452,154	12.0%	15,301,640	12.1%
Warrants	3,521,962	2.4%	2,771,962	2.2%
Total	$ 145,306,441	100.0%	$ 126,787,610	100.0%
Fair value:				
Senior secured loans	$ 16,302,829	11.6%	$ 14,801,858	12.0%
Subordinated notes	106,323,193	75.2%	89,203,733	72.6%
Equity	13,622,546	9.6%	17,690,221	14.4%
Warrants	5,092,910	3.6%	1,204,444	1.0%
Total	$ 141,341,478	100.0%	$ 122,900,256	100.0%

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements — (Continued)

All investments made by the Fund as of December 31, 2010 and 2009, have been made in portfolio companies located in the United States. The following tables show portfolio composition by geographic region at cost and fair value and as a percentage of total investments. The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio companies business.

	December 31, 2010		December 31, 2009	
Cost:				
Midwest	$ 40,796,916	28.1%	$ 16,012,114	12.7%
Southwest	30,239,168	20.8%	26,881,517	21.2%
Northeast	29,452,499	20.3%	34,395,455	27.1%
Southeast	26,467,585	18.2%	28,039,215	22.1%
West	18,350,273	12.6%	21,459,309	16.9%
Total	$ 145,306,441	100.0%	$ 126,787,610	100.0%
Fair value:				
Midwest	$ 43,401,076	30.7%	$ 16,012,114	13.0%
Southwest	34,914,855	24.7%	29,123,203	23.7%
Northeast	21,805,502	15.4%	34,018,680	27.7%
Southeast	26,809,225	19.0%	28,192,774	22.9%
West	14,410,820	10.2%	15,553,485	12.7%
Total	$ 141,341,478	100.0%	$ 122,900,256	100.0%

At December 31, 2010, the Fund had two portfolio company investments that each represented more than 10% of the total investment portfolio. Such investments represented 24.8% of the fair value of the portfolio and 21.1% of cost as of December 31, 2010. At December 31, 2009, the Fund had one portfolio company investment that represented more than 10% of the total investment portfolio. Such investment represented 13.1% of the fair value of the portfolio and 12.3% of cost as of December 31, 2009.

As of December 31, 2010, there was one investment on non-accrual status which comprised 0.0% of the total portfolio on a fair value basis, and comprised 5.5% of the total portfolio on a cost basis. As of December 31, 2009, there was one investment on non-accrual status which comprised 2.2% of the total portfolio on a fair value basis, and 6.5% of the total portfolio on a cost basis.

Note 4. Fair Value Measurements

The Fund has established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring basis in accordance with ASC Topic 820. Fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available or reliable, valuation techniques are applied. Because the Fund's portfolio investments generally do not have readily ascertainable market values, the Fund values its portfolio investments at fair value, as determined in good faith by the General Partner, based on input of management and an independent valuation firm, and under a valuation policy and a consistently applied valuation process.

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements — (Continued)

Portfolio investments recorded at fair value in the consolidated financial statements are classified based upon the level of judgment associated with the inputs used to measure their value, as defined below:

Level 1 — Investments whose values are based on unadjusted, quoted prices for identical assets in an active market.

Level 2 — Investments whose values are based on quoted prices for similar assets in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the investment.

Level 3 — Investments whose values are based on inputs that are both unobservable and significant to the overall fair value measurement. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Fund's investment portfolio is comprised of debt and equity securities of privately held companies for which quoted prices falling within the categories of Level 1 and Level 2 inputs are not available. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments classified as Level 3. As of December 31, 2010 and 2009, all of the Fund's portfolio company investments are classified as Level 3. The fair value of the Fund's total portfolio investments at December 31, 2010 and 2009, were $141,341,478 and $122,900,256, respectively.

In making the good faith determination of the value of portfolio investments, the General Partner engaged an independent valuation firm to assist in the valuation of each portfolio investment without a readily available market quotation as of December 31, 2010. The Fund intends to continue consulting with an independent valuation firm relative to each portfolio investment at least once in every calendar year, and for new portfolio companies, at least once in the twelve-month period subsequent to the initial investment. The Fund consulted with the independent valuation firm in arriving at the Fund's determination of fair value on 16 of its portfolio company investments for the year ended December 31, 2010, representing 100% of the total portfolio investments at fair value as of December 31, 2010. The Fund also uses an internally developed investment rating system in connection with its investment oversight, portfolio management and investment valuation procedures. This system takes into account both quantitative and qualitative factors of the portfolio company and the investments.

In making the good faith determination of the value of debt securities, the Fund starts with the cost basis of the security, which includes the amortized original issue discount and PIK interest or dividends, if any. The transaction price is typically the best estimate of fair value at inception. When evidence supports a subsequent change to the carrying value from the original transaction price, adjustments are made to reflect the expected exit values. The Fund performs detailed valuations of its debt and equity investments on an individual basis, using market, income and yield approaches as appropriate.

Under the market approach, the Fund typically uses the enterprise value methodology to determine the fair value of an investment. There is no one methodology to estimate enterprise value and, in fact, for any one portfolio company, enterprise value is generally best expressed as a range of values, from which the Fund derives a single estimate of enterprise value. In estimating the enterprise value of a portfolio company, the Fund analyzes various factors consistent with industry practice, including but not limited to original transaction multiples, the portfolio company's historical and projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the nature and realizable value of any collateral, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public. Typically, the enterprise value of private companies are based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value.

Under the income approach, the Fund prepares and analyzes discounted cash flow models based on projections of the future free cash flows (or earnings) of the portfolio company. In determining the fair value under the income approach, the Fund considers various factors, including but not limited to the portfolio company's projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public.

Under the yield approach, the Fund uses discounted cash flow models to determine the present value of the future cash flow streams of its debt investments, based on future interest and principal payments as set forth in the associated loan agreements. In determining fair value under the yield approach, the Fund also considers the following factors: applicable market yields and leverage levels, credit quality, prepayment penalties, the nature and realizable value of any collateral, the portfolio company's ability to make payments, and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made.

For the Fund's Control investments, the Fund determines the fair value of debt and equity investments using a combination of market and income approaches. The valuation approaches for the Fund's Control investments estimate the value of the investment if it were to sell, or exit, the investment, assuming the highest and best use of the investment by market participants. In addition, these valuation approaches consider the value associated with the Fund's ability to influence the capital structure of the portfolio company, as well as the timing of a potential exit.

For the Fund's Affiliate or Non-Control/Non-Affiliate equity investments, the Fund uses a combination of market and income approaches as described above to determine the fair value.

For Affiliate or Non-Control/Non-Affiliate debt investments, the Fund generally uses the yield approach to determine fair value, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, the Fund may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis.

Due to the inherent uncertainty in the valuation process, the General Partner's estimate of fair value may differ materially from the values that would have been used had a ready market for the securities existed. In addition, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned.

The Fund's investments are subject to market risk. Market risk is the potential for changes in the value of investments due to market changes. Market risk is directly impacted by the volatility and liquidity in the markets in which the investments are traded.

Fidus Mezzanine Capital, L.P.

Notes to Consolidated Financial Statements — (Continued)

Financial instruments classified as Level 3 in the fair value hierarchy represent the Fund's investments in portfolio companies, see the consolidated schedules of investments for further description. The following table presents a reconciliation of activity for the Level 3 financial instruments:

	Senior Secured Loans	Subordinated Notes	Equity	Warrants	Total
Balance, December 31, 2008	$ 6,150,000	$ 52,467,860	$ 16,779,673	$ 451,787	$ 75,849,320
Realized loss on investments	—	(1,428,006)	(4,122,407)	—	(5,550,413)
Net unrealized appreciation (depreciation)	(5,796,372)	734,984	2,025,882	(101,848)	(3,137,354)
Purchases of investment securities	14,273,930	33,621,565	2,092,797	854,505	50,842,797
Interest and dividend income paid-in-kind	53,000	3,622,359	667,256	—	4,342,615
Accretion of original issue discount	121,300	184,971	247,020	—	553,291
Balance, December 31, 2009	14,801,858	89,203,733	17,690,221	1,204,444	122,900,256
Realized loss on investments	(3,853,000)	—	(5,307)	—	(3,858,307)
Net unrealized appreciation (depreciation)	2,131,193	870,916	(6,218,192)	3,138,466	(77,617)
Purchases of investment securities	3,950,000	25,473,471	1,505,307	750,000	31,678,778
Repayments of investments received	(900,000)	(13,412,240)	—	—	(14,312,240)
Interest and dividend income paid-in-kind	—	3,874,998	522,723	—	4,397,721
Accretion of original issue discount	172,778	312,315	127,794	—	612,887
Balance, December 31, 2010	$ 16,302,829	$ 106,323,193	$ 13,622,546	$ 5,092,910	$ 141,341,478

The total change in unrealized appreciation (depreciation) included in the consolidated statements of operations attributable to Level 3 investments still held at December 31, 2010 and 2009, was $(3,930,617) and $(4,450,429), respectively.

Note 5. Net Assets Represented by Partners' Capital

As of December 31, 2010, the Fund had received irrevocable commitments from investors to contribute capital of $77,978,571. As of December 31, 2010, 2009 and 2008, the Fund had made capital calls totaling $49,897,014, $49,897,014 and $32,397,014, respectively. During the year ended December 31, 2010, the Fund made a capital distribution totaling $1,500,000. The Fund did not make any distributions during the years ended December 31, 2009 and 2008.

Net profits and losses are generally allocated to the General Partner and the Limited Partners (collectively, the "Partners") as follows:

Net Profits:

(1) First, 100% to all Partners in proportion to their respective commitments until the cumulative amount of net profit allocated to the Limited Partners equals the Preferred Return, as defined in the Agreement;

(2) Second, 100% to the General Partner until the General Partner has been allocated on a cumulative basis an amount of net profit equal to 20% of the cumulative amounts previously allocated to all Partners pursuant to (a) above; and

(3) Thereafter, 80% to all Partners in proportion to their respective commitments, and 20% to the General Partner.

If the Fund has accumulated net losses, they are allocated to all Partners having positive capital accounts in proportion to, and to the extent of, their respective positive capital accounts. As described in Note 6, certain partners are not charged management fees; therefore, losses associated with management fees are specifically allocated to Partners who pay management fees. Net losses that occur in periods after net profits have been allocated are allocated in reverse order of the previously allocated net profits.

Distributions from the Fund are made in the following order and amounts:

(1) First, 100% to all Partners (including the General Partner) in proportion to their respective commitments until the Limited Partners have received distributions equal to their funded capital contributions related to investments or partnership expenses, as of the date of distribution.

(2) Second, 100% to all Partners (including the General Partner) in proportion to their respective commitments until the Limited Partners have received current or prior distributions equal to the Preferred Return, as defined in the Agreement, as of the date of distribution.

(3) Third, to the General Partner until the General Partner has received current or prior distributions (including tax distributions attributable to its Carried Interest, as defined in the Agreement) equal to 20% of the cumulative distributions made to all Partners pursuant to (2) above; and

(4) Any remaining balance will be distributed 80% to all Partners (including the General Partner) in proportion to their respective commitments, and 20% to the General Partner.

The Agreement also includes, among other things, provisions for in-kind distributions, escrow of certain distributions and tax distributions. The Fund's ability to make distributions is limited by the SBIC Act.

Note 6. Management Fees and Related Parties

The Fund has a management agreement with the Management Company to manage the day-to-day operational and investment activities of the Fund. During the first five years of the Fund's operations, the Fund pays the Management Company, each fiscal quarter in advance, 0.5% of the sum of (i) the Fund's Regulatory Capital (as defined in the SBIC Act), (ii) any Permitted Distribution as defined by the Partnership Agreement, and (iii) an assumed two tiers (two times) of outstanding SBA debenture leverage on the sum of clauses (i) and (ii) above, up to the maximum amount as determined by the SBA, currently $150.0 million. Following the initial five year period, the Fund will pay the Management Company, each fiscal quarter in advance, 0.5% of the then outstanding aggregate cost of investments for active portfolio companies of the Fund. The General Partner and any Limited Partners who are members of the General Partner are not charged management fees. At December 31, 2010, one of the Limited Partners of the Fund is also a member of the General Partner.

Gross management fees for the years ended December 31, 2010, 2009 and 2008, were $4,144,546, $4,084,496 and $3,781,827, respectively. Typically a portfolio company pays certain transaction fees in connection with the Fund's investments. These fees are related to structuring and advisory services provided by the Management Company, and in accordance with the Fund's limited partnership agreement, such fees are recorded as a direct offset to the gross amount of management fees. For the years ended December 31, 2010, 2009 and 2008, management fees were reduced by transaction fees received from portfolio companies totaling $708,427, $1,115,066 and $694,500, respectively.

Note 7. Debt

Credit facility: In April 2009, the Fund obtained an $8,000,000 unsecured line of credit with American Bank & Trust. In June 2010, the Fund amended its unsecured line of credit, decreasing the committed amount to $5,000,000 and extending the term to June 3, 2011. The purpose of the line is to provide short-term liquidity to the Fund. Interest accrues monthly at a rate equal to the greater of (i) the prime rate (3.25% at December 31, 2010) plus 0.75%, or (ii) 6%. There were no principal borrowings outstanding on the unsecured line of credit as of December 31, 2010 and 2009. For the years ended December 31, 2010, 2009 and 2008, interest and fee amortization expense on the unsecured line of credit amounted to $23,792, $51,667 and $73,719, respectively.

SBA debentures: The Fund uses debenture leverage provided through the SBA to fund a portion of its investment portfolio. The SBA made an initial commitment to issue $100,000,000 in the form of debenture securities to the Fund on or before September 30, 2012, and during 2010 made a commitment to issue an additional $30,000,000 on or before September 30, 2014. Unused commitments at December 31, 2010 and 2009, were $36,500,000 and $20,550,000, respectively. The SBA may limit the amount that may be drawn each year under these commitments, and each issuance of leverage is conditioned on the Fund's full compliance, as determined by the SBA, with the terms and conditions set forth in the SBIC Act.

As of December 31, 2010 and 2009, the Fund has issued SBA debentures which mature as follows:

Pooling Date(1)	Maturity Date	Fixed Interest Rate	December 31, 2010	December 31, 2009
03/26/08	03/01/18	6.188%	$ 24,750,000	$ 24,750,000
09/24/08	09/01/18	6.442%	11,950,000	11,950,000
03/25/09	03/01/19	5.337%	19,750,000	19,750,000
09/23/09	09/01/19	4.950%	10,000,000	10,000,000
03/24/10	03/01/20	4.825%	13,000,000	13,000,000
09/22/10	09/01/20	3.932%	12,500,000	—
03/23/11	(2)	(2)	1,550,000	—
			$ 93,500,000	$ 79,450,000

(1) The SBA has two scheduled pooling dates for debentures. Certain debentures drawn during the years ended December 31, 2010 and 2009, were not pooled until the following year.

(2) These debentures will pool in March 2011 at which time the current short-term interim interest rate will reset to a higher long-term fixed interest rate.

Interest on SBA debentures accrues at the pooled interest rate plus an annual charge of 0.717% and is payable semi-annually on March 1 and September 1. For the years ended December 31, 2010, 2009, and 2008, interest and fee amortization expense on outstanding debentures amounted to $4,937,773, $3,636,399 and $1,920,667, respectively. As of December 31, 2010 and 2009, accrued interest payable totaled $1,638,862 and $1,283,641, respectively. The weighted average cost of borrowing for the years ended December 31, 2010, 2009 and 2008, was 4.62%, 5.08% and 5.55%, respectively.

Deferred financing costs as of December 31, 2010 and 2009, are as follows:

	December 31, 2010	December 31, 2009
SBA debenture commitment fees	$ 1,300,000	$ 1,000,000
SBA debenture leverage fees	2,267,375	1,926,663
Line of credit fees	40,000	40,000
Subtotal	3,607,375	2,966,663
Accumulated amortization	(812,118)	(465,051)
Net deferred financing costs	$ 2,795,257	$ 2,501,612

Note 8. Commitments and Contingencies; Subsequent Events

Commitments: As of December 31, 2010, the Fund had one outstanding revolver commitment to a portfolio company for $500,000, all of which was unfunded. On February 9, 2011, the Fund extended the maturity date of this commitment to April 25, 2011. As of December 31, 2009**,** the Fund had one outstanding revolver commitment, with a portfolio investment company for $3,000,000, of which, $50,000 was unfunded. Such commitments involve elements of credit risk in excess of the amounts recognized in the consolidated statements of assets and liabilities.

Indemnifications: In the normal course of business, the Fund enters into contracts and agreements that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund expects the risk of future obligation under these indemnifications to be remote.

Legal proceedings: In the normal course of business, the Fund may be subject to legal and regulatory proceedings that are generally incidental to its ongoing operations. While the outcome of these legal proceedings cannot be predicted with certainty, the Fund does not believe these proceedings will have a material adverse effect on the Fund's consolidated financial statements.

Note 9. Financial Highlights

Financial highlights for the Fund for the years ended December 31, 2010, 2009 and 2008, were as follows:

	Years Ended December 31, 2010(1)	2009(1)	2008(1)
Ratio to average net assets(2):			
Total expenses	20.1%	16.3%	21.1%
Net investment income	18.5%	15.0%	7.4%
Total return(3)	10.1%	(4.1)%	4.5%

(1) The amounts and ratios reflected in the financial highlights above represent the amounts for the limited partners only.

(2) Calculated based upon the average of the amounts at the end of each quarter within the year.

(3) Total return based upon the annual net increase (decrease) in net assets resulting from operations divided by average net assets. A limited partner's return may vary from these returns based on participation in different expense arrangements (as applicable).

These financial highlights may not be indicative of the future performance of the Fund.

Report of Independent Registered Public Accounting Firm

To the General Partner
Fidus Mezzanine Capital, L.P.
Evanston, Illinois

Our audits of the consolidated financial statements referred to in our report dated February 23, 2011, (included elsewhere in this Registration Statement on Form N-2), also included the consolidated financial statement schedule of investments in and advances to affiliates of Fidus Mezzanine Capital, L.P. (the "Fund") in this Form N-2. This schedule is the responsibility of the Fund's management. Our responsibility is to express an opinion based on our audits of the consolidated financial statements.

In our opinion, the consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Our report dated February 23, 2011, relating to the consolidated financial statements includes an emphasis paragraph relating to investments whose fair values have been estimated by management in the absence of readily ascertainable fair values as of December 31, 2010 and 2009.

/s/ McGladrey & Pullen, LLP

Chicago, Illinois
February 23, 2011

Fidus Mezzanine Capital, L.P.

Consolidated Schedule of Investments in and Advances to Affiliates

Portfolio Company / Type of Investment(1)	Interest, Fees and Dividends Credited to Income(2)	December 31, 2009 Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2010 Value
Control Investments					
Connect-Air International, Inc.					
Subordinated Note	$ 665,411	$ 4,186,178	$ 128,789	$ —	$ 4,314,967
Preferred Units	442,368	3,785,000	858,026	—	4,643,026
Sub Total	1,107,779	7,971,178	986,815	—	8,957,993
Worldwide Express Operations, LLC					
Subordinated Note	1,071,633	7,276,976	1,071,633	—	8,348,609
Subordinated Note	1,360,871	8,504,722	1,360,870	108,433	9,757,159
Warrant	—	—	2,022,010	—	2,022,010
Common Units	—	270,390	63,241	—	333,631
Sub Total	2,432,504	16,052,088	4,517,754	108,433	20,461,409
Total Control Investments	$ 3,540,283	$ 24,023,266	$ 5,504,569	$ 108,433	$ 29,419,402
Affiliate Investments					
Avrio Technology Group, LLC					
Subordinated Note	$ 266,005	$ —	$ 8,124,876	$ —	$ 8,124,876
Common Units	—	—	1,000,000	—	1,000,000
Sub Total	266,005	—	9,124,876	—	9,124,876
Paramount Building Solutions, LLC					
Subordinated Note	951,179	5,755,248	297,726	—	6,052,974
Common Units	—	3,285,000	602,000	—	3,887,000
Sub Total	951,179	9,040,248	899,726	—	9,939,974
Westminster Cracker Company, Inc.					
Subordinated Note	1,159,368	6,526,722	268,748	—	6,795,470
Common Units	—	1,000,000	—	—	1,000,000
Sub Total	1,159,368	7,526,722	268,748	—	7,795,470
Total Affiliate Investments	$ 2,376,552	$ 16,566,970	$ 10,293,350	$ —	$ 26,860,320

This schedule should be read in conjunction with the consolidated financial statements, including the consolidated schedule of investments and notes to consolidated financial statements.

(1) The principal amount, the ownership detail for equity investments, and if the investment is income producing is shown in the consolidated schedules of investments.

(2) Represents the total amount of interest, fees or dividends included in income during the year. Investments are classified as Control or Affiliate investments based upon their applicable designation as of December 31, 2010.

(3) Gross additions include increases in the cost basis of the investments resulting from additional investments, payment-in-kind of interest or dividends, and accretion of original issue discount. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation.

(4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments, if any. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation.

Shares

Fidus Investment Corporation

Common Stock

PROSPECTUS

, 2011

Morgan Keegan

Baird

BB&T Capital Markets
A Division of Scott & Stringfellow, LLC

Oppenheimer & Co.

Through and including , 2011 (25 days after the date of the prospectus), U.S. federal securities laws may require all dealers that effect transactions in our common stock, whether or not participating in this offering, to deliver a prospectus. This is in addition to the dealers' obligations to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

FIDUS INVESTMENT CORPORATION

PART C

Other Information

Item 25. ***Financial Statements and Exhibits***

(1) Financial Statements

The following financial statements of Fidus Mezzanine Capital, L.P. are provided in Part A of this Registration Statement:

Consolidated Statements of Assets and Liabilities — March 31, 2011 (unaudited) and December 31, 2010
Consolidated Statements of Operations — Three Months Ended March 31, 2011 (unaudited) and 2010 (unaudited)
Consolidated Statements of Changes in Net Assets — Three Months Ended March 31, 2011 (unaudited) and 2010 (unaudited)
Consolidated Statements of Cash Flows — Three Months Ended March 31, 2011 (unaudited) and 2010 (unaudited)
Consolidated Schedules of Investments — March 31, 2011 (unaudited) and December 31, 2010

Notes to Consolidated Financial Statements (unaudited)

Consolidated Statements of Assets and Liabilities — December 31, 2010 and 2009
Consolidated Statements of Operations — Years Ended December 31, 2010, 2009 and 2008
Consolidated Statements of Changes in Net Assets — Years Ended December 31, 2010, 2009 and 2008
Consolidated Statement of Cash Flows — Years Ended December 31, 2010, 2009 and 2008
Consolidated Schedules of Investments — December 31, 2010 and 2009

Notes to Consolidated Financial Statements

Consolidated Schedule of Investments in and Advances to Affiliates

(2) Exhibits

(a)(1)	Form of Amended and Restated Articles of Incorporation of Fidus Investment Corporation(1)
(a)(2)	Amended and Restated Certificate of Limited Partnership of Fidus Mezzanine Capital, L.P.(2)
(b)(1)	Bylaws of Fidus Investment Corporation(1)
(b)(2)	Amended and Restated Agreement of Limited Partnership for Fidus Mezzanine Capital, L.P.(2)
(c)	Not applicable
(d)	Form of Stock Certificate of Fidus Investment Corporation(1)
(e)	Form of Dividend Reinvestment Plan(1)
(f)(1)	Debentures Guaranteed by the SBA(2)
(f)(2)	Agreement to Furnish Certain Instruments(2)
(g)	Form of Investment Advisory Agreement between Registrant and Fidus Investment Advisors, LLC(1)
(h)	Form of Underwriting Agreement(1)
(i)	Not applicable
(j)	Form of Custodian Agreement(2)
(k)(1)	Form of Administration Agreement between Registrant and Fidus Investment Advisors, LLC(1)
(k)(2)	Form of Trademark License Agreement between Registrant and Fidus Partners, LLC(2)
(l)	Opinion and Consent of Nelson Mullins Riley & Scarborough, LLP(1)
(m)	Not applicable
(n)(1)	Consent of McGladrey & Pullen, LLP(2)
(n)(2)	Consent of Proposed Director - Wayne F. Robinson(1)
(n)(3)	Consent of Proposed Director - Charles D. Hyman(1)
(n)(4)	Consent of Proposed Director - Charles G. Phillips(1)
(o)	Not applicable
(p)	Not applicable
(q)	Not applicable
(r)	Code of Ethics of Registrant, Fidus Mezzanine Capital L.P. and Fidus Investment Advisors, LLC (2)

(1) Previously filed in connection with Fidus Investment Corporation's registration statement on Form N-2 Pre-Effective Amendment No. 2 (File No. 333-172550) filed on April 29, 2011.

(2) Filed herewith.

Item 26. ***Marketing Arrangements***

The information contained under the heading "Underwriting" on this Registration Statement is incorporated herein by reference.

Item 27. ***Other Expenses of Issuance and Distribution***

Securities and Exchange Commission registration fee	$ 9,404
FINRA filing fee	8,550
Nasdaq Global Market listing fees	75,000
Printing expenses	150,000(1)
Legal fees and expenses	1,000,000(1)
Accounting fees and expenses	317,750(1)
Miscellaneous	89,296(1)
Total	$ 1,650,000(1)

(1) These amounts are estimates.

All of the expenses set forth above shall be borne by the Company.

Item 28. ***Persons Controlled by or Under Common Control***

None

Item 29. ***Number of Holders of Securities***

The following table sets forth the approximate number of record holders of our common stock as of April 30, 2011.

Title of Class	Number of Record Holders
Common Stock, $0.001 par value	0

Item 30. ***Indemnification***

Maryland law permits a Maryland corporation to include in its articles of incorporation a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our articles of incorporation contain such a provision that eliminates directors' and officers' liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Our articles of incorporation authorize us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her service in any such capacity.

Our bylaws obligate us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in any such capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity. Our bylaws also provide that, to the maximum extent permitted by Maryland law, with the approval of our board of directors and provided that certain conditions described in our bylaws are met, we may pay certain expenses incurred by any such indemnified person in advance of the final disposition of a proceeding upon receipt of an undertaking by or on behalf of such indemnified person to repay amounts we have so paid if it is ultimately determined that indemnification of such expenses is not authorized under our bylaws.

Maryland law requires a corporation (unless its articles of incorporation provide otherwise, which our articles of incorporation do not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the

director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless in either case a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

The Registrant has obtained primary and excess insurance policies insuring our directors and officers against some liabilities they may incur in their capacity as directors and officers. Under such policies, the insurer, on the Registrant's behalf, may also pay amounts for which the Registrant has granted indemnification to the directors or officers.

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Fidus Investment Advisors, LLC and its and its affiliates' officers, directors, members, managers, stockholders and employees are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Fidus Investment Advisors, LLC's services under the Investment Advisory Agreement.

The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Fidus Investment Advisors, LLC and its and its affiliates' officers, directors, members, managers, stockholders and employees are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Fidus Investment Advisors, LLC's services under the Administration Agreement or otherwise as our administrator.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Insofar as indemnification for liability arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by a director, officer or controlling person of ours in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Item 31. ***Business and Other Connections of Investment Advisor.***

A description of any other business, profession, vocation or employment of a substantial nature in which Fidus Investment Advisors, LLC, and each managing director, director or executive officer of Fidus Investment Advisors, LLC, is or has been during the past two fiscal years, engaged in for his or her own account or in the capacity of director, officer, employee, partner or trustee, is set forth in Part A of this Registration Statement in the section entitled "Management." Additional information regarding the Fidus Investment Advisors, LLC and its officers and directors is set forth in its Form ADV, as filed with the SEC (File No. 801-72285), and is incorporated herein by reference.

Item 32. ***Location of Accounts and Records.***

All accounts, books and other documents required to be maintained by Section 31(a) of the 1940 Act, and the rules thereunder are maintained at the offices of:

(1) Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201;

(2) the Transfer Agent, American Stock Transfer & Trust Company, LLC, 59 Maiden Lane, Plaza Level, New York, New York 10038;

(3) the Custodian, U.S. Bank National Association, Corporate Trust Services, One Federal Street, 3rd Floor, Boston, Massachusetts 02110; and

(4) Fidus Investment Advisors, LLC, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.

Item 33. ***Management Services***

Not Applicable.

Item 34. ***Undertakings***

(1) We undertake to suspend the offering of shares until the prospectus is amended if (a) subsequent to the effective date of its registration statement, the net asset value declines more than 10% from its net asset value as of the effective date of the registration statement; or (b) the net asset value increases to an amount greater than the net proceeds as stated in the prospectus.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) We undertake that:

(a) For the purpose of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by us pursuant to Rule 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 3 to the Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in Evanston, Illinois, on the 25th day of May, 2011.

Fidus Investment Corporation

By: /s/ EDWARD H. ROSS
Name: Edward H. Ross
Title: Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 3 to the Registration Statement on Form N-2 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ EDWARD H. ROSS Edward H. Ross	Chairman and Chief Executive Officer (Principal Executive Officer)	May 25, 2011
/s/ CARY L. SCHAEFER Cary L. Schaefer	Chief Financial Officer (Principal Financial and Accounting Officer)	May 25, 2011
* Thomas C. Lauer	Director	May 25, 2011

*By: /s/ EDWARD H. ROSS
Edward H. Ross
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 3 to the Registration Statement on Form N-5 to be signed on its behalf by the undersigned, thereunto duly authorized, in Evanston, Illinois, on the 25th day of May, 2011.

Fidus Mezzanine Capital, L.P.

By: Fidus Mezzanine Capital GP, LLC, its General Partner

By: /s/ EDWARD H. ROSS
Name: Edward H. Ross
Title: Manager

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 3 to the Registration Statement on Form N-5 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ EDWARD H. ROSS Edward H. Ross	Manager (Principal Executive Officer) of the General Partner	May 25, 2011
/s/ CARY L. SCHAEFER Cary L. Schaefer	Chief Financial Officer (Principal Financial and Accounting Officer) of the General Partner	May 25, 2011

STATE OF DELAWARE
AMENDED AND RESTATED
CERTIFICATE OF LIMITED PARTNERSHIP

The Undersigned, desiring pursuant to the provisions of Section 17-210 of the Revised Uniform Limited Partnership Act of the State of Delaware to amend and restate the Certificate of Limited Partnership, filed on February 5, 2007, does hereby execute this Amended and Restated Certificate of Limited Partnership:

FIRST: The name of the Limited Partnership is Fidus Mezzanine Capital, L.P.

SECOND: The address of its registered office in the State of Delaware is 160 Greentree Drive, Suite 101, Dover, Delaware 19904. The name of the registered agent at such address is National Registered Agents, Inc.

THIRD: The name and mailing address of each general partner is as follows:

Fidus Investment GP, LLC
1603 Orrington Avenue, Suite 820
Evanston, Illinois 60201

FOURTH: The limited partnership is organized under the laws of the State of Delaware solely for the purpose of operating as a Small Business Investment Company organized pursuant to the Small Business Investment Act of 1958. The limited partnership may engage only in the activities described under Title III of the Small Business Investment Act of 1958, as amended.

IN WITNESS WHEREOF, the undersigned executed this Amended and Restated Certificate of Limited Partnership on this day of , A.D. 2011.

Fidus Investment GP, LLC

By: _____
Edward H. Ross, Authorized Person

FIDUS MEZZANINE CAPITAL, L.P.

SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

Dated as of _____ __, 2011

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Fidus Mezzanine Capital, L.P.

SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP dated and effective as of _____ __, 2011, among Fidus Investment GP, LLC, a Delaware limited liability company (the "General Partner"), in its capacity as general partner of the Partnership, Fidus Investment Corporation, a Maryland corporation, in its capacity as the sole limited partner of the Partnership ("FIC") and the other individuals and entities as may from time to time become parties to this Agreement as hereinafter provided.

WHEREAS, Fidus Mezzanine Capital GP, LLC, as the general partner of the Partnership (the "Old General Partner"), and the limited partners of the Partnership named therein, entered into that certain Amended and Restated Agreement of Limited Partnership dated as of August 30, 2007 (the "Original Agreement");

WHEREAS, the Partnership, FIC and [Fidus LP Merger Sub, L.P., a Delaware limited partnership] ("Merger Sub"), entered into an Agreement and Plan of Merger dated as of _____ (the "Fund Merger Agreement"), pursuant to which Merger Sub is merging with and into the Partnership, with the Partnership being the surviving entity, and the partnership interests held by the limited partners of the Partnership are being converted into shares of common stock of FIC;

WHEREAS, the General Partner, FIC and the Old General Partner entered into an Agreement and Plan of Merger dated as of _____ (the "GP Merger Agreement"), pursuant to which the Old General Partner is merging with and into the General Partner, with the General Partner being the surviving entity, and the ownership interests held by the members of the Old General Partner are being converted into shares of common stock of FIC;

WHEREAS, upon the closing of the transactions contemplated by the Fund Merger Agreement and the GP Merger Agreement, FIC will be the sole limited partner of the Partnership, and the General Partner will be the sole general partner of the Partnership; and

WHEREAS, immediately following the closing of the transactions contemplated by the Fund Merger Agreement and the GP Merger Agreement, the General Partner and FIC desire to amend and restate the Original Agreement in its entirety by entering into this Agreement.

NOW, THEREFORE, the parties, in consideration of their mutual agreements stated in this Agreement, agree to become partners and to continue the Partnership as a limited partnership under the Act. The purpose of the Partnership is to operate as a small business investment company under the SBIC Act, licensed by SBA for the period and upon the terms and conditions stated in this Agreement. The parties further agree as follows:

ARTICLE 1
General Provisions

Section 1.01 Definitions.

Capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the SBIC Act. For the purposes of this Agreement, the following terms have the following meanings:

"Act" means the Delaware Revised Uniform Limited Partnership Act, as amended.

"Additional Private Limited Partners" has the meaning stated in Section 5.04.

"Affiliate" has the meaning stated in the SBIC Act.

"Agreement" means this second amended and restated agreement of limited partnership, as amended from time to time. References to this Agreement will be deemed to include all provisions incorporated in this Agreement by reference.

"Assets" means common and preferred stock (including warrants, rights and other options relating to such stock), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, and other properties or interests commonly regarded as securities, and in addition, interests in real property, whether improved or unimproved, and interests in personal property of all kinds (tangible or intangible), choses in action, and cash, bank deposits and so-called "money market instruments".

"Assets Under Management" means, as of any specified date, the value of all Assets owned by the Partnership (the value to be determined as provided in this Agreement), including contributions requested and due from Partners and uncalled amounts of Commitments that are included in the Partnership's regulatory capital (as such term is used in the SBIC Act), less the amount of any liabilities of the Partnership, determined in accordance with generally accepted accounting principles, consistently applied.

"Associate" has the meaning stated in the SBIC Act.

"Board of Directors" has the meaning set forth in Section 3.01(a).

"Business Day" means any day other than a Saturday or Sunday, or a day on which banking institutions are authorized to be closed in the state of Delaware.

"Capital Account" means the account of each Partner that reflects its interest in the Partnership determined in accordance with Section 6.03.

"Certificate of Limited Partnership" means the certificate of limited partnership with respect to the Partnership filed for record in the office of the Secretary of State of Delaware.

"Closing Capital Account" means, with respect to any fiscal period, the Opening Capital Account of each Partner for the fiscal period adjusted to reflect allocations made to the Capital Account of such Partner during such fiscal period in accordance with Section 6.03.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder and interpretations thereof promulgated by the Internal Revenue Service, as in effect from time to time.

"Commitments" means the capital contributions to the Partnership that the Partners have made or are obligated to make to the Partnership. The amounts and terms of the Commitments of the General Partner and the Private Limited Partners will be as stated in this Agreement.

"Control Person" has the meaning stated in the SBIC Act.

"Debentures" has the meaning stated in the SBIC Act.

"Designated Party" means any of the General Partner, any Investment Adviser/ Manager, and any partner, member, manager, stockholder, director, officer, employee or Affiliate of the General Partner and any Investment Adviser/ Manager.

"Distributable Security" has the meaning stated in the SBIC Act.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder and interpretations thereof promulgated by the Department of Labor, as in effect from time to time.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the regulations thereunder and interpretations thereof promulgated by the Securities and Exchange Commission, as in effect from time to time.

"FIC" has the meaning stated in the preamble.

"Funded Commitment Amount" means the amount of each Partner's Commitment which has actually been funded through a capital contribution.

"General Partner" means the general partner or general partners of the Partnership, as set forth in this Agreement.

"Indemnifiable Costs" means all costs, expenses, damages, claims, liabilities, fines and judgments (including the reasonable cost of the defense, and any sums which may be paid with the consent of the Partnership in settlement), incurred in connection with or arising from a claim, action, suit, proceeding or investigation, by or before any court or administrative or legislative body or authority.

"Investment Advisers Act" means the Investment Advisers Act of 1940, as amended, and the regulations thereunder and interpretations thereof promulgated by the Securities and Exchange Commission, as in effect from time to time.

"Investment Company Act" means the Investment Company Act of 1940, as amended, and the regulations thereunder and interpretations thereof promulgated by the Securities and Exchange Commission, as in effect from time to time.

"Investment Adviser/Manager" has the meaning stated in the SBIC Act.

"Leverage" has the meaning stated in the SBIC Act.

"Management Compensation" means the amounts payable by the Partnership to the General Partner or Investment Adviser/Manager, as provided in Section 3.05.

"Management Fee Base" means the Partnership's total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts), calculated based on the average of the Partnership's total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts) at the end of the two most recently completed calendar quarters; provided, however, that the Management Fee Base shall be adjusted for any share issuances or repurchases during the calendar quarter.

"Management Fee Rate" means 1.75% per annum.

"Net Losses" means, with respect to any fiscal period, the excess, if any, of:

(i) all expenses and losses incurred during the fiscal period by the Partnership from all sources over

(ii) the aggregate revenue, income and gains realized during the fiscal period by the Partnership from all sources.

For purposes of determining Net Losses:

(A) items will be taken into account to the extent that (1) they are includable as items of income, credit, loss or deduction for Federal income tax purposes (including items described in Section 705(a)(2)(B) of the Code, or treated as so described in Treasury Regulation § 1.704-1(b)(2)(iv)(i)) or, (2) in the case of items of income, they constitute income that is exempt from Federal income tax; and

(B) if any Noncash Asset is distributed in kind, it will be deemed sold at the value established at the most recent valuation of the Noncash Asset under this Agreement (or such other valuation date as is required under the SBIC Act) and any unrealized appreciation or depreciation with respect to the Noncash Asset will be deemed realized and included in the determination of Net Losses.

"Net Profits" means, with respect to any fiscal period, the excess, if any, of:

(i) the aggregate revenue, income and gains realized during the fiscal period by the Partnership from all sources over

(ii) all expenses and losses incurred during the fiscal period by the Partnership from all sources.

For purposes of determining Net Profits:

(A) items will be taken into account to the extent that (1) they are includable as items of income, credit, loss or deduction for Federal income tax purposes (including items described in Section 705(a)(2)(B) of the Code, or treated as so described in Treasury Regulation § 1.704-1(b)(2)(iv)(i)) or, (2) in the case of items of income, constitute income that is exempt from Federal income tax; and

(B) if any Noncash Asset is distributed in kind, it will be deemed sold at the value established at the most recent valuation of the Noncash Asset under this Agreement (or such other valuation date as is required under the SBIC Act) and any unrealized appreciation or depreciation with respect to the Noncash Asset will be deemed realized and included in the determination of Net Profits.

"Noncash Asset" means any Asset of the Partnership other than cash.

"Opening Capital Account," with respect to any fiscal period, means:

(i) with respect to any Partner admitted during the fiscal period, the Partner's initial capital contribution (or in the case of any Partner admitted as a transferee of all or part of the interest in the Partnership of another Partner, with respect to such transferred interest in the Partnership, that portion of the transferor's initial capital contribution transferred to the transferee); and

(ii) with respect to any Partner admitted during any prior fiscal period (other than a Partner who has withdrawn as of the last day of the preceding fiscal period), the Partner's Closing Capital Account for the preceding fiscal period (or in the case of any Partner admitted as a transferee of all or part of the interest in the Partnership of another Partner, with respect to such transferred interest in the Partnership, that portion of the transferor's Closing Capital Account transferred to the transferee).

"Outstanding Leverage" means the total amount of outstanding securities (including, but not limited to, Debentures) issued by the Partnership, which qualify as Leverage and have not been redeemed or repaid as provided in the SBIC Act.

"Partners" means the General Partner and the Private Limited Partners.

"Partnership" means the limited partnership established by this Agreement and the Certificate of Limited Partnership.

"_____ percent (__%) in interest of the Private Limited Partners" means Private Limited Partners whose capital contributions represent such percentage of the capital contributions of all Private Limited Partners as of the time of determination.

"Private Limited Partners" means any limited partners of the Partnership.

"Regulatory Capital" has the meaning stated in the SBIC Act.

"SBA" means the United States Small Business Administration.

"SBA Agreements" has the meaning stated in Section 10.11.

"SBIC" means a small business investment company licensed under the SBIC Act.

"SBIC Act" means the Small Business Investment Act of 1958, as amended, and the rules and regulations thereunder and interpretations thereof promulgated by SBA, as in effect from time to time.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the regulations thereunder and interpretations thereof promulgated by the SEC, as in effect from time to time.

"Special Private Limited Partner" has the meaning stated in Section 4.06 and Section 8.03(c).

Section 1.02 Name.

(a) The name of the Partnership will be "Fidus Mezzanine Capital, L.P."

(b) Subject to the prior approval of SBA, the General Partner has the power at any time to:

(i) change the name of the Partnership; and

(ii) qualify the Partnership to do business under any name when the Partnership's name is unavailable for use, or may not be used, in a particular jurisdiction.

(c) The General Partner will give prompt notice of any action taken under this Section to each Partner and SBA.

Section 1.03 Principal Office; Registered Office; and Qualification.

(a) The principal office of the Partnership will be at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, or such other place as may from time to time be designated by the General Partner, subject to the approval of SBA.

(b) The registered office of the Partnership in the State of Delaware will be located at 160 Greentree Drive, Suite 101, Dover, Delaware 19904, Kent County. The name of the registered agent for the Partnership will be National Registered Agents, Inc. The General Partner may from time to time change the registered agent and registered office of the Partnership.

(c) The General Partner will qualify the Partnership to do business in each jurisdiction where the activities of the Partnership make such qualification necessary.

(d) The General Partner will give prompt notice of any action taken under this Section to each Partner and SBA.

Section 1.04 Commencement and Duration.

(a) The Partnership commenced upon the filing for record of the Certificate of Limited Partnership in the office of the Secretary of the State of Delaware.

(b) The Partnership will be dissolved and wound up at the time and in the manner provided for in Article 8.

Section 1.05 Admission of Partners.

(a) No person may be admitted as a General Partner or a Private Limited Partner without subscribing and delivering to the Partnership a counterpart of this Agreement, or other written instrument, which sets forth:

(i) the name and address of the Partner,

(ii) the Commitment of the Partner, and

(iii) the agreement of the Partner to be bound by the terms of this Agreement.

(b) **Without the prior approval of SBA, no person may be admitted as:**

(i) **a General Partner, or**

(ii) **a Private Limited Partner with an ownership interest of ten percent (10%) or more of the Partnership's capital**.

(c) The General Partner will compile, and amend from time to time as necessary, Schedule A attached to this Agreement, which will list:

(i) the name and address of the General Partner and each Private Limited Partner, and

(ii) the Commitment of the General Partner and each Private Limited Partner to the Partnership.

(d) The addition to the Partnership at any time of one or more Partners will not be a cause for dissolution of the Partnership, and all the Partners will continue to be subject to the provisions of this Agreement in all respects.

Section 1.06 Representations of Partners.

(a) **This Agreement is made with the General Partner in reliance upon the General Partner's representation to the Partnership and SBA, that:**

(i) **it is duly organized, validly existing and in good standing under the laws of the State of Delaware, and is qualified to do business under the laws of each state where such qualification is required to carry on the business of the Partnership;**

(ii) **it has full power and authority to execute and deliver this Agreement and to act as General Partner under this Agreement;**

(iii) **this Agreement has been authorized by all necessary actions by it, has been duly executed and delivered by it, and is a legal, valid and binding obligation of it, enforceable according to its terms; and**

(iv) **the execution and delivery of this Agreement and the performance of its obligations under this Agreement will not conflict with, or result in any violation of, or default under, any provision of any governing instrument applicable to it, or any agreement or other instrument to which it is a party or by which it or any of its properties are bound, or any provision of law, statute, rule or regulation, or any ruling, writ, order, injunction or decree of any court, administrative agency or governmental body applicable to it.**

(b) **This Agreement is made with each Private Limited Partner in reliance upon each Private Limited Partner's representation to the General Partner, the Partnership and SBA, that:**

(i) **it has full power and authority to execute and deliver this Agreement and to act as a Private Limited Partner under this Agreement; this Agreement has been authorized by all**

necessary actions by it; this Agreement has been duly executed and delivered by it; and this Agreement is a legal, valid and binding obligation of it, enforceable against it according to its terms;

(ii) **the execution and delivery of this Agreement and the performance of its obligations under this Agreement do not require the consent of any third party not previously obtained, and will not conflict with, or result in any violation of, or default under, any provision of any governing instrument applicable to it, or any agreement or other instrument to which it is a party or by which it or any of its properties are bound, or any provision of law, statute, rule or regulation, or any ruling, writ, order, injunction or decree of any court, administrative agency or governmental body applicable to it;**

(iii) **if the Private Limited Partner is a bank (as the term is used in the SBIC Act, at 15 U.S.C. § 682(b)), the total amount of such Private Limited Partner's investments in SBICs, including such Private Limited Partner's interest in the Partnership, does not exceed five percent (5%) of such Private Limited Partner's capital and surplus;**

(iv) unless otherwise disclosed to the Partnership in writing, the Partner is a citizen or resident of the United States, an entity organized under the laws of the United States or a state within the United States or an entity engaged in a trade or business within the United States; and

(v) unless otherwise disclosed to the Partnership in writing, the Partner is not subject to Title I of ERISA.

(c) Each Partner who has disclosed to the Partnership in writing that it is not a person described in Section 1.06(b)(iv), agrees to provide the Partnership with any information or documentation necessary to permit the Partnership to fulfill any tax withholding or other obligation relating to the Partner, including but not limited to any documentation necessary to establish the Partner's eligibility for benefits under any applicable tax treaty.

Section 1.07 Notices With Respect to Representations by Private Limited Partners.

(a) **If any representation made by a Private Limited Partner in Section 1.06(b)(i), (ii), (iii), (iv) or (v) ceases to be true, then the Private Limited Partner will promptly provide the Partnership with a correct separate written representation as provided in each such Section.**

(b) **The Partnership will give SBA prompt notice of any corrected representation received from any Private Limited Partner under Section 1.07(a).**

Section 1.08 Liability of Partners.

(a) Losses, liabilities and expenses incurred by the Partnership during any fiscal year will be allocated among the Partners in accordance with the procedures for allocating Net Losses as provided in Section 6.03.

(b) The General Partner has the liability for the liabilities of the Partnership provided for in the Act and the SBIC Act. The General Partner will not:

(i) be obligated to restore by way of capital contribution or otherwise any deficits in the respective Capital Accounts of the Private Limited Partners should such deficits occur, or

(ii) have any greater obligation with respect to any Outstanding Leverage than is required by the SBIC Act or by SBA.

(c) Except as otherwise provided under the Act and the SBIC Act, no Private Limited Partner will be liable for any loss, liability or expense whatsoever of the Partnership. Notwithstanding the preceding sentence, a Private Limited Partner will remain liable for any portion of such Private Limited Partner's Commitment not paid to the Partnership.

(d) If a Private Limited Partner is required to return to the Partnership, for the benefit of creditors of the Partnership, amounts previously distributed to the Private Limited Partner, the obligation of the Private Limited Partner to return any such amount to the Partnership will be the obligation of the Private Limited Partner and not the obligation of the General Partner. No Private Limited Partner will be liable under this Agreement for the obligations under this Agreement of any other Partner.

(e) **Nothing in this Agreement limits any liability of any Partner under any agreement between the Partner and SBA.**

ARTICLE 2

Purpose and Powers

Section 2.01 Purpose and Powers.

(a) **The Partnership is organized solely for the purpose of operating as a small business investment company under the SBIC Act and conducting the activities described under Title III of the SBIC Act. The**

Partnership has the powers and responsibilities, and is subject to the limitations, provided in the SBIC Act. The operations of the Partnership and the actions taken by the Partnership and the Partners will be conducted and taken in compliance with the SBIC Act.

(b) **Subject to Section 2.01(a), the Partnership may make, manage, own and supervise investments of every kind and character in conducting its business as a small business investment company.**

(c) **Subject to the provisions of the SBIC Act, the Partnership has all powers necessary, suitable or convenient for the accomplishment of the purposes set forth in Section 2.01(a) and Section 2.01(b), alone or with others, as principal or agent, including without limitation, to engage in any lawful act or activity for which limited partnerships may be organized under the Act.**

Section 2.02 Investment Limitations.

Notwithstanding any provision of Section 2.01(b), the Partnership will not place more than 30% of its Regulatory Capital in any Small Business (the "Overline Limit"); provided, however, that if the SBIC Act is amended in the future in a manner that would permit an SBIC to invest a larger amount into a Small Business, or if otherwise consented to by the SBA, then such Overline Limit shall automatically, and without amending this Agreement, be increased to the maximum Overline Limit then permitted under the SBIC Act or otherwise consented to by the SBA, as applicable.

Section 2.03 ERISA Matters.

The Partnership shall use its reasonable best efforts to ensure that no more than 25% in interest of all Private Limited Partners (as measured by their aggregate Capital Accounts) are "benefit plan investors" (within the meaning of Department of Labor Regulation § 2510.3-101(f)(2), 51 Fed. Reg. 41,282 (November 13, 1986) or any amendment or successor regulation), and to the extent that the Partnership has "benefit plan investors", the Partnership will use its best efforts to ensure that it qualifies as a "venture capital operating company" (within the meaning of Department of Labor Regulation § 2510.3-101(d), 51 Fed. Reg. 41,281 (November 13, 1986) or any amendment or successor regulation).

ARTICLE 3

Management

Section 3.01 Authority of General Partner.

(a) **The management and operation of the Partnership and the formulation of investment policy is vested exclusively in the General Partner.**

Pursuant to the powers vested in the General Partner under this Section 3.01(a) of this Agreement and Section 17-403(c) of the Act, notwithstanding any provision in this Agreement to the contrary, the General Partner hereby delegates the authority to manage the business and affairs of the Partnership to the Board of Directors of the Partnership (the "Board of Directors"). The Board of Directors will be selected annually by the affirmative vote of Partners, voting as a single class, whose capital contributions represent at least 51% of the capital contributions of all Partners at the time of determination. All members of the Board of Directors of the Partnership will also be directors of FIC; provided, however, that no person may serve as a director of the Partnership, other than the initial directors, without the prior written approval of the SBA. The initial directors of the Partnership are Edward H. Ross, Thomas C. Lauer, Wayne Robinson, Charles Hyman and Charles Phillips, who comprise all of the directors of FIC. At all times that the Partnership is a registrant under the Investment Company Act and has in effect an election to be treated as a business development company under the Investment Company Act, a majority of the Board of Directors (or such higher percentage as may be required by the Investment Company Act) will be persons who are not "interested persons" of the Partnership or its "affiliates" within the definition of that term provided by Section 2(a)(19) of the Investment Company Act (or any successor provision). The Board of Directors will operate in accordance with the governance provisions contained in the bylaws of FIC. Notwithstanding anything contained herein to the contrary, the following duties will remain vested in the General Partner: (1) the authority to bind the Partnership as provided in Section 3.01(b) of this Agreement and (2) the authority to perform any action that the Act requires be performed by a general partner of a limited partnership (and which may not be performed by a delegate of a general partner). Further, should the General Partner seek to amend this Agreement or take any additional substantive, non-ministerial action in the name of the Partnership, the General Partner shall obtain the prior approval of a majority of the Board of Directors. In addition, if the Board of Directors shall elect to amend this Agreement and any such amendment shall be approved by the SBA (to the extent so required) in writing, the General Partner shall execute such amendment. Each member of the Board of Directors will be a "Designated Party" for purposes of this Agreement; provided, however, that the liability of any member of the Board of Directors will not be limited to the extent prohibited by the Investment Company Act.

(i) So long as the Board of Directors remains the Board of Directors of the Partnership and so long as the Partnership is licensed as an SBIC, the Board of Directors will comply with the requirements of the SBIC Act, including, without limitation, 13 C.F.R. §107.160(a) and (b), as in effect from time to time.

(ii) At such time as the Partnership is no longer a registrant under the Investment Company Act, the provisions of this Agreement relating to the Board of Directors shall be deemed removed from this Agreement without further action of the Partners.

(b) **The act of the General Partner in carrying on the business of the Partnership will bind the Partnership.**

(c) **In the case of any General Partner other than a natural person, at any time that the Partnership is licensed as an SBIC, the General Partner will not allow any person to serve as a general partner, director, officer or manager of the General Partner, unless such person has been approved by SBA.**

(d) **So long as the General Partner remains the general partner of the Partnership:**

(i) **it will comply with the requirements of the SBIC Act, including, without limitation, 13 C.F.R. § 107.160(a) and (b), as in effect from time to time; and**

(ii) **in the case of any General Partner other than a natural person, except as set forth in Section 3.01(d)(iii), it will devote all of its activities to the conduct of the business of the Partnership and will not engage actively in any other business, unless its engagement is related to and in furtherance of the affairs of the Partnership.**

(iii) **The General Partner may, however:**

(A) **act as the general partner or Investment Adviser/Manager for one or more other SBICs, and**

(B) **receive, hold, manage and sell Assets received by it from the Partnership (or other SBIC for which it acts as general partner or Investment Adviser/Manager), or through the exercise or exchange of Assets received by it from the Partnership (or other SBIC for which it acts as general partner or Investment Adviser/Manager).**

Section 3.02 Authority of the Private Limited Partners.

The Private Limited Partners will take no part in the control of the business of the Partnership, and the Private Limited Partners will not have any authority to act for or on behalf of the Partnership except as is specifically permitted by this Agreement.

Section 3.03 The Investment Adviser/Manager.

(a) Subject to the SBIC Act, the General Partner may delegate any part of its authority to an Investment Adviser/Manager.

(b) **Any agreement delegating any part of the authority of the General Partner to an Investment Adviser/Manager will:**

(i) **be in writing, executed by the General Partner, the Partnership and the Investment Adviser/Manager,**

(ii) **specify the authority so delegated, and**

(iii) **expressly require that such delegated authority will be exercised by the Investment Adviser/Manager in conformity with the terms and conditions of such agreement, this Agreement and the SBIC Act.**

(c) Each agreement with an Investment Adviser/Manager under Section 3.03(a) will be binding upon the General Partner and any succeeding General Partner in accordance with its terms.

(d) **Each agreement with an Investment Adviser/Manager, and any material amendment to any such agreement, is subject to the prior approval of SBA.**

(e) The initial Investment Adviser/Manager shall be Fidus Investment Advisors, LLC, a Delaware limited liability company.

Section 3.04 Restrictions on Other Activities of the General Partner and its Affiliates.

Except as provided in the SBIC Act and as otherwise specifically provided in this Agreement, no provision of this Agreement will be construed to preclude any (i) Partner, (ii) Investment Adviser/Manager, or (iii) Affiliate, general partner, member, manager or stockholder of any Partner or Investment Adviser/Manager, from engaging in any activity whatsoever or from receiving compensation therefor or profit from any such activity. Such activities may include, without limitation, (A) receiving compensation from issuers of securities for investment banking services, (B) managing investments, (C) participating in investments, brokerage or consulting arrangements or (D) acting as an adviser to or participant in any corporation, partnership, limited liability company, trust or other business person.

Section 3.05 Management Compensation.

(a) As compensation ("Management Compensation") for services rendered in the management of the Partnership, during the term of the Partnership, the Partnership will pay an annual management fee computed on a quarterly basis

equal to the Management Fee Rate multiplied by the Management Fee Base. Notwithstanding the foregoing and anything to the contrary contained in this Agreement, during the Initial Investment Period, the Management Compensation paid shall not exceed two percent (2%) multiplied by the sum of Unreduced Regulatory Capital plus Assumed SBA Leverage. The "Initial Investment Period" shall mean the period commencing on the earliest of the following: (A) the date the Partnership's SBIC license was approved, (B) the first date of financing of a portfolio concern, or (C) the first date any Management Compensation based on Assumed SBA Leverage was accrued or paid, and ending on the fifth anniversary of (A), (B), or (C), as the case may be. "Unreduced Regulatory Capital" shall mean the sum of (A) the Partnership's Regulatory Capital at the time the fee is paid or begins to accrue, whichever is earlier (with increases or decreases recognized as set forth below), (B) any distributions previously made under Section 107.1570(b) of the Regulations which reduced Regulatory Capital, and (C) any distributions previously made under Section 107.585 of the Regulations which reduced Regulatory Capital by no more than 2.0% in any fiscal year or which the SBA approves for inclusion in the Fee Base. For the purpose of the immediately preceding sentence, increases or decreases to Regulatory Capital and Unreduced Regulatory Capital shall be recognized on the first day of the calendar quarter in which the Partnership notifies the SBA of such increase or decrease as evidenced by an executed capital certificate accepted by the SBA (which executed capital certificate shall be filed promptly). "Assumed SBA Leverage" shall mean the amount of leverage drawn or planned to be drawn by the Partnership, as reflected in the Partnership's then current plan of operations approved by the SBA. Notwithstanding the foregoing and anything to the contrary contained in this Agreement, after the Initial Investment Period, the Management Compensation paid shall not exceed two percent (2%) multiplied by the cost of loans and investments for all "active" portfolio companies. An "active" portfolio company is defined as a company in which the Partnership has not disposed of or written off its investment and which remains an ongoing concern. However, for purposes of calculating the Management Fee Base, write downs of "active" portfolio companies shall be taken into account. In addition, companies valued at zero are considered written off for the purposes of this calculation. The cost of loans and investments used in this calculation will be the cost as of the first day of the fiscal quarter for which the fee is paid or begins to accrue. For the purpose of calculating Management Compensation, whether a portfolio company is "active," and whether a financing of a portfolio company should be written off, are subject to SBA review.

(b) Notwithstanding anything contained herein to the contrary if the Management Compensation is payable to an Investment Adviser/Manager, the Partnership will not pay any Management Compensation to the Investment Adviser/Manager until such time that the SEC has granted exemptive relief with respect to the payment of such compensation or the Investment Adviser/Manager otherwise determines that such compensation is permissible

under the Investment Company Act (the "Management Compensation Determination Time"). Prior to the Management Compensation Determination Time, Management Compensation shall accrue and such accrued Management Compensation shall be payable in full by the Partnership to the Investment Adviser/Manager at the Management Compensation Determination Time.

(c) **The Partnership will not pay any Management Compensation with respect to any fiscal year in excess of the amount of Management Compensation approved by SBA.**

(d) The Management Compensation payable to the General Partner, the Investment Adviser/Manager or their Affiliates, as the case may be, shall not be considered a distribution of profits or return of capital to the General Partner, the Investment Adviser/Manager or their Affiliates, as the case may be, for the purpose of any provision of this Agreement, but shall be considered a deduction from Partnership income or increase in Partnership losses in determining Net Profits or Net Losses, or items of income or expense. If there is a final determination that any fee payable to the General Partner, the Investment Adviser/Manager or their Affiliates, as the case may be, under this section is not deductible by the Partnership for federal income tax purposes, the gross income for such year or subsequent years, as necessary, shall be specially allocated to the General Partner, the Investment Adviser/Manager or their Affiliates, as the case may be, until the gross income so allocated equals the total amount of such Management Compensation determined not to be deductible. If such special allocation to the General Partner, the Investment Adviser/Manager or their Affiliates, as the case may be, affects the allocations to the Private Limited Partners otherwise determined under this Agreement, the allocations to all Partners shall be adjusted proportionately.

Section 3.06 Payment of Management Compensation.

Management Compensation will be paid quarterly in arrears, with each installment to be equal to the Management Compensation earned for the quarter then-ended; provided however, that Management Compensation for any partial quarter shall be prorated based on the number of applicable days in such quarter.

Section 3.07 Partnership Expenses.

(a) The General Partner and the Investment Adviser/Manager or their respective Affiliates will pay:

(i) the compensation of all professional and other employees of the Partnership, the General Partner or the Investment Adviser/Manager who provide services to the Partnership;

(ii) except as provided in Section 3.07(b), the cost of providing support and general services to the Partnership, including, without limitation:

(A) office expenses;

(B) travel;

(C) business development;

(D) office and equipment rental;

(E) bookkeeping;

(F) secretarial and clerical services;

(G) the development, investigation and monitoring of investments; and

(H) any other administrative and overhead expenses incurred in managing, originating and monitoring investments; and

(iii) all other expenses of the Partnership not authorized to be paid by the Partnership under Section 3.07(b).

(b) The Partnership will pay the following Partnership expenses:

(i) all interest and expenses payable by the Partnership on any indebtedness incurred by the Partnership;

(ii) all amounts payable to the SBA under the SBIC Act, and all amounts payable in connection with any Leverage commitment and any Outstanding Leverage;

(iii) taxes payable by the Partnership to Federal, state, local and other governmental agencies;

(iv) Management Compensation;

(v) expenses incurred in the actual or proposed acquisition or disposition of Assets, including without limitation, accounting

fees, brokerage fees, legal fees, transfer taxes and costs related to the registration or qualification for sale of Assets;

(vi) legal, insurance (including any insurance as contemplated in Section 3.10(m)), accounting and auditing expenses;

(vii) all expenses incurred by the Partnership in connection with commitments for or issuance of Leverage;

(viii) fees or dues in connection with the membership of the Partnership in any trade association for small business investment companies or related enterprises;

(ix) any syndication and similar costs;

(x) any other out-of-pocket expenses or expenses incurred in organizing the Partnership; and

(xi) any other costs of the Partnership not reimbursed by portfolio companies, including legal, auditing, consulting, financing, accounting and custodian fees and expenses; brokerage commissions and other transaction expenses; expenses associated with the Partnership's financial statements, due diligence and other out of pocket expenses incurred in connection with transactions not consummated; insurance; other expenses associated with the acquisition, holding and disposition of portfolio investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against the Partnership.

(c) **All Partnership expenses paid by the Partnership will be made against appropriate supporting documentation. The payment by the Partnership of Partnership expenses will be due and payable as billed.**

Section 3.08 Valuation of Assets.

(a) **The Partnership will adopt written guidelines for determining the value of its Assets. Assets held by the Partnership will be valued by the General Partner and the Board of Directors in a manner consistent with the Partnership's written guidelines and the SBIC Act. The Valuation Guidelines attached to this Agreement as Exhibit I are the Partnership's written guidelines for valuation.**

(b) **To the extent that the SBIC Act requires any Asset held by the Partnership to be valued other than as provided in this Agreement, the**

General Partner and the Board of Directors will value the Asset in such manner as it determines to be consistent with the SBIC Act.

(c) **Assets held by the Partnership will be valued at least annually (or more often, as SBA may require), and will be valued at least semi-annually (or more often, as SBA may require) at any time that the Partnership has Outstanding Leverage.**

Section 3.09 Standard of Care.

(a) **No Designated Party will be liable to the Partnership or any Partner for any action taken or omitted to be taken by it or any other Partner or other person in good faith and in a manner it reasonably believed to be in or not opposed to the best interests of the Partnership, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its conduct was unlawful.**

(b) **Neither any Private Limited Partner, nor any member of any Partnership committee or board who is not an Affiliate of the General Partner, will be liable to the Partnership or any Partner as the result of any decision made in good faith by the Private Limited Partner or member, in its capacity as such.**

(c) **Any Designated Party, any Private Limited Partner and any member of a Partnership committee or board, may consult with independent legal counsel selected by it and will be fully protected, and will incur no liability to the Partnership or any Partner, in acting or refraining to act in good faith in reliance upon the opinion or advice of such counsel.**

(d) **This Section does not constitute a modification, limitation or waiver of Section 314(b) of the SBIC Act, or a waiver by SBA of any of its rights under Section 314(b).**

(e) **In addition to the standards of care stated in this Section, this Agreement may also provide for additional (but not alternative) standards of care that must also be met.**

Section 3.10 Indemnification.

(a) **The Partnership will indemnify and hold harmless, but only to the extent of Assets Under Management (less any Outstanding Leverage not included as a liability in the computation of Assets Under Management), any Designated Party, from any and all Indemnifiable Costs which may be incurred by or asserted against such person or entity, by reason of any action taken or omitted to be taken on behalf of the Partnership and in furtherance of its interests.**

(b) **The Partnership will indemnify and hold harmless, but only to the extent of Assets Under Management (less any Outstanding Leverage not included as a liability in the computation of Assets Under Management),**

the Private Limited Partners, and members of any Partnership committee or board who are not Affiliates of the General Partner or any Investment Adviser/Manager from any and all Indemnifiable Costs which may be incurred by or asserted against such person or entity, by any third party on account of any matter or transaction of the Partnership, which matter or transaction occurred during the time that such person has been a Private Limited Partner or member of any Partnership committee or board.

(c) **The Partnership has power, in the discretion of the General Partner, to agree to indemnify on the same terms and conditions applicable to persons indemnified under Section 3.10(b), any person who is or was serving, under a prior written request from the Partnership, as a consultant to, agent for or representative of the Partnership as a director, manager, officer, employee, agent of or consultant to another corporation, partnership, limited liability company, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by the person in any such capacity, or arising out of the person's status as such.**

(d) **No person may be entitled to claim any indemnity or reimbursement under Section 3.10(a), (b) or (c) in respect of any Indemnifiable Cost that may be incurred by such person which results from the failure of the person to act in accordance with the provisions of this Agreement and the applicable standard of care stated in Section 3.09. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, preclude a determination that such person acted in accordance with the applicable standard of care stated in Section 3.09.**

(e) **To the extent that a person claiming indemnification under Section 3.10(a), (b) or (c) has been successful on the merits in defense of any action, suit or proceeding referred to in Section 3.10(a), (b) or (c) or in defense of any claim, issue or matter in any such action, suit or proceeding, such person must be indemnified with respect to such matter as provided in such Section. Except as provided in the foregoing sentence and as provided in Section 3.10(h) with respect to advance payments, any indemnification under this Section will be paid only upon determination that the person to be indemnified has met the applicable standard of conduct stated in Section 3.09(a) or Section 3.09(b).**

(f) **A determination that a person to be indemnified under this Section has met the applicable standard stated in Section 3.09(a) or Section 3.09(b) may be made by (i) the General Partner, with respect to the indemnification of any person other than a person claiming indemnification under Section 3.10(a), (ii) a committee of the Partnership whose members are not affiliated with the General Partner or any Investment Adviser/Manager with respect to indemnification of any person indemnified under Section 3.10(a) or (iii) at the election of the General Partner, independent legal counsel selected by the General**

Partner, with respect to the indemnification of any person indemnified under this Section, in a written opinion.

(g) **In making any determination with respect to indemnification under (f), the General Partner, a committee of the Partnership whose members are not affiliated with the General Partner or any Investment Adviser/Manager or independent legal counsel, as the case may be, is authorized to make the determination on the basis of its evaluation of the records of the General Partner, the Partnership or any Investment Adviser/Manager to the Partnership and of the statements of the party seeking indemnification with respect to the matter in question and is not required to perform any independent investigation in connection with any determination. Any party making any such determination is authorized, however, in its sole discretion, to take such other actions (including engaging counsel) as it deems advisable in making the determination.**

(h) **Expenses incurred by any person in respect of any Indemnifiable Cost may be paid by the Partnership before the final disposition of any such claim or action upon receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined as provided in Section 3.10(e) or (f) that the person is entitled to be indemnified by the Partnership as authorized in this Section.**

(i) **The rights provided by this Section will inure to the benefit of the heirs, executors, administrators, successors, and assigns of each person eligible for indemnification under this Agreement.**

(j) **The rights to indemnification provided in this Section are the exclusive rights of all Partners to indemnification by the Partnership. No Partner may have any other rights to indemnification from the Partnership or enter into, or make any claim under, any other agreement with the Partnership (whether direct or indirect) providing for indemnification.**

(k) **The Partnership may not enter into any agreement with any person (including, without limitation, any Investment Adviser/Manager, Partner or any person that is an employee, officer, director, partner or shareholder, or an Affiliate, Associate or Control Person of any Partner) providing for indemnification of any such person (i) except as provided for under this Section, and (ii) unless such agreement provides for a determination with respect to the indemnification as provided under Section 3.10(f).**

(l) **The provisions of this Section do not apply to indemnification of any person that is not at the expense (whether in whole or in part) of the Partnership.**

(m) The Partnership may purchase and maintain insurance on its own behalf, or on behalf of any person or entity, with respect to liabilities of the types described in this Section. The Partnership may purchase such insurance regardless of

whether the person is acting in a capacity described in this Section or whether the Partnership would have the power to indemnify the person against such liability under the provisions of this Section.

Section 3.11 Partnership Committees.

The Partnership, the General Partner or its Affiliates may establish certain committees, as necessary.

ARTICLE 4

Small Business Investment Company Matters

Section 4.01 SBIC Act.

The provisions of this Agreement must be interpreted to the fullest extent possible in a manner consistent with the SBIC Act. If any provision of this Agreement conflicts with any provision of the SBIC Act (including, without limitation, any conflict with respect to the rights of SBA or the respective Partners under this Agreement), the provisions of the SBIC Act will control.

Section 4.02 Consent or Approval of, and Notice to, SBA.

(a) **The requirements of the prior consent or approval of, and notice to, SBA in this Agreement will be in effect at any time that the Partnership is licensed as an SBIC or has Outstanding Leverage. These requirements will not be in effect if the Partnership is not licensed as an SBIC and does not have any Outstanding Leverage**.

(b) **Except as provided in the SBIC Act, a consent or approval required to be given by SBA under this Agreement will be deemed given and effective for purposes of this Agreement only if the consent or approval is:**

(i) **given by SBA in writing, and**

(ii) **delivered by SBA to the party requesting the consent or approval in the manner provided for notices to such party under Section 10.04.**

Section 4.03 Provisions Required by the SBIC Act for Issuers of Debentures.

(a) **The provisions of 13 C.F.R. § 107.1810(i) are incorporated by reference in this Agreement as if fully stated in this Agreement.**

(b) **The Partnership and the Partners consent to the exercise by SBA of all of the rights of SBA under 13 C.F.R. § 107.1810(i), and agree to take all actions that SBA may require in accordance with 13 C.F.R. § 107.1810(i).**

(c) **This Section will be in effect at any time that the Partnership has outstanding Debentures, and will not be in effect at any time that the Partnership does not have outstanding Debentures.**

(d) **Nothing in this Section may be construed to limit the ability or authority of SBA to exercise its regulatory authority over the Partnership as a licensed small business investment company under the SBIC Act.**

Section 4.04 Effective Date of Incorporated SBIC Act Provisions.

(a) **Any section of this Agreement which relates to Debentures issued by the Partnership and incorporates or refers to the SBIC Act or any provision of the SBIC Act (including, without limitation, 13 C.F.R. §§ 107.1810(i), 107.1820, and 107.1830 — 107.1850)) will, with respect to each Debenture, be deemed to refer to the SBIC Act or such SBIC Act provision as in effect on the date on which the Debenture was purchased from the Partnership.**

(b) **Section 4.04(a) will not be construed to apply to:**

(i) **the provisions of the SBIC Act which relate to the regulatory authority of SBA under the SBIC Act over the Partnership as a licensed small business investment company; or**

(ii) **the rights of SBA under any other agreement between the Partnership and SBA.**

(c) **The parties acknowledge that references in this Agreement to the provisions of the SBIC Act relating to SBA's regulatory authority refer to the provisions as in effect from time to time.**

Section 4.05 SBA as Third Party Beneficiary.

SBA will be deemed an express third party beneficiary of the provisions of this Agreement to the extent of the rights of SBA under this Agreement and under the Act. SBA will be entitled to enforce the provisions (including, without limitation, the obligations of each Partner to make capital contributions to the Partnership) for its benefit, as if SBA were a party to this Agreement.

Section 4.06 Interest of the General Partner After Withdrawal.

If the General Partner withdraws as a general partner of the Partnership by notice from SBA as provided in the SBIC Act or otherwise, then the entire interest of the General

Partner in the Partnership will be converted into an interest as a Special Private Limited Partner on the terms provided in Section 8.03.

ARTICLE 5

Partners' Capital Contributions

Section 5.01 Capital Commitments.

The Private Limited Partners and the General Partner commit to make capital contributions to the Partnership in the amounts set forth by their respective names on Schedule A.

Section 5.02 Capital Contributions by Private Limited Partners.

(a) **All capital contributions to the Partnership by Private Limited Partners must be in cash, except as provided in this Agreement and approved by SBA.**

(b) Each Private Limited Partner will pay as its initial capital contribution to the Partnership an amount to be determined by the General Partner in its sole discretion. The initial capital contribution will be made on the date of formation of the Partnership or on such other date as determined by the General Partner in its sole discretion. The General Partner will give the Private Limited Partners written notice of the amount and due date of the initial capital contribution. Such notice shall be given at least one (1) day before the date on which such capital contribution is due.

(c) After the date of the initial capital contribution, the Private Limited Partners will pay the remaining balance of their Commitments in such amounts and at such times as will be determined by the General Partner in its sole discretion. The General Partner will give the Private Limited Partners notice before each such payment is due. Each such notice will be given not more than thirty days (30) nor less than one (1) day before the payment to which such notice relates is due, and will specify the date the payment will be due and the percentage of the Private Limited Partners' Commitments then due.

Section 5.03 Capital Contributions by the General Partner.

(a) **All capital contributions to the Partnership by the General Partner must be in cash, except as provided in this Agreement and approved by SBA.**

(b) The General Partner must pay its Commitment in installments at the same times and in the same percentage amounts as the Private Limited Partners.

(c) If the Commitment of the General Partner is increased as a result of an increase in the Commitment of the Private Limited Partners or the admission of any Additional Private Limited Partner, the amount of the increased Commitment will be payable by the General Partner in installments, the first of which will be due upon the effectiveness of the increased Commitment and each subsequent installment will be due at the same times and in the same percentage amounts as the Private Limited Partners.

(d) When the partnership is liquidated, the General Partner will contribute to the Partnership within the time period provided in Treasury Regulation § 1.704-(1)(b)(2)(ii)(b)(3) an amount equal to any deficit balance in its Capital Account after giving effect to its contribution of its Commitment as provided in Section 5.03(a) and (b).

Section 5.04 Additional Private Limited Partners and Increased Commitments.

From time to time after the date of this Agreement, the General Partner and the Board of Directors may, in their discretion, admit one or more new Private Limited Partners (the "Additional Private Limited Partners") or permit any Private Limited Partner to increase its Commitment under the following terms and conditions:

(a) Each Additional Private Limited Partner (and Private Limited Partner increasing its Commitment) must execute and deliver to the Partnership a counterpart of this Agreement, or other written instrument, which sets forth:

(i) the name and address of the Partner,

(ii) the Commitment of the Partner, and

(iii) in the case of an Additional Private Limited Partner, the agreement of the Partner to be bound by the terms of this Agreement.

The General Partner shall amend Schedule A to reflect such Additional Private Limited Partner's name, address and Commitment (or the increase in the Private Limited Partner's Commitment, as the case may be).

Section 5.05 Conditions to the Commitments of the General Partner and the Private Limited Partners.

(a) **Notwithstanding any provision in this Agreement to the contrary, on the earlier of (i) the completion of the liquidation of the Partnership or (ii) one year from the commencement of the liquidation, the General Partner and the Private Limited Partners will be obligated to contribute any amount of their respective Commitments not previously contributed to the Partnership, if and to the extent that the other Assets of the Partnership have not been sufficient to permit at that time the**

redemption of all Outstanding Leverage, the payment of all amounts due with respect to the Outstanding Leverage as provided in the SBIC Act, and the payment of all other amounts owed by the Partnership to SBA.

(b) **The provisions of this Section do not apply to the Commitment of any Private Limited Partner whose obligation to make capital contributions has been terminated or who has withdrawn from the Partnership, with the consent of SBA, under a provision of this Article 5 or Article 8 or any agreement, release, settlement or action under any provision of this Agreement. No Private Limited Partner or General Partner has any right to delay, reduce or offset any obligation to contribute capital to the Partnership called under this Section by reason of any counterclaim or right to offset by the Partner or the Partnership against SBA.**

Section 5.06 Termination of the Obligation to Contribute Capital.

(a) **Any Private Limited Partner may elect to terminate its obligation in whole or in part to make a capital contribution required under this Agreement, or upon demand by the General Partner, will no longer be entitled to make such capital contribution, if the Private Limited Partner or the General Partner obtains an opinion of counsel as provided under Section 5.07 to the effect that making such contribution would require the Private Limited Partner to withdraw from the Partnership under Section 8.06 through Section 8.10.**

(b) **Upon receipt by the General Partner of a notice and opinion as provided under Section 5.07, unless cured within the period provided under Section 5.08, the Commitment of the Private Limited Partner delivering the opinion will be deemed to be reduced by the amount of such unfunded capital contribution and this Agreement will be deemed amended to reflect a corresponding reduction of aggregate Commitments to the Partnership.**

Section 5.07 Notice and Opinion of Counsel.

(a) **A copy of any opinion of counsel issued as described in Section 5.06 or Section 8.06 through Section 8.10 must be sent by the General Partner to SBA, together with (i) the written notice of the election of the Private Limited Partner or (ii) the written demand of the General Partner, to which the opinion relates.**

(b) **An opinion rendered to the Partnership as provided in Section 5.06 or Section 8.06 through Section 8.10 will be deemed sufficient for the purposes of those Sections only if the General Partner and SBA each approve (i) the counsel rendering the opinion, and (ii) the form and substance of the opinion.**

Section 5.08 Cure, Termination of Capital Contributions and Withdrawal.

(a) **Unless within ninety (90) days after the giving of written notice and opinion of counsel, as provided in Section 5.06, the Private Limited Partner or the Partnership eliminates the necessity for termination of the obligation of the Private Limited Partner to make further capital contributions or for the withdrawal of the Private Limited Partner from the Partnership in whole or in part to the reasonable satisfaction of the Private Limited Partner and the General Partner, the Private Limited Partner will withdraw from the Partnership in whole or in part to the extent required, effective as of the end of the ninety (90) day period.**

(b) **Subject to the provisions of Section 5.10, in its discretion the General Partner may waive all or any part of the ninety (90) day cure period and cause such termination of capital contributions or withdrawal to be effective at an earlier date as stated in the waiver.**

(c) Any distributions made to a Private Limited Partner with respect to such Partner's withdrawal under this Section will be subject to and made as provided in Section 8.11.

Section 5.09 Failure to Make Required Capital Contributions.

The Partnership is entitled to enforce the obligations of each Partner to make the contributions to capital specified in this Agreement. The Partnership has all rights and remedies available at law or equity if any such contribution is not so made.

Section 5.10 Notice and Consent of SBA with respect to Capital Contribution Defaults.

(a) **The Partnership must give SBA prompt written notice of any failure by a Private Limited Partner to make any capital contribution to the Partnership required under this Agreement when due, which failure continues beyond any applicable grace period specified in this Agreement.**

(b) **Unless SBA has given its prior consent or the provisions of subsection (c) of this Section have become applicable, the Partnership will not (i) take any action (including entering into any agreement (whether oral or written), release or settlement with any Partner) which defers, reduces, or terminates the obligations of the Partner to make contributions to the capital of the Partnership, or (ii) commence any legal proceeding or arbitration, which seeks any such deferral, reduction or termination of such obligation. Without the consent of SBA (including SBA's deemed consent under subsection (c) of this Section) no such agreement, release, settlement or action taken will be effective with respect to the Partnership or any Partner.**

(c) **If the Partnership has given SBA thirty (30) days prior written notice of any proposed legal proceeding, arbitration or other action described under subsection (b) of this Section with respect to any default by a Private Limited Partner in making any capital contribution to the Partnership, and the Partnership has not received written notice from SBA that it objects to the proposed action within the thirty (30) day period, then SBA will be deemed to have consented to the proposed Partnership action.**

(d) **Any notice given by the Partnership to SBA under this Section must:**

(i) **be given by separate copies directed to each of the Investment Division and the Office of the General Counsel of SBA;**

(ii) **explicitly state in its caption or first sentence that the notice is being given with respect to a specified default by a Private Limited Partner in making a capital contribution to the Partnership and a proposed legal proceeding, arbitration, agreement, release, settlement or other action with respect to that default; and**

(iii) **state the nature of the default, the identity of the defaulting Private Limited Partner, and the nature and terms of the proposed legal proceeding, arbitration, agreement, release, settlement or other action with respect to that default.**

ARTICLE 6

Adjustment of Capital Accounts

Section 6.01 Establishment of Capital Accounts.

There will be established on the books of the Partnership an Opening Capital Account for each Partner in accordance with the definitions and methods of allocation prescribed in this Agreement.

Section 6.02 Time of Adjustment of Capital Accounts.

Allocations will be made to the Opening Capital Account of each Partner in accordance with Section 6.03, as of the following dates:

(i) the close of each fiscal year of the Partnership;

(ii) the day before the date of the admission of an Additional Private Limited Partner or an increase in any Private Limited Partner's Commitment;

(iii) the day before the dissolution of the Partnership;

(iv) the date of a distribution; and

(v) such other dates as this Agreement may provide.

Section 6.03 Adjustments to Capital Accounts.

(a) As of the times stated in Section 6.02, allocations will be made to the Opening Capital Accounts of the Partners to arrive at each Partner's Closing Capital Account for the period in the following order and amounts:

(i) The amount of any capital contributions paid by each Partner during such period will be credited to the Partner's Opening Capital Account (other than capital contributions referred to in clause (i) of the definition of "Opening Capital Account" in Article 1); provided, however, that any such capital contribution will be credited to the Partner's Opening Capital Account on the later of the date the capital contribution was due or the date on which the capital contribution was actually received by the Partnership;

(ii) The amount of any distributions made to each Partner during the period will be debited against the Partner's Opening Capital Account;

(iii) Net Profits will be credited and Net Losses will be debited to the Opening Capital Accounts of the Partners as follows: 99.99% to the Private Limited Partners pro rata in accordance with their respective current Funded Commitment Amount and 0.01% to the General Partner.

(b) Notwithstanding the provisions of Section 6.03(a)(iii):

(i) at such time as the Capital Account of the General Partner or any Private Limited Partner is reduced to zero, the balance of all Net Losses will be allocated:

(A) first, to the remaining Capital Accounts of the General Partner and Private Limited Partners which have not been reduced to zero (to be apportioned among them in

accordance with their respective positive Capital Accounts); and

(B) second, after the Capital Accounts of all Private Limited Partners have been reduced to zero, then the balance to the General Partner.

(ii) If Net Losses are allocated in accordance with the foregoing clause (i), any Net Profits that are required to be allocated after such special allocation of Net Losses as provided in the foregoing clause will be allocated:

(A) first, to the General Partner until the effect of the special allocation of Net Losses under clause (i)(B) is reversed and eliminated; and

(B) second, to the General Partner and Private Limited Partners to whom the allocation of such Net Losses has been made under clause (i)(A) until the effect of such special allocation of Net Losses has been reversed and eliminated.

(c) To the extent not otherwise accomplished by the provisions of Section 6.03(a) and Section 6.03(b), the Opening Capital Accounts of the Partners will be adjusted to effect any allocation of any item of income, gain, loss, deduction or credit to a Partner required by the Code.

Section 6.04 Tax Matters.

(a) If at the end of a fiscal year of the Partnership, a Private Limited Partner unexpectedly receives an adjustment, allocation, or distribution described in clauses (4), (5) and (6) of Treasury Regulation § 1.704 — 1(b)(2)(ii) and that adjustment, allocation, or distribution reduces that Private Limited Partner's Opening Capital Account below zero (0), then the Private Limited Partner will be allocated all items of income and gain of the Partnership for that year and for all subsequent fiscal years until the deficit balance has been eliminated as provided in Treasury Regulation § 1.704 — 1(b)(2)(ii)(d), as quickly as possible. If any such unexpected adjustment, allocation or distribution creates a deficit balance in the Opening Capital Accounts of more than one Private Limited Partner in any fiscal year, all items of income and gain of the Partnership for the fiscal year and all subsequent fiscal years will be allocated among all such Private Limited Partners in proportion to their respective deficit balances until such balances have been eliminated. If any allocation is made pursuant to this paragraph, subsequent allocations shall be made (in a manner consistent with this paragraph) to offset the effects of such prior

allocation. This provision is intended to qualify as a "qualified income offset" within the meaning of Treasury Regulation § 1.704-1(b)(2)(ii)(d).

(b) For Federal, state and local income tax purposes, each item of Partnership income, credit, gain or loss will be allocated among the Partners as provided in Section 6.03.

(c) The General Partner has the power to make such allocations and to take such actions necessary under the Code or other applicable law to effect and to maintain the substantial economic effect of allocations made to the Partners under Section 704(b) of the Code. All allocations made and other actions taken by the General Partner under this paragraph will be consistent to the maximum extent possible with the provisions of this Agreement.

(d) The General Partner is the "tax matters partner," as the term is used in the Code.

(e) The General Partner is expressly authorized to (i) elect that the Partnership be classified as a partnership for federal tax purposes, and (ii) to make any election or other action on behalf of the Partnership permitted under the Code with respect to the election of that tax classification.

(f) The General Partner must keep the Partners informed of all administrative and judicial proceedings with respect to Partnership tax returns or the adjustment of Partnership items. Any Partner who enters into a settlement agreement with respect to Partnership items must promptly give the General Partner notice of the settlement agreement and terms that relate to Partnership items.

(g) In the event of any admission of any Additional Private Limited Partner or transfer by any Private Limited Partner of its Partnership interest, the General Partner will allocate items of income, credit, gain or loss in accordance with the Code and may make such elections under the Code as the General Partner determines to be necessary or appropriate.

(h) Anything contained in this Agreement to the contrary notwithstanding, if the Partnership is deemed liquidated within the meaning of Treasury Regulation § 1.704-1(b) (2)(ii)(g) but has not dissolved under Section 8.01(a), then the assets of the Partnership will, after provision for payment to creditors, be deemed distributed to the Partners in accordance with Treasury Regulation § 1.704-1(b)(2)(ii)(b)(2) and immediately recontributed to the Partnership and the General Partner must make the contributions contemplated by Section 5.03(d).

ARTICLE 7

Distributions

Section 7.01 Distributions to Partners.

(a) The Partnership may make distributions of cash and/or property, if any, at such times as the SBIC Act permits and at such times and in such amounts that the General Partner determines. Subject to the remaining provisions of this Article 7 and Article 8, all distributions shall be made in proportion to the respective Capital Accounts of the Partners as calculated immediately before such distribution.

Section 7.02 Distributions of Noncash Assets in Kind.

(a) Subject to the provisions of the SBIC Act and the provisions of this Section, the Partnership at any time may distribute Noncash Assets in kind.

(b) Any distribution of Noncash Assets will be made pro rata among the Partners (based upon the respective amounts which each Partner would be entitled to receive if the distribution were made in cash) with respect to the distribution of each Noncash Asset.

(c) Distributions of Noncash Assets in kind before the dissolution of the Partnership will be made only (i) if the Noncash Assets are Distributable Securities or (ii) with the prior approval of fifty-one percent (51%) in interest of the Private Limited Partners.

(d) Subject to the SBIC Act, Noncash Assets distributed in kind under this Section 7.02 will be subject to such conditions and restrictions as are legally required, including, without limitation, such conditions and restrictions required to assure compliance by the Partners and/or the Partnership with the aggregation rules and volume limitations under Rule 144 promulgated under the Securities Act.

(e) In the event the Partnership distributes an asset in kind, the Partnership shall treat each asset so distributed as though it were sold and the resulting Net Profit or Net Loss shall be allocated in accordance with Article 6.

Section 7.03 Distributions for Payment of Tax.

Subject to the SBIC Act, the Partnership will at all times be entitled, but under no obligation, to make payments with respect to any Partner in amounts required to discharge any legal obligation of the Partnership to withhold or make payments to any governmental authority with respect to any Federal, state or local tax liability of the Partner arising as a result of the Partner's interest in the Partnership. Each such payment will be debited to such Partner's Capital Account, as provided in Section 6.03(a)(ii).

Section 7.04 Distributions Violative of the Act Prohibited.

Anything contained in this Agreement to the contrary notwithstanding, no distribution may be made by the Partnership if and to the extent that such distribution would violate Section 17-607 of the Act.

Section 7.05 Reinvestment of Distributable Amounts.

Notwithstanding anything contained in this Agreement to the contrary, the Partnership may reinvest or hold for reinvestment any proceeds received from an investment in a Portfolio Company.

ARTICLE 8

Dissolution, Liquidation, Winding Up and Withdrawal

Section 8.01 Dissolution.

(a) **The Partnership will be dissolved upon the first to occur of the following:**

(i) subject to Section 8.04 of this Agreement, an event of withdrawal (as defined in Section 17-402 of the Act) of the General Partner;

(ii) **the later of:**

(A) **the close of business on December 31 2018;**

(B) **ten (10) years from the formation of the Partnership; or**

(C) **two years after all Outstanding Leverage has matured; or**

(iii) the determination of the Partners to dissolve and terminate the Partnership as provided in Section 8.01(c).

(b) **The Partnership will not dissolve upon the withdrawal, dissolution, bankruptcy, death or adjudication of incompetence or insanity of any Private Limited Partner.**

(c) **Seventy-five percent (75%) in interest of the Private Limited Partners may elect to dissolve the Partnership by giving notice to each Partner**

and SBA of the election. Any notice of an election to dissolve the Partnership may only be given:

(i) **on or after the later to occur of: (A) December 31, 2018 or (B) ten (10) years from the formation of the Partnership;**

(ii) **if all Outstanding Leverage has been repaid or redeemed; and**

(iii) **if all amounts due SBA, its agent or trustee have been paid.**

Any election to dissolve the Partnership given under this Section 8.01(c) will not be effective until the later of: (A) sixty (60) days from the date the notice is given to all parties or (B) the effective date of dissolution stated in the notice.

Section 8.02 Winding Up.

(a) Subject to the SBIC Act and Section 8.03, when the Partnership is dissolved, the property and business of the Partnership will be liquidated by the General Partner or if there is no General Partner or the General Partner is unable to act, a person designated by the holders of fifty-one percent (51%) in interest of the Private Limited Partners.

(b) Within a reasonable period (and subject to the requirements of Treasury Regulation §§ 1.704-1(b)(ii)(g) and 1.704-1(b)(2)(ii)(b)(2)) after the effective date of dissolution of the Partnership, the affairs of the Partnership will be wound up and the Partnership's assets will be distributed as provided in the SBIC Act and the Act.

Section 8.03 Withdrawal of the General Partner.

(a) Except as provided in Section 4.03 and Section 4.06, the General Partner may not withdraw or resign as the general partner of the Partnership without the prior written consent of fifty-one percent (51%) in interest of the Private Limited Partners.

(b) **To the extent required by the SBIC Act, no transfer of the interest of the General Partner, or any portion of such interest, will be effective without the consent of SBA.**

(c) Except as provided in Section 8.03(b), Section 10.01(b), Section 10.01(d), or Section 10.01(f), any person who acquires the interest of the General Partner, or any portion of such interest, in the Partnership, will not be a General Partner but will become a special private limited partner (a "Special Private Limited Partner") upon its written acceptance and adoption of all the terms and provisions of this Agreement. Such person will acquire no more than the interest of the General Partner in the Partnership as it existed on the date of

the transfer, but will not be entitled to any priority given to the Private Limited Partners, its successors and assigns, in respect of the interest. No such person will have any right to participate in the management of the affairs of the Partnership or to vote with the Private Limited Partners, and the interest acquired by such person will be disregarded in determining whether any action has been taken by any percentage of the limited partnership interests.

(d) Upon an event of withdrawal of the General Partner without continuation of the Partnership as provided in Section 8.04, the affairs of the Partnership will be wound up in accordance with the provisions of Section 8.02.

Section 8.04 Continuation of the Partnership After the Withdrawal of the General Partner.

Upon the occurrence of an event of withdrawal (as defined in the Act) of the General Partner, the Partnership will not be dissolved, if, within ninety (90) days after the event of withdrawal, fifty-one percent (51%) in interest of the Private Limited Partners agree in writing to continue the business of the Partnership and to the appointment of one or more additional general partners (subject to the approval of SBA), effective as of the date of withdrawal of the General Partner.

Section 8.05 Withdrawals of Capital.

Except as specifically provided in this Agreement, withdrawals by a Partner of any amount of its Capital Account are not permitted.

Section 8.06 Withdrawal by ERISA Regulated Pension Plans.

Notwithstanding any other provision of this Agreement, any Private Limited Partner that is an "employee benefit plan" within the meaning of, and subject to the provisions of, ERISA, may elect to withdraw from the Partnership in whole or in part, or upon demand by the General Partner must withdraw from the Partnership in whole or in part, if either such Private Limited Partner or the General Partner obtains an opinion of counsel to the effect that, as a result of ERISA, (i) the withdrawal of the Private Limited Partner from the Partnership to such extent is required to enable the Private Limited Partner to avoid a violation of, or breach of the fiduciary duties of any person under ERISA (other than a breach of the fiduciary duties of any such person based upon the investment strategy or performance of the Partnership) or any provision of the Code related to ERISA or (ii) all or any portion of the assets of the Partnership (as opposed to the Private Limited Partner's partnership interest) constitute assets of the Private Limited Partner for purposes of ERISA and are subject to the provisions of ERISA to substantially the same extent as if owned directly by the Private Limited Partner.

Section 8.07 Withdrawal by Government Plans Complying with State and Local Law.

Notwithstanding any other provision of this Agreement, any Private Limited Partner that is a "government plan" within the meaning of ERISA may elect to withdraw from the Partnership in whole or in part, or upon demand by the General Partner must withdraw from the Partnership in whole or in part, if either such Private Limited Partner or the General Partner obtains an opinion of counsel to the effect that as a result of state statutes, regulations, case law, administrative interpretations or similar authority applicable to the "government plan", the withdrawal of such Private Limited Partner from the Partnership to such extent is required to enable the Private Limited Partner or the Partnership to avoid a violation (other than a violation based upon the investment performance of the Partnership) of the applicable state law.

Section 8.08 Withdrawal by Government Plans Complying with ERISA.

Notwithstanding any other provision of this Agreement, any Private Limited Partner that is a "government plan" within the meaning of ERISA may elect to withdraw from the Partnership in whole or in part, if the "government plan" obtains an opinion of counsel to the effect that, as a result of ERISA, (i) the withdrawal of the "government plan" from the Partnership to such extent would be required if it were an "employee benefit plan" within the meaning of, and subject to the provisions of, ERISA, to enable the "government plan" to avoid a violation of, or breach of the fiduciary duties of any person under ERISA (other than a breach of the fiduciary duties of any such person based upon the investment strategy or performance of the Partnership) or any provision of the Code related to ERISA or (ii) all or any portion of the assets of the Partnership would constitute assets of the "government plan" for the purposes of ERISA, if the "government plan" were an "employee benefit plan" within the meaning of, and subject to the provisions of, ERISA and would be subject to the provisions of ERISA to substantially the same extent as if owned directly by the "government plan."

Section 8.09 Withdrawal by Tax Exempt Private Limited Partners.

Notwithstanding any other provision of this Agreement, any Private Limited Partner that is exempt from taxation under Section 501(a) or 501(c)(3) of the Code may elect to withdraw from the Partnership in whole or in part, if the Private Limited Partner obtains an opinion of counsel to the effect that as a result of applicable statutes, regulations, case law, administrative interpretations or similar authority, the withdrawal of the Private Limited Partner from the Partnership to such extent is required to enable the tax exempt Private Limited Partner to avoid loss of its tax exempt status under Section 501(a) or 501(c)(3) of the Code.

Section 8.10 Withdrawal by Registered Investment Companies.

Notwithstanding any other provision of this Agreement, any Private Limited Partner that is an "investment company" subject to registration under the Investment Company Act, may elect to withdraw from the Partnership in whole or in part, or upon demand by the General Partner must withdraw from the Partnership in whole or in part, if either such Private Limited Partner or the General Partner obtains an opinion of counsel to the effect that, as a result of the Investment Company Act, the withdrawal of the Private Limited Partner from the Partnership to such extent is required to enable such Private Limited Partner or the Partnership to avoid a violation of applicable provisions of the Investment Company Act or the requirement that the Partnership register as an investment company under the Investment Company Act.

Section 8.11 Distributions on Withdrawal.

(a) **Subject to the provisions of this Section, upon withdrawal under any provision of this Agreement, a Private Limited Partner will have the rights to distributions provided in the Act with respect to distributions to be made to limited partners upon withdrawal from a limited partnership.**

(b) **The Partnership will not make any distribution to any Partner in connection with its withdrawal under any provision of this Agreement or the Act, unless the distribution is permitted by the SBIC Act and SBA has given its consent to such distribution before the distribution is made.**

(c) **Except in the case of distributions made as permitted under subsection (b), the right of any Partner to receive any distribution from the Partnership as a result of such Partner's withdrawal, including any right any Partner may have as a creditor of the Partnership with respect to the amount of any such distribution, is subordinate to any amount due to SBA by the Partnership.**

(d) Except as otherwise explicitly permitted under the SBIC Act or this Agreement, no Private Limited Partner may withdraw from the Partnership prior to liquidation.

ARTICLE 9
Accounts, Reports and Auditors

Section 9.01 Books of Account.

(a) **The Partnership must maintain books and records in accordance with the provisions of the SBIC Act regarding financial accounts and**

reporting and, except as otherwise provided in this Agreement, generally accepted accounting principles.

(b) The books and records of the Partnership must be kept at the principal place of business of the Partnership. Subject to Section 9.01(c) below, each Partner will have access, upon reasonable notice and during regular business hours, to all books and records of the Partnership for all proper purposes as a Partner of the Partnership. Subject to Section 9.01(c) below, each Partner will have the right to receive copies of such books and records, subject to payment of the reasonable costs of such copies.

(c) The Partnership will not be required to disclose any confidential or proprietary information received by the Partnership in connection with its investment operations, except for any disclosure to SBA required by the SBIC Act.

Section 9.02 Audit and Report.

(a) **The financial statements of the Partnership must be audited and certified as of the end of each fiscal year by a firm of independent certified public accountants selected by the Partnership.**

(b) Within one hundred twenty (120) days of the end of each fiscal year, the Partnership must prepare and mail to each Partner a report prepared in accordance with the provisions of the SBIC Act regarding financial reporting, setting forth as at the end of the fiscal year:

(i) a balance sheet of the Partnership;

(ii) a statement of operations for the year;

(iii) a statement of cash flows;

(iv) a statement of changes in partners' capital, and such Partner's Closing Capital Account;

(v) a statement of the Assets, valued as provided under this Agreement;

(vi) the amount of such Partner's share in the Partnership's taxable income or loss for the year, in sufficient detail to enable it to prepare its Federal, state and other tax returns;

(vii) any other information the General Partner, after consultation with any Private Limited Partner requesting the same, deems necessary or appropriate;

(viii) upon request by any Partner, such other information as is needed by such Partner in order to enable it to file any of its tax returns; and

(ix) such other information as any Partner may reasonably request for the purpose of enabling it to comply with any reporting or filing requirements imposed by any statute, rule, regulation or otherwise by any governmental agency or authority.

The items set forth in clauses (i), (ii), (iii), (iv) and (v) will be certified by the firm of independent certified public accountants selected by the Partnership

(c) Within sixty (60) days of the end of each of the first three fiscal quarters, the Partnership will prepare and mail to each Partner a report of the General Partner prepared in accordance with the provisions of the SBIC Act regarding financial reporting setting forth the information described in Section 9.02(b), identifying the securities held by the Partnership and stating the amount of each security held and the cost and value thereof as determined under Section 3.08.

(d) The financial reports and information provided to the Partners pursuant to this Section 9.02 are dependant upon information being provided to the General Partner by portfolio companies and other third parties. Therefore, notwithstanding the time periods set forth in this Section 9.02, such reports and information may be provided to the Partners after the expiration of such time periods, but as soon as reasonably practical, following receipt of all financial and other information from each portfolio company and other third parties as is necessary or desirable to prepare such documents.

Section 9.03 Fiscal Year.

The fiscal year of the Partnership will be a twelve-month year (except for the first and last partial years, if any) ending on December 31.

ARTICLE 10
Miscellaneous

Section 10.01 Assignability.

(a) No Private Limited Partner may transfer, assign, pledge or otherwise grant a security interest in its or his interest in the Partnership or in this Agreement, except:

(i) by operation of law;

(ii) to a receiver or trustee in bankruptcy for that Partner; or

(iii) with the prior written consent of the General Partner (which consent may be withheld in the reasonable discretion of the General Partner).

(b) **No General Partner or Private Limited Partner may transfer any interest of ten percent (10%) or more in the capital of the Partnership without the prior approval of SBA.**

(c) **The General Partner may not assign, pledge or otherwise grant a security interest in its interest in the Partnership or in this Agreement, except with the prior consent of SBA and the prior approval of fifty one percent (51%) in interest of the Private Limited Partners.**

(d) **No transfer of any interest in the Partnership will be allowed if such transfer or the actions to be taken in connection with that transfer would:**

(i) **result in any violation of the SBIC Act;**

(ii) **result in a violation of any law, rule or regulation by the Partnership;**

(iii) **cause the termination or dissolution of the Partnership;**

(iv) **cause the Partnership to be classified other than as a partnership for Federal income tax purposes;**

(v) result in a violation of any federal, state or foreign securities laws or require registration or qualification under any federal, state or foreign securities laws;

(vi) require the Partnership to register as an investment company under the Investment Company Act;

(vii) require the Partnership, the General Partner or the Investment Adviser/Manager to register as an investment adviser under the Investment Advisers Act; or

(viii) result in a termination of the Partnership for Federal or state income tax purposes.

(e) If a natural person Private Limited Partner dies or become incapacitated, his or her legal representative will, upon execution of a counterpart of this Agreement, be substituted as a Private Limited Partner, subject to all the terms and conditions of this Agreement.

(f) Any transferee of any interest in the Partnership by a transfer in compliance with this Section will become a substituted Partner under this Agreement upon delivery and execution of a counterpart of this Agreement, will have the same rights and responsibilities under this Agreement as its assignor and will succeed to the Capital Account and balances thereof.

Section 10.02 Binding Agreement.

Subject to the provisions of Section 10.01, this Agreement is binding upon, and inures to the benefit of, the heir, successor, assign, executor, administrator, committee, guardian, conservator or trustee of any Partner.

Section 10.03 Gender.

As used in this Agreement, masculine, feminine and neuter pronouns include the masculine, feminine and neuter; and the singular includes the plural.

Section 10.04 Notices.

(a) **All notices under this Agreement must be in writing and may be given by personal delivery, telex, facsimile, telegram, private courier service or registered or certified mail.**

(b) **A notice is deemed to have been given:**

(i) **by personal delivery, telex, telegram, facsimile or private courier service, as of the day of delivery of the notice to the addressee; and**

(ii) **by mail, as of the fifth (5th) day after the notice is mailed.**

(c) **Notices must be sent to:**

(i) **the Partnership, at the address of the General Partner in the Certificate of Limited Partnership, or such other address or addresses as to which the Partners have been given notice;**

(ii) **the Private Limited Partners, at the addresses in Schedule A attached to this Agreement (as Schedule A may be amended**

from time to time) or such other addresses as to which the Partnership has been given notice; and

(iii) **SBA, at the address of the Investment Division of SBA and, if so required under any Section of this Agreement, in duplicate at the address of the Office of the General Counsel of SBA.**

Section 10.05 Consents and Approvals.

A consent or approval required to be given by any party under this Agreement will be deemed given and effective for purposes of this Agreement only if the consent or approval is:

(i) **given by such party in writing, and**

(ii) **delivered by such party to the party requesting the consent or approval in the manner provided for notices to such party under Section 10.04.**

Section 10.06 Counterparts.

This Agreement and any amendment to this Agreement may be executed in more than one counterpart with the same effect as if the parties executed one counterpart as of the day and year first above written on this Agreement or any such amendment. To be effective, each separate counterpart must be executed by the General Partner.

Section 10.07 Amendments.

(a) **This Agreement may not be amended except by an instrument in writing executed by the holders of fifty one percent (51%) in interest of the Private Limited Partners who have not withdrawn as of the effective date of that amendment and the General Partner, and approved by SBA.**

(b) In addition to the requirements in Section 10.06 and Section 10.07(a), any amendment that:

(i) increases the amount of a Private Limited Partner's Commitment requires that Partner's consent;

(ii) may cause a Private Limited Partner to become liable as a general partner of the Partnership requires the written consent of all Partners; or

(iii) amends this Section 10.07 requires the consent of all Partners.

(c) Each Private Limited Partner consents to:

(i) the admission of Additional Private Limited Partners and the increase in any Private Limited Partner's Commitment in accordance with Section 5.04;

(ii) the transfer of a Partner's interest in accordance with Section 10.01 and the admission of a substituted Partner under such transfer;

(iii) any amendment of this Agreement or the Certificate of Limited Partnership necessary to effect such transfer or admission;

(iv) any amendment of this Agreement or the Certificate of Limited Partnership to comply with or conform to any amendments of applicable laws governing the Partnership; and

(v) any amendments required by the SBA.

(d) **The General Partner must distribute to each Private Limited Partner and SBA a copy of:**

(i) **any Certificate of Amendment to the Certificate of Limited Partnership, and**

(ii) **any amendment to this Agreement.**

(e) **Copies of any Certificate of Amendment to the Certificate of Limited Partnership, and any amendment to this Agreement must be distributed in the same manner as provided for notices in Section 10.04.**

Section 10.08 Power of Attorney.

(a) Each Private Limited Partner appoints the General Partner, and each general partner of the General Partner, as its true and lawful representative and attorney-in-fact, in its name, place and stead, to make, execute, sign and file:

(i) any amendments of this Agreement necessary to reflect:

(A) the transfer of a Partner's interest in accordance with Section 10.01;

(B) the admission of a substituted Private Limited Partner under Section 10.01;

(C) the admission of an Additional Private Limited Partner under Section 5.04;

(D) an amendment of this Agreement adopted by the Partners in accordance with the provisions Section 10.07; and

(ii) all instruments, documents and certificates which, from time to time, may be required by the law of the United States of America, the State of Delaware or any other state in which the Partnership determines to do business, or any political subdivision or agency thereof, to execute, implement and continue the valid and subsisting existence of the Partnership and in conformance to the provisions of this Agreement.

(b) The General Partner and its partners, as representatives and attorneys-in-fact, do not have any rights, powers or authority to amend or modify this Agreement when acting in such capacity, except as expressly provided in this Agreement. This power of attorney is coupled with an interest and will continue in full force and effect notwithstanding the subsequent death or incapacity of such party.

Section 10.09 Applicable Law.

This Agreement is governed by, and construed in accordance with, applicable Federal laws and the laws of the State of Delaware.

Section 10.10 Severability.

If any one or more of the provisions contained in this Agreement, or any application of any such provision, is invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement and all other applications of any such provision will not in any way be affected or impaired.

Section 10.11 Entire Agreement.

This Agreement, and all other written agreements executed by or on behalf of the General Partner and/or the Private Limited Partners and executed or approved in writing by SBA, up to and including the date of this Agreement (such other written agreements, collectively, the "SBA Agreements"), state the entire understanding among the parties relating to the subject matter of this Agreement and the SBA Agreements. Any and all prior conversations, correspondence, memoranda or other writings are merged in, and replaced by this Agreement and the SBA Agreements, and are without further effect on this Agreement and the SBA

Agreements. No promises, covenants, representations or warranties of any character or nature other than those expressly stated in this Agreement and the SBA Agreements have been made to induce any party to enter into this Agreement or any SBA Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of date set forth above.

General Partner:

Fidus Investment GP, LLC

_____

Edward H. Ross
As manager of Fidus Investment Advisors, LLC,
the manager of Fidus Investment GP, LLC

Private Limited Partner signatures on following pages

PRIVATE LIMITED PARTNER SIGNATURE PAGE TO
SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF FIDUS MEZZANINE CAPITAL, L.P. (as amended)

By signing this Signature Page, the undersigned (i) hereby accepts and agrees to become a Private Limited Partner under, to be a party to, to be bound by and to perform all the terms and provisions of a Private Limited Partner under that certain Second Amended and Restated Agreement of Limited Partnership of Fidus Mezzanine Capital, L.P., dated as of _____ __, 2011, as it may be amended from time to time (the "Partnership Agreement") subject only to acceptance by the General Partner of Fidus Mezzanine Capital, L.P. (the "General Partner"), and (ii) hereby executes the Partnership Agreement and authorizes this Signature Page to be attached to a counterpart of such Agreement upon acceptance by the General Partner.

Dated this ____ day of _____, 2011.

PLEASE SIGN BELOW IF AN ENTITY:

Fidus Investment Corporation
Name of Entity

By: _____

Name: Edward H. Ross

Title: President and Chief Executive Officer

SCHEDULE A

Partners and Commitments

Schedule A is on file at the offices of the Partnership and with the SBA.

EXHIBIT I
Valuation Guidelines

General

The General Partner and the Board of Directors have the responsibility for determining the asset value of each of the loans and investments and of the portfolio in the aggregate.

Loans and investments shall be valued individually and in the aggregate at least semi-annually — as of the end of the second quarter of the fiscal year-end and as of the end of the fiscal year.

Fiscal year-end valuations are audited as set forth in SBA's Accounting Standards and Financial Reporting Requirements for Small Business Investment Companies.

This Valuation Policy is intended to provide a consistent, conservative basis for establishing the asset value of the portfolio. This Valuation Policy presumes that loans and investments are acquired with the intent that they are to be held until maturity or disposed of in the ordinary course of business.

Interest-Bearing Securities

Loans shall be valued in an amount not greater than cost with Unrealized Depreciation being recognized when value is impaired. The valuation of loans and associated interest receivables on interest-bearing securities should reflect the portfolio concern's current and projected financial condition and operating results, its payment history and its ability to generate sufficient cash flow to make payments when due.

When a valuation relies more heavily on asset versus earnings approaches, additional criteria should include the seniority of the debt, the nature of any pledged collateral, the extent to which the security interest is perfected, the net liquidation value of tangible business assets, and the personal integrity and overall financial standing of the owners of the business. In those instances where a loan valuation is based on an analysis of certain collateralized assets of a business or assets outside the business, the valuation should, at a minimum, consider the net liquidation value of the collateral after reasonable selling expenses. Under no circumstances, however, shall a valuation based on the underlying collateral be considered as justification for any type of loan appreciation.

Appropriate unrealized depreciation on past due interest which is converted into a security (or added to an existing security) should be recognized when collection is doubtful. Collection is presumed to be in doubt when one or both of the following conditions occur: (i) interest payments are more than 120 days past due; or (ii) the small concern is in bankruptcy, insolvent, or there is substantial doubt about its ability to continue as a going concern.

The carrying value of interest bearing securities shall not be adjusted for changes in interest rates.

Valuation of convertible debt may be adjusted to reflect the value of the underlying equity security net of the conversion price.

Equity Securities — Private Companies

Investment cost is presumed to represent value except as indicated elsewhere in these guidelines.

Valuation should be reduced if a company's performance and potential have significantly deteriorated. If the factors which led to the reduction in valuation are overcome, the valuation may be restored.

The anticipated pricing of a Small Concern's future equity financing should be considered as a basis for recognizing Unrealized Depreciation, but not for Unrealized Appreciation. If it appears likely that equity will be sold in the foreseeable future at a price below the licensee's current valuation, then that prospective offering price should be weighed in the valuation process.

Valuation should be adjusted to a subsequent significant equity financing that includes a meaningful portion of the financing by a sophisticated, unrelated new investor. A subsequent significant equity financing that includes substantially the same group of investors as the prior financing should generally not be the basis for an adjustment in valuation. A financing at a lower price by a sophisticated new investor should cause a reduction in value of the prior securities.

If substantially all of a significant equity financing is invested by an investor whose objectives are in large part strategic, or if the financing is led by such an investor, it is generally presumed that no more than 50% of the increase in investment price compared to the prior significant equity financing is attributable to an increased valuation of the company.

Where a company has been self-financing and has had positive cash flow from operations for at least the past two fiscal years, asset value may be increased based on a very conservative financial measure regarding P/E ratios or cash flow multiples, or other appropriate financial measures of similar publicly-traded companies, discounted for illiquidity. Should the chosen valuation cease to be meaningful, the valuation may be restored to a cost basis, or if of significant deterioration in performance or potential, to a valuation below cost to reflect impairment.

With respect to portfolio companies that are likely to face bankruptcy or discontinue operations for some other reason, liquidating value may be employed. This value may be determined by estimating the realizable value (often through professional appraisals or firm offers to purchase) of all assets and then subtracting all liabilities and all associated liquidation costs.

Warrants should be valued at the excess of the value of the underlying security over the exercise price.

Equity Securities — Public Companies

Public securities should be valued as follows: (a) For over-the-counter stocks, take the average of the bid price at the close for the valuation date and the preceding two days, and (b) for listed stocks, take the average of the close for the valuation date and the preceding two days.

The valuation of public securities that are restricted should be discounted appropriately until the securities may be freely traded. Such discounts typically range from 10% to 40%, but the discounts can be more or less, depending upon the resale restrictions under securities laws or contractual agreements.

When the number of shares held is substantial in relation to the average daily trading volume, the valuation should be discounted by at least 10%, and generally by more.

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I.D. Control # 08000024
License # 04/04-0303

DEBENTURE
****

$15,250,000.00 (the "Original Principal Amount")

03/01/2018 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603-

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 4.55200%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 1/11/08

Scheduled Pooling Date: March 26, 2008

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Annual Charge per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Pooling Date(s):		*(a)*_____	*(b)*_____	*(c)*_____
New Interim Period(s):	*from and including:*	*(a)*_____	*(b)*_____	*(c)*_____
	to but excluding:	*(a)* _____	*(b)*_____	*(c)*_____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 5.471% per annum (the "Stated Interest Rate"), and to pay a ..717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

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II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

SBA FORM 444C (Revised 9/06)

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

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I.D. Control # 08000025
License # 04/04-0303

DEBENTURE
****

$7,000,000.00 (the "Original Principal Amount")

03-01-2018 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603-

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 3.40400%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 3-4-08

Scheduled Pooling Date: March 26, 2008

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Annual Charge per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Pooling Date(s):		*(a)*_____	*(b)*_____	*(c)*_____
New Interim Period(s):	*from and including:*	*(a)*_____	*(b)*_____	*(c)*_____
	to but excluding:	*(a)* _____	*(b)*_____	*(c)*_____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

P80840 001265

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 5.471% per annum (the "Stated Interest Rate"), and to pay a ..717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

P80840001266

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

SBA FORM 444C (Revised 9/06)

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

I.D. Control # 08000200
License # 04/04-0303

DEBENTURE
****

$3,500,000.00 (the "Original Principal Amount")

9-1-2018 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603-

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 2.96000%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 3-14-08

Scheduled Pooling Date: September 24, 2008

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)*_____ %	*(b)*_____ %	*(c)*_____ %
New Annual Charge per annum		*(a)*_____ %	*(b)*_____ %	*(c)*_____ %
New Pooling Date(s):		*(a)*_____	*(b)*_____	*(c)*_____
New Interim Period (s):	*from and including:*	*(a)*_____	*(b)*_____	*(c)*_____
	to but excluding:	*(a)*_____	*(b)*_____	*(c)*_____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 5.725% per annum (the "Stated Interest Rate"), and to pay a .717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

SBA FORM 444C (Revised 9/06)

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

SBA FORM 444C (Revised 9/06)

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

P807400215B

P02520002991

I.D. Control # 08000688
License # 04/04-0303

DEBENTURE
****

$6,250,000.00 (the “Original Principal Amount”)

9-1-2018 (the “Maturity Date”)

Fidus Mezzanine Capital, L.P. (the “Company”)

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603-

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 2.716%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 9-08-2008

Scheduled Pooling Date: 9-24-2008

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)*_____ *%*	*(b)*_____ *%*	*(c)*_____ *%*
New Annual Charge per annum		*(a)*_____ *%*	*(b)*_____ *%*	*(c)*_____ *%*
New Pooling Date(s):		*(a)*_____	*(b)*_____	*(c)*_____
New Interim Period(s):	*from and including:*	*(a)*_____	*(b)*_____	*(c)*_____
	to but excluding:	*(a)*_____	*(b)*_____	*(c)*_____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the “Custodian”) for the U.S. Small Business Administration (“SBA”) and SBIC Funding Corporation (the “Funding Corporation”), pursuant to the Custody and Administration Agreement (the “Custody Agreement”) dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the “Interim Funding Provider”), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 5.725% per annum (the "Stated Interest Rate"), and to pay a .717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

P#2620002993

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

P83290 002811

I.D. Control # 08000875
License # 04/04-0303

DEBENTURE
****

$5,000,000.00 (the "Original Principal Amount")

03-01-2019 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 2.618%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 11-24-08

Scheduled Pooling Date: March 25, 2009

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum	*(a) _____%*	*(b) _____%*	*(c) _____%*
New Annual Charge per annum	*(a) _____%*	*(b) _____%*	*(c) _____%*
New Pooling Date(s):	*(a) _____*	*(b) _____*	*(c) _____*
New Interim Period (s): from and including:	*(a) _____*	*(b) _____*	*(c) _____*
to but excluding:	*(a) _____*	*(b) _____*	*(c) _____*

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 4.620% per annum (the "Stated Interest Rate"), and to pay a .717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

P83290 002813

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

SBA FORM 444C (Revised 9/06)

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

P83290002815

I.D. Control # 08000876
License # 04/04-0303

DEBENTURE
****

$3,250,000.00 (the "Original Principal Amount")

03-01-2019 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 2.618%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 11-24-08

Scheduled Pooling Date: March 25, 2009

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum	*(a)* _____%	*(b)* _____%	*(c)* _____%
New Annual Charge per annum	*(a)* _____%	*(b)* _____%	*(c)* _____%
New Pooling Date(s):	*(a)* _____	*(b)* _____	*(c)* _____
New Interim Period (s): *from and including:*	*(a)* _____	*(b)* _____	*(c)* _____
to but excluding:	*(a)* _____	*(b)* _____	*(c)* _____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 4.620% per annum (the "Stated Interest Rate"), and to pay a ..717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

P83290 002817

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

SBA FORM 444C (Revised 9/06)

P83290 002818

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

I.D. Control # 09000010
License # 04/04-0303

DEBENTURE
****

$4,000,000.00 (the "Original Principal Amount")

03-01-2019 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: .792%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 2-24-09

Scheduled Pooling Date: March 25, 2009

Scheduled Interim Period: from and including the Date of Issuance
to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)_____ %*	*(b)_____%*	*(c)_____ %*
New Annual Charge per annum		*(a)_____ %*	*(b)_____%*	*(c)_____ %*
New Pooling Date(s):		*(a)_____*	*(b)_____*	*(c)_____*
New Interim Period(s):	*from and including:*	*(a)_____*	*(b)_____*	*(c)_____*
	to but excluding:	*(a) _____*	*(b)_____*	*(c)_____*

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 4.620% per annum (the "Stated Interest Rate"), and to pay a ..717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

P90560 002954

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

SBA FORM 444C (Revised 9/06)

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

I.D. Control # 09000302
License # 04/04-0303

DEBENTURE
****

$5,000,000.00 (the "Original Principal Amount")

09-01-2019 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 0.646%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 7-23-09

Scheduled Pooling Date: September 23, 2009

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Annual Charge per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Pooling Date(s):		*(a)*_____	*(b)*_____	*(c)*_____
New Interim Period(s):	*from and including:*	*(a)*_____	*(b)*_____	*(c)*_____
	to but excluding:	*(a)* _____	*(b)*_____	*(c)*_____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 4.233% per annum (the "Stated Interest Rate"), and to pay a ..717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day),on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

I.D. Control # 09000304
License # 04/04-0303

DEBENTURE
****

$5,000,000.00 (the "Original Principal Amount")

09-01-2019 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 0.646%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 7-23-09

Scheduled Pooling Date: September 23, 2009

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Annual Charge per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Pooling Date(s):		*(a)*_____	*(b)*_____	*(c)*_____
New Interim Period(s):	*from and including:*	*(a)*_____	*(b)*_____	*(c)*_____
	to but excluding:	*(a)* _____	*(b)*_____	*(c)*_____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 4.233% per annum (the "Stated Interest Rate"), and to pay a ..717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

SBA FORM 444C (Revised 9/06)

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

I.D. Control # 09000464
License # 04/04-0303

DEBENTURE
****

$6,500,000.00 (the “Original Principal Amount”)

03-01-2020 (the “Maturity Date”)

Fidus Mezzanine Capital, L.P. (the “Company”)

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 0.692%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 11-9-09

Scheduled Pooling Date: March 24, 2010

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Annual Charge per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Pooling Date(s):		*(a)*_____	*(b)*_____	*(c)*_____
New Interim Period(s):	*from and including:*	*(a)*_____	*(b)*_____	*(c)*_____
	to but excluding:	*(a)* _____	*(b)*_____	*(c)*_____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the “Custodian”) for the U.S. Small Business Administration (“SBA”) and SBIC Funding Corporation (the “Funding Corporation”), pursuant to the Custody and Administration Agreement (the “Custody Agreement”) dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the “Interim Funding Provider”), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 4.108% per annum (the "Stated Interest Rate"), and to pay a ..717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

I.D. Control # 10000068
License # 04/04-0303

DEBENTURE
****

$3,500,000.00 (the "Original Principal Amount")

09-01-2020 (the "Maturity Date")

Fidus Mezzanine Capital, L.P. (the "Company")

190 S. LaSalle Street, Suite 2140 Chicago, IL. 60603

(Street) (City) (State) (Zip)

PART I — PERIOD SPECIFIC TERMS

A. Applicable for the Scheduled Interim Period (and New Interim Periods, as applicable)

Interest rate per annum for the Scheduled Interim Period: 0.723%

Annual Charge applicable to the Scheduled Interim Period: .717% per annum

Date of Issuance: 3-30-2010

Scheduled Pooling Date: 9-22-2010

Scheduled Interim Period: from and including the Date of Issuance to but excluding the Scheduled Pooling Date

The following italicized terms will apply if the Interim Period is extended by SBA:

New interest rate(s) per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Annual Charge per annum		*(a)*_____ *%*	*(b)*_____*%*	*(c)*_____ *%*
New Pooling Date(s):		*(a)*_____	*(b)*_____	*(c)*_____
New Interim Period(s):	*from and including:*	*(a)*_____	*(b)*_____	*(c)*_____
	to but excluding:	*(a)* _____	*(b)*_____	*(c)*_____

The Company, for value received, promises to pay to JPMorgan Chase Bank N.A., as Custodian (the "Custodian") for the U.S. Small Business Administration ("SBA") and SBIC Funding Corporation (the "Funding Corporation"), pursuant to the Custody and Administration Agreement (the "Custody Agreement") dated as of April 27, 1998 among SBA, the Funding Corporation, the Federal Home Loan Bank of Chicago, as Interim Funding Provider (the "Interim Funding Provider"), and the Custodian, as amended,: (i) interest on the Original Principal Amount listed above at the applicable rate per annum listed above, and (ii) an Annual Charge on the Original Principal Amount listed above at the applicable rate per annum listed above, each at such location as SBA, as guarantor of this Debenture, may direct and each at the related rate per annum identified for the Scheduled Interim Period (and each New Interim Period, if any).

SBA FORM 444C (Revised 9/06)

This Debenture will bear interest for, and the Annual Charge will apply to, the Scheduled Interim Period (and each New Interim Period, if any) at the rate(s) and for the applicable period(s) indicated above, to be paid in arrears by 1:00 p.m. (New York City time) on the Business Day prior to the Scheduled Pooling Date (and each New Pooling Date, if any) listed above. As used throughout this Debenture, "Business Day" means any day other than: (i) a Saturday or Sunday; (ii) a legal holiday in Washington, D.C.; and (iii) a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed. Interest on this Debenture and the Annual Charge for the Scheduled Interim Period (and each New Interim Period, if any) will each be computed on the basis of the actual number of days in the applicable Interest Period divided by 360. The Company may not prepay this Debenture, in whole or in part, during the Scheduled Interim Period or any New Interim Period.

B. This Section B. is effective only after (i) the Scheduled Interim Period and any New Interim Period(s) expire and (ii) the Custodian receives this Debenture for pooling.

The Company, for value received, promises to pay to the order of JPMorgan Chase Bank N.A., acting as Trustee (the "Trustee") under that certain Amended and Restated Trust Agreement dated as of February 1, 1997, as the same may be amended from time to time, by and among the Trustee, the SBA and SBIC Funding Corporation, and as the Holder hereof, interest semiannually on March 1st and September 1st (the "Payment Dates") of each year, at such location as SBA, as guarantor of this Debenture, may direct at the rate of 3.215% per annum (the "Stated Interest Rate"), and to pay a ..717% per annum fee (the "Annual Charge") to SBA on each Payment Date, each calculated on the basis of a year of 365 days, for the actual number of days elapsed (including the first day but excluding the last day), on the Original Principal Amount from the last day of the Interim Period until payment of such Original Principal Amount has been made or duly provided for. The Company shall deposit all payments with respect to this Debenture not later than 12:00 noon (New York City time) on the applicable Payment Date or the next Business Day if the Payment Date is not a Business Day, all as directed by SBA.

The Company may elect to prepay this Debenture, in whole and not in part, on any Payment Date, in the manner and at the price as next described. The prepayment price (the "Prepayment Price") must be an amount equal to the Original Principal Amount, plus interest accrued and unpaid thereon to the Payment Date selected for prepayment together with the accrued and unpaid Annual Charge thereon to the Payment Date selected for prepayment.

The amount of the Prepayment Price must be sent to SBA or such agent as SBA may direct, by wire payment in immediately available funds, not less than three Business Days prior to the regular Payment Date. Until the Company is notified otherwise in writing by SBA, any Prepayment Price must be paid to the account maintained by the Trustee, entitled the SBA Prepayment Subaccount and must include an identification of the Company by name and SBA-assigned license number, the loan number appearing on the face of this Debenture, and such other information as SBA or its agent may specify.

II. — GENERAL TERMS

For value received, the Company promises to pay to the order of the Trustee the Original Principal Amount on the Maturity Date at such location as SBA, as guarantor of this Debenture, may direct.

This Debenture is issued by the Company and guaranteed by SBA, pursuant and subject to Section 303 of the Small Business Investment Act of 1958, as amended (the "Act") (15 U.S.C. Section 683). This Debenture is subject to all of the regulations promulgated under the Act, as amended from time to time, provided, however, that 13 C.F.R. Sections 107.1810 and 107.1830 through 107.1850 as in effect on the date of this Debenture are incorporated in this Debenture as if fully set forth. If this Debenture is accelerated, then the Company promises to pay an amount equal to the Original Principal Amount of this Debenture, plus interest and Annual Charge accrued and unpaid thereon to but excluding the next Payment Date following such acceleration.

This Debenture is deemed issued in the District of Columbia as of the day, month, and year first stated above. The terms and conditions of this Debenture must be construed in accordance with, and its validity and enforcement governed by, federal law.

The warranties, representations, or certification made to SBA on any SBA Form 1022 or any application letter of the Company for an SBA commitment related to this Debenture, and any documents submitted in connection with the issuance of this Debenture, are incorporated in this Debenture as if fully set forth.

Should any provision of this Debenture or any of the documents incorporated by reference in this Debenture be declared illegal or unenforceable by a court of competent jurisdiction, the remaining provisions will remain in full force and effect and this Debenture must be construed as if such provisions were not contained in this Debenture.

All notices to the Company which are required or may be given under this Debenture shall be sufficient in all respects if sent to the above-noted address of the Company. For the purposes of this Debenture, the Company may change this address only upon written approval of SBA.

SBA FORM 444C (Revised 9/06)

Execution of this debenture by the Company's general partner, in the case that the Company is organized as a limited partnership, shall not subject the Company's general partner to liability, as such, for the payment of any part of the debt evidenced by this debenture.

COMPANY ORGANIZED AS LIMITED PARTNERSHIP
(LIMITED LIABILITY COMPANY GENERAL PARTNER)

IN WITNESS WHEREOF, the Company's general partner has caused this debenture to be signed by its duly authorized representative as of the date of issuance stated above.

Fidus Mezzanine Capital, L.P.
(Name of Licensee)

By: Fidus Mezzanine Capital GP, LLC
(Name of Limited Liability Company General Partner)

By: /s/ Edward H. Ross
Edward H. Ross, Managing Partner
(Typed Name)
GENERAL PARTNER

SBA FORM 444C (Revised 9/06)

AGREEMENT TO FURNISH CERTAIN INSTRUMENTS

This Agreement to Furnish Certain Instruments is dated effective as of the 24th day of May, 2011, by Fidus Investment Corporation, a Maryland corporation (the "Company").

Whereas, the Company and Fidus Mezzanine Capital, L.P., a Delaware limited partnership (the "Fund"), filed an initial joint registration statement on Form N-2 and Form N-5 with the Securities and Exchange Commission (the "SEC") on March 1, 2011, in order to register the Company's common stock to be offered to the public;

Whereas, in lieu of filing certain debt instruments, Item 25.2.f of Form N-2 requires that the Company agree, upon request, to furnish copies of any instrument defining the rights of the holders of long-term debt of all subsidiaries for which consolidated or unconsolidated financial statements are required to be filed, if the total amount of securities authorized thereunder amounts to less than 2% of the total assets of the Company and its subsidiaries on a consolidated basis (each, an "Accessible Debt Instrument"); and

Whereas, the Fund, the Company's wholly-owned subsidiary, has issued several debentures which would qualify as Accessible Debt Instruments under Item 25.2.f of Form N-2.

Now, Therefore, the Company hereby acknowledges and agrees that, upon request, it will furnish to the SEC copies of any Accessible Debt Instrument.

In Witness Whereof, the Company has caused this Agreement to be executed by a duly authorized officer as of the date and year first above written.

FIDUS INVESTMENT CORPORATION

By: /s/ Cary L. Schaefer
Name: Cary L. Schaefer
Title: Chief Financial Officer and Secretary

Exhibit (j)

CUSTODY AGREEMENT

dated as of May __, 2011
by and between

FIDUS INVESTMENT CORPORATION
("Company")

and

U.S. BANK NATIONAL ASSOCIATION
("Custodian")

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This CUSTODY AGREEMENT (this "Agreement") is dated as of May __, 2011, and is by and between FIDUS INVESTMENT CORPORATION (and any successor or permitted assign, the "Company"), a corporation organized under the laws of the State of Maryland, having its principal place of business at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, and U.S. BANK NATIONAL ASSOCIATION (and any successor or permitted assign acting as custodian hereunder, the "Custodian"), a national banking association having a place of business at One Federal Street, Boston, Massachusetts 02110.

RECITALS

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

WHEREAS, the Company desires to retain U.S. Bank National Association to act as custodian for the Company and each Subsidiary hereafter identified to the Custodian;

WHEREAS, the Company desires that the Company's Securities (as defined below) and cash be held and administered by the Custodian pursuant to this Agreement in compliance with Section 17(f) of the 1940 Act; and

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. DEFINITIONS

1.1 Defined Terms. In addition to terms expressly defined elsewhere herein, the following words shall have the following meanings as used in this Agreement:

"Account" means the Cash Account, the Securities Account, any Subsidiary Cash Account and any Subsidiary Securities Account, collectively.

"Agreement" means this Custody Agreement (as the same may be amended from time to time in accordance with the terms hereof).

"Authorized Person" has the meaning set forth in Section 7.4.

"Business Day" means a day on which the Custodian or the relevant sub-custodian, including a Foreign Sub-custodian, is open for business in the market or country in which a transaction is to take place.

"Cash Account" means the segregated trust account to be established at the Custodian to which the Custodian shall deposit or credit and hold any cash or Proceeds received by it from time to time from or with respect to the Securities or the sale of the securities of the Company, as applicable, which trust account shall be designated the "Fidus Investment Corporation Cash Proceeds Account."

"Company" has the meaning set forth in the first paragraph of this Agreement.

"Confidential Information" means any databases, computer programs, screen formats, screen designs, report formats, interactive design techniques, and other similar or related information that may be furnished to the Company by the Custodian from time to time pursuant to this Agreement.

"Custodian" has the meaning set forth in the first paragraph of this Agreement.

"Document Custodian" means the Custodian when acting in the role of a document custodian hereunder.

"Eligible Investment" means any investment that at the time of its acquisition is one or more of the following:

(a) United States government and agency obligations;

(b) commercial paper having a rating assigned to such commercial paper by Standard & Poor's Rating Services or Moody's Investor Service, Inc. (or, if neither such organization shall rate such commercial paper at such time, by any nationally recognized rating organization in the United States of America) equal to one of the two highest ratings assigned by such organization, it being understood that as of the date hereof such ratings by Standard & Poor's Rating Services are "A1+" and "A1" and such ratings by Moody's Investor Service, Inc. are "P1" and "P2";

(c) interest bearing deposits in United States dollars in United States or Canadian banks with an unrestricted surplus of at least U.S. $250,000,000, maturing within one year; and

(d) money market funds (including funds of the bank serving as Custodian or its affiliates) or United States government securities funds designed to maintain a fixed share price and high liquidity.

"Eligible Securities Depository" has the meaning set forth in Section (b)(1) of Rule 17f-7 under the 1940 Act.

"Federal Reserve Bank Book-Entry System" means a depository and securities transfer system operated by the Federal Reserve Bank of the United States on which are eligible to be held all United States Government direct obligation bills, notes and bonds.

"Financing Documents" has the meaning set forth in Section 3.3(b)(ii).

"Foreign Intermediary" means a Foreign Sub-custodian and Eligible Securities Depository.

"Foreign Sub-custodian" means and includes (i) any foreign branch of a "U.S. Bank," as that term is defined in Rule 17f-5 under the 1940 Act, (ii) any "Eligible Foreign Custodian," as that term is defined in Rule 17f-5 under the 1940 Act, having a contract with the Custodian in accordance with Section 6.6, which the Custodian has determined

will provide reasonable care of assets of the Company based on the standards specified in Section 6.7 below.

"Foreign Securities" means Securities for which the primary market is outside the United States.

"Investment Advisor" means Fidus Investment Advisors, LLC as investment manager under that certain Investment Advisory and Management Agreement between it and the Company, together with its successors and assigns.

"Loan" means any U.S. dollar denominated commercial loan, or Participation therein, made by a bank or other financial institution that by its terms provides for payments of principal and/or interest, including discount obligations and payment- in-kind obligations, acquired by the Company from time to time.

"Loan Checklist" means a list delivered to the Document Custodian in connection with delivery of each Loan to the Custodian by the Company that identifies the items contained in the related Loan File.

"Loan File" means, with respect to each Loan delivered to the Document Custodian, each of the Required Loan Documents identified on the related Loan Checklist.

"Noteless Loan" means a Loan with respect to which (i) the related loan agreement does not require the obligor to execute and deliver an Underlying Note to evidence the indebtedness created under such Loan and (ii) no Underlying Notes are outstanding with respect to the portion of the Loan transferred by the issuer or the prior holder of record.

"Participation" means an interest in a Loan that is acquired indirectly by way of a participation from a selling institution.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization, or any government or agency or political subdivision thereof.

"Proceeds" means, collectively, (i) the net cash proceeds to the Company of the initial public offering by the Company and any subsequent offering by the Company of any class of securities issued by the Company, (ii) all cash distributions, earnings, dividends, fees and other cash payments paid on the Securities (or, as applicable, Subsidiary Securities) by or on behalf of the issuer or obligor thereof, or applicable paying agent, (iii) the net cash proceeds of the sale or other disposition of the Securities (or, as applicable, Subsidiary Securities) pursuant to the terms of this Agreement and (iv) the net cash proceeds to the Company of any borrowing or other financing by the Company (and any Reinvestment Earnings from investment of any of the foregoing).

"Proper Instructions" means instructions (including Trade Confirmations) received by the Custodian in form acceptable to it, from the Company, or any Person duly authorized by the Company, by any of the following means:

(a) in writing signed by an Authorized Person (and delivered by hand, by mail, by overnight courier or by telecopier);

(b) by electronic mail from an Authorized Person;

(c) in tested communication;

(d) in a communication utilizing access codes effected between electro mechanical or electronic devices; or

(e) such other means as may be agreed upon from time to time by the Custodian and the party giving such instructions, including oral instructions.

"Reinvestment Earnings" has the meaning set forth in Section 3.6(b).

"Required Loan Documents" means, for each Loan:

(a) other than in the case of a Participation, an executed copy of the Assignment for such Loan, as identified on the Loan Checklist;

(b) with the exception of Noteless Loans and Participations, the original executed Underlying Note endorsed by the issuer or the prior holder of record in blank or to the Company, as identified on the Loan Checklist;

(c) (i) if the Company is the sole lender or if the Company or an affiliate of the Company acts as agent for the lenders, (A) an executed copy of the Underlying Loan Agreement (which may be included in the Underlying Note if so indicated in the Loan Checklist), together with a copy of all amendments and modifications thereto, as identified on the Loan Checklist, (B) a copy of each related security agreement (if any) signed by the applicable obligor(s), as identified on the Loan Checklist, and (C) a copy of each related guarantee (if any) then executed in connection with such Loan, as identified on the Loan Checklist, and (ii) in all other cases, such copies of the documents described in clauses (A), (B) and (C), which may not be executed copies, as are reasonably available to the Company, as identified on the Loan Checklist; and

(d) a copy of the Loan Checklist.

"Securities" means, collectively, (i) the investments, including Loans, acquired by the Company and delivered to the Custodian by the Company from time to time during the term of, and pursuant to the terms of, this Agreement and (ii) all dividends in kind (e.g., non-cash dividends) from the investments described in clause (i).

"Securities Account" means the segregated trust account to be established at the Custodian to which the Custodian shall deposit or credit and hold the Securities (other than Loans) received by it pursuant to this Agreement, which account shall be designated the "Fidus Investment Corporation Custody Account," all of which shall be in U.S. denomination.

"Securities Custodian" means the Custodian when acting in the role of a securities custodian hereunder.

"Securities Depository" means The Depository Trust Company and any other clearing agency registered with the Securities and Exchange Commission under Section 17A of the Securities Exchange Act of 1934, as amended (the "1934 Act"), which acts as a system for the central handling of securities where all securities of any particular class or series of an issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities.

"Securities System" means the Federal Reserve Book-Entry System, a clearing agency which acts as a Securities Depository, or another book entry system for the central handling of securities (including an Eligible Securities Depository).

"Street Delivery Custom" means a custom of the United States securities market to deliver securities which are being sold to the buying broker for examination to determine that the securities are in proper form.

"Street Name" means the form of registration in which the securities are held by a broker who is delivering the securities to another broker for the purposes of sale, it being an accepted custom in the United States securities industry that a security in Street Name is in proper form for delivery to a buyer and that a security may be re-registered by a buyer in the ordinary course.

"Subsidiary Cash Account" shall have the meaning set forth in Section 3.13(b).

"Subsidiary Securities" collectively, (i) the investments, including Loans, acquired by a Subsidiary and delivered to the Custodian from time to time during the term of, and pursuant to the terms of, this Agreement and (ii) all dividends in kind (e.g., non-cash dividends) from the investments described in clause (i).

"Subsidiary Securities Account" shall have the meaning set forth in Section 3.13(a).

"Subsidiary" means any wholly owned subsidiary of the Company identified to the Custodian pursuant to Section 3.13(b).

"Trade Confirmation" means a confirmation to the Custodian from the Company of the Company's acquisition of a Loan, and setting forth applicable information with respect to such Loan, which confirmation may be in the form of Exhibit A attached hereto and made a part hereof, subject to such changes or additions as may be agreed to by, or in such other form as may be agreed to by, the Custodian and the Company from time to time.

"UCC" shall have the meaning set forth in Section 3.3(b)(ii).

"Underlying Loan Agreement" means, with respect to any Loan, the document or documents evidencing the commercial loan agreement or facility pursuant to which such Loan is made.

"Underlying Loan Documents" means, with respect to any Loan, the related Underlying Loan Agreement together with any agreements and instruments (including any Underlying Note) executed or delivered in connection therewith.

"Underlying Note" means the one or more promissory notes executed by an obligor to evidence a Loan.

1.2 Construction. In this Agreement unless the contrary intention appears:

(a) any reference to this Agreement or another agreement or instrument refers to such agreement or instrument as the same may be amended, modified or otherwise rewritten from time to time;

(b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(c) any term defined in the singular form may be used in, and shall include, the plural with the same meaning, and vice versa;

(d) a reference to a Person includes a reference to the Person's executors, successors and permitted assigns;

(e) an agreement, representation or warranty in favor of two or more Persons is for the benefit of them jointly and severally;

(f) an agreement, representation or warranty on the part of two or more Persons binds them jointly and severally;

(g) a reference to the term "including" means "including, without limitation," and

(h) a reference to any accounting term is to be interpreted in accordance with generally accepted principles and practices in the United States, consistently applied, unless otherwise instructed by the Company.

1.3 Headings. Headings are inserted for convenience and do not affect the interpretation of this Agreement.

2. APPOINTMENT OF CUSTODIAN

2.1 Appointment and Acceptance. The Company hereby appoints the Custodian as custodian of all Securities and cash owned by the Company and the Subsidiaries (as applicable) and delivered to the Custodian by the Company from time to time during the

period of this Agreement, on the terms and conditions set forth in this Agreement (which shall include any addendum hereto which is hereby incorporated herein and made a part of this Agreement), and the Custodian hereby accepts such appointment and agrees to perform the services and duties set forth in this Agreement with respect to it, subject to and in accordance with the provisions hereof.

2.2 Instructions. The Company agrees that it shall from time to time provide, or cause to be provided, to the Custodian all necessary instructions and information, and shall respond promptly to all inquiries and requests of the Custodian, as may reasonably be necessary to enable the Custodian to perform its duties hereunder.

2.3 Company Responsible For Directions. The Company is solely responsible for directing the Custodian with respect to deposits to, withdrawals from and transfers to or from the Account. Without limiting the generality of the foregoing, the Custodian has no responsibility for the Company's compliance with the 1940 Act, any restrictions, covenants, limitations or obligations to which the Company may be subject or for which it may have obligations to third-parties in respect of the Account, and the Custodian shall have no liability for the application of any funds made at the direction of the Company. The Company shall be solely responsible for properly instructing all applicable payors to make all appropriate payments to the Custodian for deposit to the Account, and for properly instructing the Custodian with respect to the allocation or application of all such deposits.

3. DUTIES OF CUSTODIAN

3.1 Segregation. All Securities and non-cash property held by the Custodian, as applicable, for the account of the Company (other than Securities maintained in a Securities Depository or Securities System) shall be physically segregated from other Securities and non-cash property in the possession of the Custodian (including the Securities and non-cash property of a Subsidiary) and shall be identified as subject to this Agreement.

3.2 Securities Custody Account. Upon receipt of Proper Instructions, the Custodian shall open and maintain in its trust department a segregated trust account in the name of the Company, subject only to order of the Custodian, in which the Custodian shall enter and carry, subject to Section 3.3(b), all Securities (other than Loans) and other investment assets of the Company which are delivered to it in accordance with this Agreement. For avoidance of doubt, the Custodian shall not be required to credit or deposit Loans in the Securities Account but shall instead maintain a register (in book-entry form or in such other form as it shall deem necessary or desirable) of such Loans, containing such information as the Company and the Custodian may reasonably agree; *provided that*, with respect to such Loans, all Required Loan Documents shall be held in safekeeping by the Document Custodian, individually segregated from the securities and investments of any other person and marked so as to clearly identify them as the property of the Company in a manner consistent with Rule 17f-1 under the 1940 Act and as set forth in this Agreement.

The Custodian shall have no power or authority to assign, hypothecate, pledge or otherwise dispose of any such Securities and investments except pursuant to the direction of the Company under terms of the Agreement.

3.3 Delivery of Cash and Securities to Custodian.

(a) The Company shall deliver, or cause to be delivered, to the Custodian all of the Company's Securities, cash and other investment assets, including (a) all payments of income, payments of principal and capital distributions received by the Company with respect to such Securities, cash or other assets owned by the Company at any time during the period of this Agreement, and (b) all cash received by the Company for the issuance, at any time during such period, of securities or in connection with a borrowing by the Company, except as otherwise permitted by the 1940 Act. With respect to Loans, Required Loan Documents and other Underlying Loan Documents shall be delivered to the Custodian in its role as, and at the address identified for, the Document Custodian. With respect to assets other than Loans, such assets shall be delivered to the Custodian in its role as, and (where relevant) at the address identified for, the Securities Custodian. Except to the extent otherwise expressly provided herein, delivery of Securities to the Custodian shall be in Street Name or other good delivery form. The Custodian shall not be responsible for such Securities, cash or other assets until actually delivered to, and received by it.

(b) (i) In connection with its acquisition of a Loan or other delivery of a Security constituting a Loan, the Company shall deliver or cause to be delivered to the Custodian (in its roles as, and at the address identified for, the Custodian and Document Custodian) a properly completed Trade Confirmation containing such information in respect of such Loan as the Custodian may reasonably require in order to enable the Custodian to perform its duties hereunder in respect of such Loan on which the Custodian may conclusively rely without further inquiry or investigation, in such form and format as the Custodian reasonably may require, and shall deliver to the Document Custodian (in its role as, and at the address identified for, the Document Custodian) the Required Loan Documents, including the Loan Checklist.

(ii) Notwithstanding anything herein to the contrary, delivery of Securities acquired by the Company (or, if applicable, a Subsidiary thereof) which constitute or is evidenced by a Noteless Loan or Participation or which are otherwise not evidenced by a "security" or "instrument" as defined in Section 8-102 and Section 9-102(a)(47) of the Uniform Commercial Code as in effect in the State of New York (the "UCC")), respectively, shall be made by delivery to the Document Custodian of (i) in the case of a Noteless Loan, a copy of the loan register with respect to such Noteless Loan evidencing registration of such Loan

on the books and records of the applicable obligor or bank agent to the name of the Company or, if applicable, a Subsidiary thereof (or, in either case, its nominee) or a copy (which may be a facsimile copy) of an assignment agreement in favor of the Company (or, if applicable, a Subsidiary thereof) as assignee, and (ii) in the case of a Participation, a copy of the related participation agreement. Any duty on the part of the Custodian with respect to the custody of such Loans shall be limited to the exercise of reasonable care by the Custodian in the physical custody of any such documents delivered to it, and any related instrument, security, credit agreement, assignment agreement and/or other agreements or documents, if any (collectively, "Financing Documents"), that may be delivered to it. Nothing herein shall require the Custodian to credit to the Securities Account or to treat as a financial asset (within the meaning of Section 8-102(a)(9) of the UCC) any such Loan or other asset in the nature of a general intangible (as defined in Section 9-102(a)(42) of the UCC) or to "maintain" a sufficient quantity thereof.

(iii) The Custodian may assume the genuineness of any such Financing Document it may receive and the genuineness and due authority of any signatures appearing thereon, and shall be entitled to assume that each such Financing Document it may receive is what it purports to be. If an original "security" or "instrument" as defined in Section 8-102 and Section 9-102(a)(47) of the UCC, respectively, is or shall be or become available with respect to any Loan to be held by the Custodian under this Agreement, it shall be the sole responsibility of the Company to make or cause delivery thereof to the Document Custodian, and the Custodian shall not be under any obligation at any time to determine whether any such original security or instrument has been or is required to be issued or made available in respect of any Loan or to compel or cause delivery thereof to the Custodian.

(iv) Contemporaneously with the acquisition of any Loan, the Company shall (A) if requested by the Custodian, provide to the Custodian an amortization schedule of principal payments and a schedule of the interest payable date(s) identifying the amount and due dates of all scheduled principal and interest payments for such Loan; (B) take all actions necessary for the Company to acquire good title to such Loan (it being understood that the Custodian shall have no responsibility with respect to such matters); and (C) take all actions as may be necessary (including appropriate payment notices and instructions to bank agents or other applicable paying agents) to cause (x) all payments in respect of the Loan to be made to the Custodian and (y) all notices, solicitations and other communications in respect of such Loan to be directed to the Company. The Custodian shall have no liability for any delay or failure on the part of the Company to provide necessary information to the Custodian, or for any inaccuracy therein or incompleteness thereof, or for any delay or failure on the part of the Company to give such effective

payment instruction to bank agents and other paying agents, in respect of the Loans. With respect to each such Loan, the Custodian shall be entitled to rely on any information and notices it may receive from time to time from the related bank agent, obligor or similar party with respect to the related Loan Asset, or from the Company (or Subsidiary thereof as applicable) or the Investment Advisor, and shall be entitled to update its records (as it may deem necessary or appropriate) on the basis of such information or notices received, without any obligation on its part independently to verify, investigate or recalculate such information.

3.4 Release of Securities.

(a) The Custodian shall release and ship for delivery, or direct its agents or sub-custodian to release and ship for delivery, as the case may be, Securities or Required Loan Documents (or other Underlying Loan Documents) of the Company held by the Custodian, its agents or its sub-custodian from time to time upon receipt of Proper Instructions (which shall, among other things, specify the Securities or Required Loan Documents (or other Underlying Loan Documents) to be released, with such delivery and other information as may be necessary to enable the Custodian to perform (including the delivery method)), which may be standing instructions (in form acceptable to the Custodian), in the following cases:

(i) upon sale of such Securities by or on behalf of the Company, and such sale may, unless and except to the extent otherwise directed by Proper Instructions, be carried out by the Custodian:

(A) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur, including delivery to the purchaser thereof or to a dealer therefor (or an agent of such purchaser or dealer) against expectation of receiving later payment; or

(B) in the case of a sale effected through a Securities System, in accordance with the rules governing the operations of the Securities System;

(ii) upon the receipt of payment in connection with any repurchase agreement related to such Securities;

(iii) to a depositary agent in connection with tender or other similar offers for such Securities;

(iv) to the issuer thereof, or its agent, when such Securities are called, redeemed, retired or otherwise become payable (unless otherwise

directed by Proper Instructions, the cash or other consideration is to be delivered to the Custodian, its agents or its sub-custodian);

(v) to an issuer thereof, or its agent, for transfer into the name of the Custodian or of any nominee of the Custodian or into the name of any of its agents or sub-custodian or their nominees, or for exchange for a different number of bonds, certificates or other evidence representing the same aggregate face amount or number of units;

(vi) to brokers, clearing banks or other clearing agents for examination in accordance with the Street Delivery Custom;

(vii) for exchange or conversion pursuant to any plan of merger, consolidation, recapitalization, reorganization or readjustment of the securities of the issuer of such Securities, or pursuant to any deposit agreement (unless otherwise directed by Proper Instructions, the new securities and cash, if any, are to be delivered to the Custodian, its agents or its sub-custodian);

(viii) in the case of warrants, rights or similar securities, the surrender thereof in the exercise of such warrants, rights or similar securities or the surrender of interim receipts or temporary securities for definitive securities (unless otherwise directed by Proper Instructions, the new securities and cash, if any, are to be delivered to the Custodian, its agents or its sub-custodian); and/or

(ix) for any other purpose, but only upon receipt of Proper Instructions and an officer's certificate signed by an officer of the Company (which officer shall not have been the Authorized Person providing the Proper Instructions) stating (i) the specified securities to be delivered, (ii) the purpose for such delivery, (iii) that such purpose is a proper corporate purpose and (iv) naming the person or persons to whom delivery of such Securities shall be made, and attaching a certified copy of a resolution of the board of directors of the Company or an authorized committee thereof approving the delivery of such Proper Instructions.

3.5 Registration of Securities. Securities held by the Custodian, its agents or its sub-custodian (other than bearer securities, securities held in a Securities System or Securities that are Noteless Loans or Participations) shall be registered in the name of the Company or its nominee; or, at the option of the Custodian (if the Custodian determines it cannot hold such security in the name of the Company), in the name of the Custodian or in the name of any nominee of the Custodian, or in the name of its agents or its sub-custodian or their nominees; or, if directed by the Company by Proper Instruction, may be maintained in Street Name. The Custodian, its agents and its sub-custodian shall not be obliged to

accept Securities on behalf of the Company under the terms of this Agreement unless such Securities are in Street Name or other good deliverable form.

3.6 Bank Accounts, and Management of Cash

(a) Proceeds and other cash received by the Custodian from time to time shall be deposited or credited to the Cash Account. All amounts deposited or credited to the Cash Account shall be subject to clearance and receipt of final payment by the Custodian.

(b) Amounts held in the Cash Account from time to time may be invested in Eligible Investments pursuant to specific written Proper Instructions (which may be standing instructions) received by the Custodian from an Authorized Person acting on behalf of the Company. Such investments shall be subject to availability and the Custodian's then applicable transaction charges (which shall be at the Company's expense). The Custodian shall have no liability for any loss incurred on any such investment. Absent receipt of such written instruction from the Company, the Custodian shall have no obligation to invest (or otherwise pay interest on) amounts on deposit in the Cash Account. In no instance will the Custodian have any obligation to provide investment advice to the Company. Any earnings from such investment of amounts held in the Cash Account from time to time (collectively, "Reinvestment Earnings") shall be redeposited in the Cash Account (and may be reinvested at the written direction of the Company).

(c) In the event that the Company shall at any time request a withdrawal of amounts from the Cash Account, the Custodian shall be entitled to liquidate, and shall have no liability for any loss incurred as a result of the liquidation of, any investment of the funds credited to such account as needed to provide necessary liquidity. Investment instructions may be in the form of standing instructions (in the form of Proper Instructions acceptable to the Custodian).

(d) The Company acknowledges that cash deposited or invested with any bank (including the bank acting as Custodian) may make a margin or generate banking income for which such bank shall not be required to account to the Company.

3.7 [Reserved.]

3.8 Collection of Income. The Custodian, its agents or its sub-custodian shall use reasonable efforts to collect on a timely basis all income and other payments with respect to the Securities held hereunder to which the Company shall be entitled, to the extent consistent with usual custom in the securities custodian business in the United States. Such efforts shall include collection of interest income, dividends and other payments with respect to registered domestic securities if, on the record date with respect to the

date of payment by the issuer, the Security is registered in the name of the Custodian or its nominee (or in the name of its agent or sub-custodian, or their nominees); and interest income, dividends and other payments with respect to bearer domestic securities if, on the date of payment by the issuer, such Securities are held by the Custodian or its sub-custodian or agent; *provided*, *however*, that in the case of Securities held in Street Name, the Custodian shall use commercially reasonable efforts only to timely collect income. In no event shall the Custodian's agreement herein to collect income be construed to obligate the Custodian to commence, undertake or prosecute any legal proceedings.

3.9 Payment of Moneys.

(a) Upon receipt of Proper Instructions, which may be standing instructions, the Custodian shall pay out from the Cash Account (or remit to its agents or its sub-custodian, and direct them to pay out) moneys of the Company on deposit therein in the following cases:

(i) upon the purchase of Securities for the Company pursuant to such Proper Instruction; and such purchase may, unless and except to the extent otherwise directed by Proper Instructions, be carried out by the Custodian:

(A) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur, including delivering money to the seller thereof or to a dealer therefor (or any agent for such seller or dealer) against expectation of receiving later delivery of such securities; or

(B) in the case of a purchase effected through a Securities System, in accordance with the rules governing the operation of such Securities System;

(ii) [Reserved]; and

(iii) for any other purpose directed by the Company, but only upon receipt of Proper Instructions specifying the amount of such payment, and naming the Person or Persons to whom such payment is to be made.

(b) At any time or times, the Custodian shall be entitled to pay (i) itself from the Cash Account, whether or not in receipt of express direction or instruction from the Company, any amounts due and payable to it pursuant to Section 8 hereof, and (ii) as otherwise permitted by Section 7.5, 9.4 or Section 12.5 below; *provided*, *however*, that in each case all such payments shall be regularly accounted for to the Company.

3.10 Proxies. The Custodian will, with respect to the Securities held hereunder, use reasonable efforts to cause to be promptly executed by the registered holder of such

Securities proxies received by the Custodian from its agents or its sub-custodian or from issuers of the Securities being held for the Company, without indication of the manner in which such proxies are to be voted, and upon receipt of Proper Instructions shall promptly deliver to the applicable issuer such proxies relating to such Securities. In the absence of such Proper Instructions, or in the event that such Proper Instructions are not received in a timely fashion, except to the extent otherwise expressly provided herein, the Custodian shall be under no duty to act with regard to such proxies. Notwithstanding the above, neither Custodian nor any nominee of Custodian shall vote any of the Securities held hereunder by or for the account of the Company, except in accordance with Proper Instructions.

3.11 Communications Relating to Securities. The Custodian shall transmit promptly to the Company all written information (including proxies, proxy soliciting materials, notices, pendency of calls and maturities of Securities and expirations of rights in connection therewith) received by the Custodian, from its agents or its sub-custodian or from issuers of the Securities being held for the Company. The Custodian shall have no obligation or duty to exercise any right or power, or otherwise to preserve rights, in or under any Securities unless and except to the extent it has received timely Proper Instruction from the Company in accordance with the next sentence. The Custodian will not be liable for any untimely exercise of any right or power in connection with Securities at any time held by the Custodian, its agents or sub-custodian unless:

(i) the Custodian has received Proper Instructions with regard to the exercise of any such right or power; and

(ii) the Custodian, or its agents or sub-custodian are in actual possession of such Securities,

in each case, at least three (3) Business Days prior to the date on which such right or power is to be exercised. It will be the responsibility of the Company to notify the Custodian of the Person to whom such communications must be forwarded under this Section.

3.12 Records. The Custodian shall create and maintain complete and accurate records relating to its activities under this Agreement with respect to the Securities, cash or other property held for the Company under this Agreement, with particular attention to Section 31 of the 1940 Act, and Rules 31a-1 and 32a-2 thereunder. To the extent that the Custodian, in its sole opinion, is able to do so, the Custodian shall provide assistance to the Company (at the Company's reasonable request made from time to time) by providing sub-certifications regarding certain of its services performed hereunder to the Company in connection with the Company's certification requirements pursuant to the Sarbanes-Oxley Act of 2002, as amended. All such records shall be the property of the Company and shall at all times during the regular business hours of the Custodian be open for inspection by duly authorized officers, employees or agents of the Company (including its independent public accountants) and employees and agents of the Securities and Exchange Commission, upon reasonable request and prior notice and at the Company's expense. At the sole expense of the Company, upon reasonable request by

the Company, the Custodian agrees to provide in either hard copy or on computer disc (whichever format is maintained by the Custodian) such records as required to be maintained by the Custodian under this Agreement. The Custodian shall, at the Company's request, supply the Company with a tabulation of Securities owned by the Company and held by the Custodian (or with respect to Loans, for which the Custodian is in custody of Financing Documents) and shall, when requested to do so by the Company and for such compensation as shall be agreed upon between the Company and the Custodian, include, to the extent applicable, the certificate numbers in such tabulations, to the extent such information is available to the Custodian.

3.13 Custody of Subsidiary Securities.

(a) With respect to each Subsidiary identified to the Custodian by the Company, there shall be established at the Custodian a segregated trust account to which the Custodian shall deposit and hold any Subsidiary Securities (other than Loans) received by it pursuant to this Agreement, which account shall be designated the "[INSERT NAME OF SUBSIDIARY] Securities Account" (the "Subsidiary Securities Account").

(b) With respect to each Subsidiary identified to the Custodian by the Company, there shall be established at the Custodian a segregated trust account to which the Custodian shall deposit and hold any Proceeds received by it from time to time from or with respect to Subsidiary Securities or other Proceeds, which account shall be designated the "[INSERT NAME OF SUBSIDIARY] Cash Proceeds Account" (the "Subsidiary Cash Account").

(c) To the maximum extent possible, the provisions of this Agreement regarding Securities of the Company, the Securities Account and the Cash Account shall be applicable to any Subsidiary Securities. Subsidiary Securities Account and Subsidiary Cash Account, respectively. The parties hereto agree that the Company shall notify the Custodian in writing as to the establishment of any Subsidiary as to which the Custodian is to serve as custodian pursuant to the terms of this Agreement; and identify in writing any accounts the Custodian shall be required to establish for such Subsidiary as herein provided.

3.14 Access to Information.

(a) Each party shall keep confidential any non-public information relating to the other party's business ("Confidential Information"). Confidential Information may include: (i) any data or information that is competitively sensitive material, and not generally known to the public, including, but not limited to, information about product plans, marketing strategies, finances, operations, customer relationships, customer profiles, customer lists, sales estimates, business plans, and internal performance results relation to the past, present or future business activities of the

Company or the Custodian, their respective subsidiaries and affiliated companies; (ii) any scientific or technical information, design, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords the Company or the Custodian a competitive advantage of its competitors; (iii) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, inventions, know-how, and trade secrets, whether or not patentable or copyrightable; and (iv) anything designated as confidential. Confidential Information shall not include information which (i) is disclosed in a publication available to the public, is otherwise in the public domain at the time of disclosure, or becomes publicly known through no wrongful act on the part of the recipient, (ii) is obtained by the recipient in good faith from a third party source having the right to disclose such information, or (iii) was known by the receiving party, without any obligation of confidentiality, prior to the disclosure of such information.

(b) Notwithstanding the foregoing, the recipient may disclose Confidential Information (i) to regulatory authorities having jurisdiction over the Custodian, as required by law or regulation, and (ii) to the Custodian's directors, officers, employees, attorneys, accountants, agents or advisors who have a need to know such information in the course of the performance of its duties hereunder.

(c) The recipient may disclose Confidential Information to the extent and as required by applicable law or regulation in connection with oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand, any informal or formal investigation by any governmental entity, or pursuant to a judicial, administrative or legal proceeding in which either party is involved; *provided that* the recipient will, to the extent permitted to do so, provide prompt notice to the other party of such request and give the other party the opportunity to contest such request or seek a protective order, as necessary, prior to disclosing such Confidential Information under this Section 3.14(c). In the event that no such protective order or other remedy is obtained, or in the absence of such protective order, other remedy or the waiver by the other party and where the receiving party has been advised by counsel that it is legally compelled to disclose the Confidential Information, the receiving party and/or its counsel will furnish only that portion of the Confidential Information that the receiving party is advised by its counsel is legally required.

4. REPORTING

(a) [Reserved.]

(b) For each Business Day, the Custodian shall render to the Company a daily report of all deposits to and withdrawals from the Cash Account for such Business Day and the outstanding balance as of the end of such Business Day.

(c) The Custodian shall have no duty or obligation to undertake any market valuation of the Securities under any circumstance.

(d) The Custodian shall provide the Company, promptly upon request, with such reports as are reasonably available to it and as the Company may reasonably request from time to time, concerning the internal accounting controls, including procedures for safeguarding securities, which are employed by the Custodian or any Foreign Sub-custodian appointed pursuant to Section 6.1.

(e) In accordance with Section 3.12, at the reasonable request by the Company, the Custodian agrees to cooperate with the Company's independent public accountants and shall provide requested information to the extent such information is reasonably available to the Custodian.

5. DEPOSIT IN U.S. SECURITIES SYSTEMS

The Custodian may deposit and/or maintain Securities in a Securities System within the United States in accordance with applicable Federal Reserve Board and Securities and Exchange Commission rules and regulations, including Rule 17f-4 under the 1940 Act, and subject to the following provisions:

(a) The Custodian may keep domestic Securities in a U.S. Securities System; *provided that* such Securities are represented in an account of the Custodian in the U.S. Securities System which shall not include any assets of the Custodian other than assets held by it as a fiduciary, custodian or otherwise for customers;

(b) The records of the Custodian with respect to Securities which are maintained in a U.S. Securities System shall identify by book-entry those Securities belonging to the Company;

(c) The Custodian shall provide to the Company copies of all notices received from the U.S. Securities System of transfers of Securities for the account of the Company; and

(d) Anything to the contrary in this Agreement notwithstanding, the Custodian shall not be liable to the Company for any direct loss, damage, cost, expense, liability or claim to the Company resulting from use of any U.S. Securities System (other than to the extent resulting from the gross negligence, misfeasance or misconduct of the Custodian itself, or from failure of the Custodian to enforce effectively such rights as it may have against the U.S. Securities System.)

6. SECURITIES HELD OUTSIDE OF THE UNITED STATES

6.1 Appointment of Foreign Sub-custodian. The Company hereby authorizes and instructs the Custodian in its sole discretion to employ one or more Foreign Sub-custodians to act as Eligible Securities Depositories or as sub-custodian to hold the Securities and other assets of the Company maintained outside the United States, subject

to the Company's approval in accordance with this Section 6.1. If the Custodian wishes to appoint a Foreign Sub-custodian to hold property of the Company subject to this Agreement, it will so notify the Company and provide it with information reasonably necessary to determine any such new Foreign Sub-custodian's eligibility under Rule 17f-5 under the 1940 Act, including a copy of the proposed agreement with such Foreign Sub-custodian. The Company shall at the meeting of its board of directors next following receipt of such notice and information give a written approval or disapproval of the proposed action.

6.2 Assets to be Held. The Custodian shall limit the Securities and other assets maintained in the custody of the Foreign Sub-custodian to: (a) Foreign Securities and (b) cash and cash equivalents in such amounts as the Company (through Proper Instructions) may determine to be reasonably necessary to effect the Company's transactions in such investments.

6.3 Omnibus Accounts. The Custodian may hold Foreign Securities and related Proceeds with one or more Foreign Sub-custodians or Eligible Securities Depositories in each case in a single account with such Foreign Sub-custodian or Eligible Securities Depository that is identified as belonging to the Custodian for the benefit of its customers; *provided however*, that the records of the Custodian with respect to Securities and related Proceeds which are property of the Company maintained in such account(s) shall identify by book-entry those Securities and other property as belonging to the Company.

6.4 Reports Concerning Foreign Sub-custodian. The Custodian will supply to the Company, upon request from time to time, statements in respect of the Securities held by Foreign Sub-custodians or Eligible Securities Depositories, including an identification of the Foreign Sub-custodians and Eligible Securities Depositories having physical possession of the Foreign Securities.

6.5 Transactions in Foreign Custody Account. Notwithstanding any provision of this Agreement to the contrary, settlement and payment for Securities received by a Foreign Intermediary for the account of the Company may be effected in accordance with the customary established securities trading or securities processing practices and procedures in the jurisdiction or market in which the transaction occurs, including delivering securities to the purchaser thereof or to a dealer therefor (or an agent for such purchaser or dealer) against a receipt with the expectation of receiving later payment for such securities from such purchaser or dealer.

6.6 Foreign Sub-custodian. Each contract or agreement pursuant to which the Custodian employs a Foreign Sub-custodian shall include provisions that provide: (i) for indemnification or insurance arrangements (or any combination of the foregoing) such that the Company will be adequately protected against the risk of loss of assets held in accordance with such contract; (ii) that the Company's assets will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the Foreign Sub-custodian or its creditors (except a claim of payment for their safe custody or administration) or, in the case of cash deposits, liens or rights in favor of creditors of the

Foreign Sub-custodian arising under bankruptcy, insolvency, or similar laws; (iii) that beneficial ownership for the Company's assets will be freely transferable without the payment of money or value other than for safe custody or administration; (iv) that adequate records will be maintained identifying the assets as belonging to the Company or as being held by a third party for the benefit of the Company; (v) that the Company's independent public accountants will be given access to those records or confirmation of the contents of those records; and (vi) that the Company will receive periodic reports with respect to the safekeeping of the Company's assets, including notification of any transfer to or from a Company's account or a third party account containing assets held for the benefit of the Company. Such contract may contain, in lieu of any or all of the provisions specified above, such other provisions that the Custodian determines will provide, in their entirety, the same or a greater level of care and protection for Company assets as the specified provisions, in their entirety.

6.7 Custodian's Responsibility for Foreign Sub-custodian.

(a) With respect to its responsibilities under this Article 6, the Custodian agrees to exercise reasonable care, prudence and diligence such as a person having responsibility for the safekeeping of property of the Company would exercise. The Custodian further agrees that the Foreign Securities will be subject to reasonable care, based on the standards applicable to Custodian in the relevant market, if maintained with each Foreign Sub-custodian, after considering all factors relevant to the safekeeping of such assets, including: (i) the Foreign Sub-custodian's practices, procedures, and internal controls, including the physical protections available for certificated securities (if applicable), the method of keeping custodial records, and the security and data protection practices; (ii) whether the Foreign Sub-custodian has the requisite financial strength to provide reasonable care for Company assets; (iii) the Foreign Sub-custodian's general reputation and standing and, in the case of Eligible Securities Depository, the Eligible Securities Depository's operating history and number of participants; and (iv) whether the Company will have jurisdiction over and be able to enforce judgments against the Foreign Sub-custodian, such as by virtue of the existence of any offices of the Foreign Sub-custodian in the United States or the Sub-custodian's consent to service of process in the United States.

(b) At the end of each calendar quarter or at such other times as the Company's board of directors deems reasonable and appropriate based on the circumstances of the Company's foreign custody arrangements, the Custodian shall provide written reports notifying the board of directors of the Company as to of the placement of the Foreign Securities and cash of the Company with a particular Foreign Sub-custodian and of any material changes in the Company's foreign custody arrangements. The Custodian shall promptly take such steps as may be required to withdraw assets of the Company from any Foreign Sub-custodian that has ceased to meet the requirements of Rule 17f-5 under the 1940 Act.

(c) The Custodian shall establish a system to monitor the appropriateness of maintaining the Company's assets with a particular Foreign Sub-custodian and the performance of the contract governing the Company's arrangements with such Foreign Sub-custodian. To the extent the Custodian holds Foreign Securities and related Proceeds with one or more Eligible Securities Depositories, the Custodian shall provide the Company with an analysis of the custody risks associated with maintaining assets with such Eligible Securities Depository and shall monitor such custody risks on a continuing basis and promptly notify the Company of any material change in these risks. The Custodian agrees to exercise reasonable care, prudence and diligence in performing its obligations under this Section 6.7(c).

(d) The Custodian's responsibility with respect to the selection or appointment of a Foreign Sub-custodian shall be limited to a duty to exercise reasonable care in the selection or retention of such Foreign Sub-custodians in light of prevailing settlement and securities handling practices, procedures and controls in the relevant market. With respect to any costs, expenses, damages, liabilities, or claims (including attorneys' and accountants' fees) incurred as a result of the acts or the failure to act by any Foreign Sub-custodian, the Custodian shall take reasonable action to recover such costs, expenses, damages, liabilities, or claims from such Foreign Sub-custodian; *provided that* the Custodian's sole liability in that regard shall be limited to amounts actually received by it from such Foreign Sub-custodian (exclusive of related costs and expenses incurred by the Custodian). The Custodian shall have no responsibility for any act or omission (or the insolvency of) any Securities System (including an Eligible Securities Depository). In the event the Company incurs a loss due to the negligence, willful misconduct, or insolvency of a Securities System (including an Eligible Securities Depository), the Custodian shall make reasonable endeavors, in its discretion, to seek recovery from the Eligible Securities Depository.

7. CERTAIN GENERAL TERMS

7.1 No Duty to Examine Underlying Instruments. Nothing herein shall obligate the Custodian to review or examine the terms of any underlying instrument, certificate, credit agreement, indenture, loan agreement, promissory note, or other financing document evidencing or governing any Security to determine the validity, sufficiency, marketability or enforceability of any Security (and shall have no responsibility for the genuineness or completeness thereof), or otherwise.

7.2 Resolution of Discrepancies. In the event of any discrepancy between the information set forth in any report provided by the Custodian to the Company and any information contained in the books or records of the Company, the Company shall promptly notify the Custodian thereof and the parties shall cooperate to diligently resolve the discrepancy.

7.3 Improper Instructions. Notwithstanding anything herein to the contrary, the Custodian shall not be obligated to take any action (or forebear from taking any action), which it reasonably determines to be contrary to the terms of this Agreement or applicable law. In no instance shall the Custodian be obligated to provide services on any day that is not a Business Day.

7.4 Proper Instructions

(a) The Company will give a notice to the Custodian, in form acceptable to the Custodian, specifying the names and specimen signatures of persons authorized to give Proper Instructions (collectively, "Authorized Persons" and each is an "Authorized Person"), which notice shall be signed by any two Authorized Persons previously certified to the Custodian. The Custodian shall be entitled to rely upon the identity and authority of such persons until it receives written notice from an Authorized Person of the Company to the contrary. The initial Authorized Persons are set forth on Exhibit B attached hereto and made a part hereof (as such Exhibit B may be modified from time to time by written notice from the Company to the Custodian); and the Company hereby represents and warrants that the true and accurate specimen signatures of such initial Authorized Persons are set forth on Exhibit B.

(b) The Custodian shall have no responsibility or liability to the Company (or any other person or entity), and shall be indemnified and held harmless by the Company, in the event that a subsequent written confirmation of an oral instruction fails to conform to the oral instructions received by the Custodian. The Custodian shall not have an obligation to act in accordance with purported instructions to the extent that they conflict with applicable law or regulations, local market practice or the Custodian's operating policies and practices. The Custodian shall not be liable for any loss resulting from a delay while it obtains clarification of any Proper Instructions.

7.5 Actions Permitted Without Express Authority. The Custodian may, at its discretion, without express authority from the Company:

(a) make payments to itself as described in or pursuant to Section 3.9(b), or to make payments to itself or others for minor expenses of handling securities or other similar items relating to its duties under this Agreement provided however that all such payments shall be regularly accounted for to the Company;

(b) surrender Securities in temporary form for Securities in definitive form;

(c) endorse for collection cheques, drafts and other negotiable instruments; and

(d) in general attend to all nondiscretionary details in connection with the sale, exchange, substitution, purchase, transfer and other dealings with the securities and property of the Company.

7.6 Evidence of Authority. The Custodian shall be protected in acting upon any instructions, notice, request, consent, certificate, instrument or paper reasonably believed by it to be genuine and to have been properly executed or otherwise given by or on behalf of the Company by an Authorized Officer. The Custodian may receive and accept a certificate signed by any Authorized Officer as conclusive evidence of:

(a) the authority of any person to act in accordance with such certificate; or

(b) any determination or action by the Company as described in such certificate,

and such certificate may be considered as in full force and effect until receipt by the Custodian of written notice to the contrary from an Authorized Officer of the Company.

7.7 Receipt of Communications. Any communication received by the Custodian on a day which is not a Business Day or after 3:30 p.m., Eastern time (or such other time as is agreed by the Company and the Custodian from time to time), on a Business Day will be deemed to have been received on the next Business Day (but in the case of communications so received after 3:30 p.m., Eastern time, on a Business Day the Custodian will use its best efforts to process such communications as soon as possible after receipt).

8. COMPENSATION OF CUSTODIAN

8.1 Fees. The Custodian shall be entitled to compensation for its services in accordance with the terms of that certain fee letter dated May 3, 2011, between the Company and the Custodian.

8.2 Expenses. The Company agrees to pay or reimburse to the Custodian upon its request from time to time all costs, disbursements, advances, and expenses (including reasonable fees and expenses of legal counsel) incurred, and any disbursements and advances made (including any account overdraft resulting from any settlement or assumed settlement, provisional credit, chargeback, returned deposit item, reclaimed payment or claw-back, or the like), in connection with the preparation or execution of this Agreement, or in connection with the transactions contemplated hereby or the administration of this Agreement or performance by the Custodian of its duties and services under this Agreement, from time to time (including costs and expenses of any action deemed necessary by the Custodian to collect any amounts owing to it under this Agreement).

9. RESPONSIBILITY OF CUSTODIAN

9.1 General Duties. The Custodian shall have no duties, obligations or responsibilities under this Agreement or with respect to the Securities or Proceeds except for such duties as are expressly and specifically set forth in this Agreement, and the duties and obligations of the Custodian shall be determined solely by the express provisions of this Agreement. No implied duties, obligations or responsibilities shall be read into this Agreement against, or on the part of, the Custodian.

9.2 Instructions

(a) The Custodian shall be entitled to refrain from taking any action unless it has such instruction (in the form of Proper Instructions) from the Company as it reasonably deems necessary, and shall be entitled to require, upon notice to the Company, that Proper Instructions to it be in writing. The Custodian shall have no liability for any action (or forbearance from action) taken pursuant to the Proper Instruction of the Company.

(b) Whenever the Custodian is entitled or required to receive or obtain any communications or information pursuant to or as contemplated by this Agreement, it shall be entitled to receive the same in writing, in form, content and medium reasonably acceptable to it and otherwise in accordance with any applicable terms of this Agreement; and whenever any report or other information is required to be produced or distributed by the Custodian it shall be in form, content and medium reasonably acceptable to it and the Company and otherwise in accordance with any applicable terms of this Agreement.

9.3 General Standards of Care. Notwithstanding any terms herein contained to the contrary, the acceptance by the Custodian of its appointment hereunder is expressly subject to the following terms, which shall govern and apply to each of the terms and provisions of this Agreement (whether or not so stated therein):

(a) The Custodian may rely on (and shall be protected in acting or refraining from acting in reliance upon) any written notice, instruction, statement, certificate, request, waiver, consent, opinion, report, receipt or other paper or document furnished to it (including any of the foregoing provided to it by telecopier or electronic means), not only as to its due execution and validity, but also as to the truth and accuracy of any information therein contained, which it in good faith believes to be genuine and signed or presented by the proper person (which in the case of any instruction from or on behalf of the Company shall be an Authorized Person); and the Custodian shall be entitled to presume the genuineness and due authority of any signature appearing thereon. The Custodian shall not be bound to make any independent investigation into the facts or matters stated in any such notice, instruction, statement, certificate, request, waiver, consent,

opinion, report, receipt or other paper or document; *provided*, *however*, that, if the form thereof is specifically prescribed by the terms of this Agreement, the Custodian shall examine the same to determine whether it substantially conforms on its face to such requirements hereof.

(b) Neither the Custodian nor any of its directors, officers or employees shall be liable to anyone for any error of judgment, or for any act done or step taken or omitted to be taken by it (or any of its directors, officers of employees), or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, unless such action or inaction constitutes gross negligence, willful misconduct or bad faith on its part and in breach of the terms of this Agreement. The Custodian shall not be liable for any action taken by it in good faith and reasonably believed by it to be within powers conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed hereunder, or omitted to be taken by it by reason of the lack of direction or instruction required hereby for such action. The Custodian shall not be under any obligation at any time to ascertain whether the Company is in compliance with the 1940 Act, the regulations thereunder, or the Company's investment objectives and policies then in effect.

(c) In no event shall the Custodian be liable for any indirect, special or consequential damages (including lost profits) whether or not it has been advised of the likelihood of such damages.

(d) The Custodian may consult with, and obtain advice from, legal counsel selected in good faith with respect to any question as to any of the provisions hereof or its duties hereunder, or any matter relating hereto, and the written opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Custodian in good faith in accordance with the opinion and directions of such counsel; the reasonable cost of such services shall be reimbursed pursuant to Section 8.2 above.

(e) The Custodian shall not be deemed to have notice of any fact, claim or demand with respect hereto unless actually known by an officer working in its Corporate Trust Services group and charged with responsibility for administering this Agreement or unless (and then only to the extent received) in writing by the Custodian at the applicable address(es) as set forth in Section 15 and specifically referencing this Agreement.

(f) No provision of this Agreement shall require the Custodian to expend or risk its own funds, or to take any action (or forbear from action) hereunder which might in its judgment involve any expense or any financial or other liability unless it shall be furnished with acceptable indemnification. Nothing herein shall obligate the Custodian to commence, prosecute or defend legal proceedings in any instance, whether on behalf of the

Company or on its own behalf or otherwise, with respect to any matter arising hereunder, or relating to this Agreement or the services contemplated hereby.

(g) The permissive right of the Custodian to take any action hereunder shall not be construed as duty.

(h) The Custodian may act or exercise its duties or powers hereunder through agents or attorneys, and the Custodian shall not be liable or responsible for the actions or omissions of any such agent or attorney appointed with reasonable due care.

(i) All indemnifications contained in this Agreement in favor of the Custodian shall survive the termination of this Agreement.

(j) To the extent required under applicable law, each party shall have a duty to mitigate damages for which the other party may become responsible.

9.4 Indemnification; Custodian's Lien.

(a) The Company shall and does hereby indemnify and hold harmless each of the Custodian, and any Foreign Sub-custodian appointed pursuant to Section 6.1 above, for and from any and all costs and expenses (including reasonable attorney's fees and expenses), and any and all losses, damages, claims and liabilities, that may arise, be brought against or incurred by the Custodian, and any advances or disbursements made by the Custodian (including in respect of any Account overdraft, returned deposit item, chargeback, provisional credit, settlement or assumed settlement, reclaimed payment, claw-back or the like), as a result of, relating to, or arising out of this Agreement, or the administration or performance of the Custodian's duties hereunder, or the relationship between the Company (including, for the avoidance of doubt, any Subsidiary) and the Custodian created hereby, other than such liabilities, losses, damages, claims, costs and expenses as are directly caused by the Custodian's own action or inaction constituting gross negligence or willful misconduct.

(b) The Custodian shall have and is hereby granted a continuing lien upon and security interest in, and right of set-off against, the Account, and any funds (and investments in which such funds may be invested) held therein or credited thereto from time to time, whether now held or hereafter required, and all proceeds thereof, to secure the payment of any amounts that may be owing to the Custodian under or pursuant to the terms of this Agreement, whether now existing or hereafter arising.

9.5 Force Majeure. Without prejudice to the generality of the foregoing, the Custodian shall be without liability to the Company for any damage or loss resulting from or caused by events or circumstances beyond the Custodian's reasonable control, including nationalization, expropriation, currency restrictions, the interruption, disruption

or suspension of the normal procedures and practices of any securities market, power, mechanical, communications or other technological failures or interruptions, computer viruses or the like, fires, floods, earthquakes or other natural disasters, civil and military disturbance, acts of war or terrorism, riots, revolution, acts of God, work stoppages, strikes, national disasters of any kind, or other similar events or acts; errors by the Company (including any Authorized Person) in its instructions to the Custodian; or changes in applicable law, regulation or orders.

10. SECURITY CODES

If the Custodian issues to the Company security codes, passwords or test keys in order that it may verify that certain transmissions of information, including Proper Instructions, have been originated by the Company, the Company shall take all commercially reasonable steps to safeguard any security codes, passwords, test keys or other security devices which the Custodian shall make available.

11. TAX LAW

11.1 Domestic Tax Law. The Custodian shall have no responsibility or liability for any obligations now or hereafter imposed on the Company, or the Custodian as custodian of the Securities or the Proceeds, by the tax law of the United States or any state or political subdivision thereof. The Custodian shall be kept indemnified by and be without liability to the Company for such obligations including taxes (but excluding any income taxes assessable in respect of compensation paid to the Custodian pursuant to this Agreement), withholding, certification and reporting requirements, claims for exemption or refund, additions for late payment interest, penalties and other expenses (including legal expenses) that may be assessed against the Company, or the Custodian as custodian of the Securities or Proceeds.

11.2 Foreign Tax Law. It shall be the responsibility of the Company to notify the Custodian of the obligations imposed on the Company, or the Custodian as custodian of any Foreign Securities or related Proceeds, by the tax law of foreign (i.e., non-U.S.) jurisdictions, including responsibility for withholding and other taxes, assessments or other government charges, certifications and government reporting. The sole responsibility of the Custodian with regard to such tax law shall be to use reasonable efforts to cooperate with the Company with respect to any claims for exemption or refund under the tax law of the jurisdictions for which the Company has provided such information.

12. EFFECTIVE PERIOD, TERMINATION

12.1 Effective Date. This Agreement shall become effective as of its due execution and delivery by each of the parties. This Agreement shall continue in full force and effect until terminated as hereinafter provided. This Agreement may only be amended by written agreement by the parties hereto. This Agreement may be terminated by the Custodian or the Company pursuant to Section 12.2.

12.2 Termination. This Agreement shall terminate upon the earliest of (a) occurrence of the effective date of termination specified in any written notice of termination given by either party to the other not later than ninety (90) days prior to the effective date of termination specified therein, (b) such other date of termination as may be mutually agreed upon by the parties in writing.

12.3 Resignation. The Custodian may at any time resign under this Agreement by giving not less than ninety (90) days advance written notice thereof to the Company. The Company may at any time remove the Custodian under this Agreement by giving not less than ninety (90) days' advance written notice thereof to the Custodian.

12.4 Successor. Prior to the effective date of termination of this Agreement, or the effective date of the resignation or removal of the Custodian, as the case may be, the Company shall give Proper Instruction to the Custodian designating a successor Custodian, if applicable.

12.5 Payment of Fees, etc. Upon termination of this Agreement or resignation or removal of the Custodian, the Company shall pay to the Custodian such compensation, and shall likewise reimburse the Custodian for its costs, expenses and disbursements, as may be due as of the date of such termination or resignation (or removal, as the case may be). All indemnifications in favor of the Custodian under this Agreement shall survive the termination of this Agreement, or any resignation or removal of the Custodian.

12.6 Final Report. In the event of any resignation or removal of the Custodian, the Custodian shall provide to the Company a complete final report or data file transfer of any Confidential Information as of the date of such resignation or removal.

13. REPRESENTATIONS AND WARRANTIES

13.1 Representations of the Company. The Company represents and warrants to the Custodian that:

(a) it has the power and authority to enter into and perform its obligations under this Agreement, and it has duly authorized, executed and delivered this Agreement so as to constitute its valid and binding obligation; and

(b) in giving any instructions which purport to be "Proper Instructions" under this Agreement, the Company will act in accordance with the provisions of its certificate of incorporation and bylaws and any applicable laws and regulations.

13.2 Representations of the Custodian. The Custodian hereby represents and warrants to the Company that:

(a) it is qualified to act as a custodian pursuant to Section 26(a)(1) of the 1940 Act;

(b) it has the power and authority to enter into and perform its obligations under this Agreement;

(c) it has duly authorized, executed and delivered this Agreement so as to constitute its valid and binding obligations; and

(d) it maintains business continuity policies and standards that include data file backup and recovery procedures that comply with all applicable regulatory requirements.

14. PARTIES IN INTEREST; NO THIRD PARTY BENEFIT

This Agreement is not intended for, and shall not be construed to be intended for, the benefit of any third parties and may not be relied upon or enforced by any third parties (other than successors and permitted assigns pursuant to Article 19).

15. NOTICES

Any Proper Instructions(to the extent given by hand, mail, courier or telecopier) shall be given to the following address (or such other address as either party may designate by written notice to the other party), and otherwise any notices, approvals and other communications hereunder shall be sufficient if made in writing and given to the parties at the following address (or such other address as either of them may subsequently designate by notice to the other), given by (i) hand, (ii) certified or registered mail, postage prepaid, (iii) recognized courier or delivery service, or (iv) confirmed telecopier or telex, with a duplicate sent on the same day by first class mail, postage prepaid:

(a) if to the Company or any Subsidiary, to

Fidus Investment Corporation
1603 Orrington Avenue
Suite 820
Evanston, Illinois 60201
Attention: Cary L. Schaefer
Fax: (847) 859-3953

(b) if to the Custodian (other than in its role as Document Custodian), to

U.S. Bank National Association
Corporate Trust Services
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Ref: Fidus Investment Corporation
Attn: Jonathan DeMarco
Fax: (866) 394-9334
E-mail: jonathan.demarco@usbank.com

(c) if to the Custodian solely in its role as Document Custodian, to

U.S. Bank National Association
1719 Range Way
Florence, South Carolina 29501
Mail Code: Ex - SC - FLOR
Ref: Fidus Investment Corporation
Attn: Steven Garrett
E-mail: steven.garrett@usbank.com
Fax: (843) 673-0162

16. CHOICE OF LAW AND JURISDICTION

This Agreement shall be construed, and the provisions thereof interpreted under and in accordance with and governed by the laws of the State of New York for all purposes (without regard to its choice of law provisions); except to the extent such laws are inconsistent with federal securities laws, including the 1940 Act.

17. ENTIRE AGREEMENT; COUNTERPARTS

17.1 Complete Agreement. This Agreement constitutes the complete and exclusive agreement of the parties with regard to the matters addressed herein and supersedes and terminates, as of the date hereof, all prior agreements or understandings, oral or written, between the parties to this Agreement relating to such matters.

17.2 Counterparts. This Agreement may be executed in any number of counterparts and all counterparts taken together shall constitute one and the same instrument.

17.3 Facsimile Signatures. The exchange of copies of this Agreement and of signature pages by facsimile transmission or electronic transmission of a .pdf file shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or .pdf file shall be deemed to be their original signatures for all purposes.

18. AMENDMENT; WAIVER

18.1 Amendment. This Agreement may not be amended except by an express written instrument duly executed by each of the Company and the Custodian.

18.2 Waiver. In no instance shall any delay or failure to act be deemed to be or effective as a waiver of any right, power or term hereunder, unless and except to the extent such waiver is set forth in an express written instrument signed by the party against whom it is to be charged.

19. SUCCESSOR AND ASSIGNS

19.1 Successors Bound. The covenants and agreements set forth herein shall be binding upon and inure to the benefit of each of the parties and their respective successors and permitted assigns. Neither party shall be permitted to assign their rights under this Agreement without the written consent of the other party; *provided*, *however*, that the foregoing shall not limit the ability of the Custodian to delegate certain duties or services to or perform them through agents or attorneys appointed with due care as expressly provided in this Agreement.

19.2 Merger and Consolidation. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Custodian shall be a party, or any corporation or association to which the Custodian transfers all or substantially all of its corporate trust business, shall be the successor of the Custodian hereunder, and shall succeed to all of the rights, powers and duties of the Custodian hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

20. SEVERABILITY

The terms of this Agreement are hereby declared to be severable, such that if any term hereof is determined to be invalid or unenforceable, such determination shall not affect the remaining terms.

21. REQUEST FOR INSTRUCTIONS

If, in performing its duties under this Agreement, the Custodian is required to decide between alternative courses of action, the Custodian may (but shall not be obliged to) request written instructions from the Company as to the course of action desired by it. If the Custodian does not receive such instructions within two (2) Business Days after it has requested them, the Custodian may, but shall be under no duty to, take or refrain from taking any such courses of action. The Custodian shall act in accordance with instructions received from the Company in response to such request after such two-Business Day period except to the extent it has already taken, or committed itself to take, action inconsistent with such instructions.

22. OTHER BUSINESS

Nothing herein shall prevent the Custodian or any of its affiliates from engaging in other business, or from entering into any other transaction or financial or other relationship with, or receiving fees from or from rendering services of any kind to the Company or any other Person. Nothing contained in this Agreement shall constitute the Company and/or the Custodian (and/or any other Person) as members of any partnership, joint venture, association, syndicate, unincorporated business or similar assignment as a result of or by virtue of the engagement or relationship established by this Agreement.

23. REPRODUCTION OF DOCUMENTS

This Agreement and all schedules, exhibits, attachments and amendment hereto may be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. The parties hereto each agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party in the regular course of business, and that any enlargement, facsimile or further production shall likewise be admissible in evidence.

24. MISCELLANEOUS

The Company acknowledges receipt of the following notice:

"**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity the Custodian will ask for documentation to verify its formation and existence as a legal entity. The Custodian may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation."

[*PAGE INTENTIONALLY ENDS HERE. SIGNATURES APPEAR ON NEXT PAGE.*]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed and delivered by a duly authorized officer, intending the same to take effect as of the date first written above.

Witness:

FIDUS INVESTMENT CORPORATION

By: _____

Name:
Title:

Witness:

U.S. BANK NATIONAL ASSOCIATION

By: _____

Name:
Title:

EXHIBIT A

(Trade Confirmation)

EXHIBIT B

Any of the following persons (each acting singly) shall be an Authorized Person (as this list may subsequently be modified by the Company from time to time by written notice to the Custodian):

NAME:	SPECIMEN SIGNATURE:

TRADEMARK LICENSE AGREEMENT

This TRADEMARK LICENSE AGREEMENT (the "Agreement") is made and effective as of ____, 2011 (the "Effective Date") by and between Fidus Partners, LLC, a Delaware limited liability company ("Licensor"), and Fidus Investment Corporation, a Maryland corporation (the "Company").

RECITALS

WHEREAS, Licensor and its affiliates, including Fidus Investment Advisors, LLC, a Delaware limited liability company (the "Advisor"), have used the trademark "Fidus" in connection with investment banking services, investment advisory and management services and financial and investment consultation and advisory services (the "Licensed Mark") in the United States of America (the "Territory");

WHEREAS, the Company is a newly organized, externally managed, closed-end, non-diversified management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended;

WHEREAS, pursuant to the Investment Advisory and Management Agreement dated as of _____, 2011, between the Advisor and the Company (the "Advisory Agreement"), the Company has engaged the Advisor to act as the investment advisor to the Company;

WHEREAS, it is intended that the Advisor be a third-party beneficiary of this Agreement; and

WHEREAS, the Company desires to use the Licensed Mark as part of its corporate name in connection with the operation of its business, and Licensor is willing to permit the Company to use the Licensed Mark, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
LICENSE GRANT

1.1 License. Subject to the terms and conditions of this Agreement, Licensor hereby grants to the Company, and the Company hereby accepts from Licensor, a personal, non-exclusive (except pursuant to Section 1.2), royalty-free right and license to use the Licensed Mark solely and exclusively as an element of each of the Company's own company name and in connection with the marketing and operation of its business. During the term of this Agreement,

the Company shall use the Licensed Mark only to the extent permitted under this Agreement and, except as provided above, neither the Company nor any of its affiliates, owners, directors, officers, employees or agents thereof shall otherwise use the Licensed Mark or any derivative thereof without the prior express written consent of Licensor in its sole and absolute discretion. All rights not expressly granted to the Company hereunder shall remain the exclusive property of Licensor.

1.2 Licensor's Use. Provided that there is not a change in control (as defined herein) with Licensor, nothing in this Agreement shall preclude Licensor, its affiliates, or any of their respective successors or assigns from using or permitting other entities to use the Licensed Mark whether or not such entity directly or indirectly competes or conflicts with the Company's respective business in any manner. For the purposes of this Section 1.2, a "change in control" shall mean the occurrence of any transaction or other event which results in a majority of the voting interests of Licensor being held or controlled by persons other than the members of Licensor as of the Effective Date. Upon a change in control, the Company's license shall become exclusive for use in connection with the activities in which the Company is engaged immediately prior to the change in control, as described in the Company's then most recent periodic and current reports filed with the U.S. Securities and Exchange Commission; provided, however, that the exclusive license shall not extend to use of the Licensed Mark for investment banking or related services.

ARTICLE 2
OWNERSHIP

2.1 Ownership. The Company acknowledges and agrees that Licensor is the owner of all right, title, and interest in and to the Licensed Mark, and all such right, title, and interest shall remain with the Licensor. The Company shall not otherwise contest, dispute, or challenge Licensor's right, title, and interest in and to the Licensed Mark.

2.2 Goodwill. All goodwill and reputation generated by the Company and the Advisor's use of the Licensed Mark shall inure to the benefit of Licensor. The Company and the Advisor shall not by any act or omission use the Licensed Mark in any manner that disparages or reflects adversely on Licensor or its business or reputation. Except as expressly provided herein, neither party may use any trademark or service mark of the other party without that party's prior written consent, which consent shall be given in that party's sole discretion.

ARTICLE 3
COMPLIANCE

3.1 Quality Control. In order to preserve the inherent value of the Licensed Mark, the Company agrees to use reasonable efforts to ensure that it maintains the quality of its business and the operation thereof equal to the standards prevailing in the operation of the Licensor's business as of the date of this Agreement. The Company further agrees to use the Licensed Mark in accordance with such quality standards as may be reasonably established by Licensor and communicated to each of them from time to time in writing, or as may be agreed to by Licensor and the Company from time to time in writing.

3.2 Compliance With Laws. The Company agrees that businesses operated in connection with the Licensed Mark shall comply in all material respects with all laws, rules, regulations and requirements of any governmental body in the Territory or elsewhere as may be applicable to the operation, advertising and promotion of the businesses.

3.3 Notification of Infringement. Each party shall immediately notify the other party and provide to the other party all relevant background facts upon becoming aware of: (a) any registrations of, or applications for registration of, marks in the Territory that do or may conflict with the Licensed Mark; (b) any infringements, imitations, or illegal use or misuse of the Licensed Mark in the Territory; or (c) any claim that the Company's use of the Licensed Mark infringes the intellectual property rights of any third party ("Third Party Claim").

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Mutual Representations. Each party hereby represents and warrants to the other party as follows:

(a) Due Authorization. Each party represents and warrants that it has the right and authority to enter into and perform under this Agreement and that each such party is duly formed and in good standing as of the Effective Date, and the execution, delivery and performance of this Agreement by such party have been duly authorized by all necessary action on the part of such party.

(b) Due Execution. This Agreement has been duly executed and delivered by such party and, with due authorization, execution and delivery by the other parties, constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

(c) No Conflict. Such party's execution, delivery and performance of this Agreement do not: (i) violate, conflict with or result in the breach of any provision of the organizational documents of such party; (ii) conflict with or violate any law or governmental order applicable to such party or any of its assets, properties or businesses; or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of any contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which it is a party.

4.2 Licensor's Representations. To Licensor's knowledge, Licensor has the right to license or sublicense the Licensed Mark and Licensor owns or has received all proprietary rights to the text, graphics and images contained in the Licensed Mark.

ARTICLE 5
EFFECTIVENESS TERM AND TERMINATION

5.1 Term. This Agreement shall become effective as of the first date written above. This Agreement shall remain in effect only for so long as the Advisor remains the Company's investment adviser.

5.2 Termination. This Agreement may be terminated at anytime, upon written notice, by Licensor in the event that (a) Licensor receives notice of any Third Party Claim arising out of the Company's use of the Licensed Mark or (b) the Company assigns or attempts to assign or sublicense this Agreement or any of the Company's rights or duties hereunder without prior consent of Licensor.

5.3 Upon Termination. Upon expiration or termination of this Agreement, all rights granted to the Company under this Agreement with respect to the Licensed Mark shall cease, and the Company shall immediately discontinue use of the Licensed Mark.

ARTICLE 6
MISCELLANEOUS

6.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign, delegate or otherwise transfer this Agreement or any of its rights or obligations hereunder without the prior written consent of the other parties. No assignment by any party permitted hereunder shall relieve the applicable party of its obligations under this Agreement. Any assignment by either party in accordance with the terms of this Agreement shall be pursuant to a written assignment agreement in which the assignee expressly assumes the assigning party's rights and obligations hereunder.

6.2 Independent Contractor. This Agreement does not give any party, or permit any party to represent that it has, any power, right or authority to bind the other party to any obligation or liability, or to assume or create any obligation or liability on behalf of the other parties.

6.3 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service (with signature required), by facsimile, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses:

If to Licensor:

Fidus Partners, LLC
70 East 55th Street, 10th Floor
New York, New York 10022
Telephone: (212) 750-6433
Attention: John J. Ross, II

If to Company:

Fidus Investment Company
1603 Orrington Avenue, Suite 820
Evanston, Illinois 60201
Telephone: (847) 859-3941
Attention: Edward H. Ross

6.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without giving effect to the principles of conflicts of law rules. The parties unconditionally and irrevocably consent to the exclusive jurisdiction of the courts located in the State of Delaware and waive any objection with respect thereto, for the purpose of any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

6.5 Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by all parties hereto.

6.6 No Waiver. The failure of any party to enforce at any time for any period the provisions of or any rights deriving from this Agreement shall not be construed to be a waiver of such provisions or rights or the right of such party thereafter to enforce such provisions, and no waiver shall be binding unless executed in writing by all parties hereto.

6.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

6.8 Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

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

6.10 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between the parties with respect to such subject matter.

6.11 Third Party Beneficiaries. The parties agree that the Advisor shall be a third party beneficiary of this Agreement, and shall have the obligations, rights and protections provided to the Company under this Agreement. Nothing in this Agreement, either express or implied, is intended to or shall confer upon any third party other than the Advisor any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Remainder of Page Intentionally Blank

IN WITNESS WHEREOF, each party has caused this Agreement to be executed as of the Effective Date, as defined on the first page of this Agreement, by its duly authorized officer.

LICENSOR:

FIDUS PARTNERS, LLC

By: _____
Name: John J. Ross, II
Title: Managing Partner

COMPANY:

FIDUS INVESTMENT CORPORATION

By: _____
Name: Edward H. Ross
Title: Chief Executive Officer

Exhibit (n)(1)

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Pre-Effective Amendment No. 3 to Registration Statement (No. 333-172550) on Form N-2 of Fidus Investment Corporation and Form N-5 of Fidus Mezzanine Capital, L.P. of our report dated February 23, 2011, relating to our audits of the consolidated financial statements for Fidus Mezzanine Capital, L.P. (the Fund), appearing in the Prospectus, which is part of this Registration Statement, and of our report dated February 23, 2011, relating to the financial statement schedule appearing elsewhere in this Registration Statement. Our report dated February 23, 2011, relating to the consolidated financial statements of the Fund expresses an unqualified opinion and includes an emphasis paragraph relating to the Fund's investments whose fair values have been estimated by management.

We also consent to the reference to our firm under the captions "Selected Consolidated Financial and Other Data" and "Independent Registered Public Accounting Firm" in such Prospectus.

/s/ McGladrey & Pullen, LLP

Chicago, Illinois
May 25, 2011

JOINT CODE OF ETHICS
FOR
FIDUS INVESTMENT CORPORATION,
FIDUS MEZZANINE CAPITAL, L.P., AND
FIDUS INVESTMENT ADVISORS, LLC

Section I — Statement of General Fiduciary Principles

This Joint Code of Ethics (the "Code") has been adopted by each of Fidus Investment Corporation (the "Corporation"), Fidus Mezzanine Capital, L.P. (the "Fund"), and Fidus Investment Advisors, LLC, the Corporation's and the Fund's investment advisor (the "Advisor"), in compliance with Rule 17j-1 under the Investment Company Act of 1940 (the "Act") and Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"). The purpose of the Code is to establish standards and procedures for the detection and prevention of activities by which persons having knowledge of the investments and investment intentions of the Corporation or of the Fund may abuse their fiduciary duty to the Corporation or to the Fund, and otherwise to deal with the types of conflict of interest situations to which Rule 17j-1 is addressed. As it relates to Section 204A of the Advisers Act, the purpose of this Code is to establish procedures that, taking into consideration the nature of the Advisor's business, are reasonably designed to prevent misuse of material non-public information in violation of the federal securities laws by persons associated with the Advisor.

The Code is based on the principle that the directors and officers of the Corporation, the general partner, director and officers of the Fund, and the managers, partners, officers and employees of the Advisor, who provide services respectively to the Corporation or to the Fund, owe a fiduciary duty to the Corporation or to the Fund to conduct their personal securities transactions in a manner that does not interfere with the Corporation's or the Fund's transactions or otherwise take unfair advantage of their relationship with the Corporation or with the Fund. All directors, managers, partners, officers and employees of the Corporation, the Fund and the Advisor ("Covered Personnel") are expected to adhere to this general principle as well as to comply with all of the specific provisions of this Code that are applicable to them. Any Covered Personnel who is affiliated with another entity that is a registered investment advisor is, in addition, expected to comply with the provisions of the code of ethics that has been adopted by such other investment advisor.

Technical compliance with the Code will not automatically insulate any Covered Personnel from scrutiny of transactions that show a pattern of compromise or abuse of the individual's fiduciary duty to the Corporation. Accordingly, all Covered Personnel must seek to avoid any actual or potential conflicts between their personal interests and the interests of the Corporation and its shareholders or the interests of the Fund and its partners. In sum, all Covered Personnel shall place the interests of the Corporation or of the Fund, respectively, before their own personal interests.

All Covered Personnel must read and retain this Code.

Section II — Definitions

(A) “Access Person” means any director, officer, general partner or Advisory Person (as defined below) of the Corporation, the Fund, or the Advisor.

(B) An “Advisory Person” of the Corporation, the Fund, or the Advisor means: (i) any employee of the Corporation, the Fund, or the Advisor, or any company in a Control (as defined below) relationship to the Corporation, the Fund, or the Advisor, who in connection with his or her regular functions or duties makes, participates in, or obtains information regarding the purchase or sale of any Covered Security (as defined below) by the Corporation or by the Fund, or whose functions relate to the making of any recommendation with respect to such purchases or sales; and (ii) any natural person in a Control relationship to the Corporation, the Fund, or the Advisor, who obtains information concerning recommendations made to the Corporation or the Fund with regard to the purchase or sale of any Covered Security by the Corporation or the Fund.

(C) “Beneficial Ownership” is interpreted in the same manner as it would be under Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 (the “1934 Act”) in determining whether a person is a beneficial owner of a security for purposes of Section 16 of the 1934 Act and the rules and regulations thereunder. This means that Access Persons should generally consider themselves to have Beneficial Ownership in any securities in which each has a direct pecuniary interest, which includes securities held by a family members of Access Persons. In addition, Access Persons should consider themselves to have Beneficial Ownership in any securities held by other persons where, by reason of any contract, arrangement, understanding or relationship, such Access Persons have sole or shared voting or investment power.

(D) “Chief Compliance Officer” means the Chief Compliance Officer of the Corporation and of the Fund (who also may serve as the compliance officer of the Advisor and/or one or more affiliates of the Advisor).

(E) “Control” shall have the same meaning as that set forth in Section 2(a)(9) of the Act. This means that Access Persons having the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company. Any person who owns beneficially, either directly or indirectly through one or more controlled companies, more than 25% of the voting securities of a company shall be presumed to control such company. Any person who does not own beneficially, either directly or indirectly through one or more controlled companies, more than 25% of the voting securities of a company shall be presumed not to control such company.

(F) “Covered Security” means a security as defined in Section 2(a)(36) of the Act, which includes: any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or

privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

Except that "Covered Security" does not include: (i) direct obligations of the Government of the United States; (ii) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; and (iii) shares issued by open-end investment companies registered under the Act. References to a Covered Security in this Code (e.g., a prohibition or requirement applicable to the purchase or sale of a Covered Security) shall be deemed to refer to and to include any warrant for, option in, or security immediately convertible into that Covered Security, and shall also include any instrument that has an investment return or value that is based, in whole or in part, on that Covered Security (collectively, "Derivatives"). Therefore, except as otherwise specifically provided by this Code: (i) any prohibition or requirement of this Code applicable to the purchase or sale of a Covered Security shall also be applicable to the purchase or sale of a Derivative relating to that Covered Security; and (ii) any prohibition or requirement of this Code applicable to the purchase or sale of a Derivative shall also be applicable to the purchase or sale of a Covered Security relating to that Derivative.

(G) "Independent Director" means a director of the Corporation or the Fund who is not an "interested person" of the Corporation or of the Fund within the meaning of Section 2(a)(19) of the Act.

(H) "Initial Public Offering" means an offering of securities registered under the Securities Act of 1933 (the "1933 Act"), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the 1934 Act.

(I) "Limited Offering" means an offering that is exempt from registration under the 1933 Act pursuant to Section 4(2) or Section 4(6) thereof or pursuant to Rule 504, Rule 505, or Rule 506 thereunder.

(J) "Security Held or to be Acquired" by the Corporation or by the Fund means: (i) any Covered Security which, within the most recent 15 days: (A) is or has been held by the Corporation or by the Fund; or (B) is being or has been considered by the Corporation, the Fund or the Advisor for purchase by the Corporation or the Fund, respectively; and (ii) any option to purchase or sell, and any security convertible into or exchangeable for a Covered Security.

(K) "17j-1 Organization" means the Corporation, the Fund, or the Advisor, as the context requires.

Section III — Objective and General Prohibitions

Covered Personnel may not engage in any investment transaction under circumstances in which the Covered Personnel benefits from or interferes with the purchase or sale of investments by the Corporation. In addition, Covered Personnel may not use information concerning the investments or investment intentions of the Corporation or of the Fund, or their ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of the Corporation or of the Fund.

Covered Personnel may not engage in conduct that is deceitful, fraudulent or manipulative, or that involves false or misleading statements, in connection with the purchase or sale of investments by the Corporation or by the Fund. In this regard, Covered Personnel should recognize that Rule 17j-1 makes it unlawful for any affiliated person of the Corporation, the Fund or any affiliated person of an investment advisor for the Corporation or for the Fund, in connection with the purchase or sale, directly or indirectly, by the person of a Security Held or to be Acquired by the Corporation or the Fund to:

(i) employ any device, scheme or artifice to defraud the Corporation or the Fund;

(ii) make any untrue statement of a material fact to the Corporation or to the Fund or omit to state to the Corporation or to the Fund a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

(iii) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon the Corporation or upon the Fund; or

(iv) engage in any manipulative practice with respect to the Corporation or the Fund.

Covered Personnel should also recognize that a violation of this Code or of Rule 17j-1 may result in the imposition of: (1) sanctions as provided by Section IX below; or (2) administrative, civil and, in certain cases, criminal fines, sanctions or penalties.

Section IV — Prohibited Transactions

(A) An Access Person may not purchase or otherwise acquire direct or indirect Beneficial Ownership of any Covered Security, and may not sell or otherwise dispose of any Covered Security in which he or she has direct or indirect Beneficial Ownership, if he or she knows or should know at the time of entering into the transaction that: (1) the Corporation or the Fund has purchased or sold the Covered Security within the last 15 calendar days, or is purchasing or selling or intends to purchase or sell the Covered Security in the next 15 calendar days; or (2) the Advisor has within the last 15 calendar days considered purchasing or selling the Covered Security for the Corporation or for the Fund or within the next 15 calendar days intend to consider purchasing or selling the Covered Security for the Corporation or for the Fund.

(B) Every Advisory Person of the Corporation, the Fund, or the Advisor must obtain approval from the Corporation, the Fund, or the Advisor, as the case may be, before directly or indirectly acquiring Beneficial Ownership in any securities in an Initial Public Offering or in a Limited Offering. Such approval must be obtained from the Chief

Compliance Officer, unless he or she is the person seeking such approval, in which case it must be obtained from the President or the General Partner, as appropriate, of the 17j-1 organization.

(C) No Access Person shall recommend any transaction in any Covered Securities by the Corporation or the Fund without having disclosed to the Chief Compliance Officer his or her interest, if any, in such Covered Securities or the issuer thereof, including: the Access Person's Beneficial Ownership of any Covered Securities of such issuer; any contemplated transaction by the Access Person in such Covered Securities; any position the Access Person has with such issuer; and any present or proposed business relationship between such issuer and the Access Person (or a party which the Access Person has a significant interest).

Section V — Reports by Access Persons

(A) Personal Securities Holdings Reports.

All Access Persons shall within 10 days of the date on which they become Access Persons, and thereafter, within 30 days after the end of each calendar year, disclose the title, number of shares and principal amount of all Covered Securities in which they have a Beneficial Ownership as of the date the person became an Access Person, in the case of such person's initial report, and as of the last day of the year, as to annual reports. A form of such report, which is hereinafter called a "Personal Securities Holdings Report," is attached as Schedule A. Each Personal Securities Holdings Report must also disclose the name of any broker, dealer or bank with whom the Access Person maintained an account in which any securities were held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person or as of the last day of the year, as the case may be. Each Personal Securities Holdings Report shall state the date it is being submitted.

(B) Quarterly Transaction Reports.

Within 10 days after the end of each calendar quarter, each Access Person shall make a written report to the Chief Compliance Officer of all transactions occurring in the quarter in a Covered Security in which he or she had any Beneficial Ownership. A form of such report, which is hereinafter called a "Quarterly Securities Transaction Report," is attached as Schedule B.

A Quarterly Securities Transaction Report shall be in the form of Schedule B or such other form approved by the Chief Compliance Officer and must contain the following information with respect to each reportable transaction:

(1) Date and nature of the transaction (purchase, sale or any other type of acquisition or disposition);

(2) Title, interest rate and maturity date (if applicable), number of shares and principal amount of each Covered Security involved and the price of the Covered Security at which the transaction was effected;

(3) Name of the broker, dealer or bank with or through whom the transaction was effected; and

(4) The date the report is submitted by the Access Person.

(C) Annual Holdings Report

Within forty-five (45) days of the end of each calendar year, each Access Person must complete an Annual Covered Securities certification, in a form designated by the Chief Compliance Officer, with respect to the holdings of Covered Securities. A form of such report is attached hereto as Schedule C.

(D) Independent Directors.

Notwithstanding the reporting requirements set forth in this Section V, an Independent Director who would be required to make a report under this Section V solely by reason of being a director of the Corporation or of the Fund is not required to file a Personal Securities Holding Report upon becoming a director of the Corporation or of the Fund or an annual Personal Securities Holding Report. Such an Independent Director also need not file a Quarterly Securities Transaction Report unless such director knew or, in the ordinary course of fulfilling his or her official duties as a director of the Corporation or of the Fund, should have known that during the 15-day period immediately preceding or after the date of the transaction in a Covered Security by the director such Covered Security is or was purchased or sold by the Corporation or the Fund or the Corporation, the Fund, or the Advisor considered purchasing or selling such Covered Security.

(E) Access Persons of the Advisor.

An Access Person of the Advisor need not make a Quarterly Transaction Report if all of the information in the report would duplicate information required to be recorded pursuant to Rules 204-2(a)(12) or (13) under the Investment Advisers Act of 1940, as amended.

(F) Brokerage Accounts and Statements.

Access Persons, except Independent Directors, shall:

(1) within 10 days after the end of each calendar quarter, identify the name of the broker, dealer or bank with whom the Access Person established an account in which any securities were held during the quarter for the direct or indirect benefit of the Access Person and identify any new account(s) and the date the account(s) were established. This information shall be included on the appropriate Quarterly Securities Transaction Report.

(2) instruct the brokers, dealers or banks with whom they maintain such an account to provide duplicate account statements to the Chief Compliance Officer.

(3) on an annual basis, certify that they have complied with the requirements of (1) and (2) above.

(G) Form of Reports.

A Quarterly Securities Transaction Report may consist of broker statements or other statements that provide a list of all personal Covered Securities holdings and transactions in the time period covered by the report and contain the information required in a Quarterly Securities Transaction Report.

(H) Responsibility to Report.

It is the responsibility of each Access Person to take the initiative to comply with the requirements of this Section V. Any effort by the Corporation, the Fund, or by the Advisor and its affiliates, to facilitate the reporting process does not change or alter that responsibility. A person need not make a report hereunder with respect to transactions effected for, and Covered Securities held in, any account over which the person has no direct or indirect influence or control.

(I) Where to File Reports.

All Quarterly Securities Transaction Reports and Personal Securities Holdings Reports must be filed with the Chief Compliance Officer.

(J) Disclaimers.

Any report required by this Section V may contain a statement that the report will not be construed as an admission that the person making the report has any direct or indirect Beneficial Ownership in the Covered Security to which the report relates.

Section VI — Additional Prohibitions

(A) Confidentiality of the Corporation's Transactions.

Until disclosed in a public report to shareholders or to the Securities and Exchange Commission in the normal course, all information concerning the securities "being considered for purchase or sale" by the Corporation or the Fund shall be kept confidential by all Covered Personnel and disclosed by them only on a "need to know" basis. It shall be the responsibility of the Chief Compliance Officer to report any inadequacy found in this regard to the directors of the Corporation or the Fund, as applicable.

(B) Outside Business Activities and Directorships.

Access Persons may not engage in any outside business activities that may give rise to conflicts of interest or jeopardize the integrity or reputation of the Corporation or the Fund. Similarly, no such outside business activities may be inconsistent with the interests of the Corporation or the Fund. All directorships of public or private companies held by Access Persons shall be reported to the Chief Compliance Officer.

(C) Gratuities.

Covered Personnel shall not, directly or indirectly, take, accept or receive gifts or other consideration in merchandise, services or otherwise of more than nominal value from any person, firm, corporation, association or other entity other than such person's employer that does business, or proposes to do business, with the Corporation or the Fund.

Section VII — Prohibition Against Insider Trading

This Section is intended to satisfy the requirements of Section 204A of the Advisers Act, which is applicable to the Advisor and requires that the Advisor establish and enforce procedures designed to prevent the misuse of material, non-public information by its associated persons. It applies to all Advisory Persons. Trading securities while in possession of material, non-public information, or improperly communicating that information to others, may expose an Advisory Person to severe penalties. Criminal sanctions may include a fine of up to $1,000,000 and/or ten years imprisonment. The SEC can recover the profits gained or losses avoided through the violative trading, a penalty of up to three times the illicit windfall, and an order permanently barring an Advisory Person from the securities industry. Finally, an Advisory Person may be sued by investors seeking to recover damages for insider trading violations.

(A) No Advisory Person may trade a security, either personally or on behalf of any other person or account (including any fund), while in possession of material, non-public information concerning that security or the issuer thereof, nor may any Advisory Person communicate material, non-public information to others in violation of the law.

(B) Information is "material" where there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions. Generally, this includes any information the disclosure of which will have a substantial effect on the price of a security. No simple test exists to determine when information is material; assessments of materiality involve a highly fact-specific inquiry. For this reason, an Advisory Person should direct any questions about whether information is material to the Chief Compliance Officer. Material information often relates to a company's results and operations, including, for example, dividend changes, earnings results, changes in previously released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidation problems, and extraordinary management developments. Material information may also relate to the market for a company's securities. Information about a significant order to purchase or sell Securities may, in some contexts, be material. Pre-publication information regarding reports in the financial press may also be material.

(C) Information is "public" when it has been disseminated broadly to investors in the marketplace. For example, information is public after it has become available to the general public through a public filing with the SEC or some other government agency, the Dow Jones "tape" or The Wall Street Journal or some other publication of general circulation, and after sufficient time has passed so that the information has been disseminated widely.

(D) An Advisory Person, before executing any trade for himself or herself, or others, including the Corporation or the Fund, or other accounts managed by the Advisor or by a stockholder of the Advisor, or any affiliate of the stockholder ("Client Accounts"), must

determine whether he or she has material, non-public information. Any Advisory Person who believes he or she is in possession of material, non-public information must take the following steps:

(1) Report the information and proposed trade immediately to the Chief Compliance Officer.

(2) Do not purchase or sell the securities on behalf of anyone, including Client Accounts.

(3) Do not communicate the information to any person, other than to the Chief Compliance Officer.

After the Chief Compliance Officer has reviewed the issue, the Chief Compliance Officer will determine whether the information is material and non-public and, if so, what action the Advisory Person should take. An Advisory Person must consult with the Chief Compliance Officer before taking any further action. This degree of caution will protect the Advisory Person and the Advisor.

(E) To prevent and detect insider trading from occurring, the Chief Compliance Officer shall prepare and maintain a "Restricted List" in order to monitor and prevent the occurrence of insider trading in certain securities that Access Persons are prohibited or restricted from trading. The Chief Compliance Officer manages, maintains and updates the Restricted List to actually restrict trading (no buying, no selling, no shorting, no trading, etc.) in the securities of specific issuers for personal accounts and on behalf Advisor's clients. Before executing any trade for himself or herself, Advisory Persons are required to determine whether the transaction involves a security on the Restricted List. Advisory Persons are prohibited from trading any security which appears on the Restricted List, except that, with prior approval, an Advisory Person may sell securities which were not on the Restricted List when acquired (or which were acquired at a time when the Advisory Person was not subject to such restrictions). The Restricted List must be maintained strictly confidential and not disclosed to anyone outside of the Advisor and the Corporation or the Advisor and the Fund, as applicable.

(F) Contacts with public companies will sometimes be a part of an Advisor's research efforts. Persons providing investment advisory services to the Corporation may make investment decisions on the basis of conclusions formed through such contacts and analysis of publicly available information. Difficult legal issues arise, however, when, in the course of these contacts, an Advisory Person becomes aware of material, non-public information. This could happen, for example, if a company's chief financial officer prematurely discloses quarterly results to an analyst, or an investor relations representative makes selective disclosure of adverse news to a handful of investors. In such situations, the Advisor must make a judgment as to its further conduct. To protect yourself, clients and the Advisor, you should contact the Chief Compliance Officer immediately if you believe that you may have received material, non-public information.

Section VIII — Annual Certification

(A) Access Persons.

Access Persons who are directors, managers, officers or employees of the Corporation, the Fund, or the Advisor shall be required to certify annually that they have read this Code and that they understand it and recognize that they are subject to it. Further, such Access Persons shall be required to certify annually that they have complied with the requirements of this Code.

(B) Board Review.

No less frequently than annually, the Corporation, the Fund, and the Advisor must furnish to the Corporation's and the Fund's board of directors, and the respective board must consider, a written report that: (A) describes any issues arising under this Code or procedures since the last report to the board, including, but not limited to, information about material violations of the Code or procedures and sanctions imposed in response to material violations; and (B) certifies that the Corporation, the Fund, or the Advisor, as applicable, has adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

Section IX — Sanctions

Any violation of this Code shall be subject to the imposition of such sanctions by the 17j-1 Organization as may be deemed appropriate under the circumstances to achieve the purposes of Rule 17j-1 and this Code. The sanctions to be imposed shall be determined by the board of directors, including a majority of the Independent Directors, provided, however, that with respect to violations by persons who are directors, managers, officers or employees of the Advisor (or of a company that controls the Advisor), the sanctions to be imposed shall be determined by the Advisor (or the controlling person thereof). Sanctions may include, but are not limited to, suspension or termination of employment, a letter of censure and/or restitution of an amount equal to the difference between the price paid or received by the Corporation or the Fund and the more advantageous price paid or received by the offending person.

Section X — Administration and Construction

(A) The administration of this Code shall be the responsibility of the Chief Compliance Officer.

(B) The duties of the Chief Compliance Officer are as follows:

(1) Continuous maintenance of a current list of the names of all Access Persons with an appropriate description of their title or employment, including a notation of any directorships held by Access Persons who are officers or employees of the Advisor or of any company that controls the Advisor, and informing all Access Persons of their reporting obligations hereunder;

(2) On an annual basis, providing all Covered Personnel a copy of this Code and informing such persons of their duties and obligations hereunder including any supplemental training that may be required from time to time;

(3) Maintaining or supervising the maintenance of all records and reports required by this Code;

(4) Preparing listings of all transactions effected by Access Persons who are subject to the requirement to file Quarterly Securities Transaction Reports and reviewing such transactions against a listing of all transactions effected by the Corporation and the Fund;

(5) Issuance either personally or with the assistance of counsel as may be appropriate, of any interpretation of this Code that may appear consistent with the objectives of Rule 17j-1 and this Code;

(6) Conduct such inspections or investigations as shall reasonably be required to detect and report, with recommendations, any apparent violations of this Code to the board of directors of the Corporation and of the Fund, as applicable;

(7) Submission of a report to the board of directors of the Corporation and the Fund, no less frequently than annually, a written report that describes any issues arising under the Code since the last such report, including but not limited to the information described in Section VII (B); and

(C) The Chief Financial Officer shall maintain and cause to be maintained in an easily accessible place at the principal place of business of the 17j-1 Organization, the following records:

(1) A copy of all codes of ethics adopted by the Corporation, the Fund, or the Advisor and its affiliates, as the case may be, pursuant to Rule 17j-1 that have been in effect at any time during the past five (5) years;

(2) A record of each violation of such codes of ethics and of any action taken as a result of such violation for at least five (5) years after the end of the fiscal year in which the violation occurs;

(3) A copy of each report made by an Access Person for at least two (2) years after the end of the fiscal year in which the report is made, and for an additional three (3) years in a place that need not be easily accessible;

(4) A copy of each report made by the Chief Compliance Officer to the board of directors for two (2) years from the end of the fiscal year of the Corporation in which such report is made or issued and for an additional three (3) years in a place that need not be easily accessible;

(5) A list of all persons who are, or within the past five (5) years have been, required to make reports pursuant to the Rule and this Code of Ethics, or who are or were responsible for reviewing such reports;

(6) A copy of each report required by Section VII (B) for at least two (2) years after the end of the fiscal year in which it is made, and for an additional three (3) years in a place that need not be easily accessible; and

(7) A record of any decision, and the reasons supporting the decision, to approve the acquisition by an Advisory Person of securities in an Initial Public Offering or Limited Offering for at least five (5) years after the end of the fiscal year in which the approval is granted.

(D) This Code may not be amended or modified except in a written form that is specifically approved by majority vote of the Independent Directors.

This Joint Code of Ethics, originally adopted in its amended form on May __, 2011, is annually reviewed and approved by the Board of Directors of the Corporation and of the Fund and the Board of Managers of the Advisor, including a majority, respectively, of the Independent Directors of the Corporation and the Fund.

SCHEDULE A

EMPLOYEE INITIAL SECURITIES HOLDINGS REPORT AND CERTIFICATION
(This form must be completed and returned within 10 days of hire)

Statement to Fidus by _____(please print your full name) Hire Date: _____

As of the date appearing above, the following are each and every **Reportable Security**[1] ***(Securities** other than **Exempt Securities**[2])* and account in which I have a direct or indirect Beneficial Ownership or other Beneficial Interest. For purposes of this report, the term Beneficial Ownership or Beneficial Interest shall mean ownership of securities or securities accounts by or for the benefit of a person, or such person's "Family Member", including any account in which the Employee or Family Member of that person holds a direct or indirect beneficial interest, or retains discretionary investment authority or other investment authority (e.g., a power of attorney). The term "Family Member" means any person's spouse, child or other relative, whether related by blood, marriage or otherwise, who either resides with, or is financially dependent upon, or whose investments are controlled by that person and any unrelated individual whose investments are controlled and whose financial support is materially contributed to by the person, such as a "significant other."

o ***I have no holdings to report.***

Name of Security/Type of Security	Amount (No of Shares or Principal Amount)	Nature of Interest Broker, Dealer (or Direct Ownership, Spouse, Control, Etc.)	Bank acting as Broker

I certify that the securities listed above, are the only Reportable Securities in which I or any Family Member (as defined in the Regulatory Compliance Manual) have a direct or indirect beneficial ownership interest, and I further certify that I have read, understand, and agree to be bound by the Joint Code of Ethics.

Employee Signature: _____ Date: _____ Reviewed by: _____

1 **Reportable Security** means every Security (as defined in the Regulatory Compliance Manual (the "Manual")) in which an Employee or a Family Member (as defined in the Manual) has a Beneficial Ownership (as defined in the Manual) or other Beneficial Interest (as defined in the Manual) except that a Reportable Security shall not include an Exempt Security, as defined below.

2 **Exempt Security** is any security that falls into any of the following categories: (i) registered open-end mutual fund shares; (ii) security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.); (iii) College Direct Savings Plans (e.g., NY 529 College Savings Program, etc.); (iv) Open-end Unit Investment Trusts that hold securities in proportion to a broad based market index (e.g., QQQ, Spiders); (v) bankers acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vi) treasury obligations (e.g., T-Bills, Notes and Bonds) or other securities issued/guaranteed by the US Government, its agencies, or instrumentalities (e.g., FNMA, GNMA, etc.).

SCHEDULE B

EMPLOYEE QUARTERLY TRANSACTION REPORT
(Must be submitted no later than 10 days after the end of each Calendar Quarter)

Statement to Fidus by _____(Please print your full name)

The following are all **transactions** in *Reportable Securities*[1] (**not** including *Exempt Securities*[2]) effected during this quarter.

In lieu of listing every required transaction, an Employee may attach copies of order confirmations or account statements covering every reportable transaction for the period or may arrange with their broker-dealer to have them automatically forwarded to FIDUS. Notwithstanding this accommodation, it remains the Employee's sole responsibility to ensure that the required information is provided that accurately and completely reflect and disclose all reportable transactions during the period.

Title of Security	Exchange Ticker or CUSIP No.	No. of Shares	Principal Amt	Trade Date	Interest Rate and Maturity Date	Nature of Transaction (Purchase, Sale, etc.)	Price	Broker, Dealer or Bank Involved	Nature of Ownership (Direct Ownership, Spouse, Control, etc.)

Please check all that apply:

— During this quarter, I had no transactions in any Reportable Securities.

— All of my Reportable Securities transactions (if any) are reflected in brokerage statements and trade confirmations that are automatically forwarded to the Corporation, the Fund, or the Advisor.

— In addition to the Reportable Securities transactions listed in my brokerage statements and confirmations which are automatically forwarded to the Corporation, the Fund, or the Advisor, I engaged in the Reportable Securities transactions listed.

See footnotes on following page.

SCHEDULE B

EMPLOYEE QUARTERLY TRANSACTION REPORT, continued
(Must be submitted no later than 10 days after the end of each Calendar Quarter)

Since the prior quarterly report, I have opened or closed the following accounts (including brokerage accounts and bank accounts used substantially as brokerage accounts): (If none, leave blank)

Account Name and Number	Firms Through Which Transactions Are Effected	Date Account Opened or Closed

Except as noted below, I am not aware of any personal conflict of interest which may involve any investor or client of the Corporation, the Fund, or the Advisor, such as the existence of any economic relationship between my personal securities trading or holdings and securities/transactions involving any investor or client of the Corporation, the Fund, or the Advisor. The names and affiliations of Family Members not previously reported to the CCO who are employed in the securities or commodities industries and who might be in a position to benefit directly or indirectly from the activities of the Corporation, Fund, or Advisor personnel in the discharge of their duties are as follows: (If none, leave blank)

Name	Relationship	Affiliations

I certify that the information provided in this report is complete and accurate.

Employee Signature: _____ Date: _____ Reviewed by: _____

1 **Reportable Security** means every Security (as defined in the Regulatory Compliance Manual (the "Manual")) in which an Employee or a Family Member (as defined in the Manual) has a Beneficial Ownership (as defined in the Manual) or other Beneficial Interest (as defined in the Manual) except that a Reportable Security shall not include an Exempt Security, as defined below.

2 **Exempt Security** is any security that falls into any of the following categories: (i) registered open-end mutual fund shares; (ii) security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.); (iii) College Direct Savings Plans (e.g., NY 529 College Savings Program, etc.); (iv) Open-end Unit Investment Trusts that hold securities in proportion to a broad based market index (e.g., QQQ, Spiders); (v) bankers acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vi) treasury obligations (e.g., T-Bills, Notes and Bonds) or other securities issued/guaranteed by the US Government, its agencies, or instrumentalities (e.g., FNMA, GNMA, etc.).

SCHEDULE C

ANNUAL SECURITIES HOLDINGS CERTIFICATION
(Must be submitted no later than 30 days after the end of each Calendar Year)

Statement to Fidus by _____ (please print your full name)

The following are all **transactions** in **Reportable Securities**[1] (**Securities** other than **Exempt Securities**[2]) effected during this calendar year. *In lieu of listing every required transaction, an Employee may attach a copy of the confirmation or account statement covering every reportable transaction for the period. Notwithstanding this accommodation, it remains the Employee's sole responsibility to ensure that the required information reflected in those documents is accurate and completely discloses all reportable transactions during the period.*

Title of Security/Type of Security	Exchange Ticker or CUSIP No.	No. of Shares	Principal Amount	Trade Date	Interest Rate and Maturity Date	Nature of Transaction (Purchase, Sale, etc.)	Price	Broker, Dealer or Bank Involved	Nature of Ownership (Direct Ownership, Spouse, Control, etc.)

Since the prior annual report, I have opened or closed the following accounts (including brokerage accounts and bank accounts used substantially as brokerage accounts):

Account Name and Number	Firms Through Which Transactions Are Effected	Date Account Opened or Closed

1 **Reportable Security** means every Security (as defined in the Regulatory Compliance Manual (the "Manual")) in which an Employee or a Family Member (as defined in the Manual) has a Beneficial Ownership (as defined in the Manual) or other Beneficial Interest (as defined in the Manual) except that a Reportable Security shall not include an Exempt Security, as defined below.

2 **Exempt Security** is any security that falls into any of the following categories: (i) registered open-end mutual fund shares; (ii) security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.); (iii) College Direct Savings Plans (e.g., NY 529 College Savings Program, etc.); (iv) Open-end Unit Investment Trusts that hold securities in proportion to a broad based market index (e.g., QQQ, Spiders); (v) bankers acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vi) treasury obligations (e.g., T-Bills, Notes and Bonds) or other securities issued/guaranteed by the US Government, its agencies, or instrumentalities (e.g., FNMA, GNMA, etc.).

SCHEDULE C

ANNUAL SECURITIES HOLDINGS CERTIFICATION, continued
(Must be submitted no later than 30 days after the end of each Calendar Year)

Except as noted below, I am not aware of any personal conflict of interest which may involve any Client or Investor of the Corporation, Fund, or Advisor, such as the existence of any economic relationship between my personal securities trading or holdings and securities/transactions involving any Client or Investor of the Corporation, Fund, or Advisor. The names and affiliations of Family Members not previously reported to the CCO who are employed in the securities or commodities industries and who might be in a position to benefit directly or indirectly from the activities of personnel of the Corporation, Fund, or Advisor in the discharge of their duties are as follows: (If none, leave blank)

Name _____ **Affiliations** _____

I certify that the following are all **holdings** of **Reportable Securities** (**Securities** other than **Exempt Securities**) Beneficially Owned by me or in which I have a Beneficial Interest as of the year end December 31, 201_.*

Name of Security	Amount (No. of Shares or Principle Amount)	Nature of Interest (Direct Ownership, Spouse, Control, Etc.)	Broker, Dealer (or Bank acting as Broker)

In lieu of listing every required holding and transaction, an Employee may direct copies of order confirmations or account statements covering every reportable holding and transaction for a period. Notwithstanding this accommodation, it remains the Employee's sole responsibility to ensure that the required documents are sent to the Corporation, Fund, or Advisor, respectively, and that they accurately and completely reflect all reportable transactions during the period.

— During this quarter, I had no holdings or transactions in any Reportable Securities.

— All of my holdings and Reportable Securities (as defined in the Manual) transactions (if any) are reflected in brokerage statements and trade confirmations that are automatically forwarded to the Corporation, Fund, or Advisor.

— In addition to the holdings and Reportable Securities transactions listed in my brokerage statements and confirmations which are automatically forwarded to the Corporation, Fund, or Advisor, I engaged in the Reportable Securities transactions listed above.

***I certify that the information provided in this report is complete and accurate, that I have read, understand, and agree to be bound by the Joint Code of Ethics, and that I have complied with the Joint Code of Ethics.**

Employee Signature: _____ Date: _____ Reviewed by: _____