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

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _ to

Commission file number 814-00861

Fidus Investment Corporation

(Exact Name of Registrant as Specified in its Charter)

Maryland	**27-5017321**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1603 Orrington Avenue, Suite 1005 **Evanston, Illinois**	**60201**
(Address of Principal Executive Offices)	**(Zip Code)**

(847) 859-3940
(Registrant's telephone number, including area code)

n/a
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	FDUS	The NASDAQ Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☑	Smaller reporting company ☐	Emerging growth company ☐
		(Do not check if a smaller reporting company)		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑
As of May 2, 2023, the Registrant had outstanding 24,988,398 shares of common stock, $0.001 par value.

FIDUS INVESTMENT CORPORATION
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QUARTERLY REPORT ON FORM 10-Q

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

FIDUS INVESTMENT CORPORATION
Consolidated Statements of Assets and Liabilities
(in thousands, except shares and per share data)

	March 31, 2023 (unaudited)	December 31, 2022
ASSETS		
Investments, at fair value:		
Control investments (cost: $17,915 and $17,915, respectively)	$ —	$ —
Affiliate investments (cost: $55,740 and $55,804, respectively)	99,037	101,590
Non-control/non-affiliate investments (cost: $791,325 and $754,974, respectively)	798,287	758,739
Total investments, at fair value (cost: $864,980 and $828,693, respectively)	897,324	860,329
Cash and cash equivalents	36,418	62,350
Interest receivable	13,705	11,826
Prepaid expenses and other assets	1,577	1,455
Total assets	$ 949,024	$ 935,960
LIABILITIES		
SBA debentures, net of deferred financing costs (Note 6)	$ 160,352	$ 148,476
Notes, net of deferred financing costs (Note 6)	246,402	246,128
Borrowings under Credit Facility, net of deferred financing costs (Note 6)	13,694	(1,380)
Secured borrowings	16,634	16,880
Accrued interest and fees payable	3,326	4,747
Base management fee payable, net of base management fee waiver – due to affiliate	3,782	3,769
Income incentive fee payable – due to affiliate	3,647	3,035
Capital gains incentive fee payable – due to affiliate	15,257	22,659
Administration fee payable and other – due to affiliate	462	576
Taxes payable	87	9,937
Accounts payable and other liabilities	735	790
Total liabilities	$ 464,378	$ 455,617
Commitments and contingencies (Note 7)		
NET ASSETS		
Common stock, $0.001 par value (100,000,000 shares authorized, 24,988,398 and 24,727,788 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively)	$ 25	$ 25
Additional paid-in capital	400,978	395,672
Total distributable earnings	83,643	84,646
Total net assets	484,646	480,343
Total liabilities and net assets	$ 949,024	$ 935,960
Net asset value per common share	$ 19.39	$ 19.43

See Notes to Consolidated Financial Statements (unaudited).

FIDUS INVESTMENT CORPORATION
Consolidated Statements of Operations (unaudited)
(in thousands, except shares and per share data)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Investment Income:		
Interest income		
Control investments	$ —	$ —
Affiliate investments	1,050	884
Non-control/non-affiliate investments	24,906	16,197
Total interest income	25,956	17,081
Payment-in-kind interest income		
Control investments	—	—
Affiliate investments	—	30
Non-control/non-affiliate investments	637	517
Total payment-in-kind interest income	637	547
Dividend income		
Control investments	—	—
Affiliate investments	348	656
Non-control/non-affiliate investments	36	33
Total dividend income	384	689
Fee income		
Control investments	—	—
Affiliate investments	5	137
Non-control/non-affiliate investments	1,431	2,061
Total fee income	1,436	2,198
Interest on idle funds	643	3
Total investment income	29,056	20,518
Expenses:		
Interest and financing expenses	5,185	4,412
Base management fee	3,854	3,343
Incentive fee - income	3,647	1,053
Incentive fee (reversal) - capital gains	153	270
Administrative service expenses	473	422
Professional fees	816	599
Other general and administrative expenses	240	203
Total expenses before base management fee waiver	14,368	10,302
Base management fee waiver	(72)	(76)
Total expenses, net of base management fee waiver	14,296	10,226
Net investment income before income taxes	14,760	10,292
Income tax provision (benefit)	37	(46)
Net investment income	14,723	10,338
Net realized and unrealized gains (losses) on investments:		
Net realized gains (losses):		
Control investments	—	139
Affiliate investments	—	324
Non-control/non-affiliate investments	58	6,405
Total net realized gain (loss) on investments	58	6,868
Income tax (provision) benefit from realized gains on investments	—	1
Net change in unrealized appreciation (depreciation):		
Control investments	—	(230)
Affiliate investments	(2,489)	(5,879)
Non-control/non-affiliate investments	3,197	790
Total net change in unrealized appreciation (depreciation) on investments	708	(5,319)
Net gain (loss) on investments	766	1,550
Realized losses on extinguishment of debt	—	(198)
Net increase (decrease) in net assets resulting from operations	$ 15,489	$ 11,690
Per common share data:		
Net investment income per share-basic and diluted	$ 0.59	$ 0.42
Net increase in net assets resulting from operations per share — basic and diluted	$ 0.62	$ 0.48
Dividends declared per share	$ 0.66	$ 0.53
Weighted average number of shares outstanding — basic and diluted	24,803,951	24,437,400

See Notes to Consolidated Financial Statements (unaudited).

FIDUS INVESTMENT CORPORATION
Consolidated Statements of Changes in Net Assets (unaudited)
(in thousands, except shares)

	Common Stock		Additional paid-in capital	Total distributable earnings	Total net assets
	Number of shares	Par value			
Balances at December 31, 2021	24,437,400	$ 24	$ 361,807	$ 125,933	$ 487,764
Net investment income	—	—	—	10,338	10,338
Net realized gain (loss) on investments, net of taxes	—	—	—	6,869	6,869
Net unrealized appreciation (depreciation) on investments	—	—	—	(5,319)	(5,319)
Realized losses on extinguishment of debt	—	—	—	(198)	(198)
Dividends declared	—	—	—	(12,952)	(12,952)
Balances at March 31, 2022	24,437,400	$ 24	$ 361,807	$ 124,671	$ 486,502
Balances at December 31, 2022	24,727,788	$ 25	$ 395,672	$ 84,646	$ 480,343
Public offering of common stock, net of expenses	260,610	0 *	5,306	—	5,306
Net investment income	—	—	—	14,723	14,723
Net realized gain (loss) on investments, net of taxes	—	—	—	58	58
Net unrealized appreciation (depreciation) on investments	—	—	—	708	708
Realized losses on extinguishment of debt	—	—	—	—	—
Dividends declared	—	—	—	(16,492)	(16,492)
Balances at March 31, 2023	24,988,398	$ 25	$ 400,978	$ 83,643	$ 484,646

*amount is greater than zero but less than one

See Notes to Consolidated Financial Statements (unaudited).

FIDUS INVESTMENT CORPORATION
Consolidated Statements of Cash Flows (unaudited)
(in thousands)

	Three Months Ended March 31, 2023	2022
Cash Flows from Operating Activities:		
Net increase (decrease) in net assets resulting from operations	$ 15,489	$ 11,690
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used for) operating activities:		
Net change in unrealized (appreciation) depreciation on investments	(708)	5,319
Net realized (gain) loss on investments	(58)	(6,868)
Interest and dividend income paid-in-kind	(637)	(547)
Accretion of original issue discount	(113)	(23)
Accretion of loan origination fees	(413)	(280)
Purchase of investments	(51,521)	(114,428)
Proceeds from sales and repayments of investments	15,918	23,185
Proceeds from loan origination fees	537	771
Realized losses on extinguishment of debt	—	198
Amortization of deferred financing costs	516	524
Amortization of deferred equity financing costs	3	—
Changes in operating assets and liabilities:		
Interest receivable	(1,879)	(2,087)
Prepaid expenses and other assets	(125)	(167)
Accrued interest and fees payable	(1,421)	(1,053)
Base management fee payable, net of base management fee waiver – due to affiliate	13	133
Income incentive fee payable – due to affiliate	612	(1,569)
Capital gains incentive fee (reversal) – due to (from) affiliate	(7,402)	(5,866)
Administration fee payable and other – due to affiliate	(114)	(248)
Taxes payable	(9,850)	(367)
Accounts payable and other liabilities	(55)	1,036
Net cash provided by (used for) operating activities	(41,208)	(90,647)
Cash Flows from Financing Activities:		
Proceeds from stock offerings, net of expenses (Note 8)	5,306	—
Proceeds received from SBA debentures	12,000	41,500
Repayments of SBA debentures	—	(20,000)
Proceeds received from (repayments of) Secured Borrowings, net	(246)	(194)
Payment of deferred financing costs	(292)	(1,011)
Dividends paid to stockholders, including expenses	(16,492)	(12,952)
Net cash provided by (used for) financing activities	15,276	7,343
Net increase (decrease) in cash and cash equivalents	(25,932)	(83,304)
Cash and cash equivalents:		
Beginning of period	62,350	169,417
End of period	$ 36,418	$ 86,113
Supplemental information and non-cash activities:		
Cash payments for interest	$ 6,090	$ 4,941
Cash payments for taxes, net of tax refunds received	$ 9,887	$ 320

See Notes to Consolidated Financial Statements (unaudited).

FIDUS INVESTMENT CORPORATION
Consolidated Schedule of Investments (unaudited)
March 31, 2023
(in thousands, except shares)

Portfolio Company (a)(b) Investment Type (c)	Industry	Variable Index Spread / Floor (d)	Rate (e) Cash/PIK	Investment Date (f)	Maturity	Principal Amount	Cost	Fair Value (g)	Percent of Net Assets
Control Investments (t)									
EBL, LLC (EbLens)	Retail								
Second Lien Debt (j)(y)			0.00%/13.00%	10/3/2022	10/3/2025	$ 9,350	$ 9,332	$ —	
Common Equity (75,000 units) (j)				7/13/2017			750	—	
Common Equity (375 units) ($375 unfunded commitment) (j)				10/3/2022			1,000	—	
							11,082	—	0 %
US GreenFiber, LLC (n)	Building Products Manufacturing								
Second Lien Debt (j)(y)			10.00%/3.00%	7/3/2014	8/30/2024	5,226	5,223	—	
Common Equity (2,522 units) (h)(j)				7/3/2014			586	—	
Common Equity (425,508 units) (j)				8/30/2019			1	—	
Common Equity (1,022,813 units) (h)(j)				7/1/2020			1,023	—	
							6,833	—	0 %
Total Control Investments							$ 17,915	$ —	0 %
Affiliate Investments (l)									
Applegate Greenfiber Intermediate Inc. (fka US GreenFiber, LLC)	Building Products Manufacturing								
Subordinated Debt (j)			10.00%/0.00%	12/31/2021	12/31/2027	$ 9,602	$ 9,602	$ 9,602	
Common Equity (5,690 units) (h) (j)				12/31/2021			5,690	6,129	
Common Equity (7,113 units) (h) (j)				12/31/2021			7,113	7,814	
Common Equity (2,012 units) (h) (j)				12/31/2021			-	-	
							22,405	23,545	4 %
Medsurant Holdings, LLC	Healthcare Services								
Preferred Equity (84,997 units) (h)(j)				4/12/2011			644	649	
Warrant (252,588 units) (h)(j)(m)				4/12/2011			2,257	2,225	
							2,901	2,874	1 %
Pfanstiehl, Inc.	Healthcare Products								
Subordinated Debt (j)			10.00%/0.00%	8/2/2022	8/2/2027	10,000	9,958	10,000	
Common Equity (2,550 units) (j)				3/29/2013			255	40,975	
							10,213	50,975	11 %
Spectra A&D Acquisition, Inc. (fka FDS Avionics Corp.)	Aerospace & Defense Manufacturing								
First Lien Debt (k)(ag)		(L + 5.50%) / (1.00%)	10.66%/0.00%	2/12/2021	2/11/2026	15,000	14,937	14,577	
Common Equity (12,035 units) (j)				8/25/2021			1,204	1,076	
Common Equity (41,290 units) (j)				12/16/2022			2,608	—	
Common Equity (4,921 units) (j)				9/16/2022			472	493	
							19,221	16,146	3 %
Steward Holding LLC (dba Steward Advanced Materials)	Aerospace & Defense Manufacturing								
Common Equity (1,000,000 units)				11/12/2015			1,000	5,497	1 %
Total Affiliate Investments							$ 55,740	$ 99,037	20 %
Non-control/Non-affiliate Investments									
2KDirect, Inc. (dba iPromote)	Information Technology Services								
First Lien Debt (k)(at)		(L + 6.75%) / (0.50%)	11.77%/0.00%	6/25/2021	6/25/2026	$ 11,460	$ 11,403	$ 11,460	
First Lien Debt (j)(aa)		(L + 6.75%) / (0.50%)	11.77%/0.00%	7/30/2021	6/25/2026	3,526	3,526	3,526	
Common Equity (1,000,000 units)				6/25/2021			1,000	389	
							15,929	15,375	3 %
Acendre Midco, Inc.	Information Technology Services								
First Lien Debt (j)		(S + 7.75%) / (0.50%)	12.60%/0.00%	10/6/2021	10/6/2026	5,486	5,475	5,486	
First Lien Debt (j)		(S + 7.75%) / (0.50%)	12.60%/0.00%	10/6/2021	10/6/2026	12,469	12,422	12,469	
Revolving Loan ($1,000 unfunded commitment) (j)(i)		(S + 7.50%) / (0.50%)	12.60%/0.00%	10/6/2021	10/6/2026	—	—	—	
Common Equity (500,000 shares) (j)				10/6/2021			371	441	
Warrant (150,000 shares) (j)(m)				10/6/2021			129	132	
Preferred Equity (77,016 shares) (j)				9/26/2022			88	143	
							18,485	18,671	4 %
Aeronix Inc.	Aerospace & Defense Manufacturing								
First Lien Debt (ai)		(S + 5.88%) / (1.50%)	11.03%/0.00%	6/11/2021	6/11/2026	17,250	17,170	17,250	
Common Equity (549 units)				6/11/2021			593	766	
							17,763	18,016	5 %
Allredi, LLC (fka Marco Group International OpCo, LLC)	Industrial Cleaning & Coatings								
Second Lien Debt (y)			12.50%/2.25%	3/2/2020	9/2/2026	10,345	10,281	8,742	
Common Equity (570,636 units) (h)(j)				7/21/2017			637	152	
Common Equity (39,443 units) (h)(j)				11/24/2021			22	55	
							10,940	8,949	2 %
American AllWaste LLC (dba WasteWater Transport Services)	Environmental Industries								
First Lien Debt ($2,500 unfunded commitment) (j)(p)(ax)		(S + 6.50%) / (1.00%)	10.90%/0.00%	6/28/2021	6/28/2026	20,908	20,680	20,908	
First Lien Debt (j)(o)		(S + 4.00%) / (1.00%)	8.73%/0.00%	6/28/2021	6/28/2026	330	330	326	
Preferred Equity (500 units) (h)(j)				5/31/2018			500	546	
Preferred Equity (207 units) (h)(j)				8/6/2019			250	263	
Preferred Equity (141 units) (h)(j)				11/2/2020			171	180	
Preferred Equity (74 units) (h)(j)				12/29/2021			97	101	
							22,028	22,324	5 %
AmeriWater, LLC	Component Manufacturing								
First Lien Debt (af)		(S + 6.25%) / (1.00%)	10.84%/0.00%	7/8/2022	7/8/2027	7,704	7,664	7,704	
Subordinated Debt (j)			7.00%/7.00%	7/8/2022	1/8/2028	2,106	2,097	2,106	
Common Equity (1,000 units) (h)(j)				7/8/2022			1,000	808	
							10,761	10,618	2 %
AOM Intermediate Holdco, LLC (dba AllOver Media)	Information Technology Services								
First Lien Debt (aq)		(S + 6.50%) / (0.75%)	11.34%/0.00%	2/1/2022	2/1/2027	10,000	9,942	10,000	
Common Equity (750 units) (h)(j)				2/1/2022			750	700	
							10,692	10,700	2 %
APM Intermediate Holdings, LLC (dba Artistic Paver Manufacturing, Inc.)	Building Products Manufacturing								
First Lien Debt (av)		(S + 7.00%) / (2.00%)	11.59%/0.00%	11/8/2022	11/8/2027	15,000	14,896	14,896	
Common Equity (1,200 units) (h)(j)				11/8/2022			1,200	1,200	
							16,096	16,096	4 %
Applied Data Corporation	Information Technology Services								
First Lien Debt (k)(v)		(S + 6.25%) / (1.50%)	11.10%/0.00%	11/6/2020	11/6/2025	19,005	18,924	19,005	
Common Equity (24 units)				11/6/2020			66	496	
Preferred Equity (1,184,711 units)				11/6/2020			1,185	1,388	
							20,175	20,889	5 %
Auto CRM LLC (dba Dealer Holdings)	Information Technology Services								
First Lien Debt (au)		(P + 5.50%) / (3.25%)	13.50%/0.85%	10/1/2021	10/1/2026	7,597	7,545	7,597	
Subordinated Debt			0.00%/14.50%	10/1/2021	12/31/2026	606	603	606	
Common Equity (500 units) (j)				10/1/2021			500	466	
							8,648	8,669	2 %

BCM One Group Holdings, Inc.	Information Technology Services								
Subordinated Debt (j)			10.25%/0.00%	11/17/2021	11/17/2028	11,333	11,281	11,333	2 %
Bedford Precision Parts LLC	Specialty Distribution								
Common Equity (500,000 units) (h)(j)				3/12/2019			484	513	0 %
BP Thrift Buyer, LLC (dba myUnique and Ecothrift)	Retail								
First Lien Debt (j)(al)		(S + 5.75%) / (1.50%)	10.34%/0.00%	9/13/2022	9/13/2027	20,000	19,588	20,000	
Common Equity (1,000 units) (j)				9/13/2022			960	1,193	
							20,548	21,193	4 %
BurgerFi International, LLC (dba BurgerFi) (ad)	Restaurants								
Common Equity (14,201 units) (j)(ao)				11/3/2022			521	17	
Preferred Equity (9,787 units) (j)(ao)				11/3/2022			49	245	
							570	262	0 %
Cardback Intermediate, LLC (dba Chargeback Gurus)	Information Technology Services								
First Lien Debt (j)(ah)		(L + 6.50%) / (0.75%)	11.25%/0.00%	8/10/2021	8/10/2026	12,506	12,453	12,506	
Common Equity (495 shares) (j)				8/10/2021			125	16	
Preferred Equity (495 shares) (j)				8/10/2021			125	284	
							12,703	12,806	3 %
Choice Technology Solutions, LLC (dba Choice Merchant Solutions, LLC)	Information Technology Services								
First Lien Debt (j)		(S + 7.25%) / (1.00%)	12.09%/0.00%	4/1/2022	4/1/2027	8,500	8,462	8,500	
Revolving Loan ($1,000 unfunded commitment) (i)(j)		(S + 6.25%) / (1.00%)	11.09%/0.00%	4/1/2022	4/1/2027	—	—	—	
							8,462	8,500	2 %
CIH Intermediate, LLC	Business Services								
Subordinated Debt (k)			10.00%/1.00%	3/3/2022	3/3/2028	13,786	13,673	13,786	
Common Equity (563 shares) (j)				3/3/2022			400	642	
Preferred Equity (563 shares) (j)				3/3/2022			400	869	
							14,473	15,297	3 %
Combined Systems, Inc.	Aerospace & Defense Manufacturing								
First Lien Debt		(L + 11.00%) / (2.00%)	18.75%/0.00%	1/31/2020	1/31/2025	3,862	3,841	3,862	
First Lien Debt		(L + 11.00%) / (2.00%)	18.75%/0.00%	12/22/2022	2/15/2023	489	489	489	
Revolving Loan ($162 unfunded commitment) (j)(ac)		(L + 10.00%) / (2.00%)	17.75%/0.00%	1/31/2020	1/31/2025	3,838	3,829	3,838	
							8,159	8,189	2 %
Comply365, LLC	Aerospace & Defense Manufacturing								
Common Equity (1,000,000 units)				12/11/2020			627	1,342	0 %
CRS Solutions Holdings, LLC (dba CRS Texas)	Business Services								
Common Equity (Class A Units) (574,929 units) (h)(j)				6/28/2022			271	206	0 %
CTM Group, Inc.	Business Services								
First Lien Debt		(S + 6.75%) / (1.00%)	11.79%/0.00%	2/28/2023	11/30/2026	8,000	7,844	7,844	
Subordinated Loan			11.50%/2.00%	2/28/2023	11/30/2027	2,004	1,979	1,979	
Common Equity (400,000 units)				2/28/2023			400	400	
							10,223	10,223	2 %
Dataguise, Inc.	Information Technology Services								
Subordinated Debt (j)			11.00%/3.00%	12/30/2022	11/23/2027	20,918	20,871	20,871	
Common Equity (909 shares) (j)				12/31/2020			1,500	803	
							22,371	21,674	5 %
Diversified Search LLC	Business Services								
First Lien Debt (k)(r)		(S + 6.50%) / (1.00%)	11.35%/0.00%	2/7/2019	9/30/2025	24,155	24,052	24,155	
Common Equity (573 units) (h)(j)				2/7/2019			552	913	
							24,604	25,068	5 %
ECM Industries, LLC	Component Manufacturing								
Common Equity (1,000,000 units) (h)(j)				4/30/2020			221	2,169	0 %
Education Incites, LLC (dba Acceleration Academies)	Business Services								
Second Lien Debt			12.75%/0.00%	10/31/2022	10/29/2027	6,000	5,972	5,972	1 %
Elements Brands, LLC	Consumer Products								
First Lien Debt			12.25%/0.00%	12/31/2020	6/30/2024	1,525	1,508	1,525	
Revolving Loan (j)			12.25%/0.00%	12/31/2020	6/30/2024	1,500	1,492	1,500	
							3,000	3,025	1 %
Fishbowl Solutions, LLC	Information Technology Services								
First Lien Debt (ar)		(S + 7.75%) / (1.00%)	12.57%/0.00%	3/25/2022	3/25/2027	14,391	14,305	14,391	3 %
Global Plasma Solutions, Inc.	Component Manufacturing								
Subordinated Debt (j)			0.00%/18.80%	3/31/2023	3/18/2024	182	182	182	
Common Equity (947 shares) (j)				9/21/2018			52	218	
							234	400	0 %
GP&C Operations, LLC (dba Garlock Printing and Converting)	Component Manufacturing								
First Lien Debt (w)		(L + 7.25%) / (1.00%)	12.20%/0.00%	1/22/2021	1/22/2026	11,000	10,907	11,000	
Common Equity (515,625 units) (h)(j)				1/22/2021			516	316	
							11,423	11,316	3 %
Green Cubes Technology, LLC (dba Green Cubes)	Information Technology Services								
First Lien Debt (j)		(L + 13.00%) / (0.00%)	17.98%/0.00%	12/17/2021	12/17/2024	13,000	12,958	13,000	3 %
Gurobi Optimization, LLC	Information Technology Services								
Common Equity (3 shares)				12/19/2017			605	2,609	1 %
Haematologic Technologies, Inc.	Healthcare Services								
First Lien Debt (x)		(L + 8.25%) / (2.00%)	13.41%/0.00%	10/11/2019	10/11/2024	5,378	5,365	5,378	
Common Equity (630 units) (h)(j)				10/11/2019			630	332	
							5,995	5,710	1 %
Hallmark Health Care Solutions, Inc.	Healthcare Services								
First Lien Debt (j)(ae)		(L + 7.25%) / (1.50%)	12.00%/0.00%	12/4/2020	12/4/2025	8,341	8,306	8,341	
Common Equity (750,000 units) (j)				12/4/2020			750	3,189	
							9,056	11,530	2 %
Healthfuse, LLC	Healthcare Services								
Preferred Equity (197,980 units)				11/13/2020			748	1,443	0 %
Hub Acquisition Sub, LLC (dba Hub Pen)	Promotional products								
Second Lien Debt (k)			12.50%/1.00%	3/23/2016	12/15/2023	25,069	25,068	25,068	
Common Equity (3,750 units)				3/23/2016			62	760	
Preferred Equity (868 units) (j)				10/16/2020			153	208	
							25,283	26,036	5 %
IBH Holdings, LLC (fka Inflexxion, Inc.)	Business Services								
Common Equity (150,000 units)				6/20/2018			—	27	0 %
Ipro Tech, LLC	Information Technology Services								
First Lien Debt (j)(u)		(S + 7.00%) / (1.00%)	11.78%/1.00%	6/30/2020	7/28/2025	19,630	19,005	19,630	
Preferred Equity (682,075 units) (j)				7/28/2021			682	1,023	
							19,687	20,653	4 %
ISI PSG Holdings, LLC (dba Incentive Solutions, Inc.)	Business Services								
First Lien Debt (j)(aj)		(L + 7.50%) / (0.50%)	12.23%/0.00%	4/5/2021	4/5/2026	11,991	11,927	11,991	
First Lien Debt (j)(an)		(L + 7.50%) / (0.50%)	12.23%/0.00%	6/30/2021	4/5/2026	12,778	12,778	12,778	
Common Equity (256,964 units) (h)(j)				4/5/2021			500	509	
							25,205	25,278	5 %
K2 Merger Agreement Agent, LLC (fka K2 Industrial Services, Inc.) (n)	Industrial Cleaning & Coatings								
Second Lien Debt (j) (y)			0.00%/10.00%	1/28/2019	1/28/2025	2,368	2,368	2,123	0 %
The Kyjen Company, LLC (dba Outward Hound)	Consumer Products								
Common Equity (855 shares) (j)				12/8/2017			933	—	0 %

Level Education Group, LLC (dba CE4Less)	Business Services							
First Lien Debt (ak)		(L + 6.75%) / (0.50%)	11.50%/0.00%	4/1/2021	4/1/2026	5,131	5,106	5,131
Common Equity (1,000,000 units) (j)				4/1/2021			1,000	1,385

							6,106	6,516	1 %
LifeSpan Biosciences, Inc.	Healthcare Products								
Subordinated Debt (j)			11.50%/0.00%	3/19/2021	9/19/2026	16,000	15,950	14,624	
Common Equity (100 shares) (j)				3/19/2021			1,000	646	
							16,950	15,270	3 %
Magenta Buyer LLC (dba Trellix)	Information Technology Services								
Second Lien Debt (j)		(L + 8.25%) / (0.75%)	12.66%/0.00%	7/19/2022	7/27/2029	7,182	6,822	7,125	1 %
MBS Opco, LLC (dba Marketron)	Information Technology Services								
First Lien Debt (j)		(S + 8.50%) / (1.50%)	13.66%/0.00%	9/29/2022	9/28/2026	27,000	26,881	27,000	6 %
Micronics Filtration Holdings, Inc. (dba Micronics Engineered Filtration Group, Inc.)	Component Manufacturing								
First Lien Debt (k) (as)		(S + 5.50%) / (0.50%)	9.32%/0.00%	2/17/2022	2/17/2027	11,223	11,159	11,223	
Common Equity (14,400 units) (j)				2/17/2022			1,440	3,494	
							12,599	14,717	3 %
Mobilewalla, Inc.	Information Technology Services								
First Lien Debt (j)		(S + 11.50%) / (0.50%)	16.67%/0.00%	12/17/2021	12/17/2024	5,715	5,699	5,715	1 %
Netbase Solutions, Inc. (dba Netbase Quid)	Information Technology Services								
First Lien Debt ($3,300 unfunded commitment) (i)(k)(ap)		(P + 4.00%) / (3.25%)	12.00%/0.00%	11/18/2021	11/18/2025	16,708	16,626	16,708	3 %
NGT Acquisition Holdings, LLC (dba Techniks Industries)	Component Manufacturing								
Common Equity (378 units) (j)				5/24/2017			500	109	0 %
OnePath Systems, LLC	Information Technology Services								
First Lien Debt (s)		(S + 7.50%) / (1.00%)	12.40%/0.00%	9/30/2022	9/30/2027	11,000	10,926	11,000	
Common Equity (732,542 shares) (j)				9/30/2022			500	710	
							11,426	11,710	2 %
Palmetto Moon, LLC	Retail								
Common Equity (499 units) (j)				11/3/2016			265	590	0 %
Pinnergy, Ltd.	Oil & Gas Services								
Subordinated Debt (j)			9.00%/0.00%	6/30/2022	6/30/2027	13,000	12,936	13,000	3 %
Pool & Electrical Products, LLC	Specialty Distribution								
Common Equity (18,298 units) (h)(j)				10/28/2020			549	4,608	1 %
Power Grid Components, Inc.	Specialty Distribution								
Second Lien Debt (k)			11.00%/0.50%	4/12/2018	12/2/2025	17,757	17,715	17,757	
Preferred Equity (392 shares) (j)				4/12/2018			392	640	
Preferred Equity (48 shares) (j)				12/2/2019			48	79	
Common Equity (10,622 shares) (j)				4/12/2018			462	2,637	
							18,617	21,113	4 %
PowerGrid Services Acquisition, LLC	Utilities: Services								
Second Lien Debt (j)		(L + 9.50%) / (1.00%)	14.66%/0.00%	9/21/2021	3/21/2029	10,831	10,789	10,831	
Common Equity (5,341 units) (h)(j)				9/21/2021			534	760	
							11,323	11,591	2 %
Prime AE Group, Inc.	Business Services								
First Lien Debt (j)(ab)		(S + 6.75%) / (2.00%)	11.90%/0.00%	11/25/2019	11/25/2024	5,833	5,769	5,833	
Preferred Equity (900,000 shares) (j)				11/25/2019			900	371	
							6,669	6,204	1 %
QED Technologies International, Inc.	Component Manufacturing								
First Lien Debt (q)		(S + 6.00%) / (1.50%)	10.91%/0.50%	3/1/2023	3/1/2028	17,363	17,235	17,235	
Common Equity (140 shares) (j)				2/28/2023			1,402	1,402	
							18,637	18,637	4 %
Quest Software US Holdings Inc.	Information Technology Services								
Second Lien Debt (j)		(S + 7.50%) / (0.50%)	12.33%/0.00%	3/1/2022	2/1/2030	20,000	19,382	15,649	3 %
R1 Holdings, LLC (dba RoadOne IntermodaLogistics)	Transportation services								
First Lien Debt ($1,740 unfunded commitment) (j)(ac)		(S + 6.25%) / (1.00%)	11.11%/0.00%	12/30/2022	12/30/2028	6,260	6,054	6,054	
Subordinated Debt ($417 unfunded commitment) (j)(ac)			8.75%/5.00%	12/30/2022	6/30/2029	1,350	1,306	1,306	
Common Equity (280,000 units) ($70 unfunded commitment) (j)				12/30/2022			280	280	
							7,640	7,640	2 %
Rhino Assembly Company, LLC	Specialty Distribution								
Second Lien Debt (k)			11.50%/0.00%	8/11/2017	2/11/2026	14,851	14,839	14,851	
Common Equity (Class A Units) (10,915 units) (h)(j)				8/11/2017			1,125	2,924	
Preferred Equity (Units N/A) (h)(j)				12/10/2020			268	483	
Common Equity (Class F Units) (710 units) (h)(j)				12/10/2020			—	—	
							16,232	18,258	4 %
Road Safety Services, Inc.	Business Services								
Second Lien Debt (k)			11.25%/2.50%	9/18/2018	9/18/2025	20,954	20,894	20,954	
Common Equity (779 units)				9/18/2018			1,120	1,934	
Common Equity (113 units) (j)				2/3/2023			500	588	
							22,514	23,476	6 %
Sonicwall US Holdings, Inc.	Information Technology Services								
Second Lien Debt (j)		(L + 7.50%) / (0.00%)	12.46%/0.00%	9/6/2022	5/18/2026	4,774	4,527	4,733	1 %
Suited Connector LLC	Information Technology Services								
Second Lien Debt (j)(y)			0.00%/14.00%	10/29/2021	6/1/2028	16,000	15,933	9,642	
Common Equity (19,099 units) (h)(j)				12/1/2021			808	—	
							16,741	9,642	2 %
Tedia Company, LLC	Healthcare Products								
First Lien Debt (j)		(S + 7.75%) / (1.00%)	12.60%/0.00%	3/4/2022	3/4/2027	15,600	15,531	15,600	
Revolving Loan ($2,400 unfunded commitment) (j)(i)			12.60%/0.00%	3/4/2022	3/4/2027	—	—	—	
Subordinated Debt (j)			7.25%/7.25%	3/4/2022	9/4/2027	2,704	2,692	2,991	
Preferred Equity (Series A) (1,000 units) (h)(j)				3/4/2022			1,000	1,535	
							19,223	20,126	4 %
Tiger Calcium Services Inc. (aw)	Transportation services								
Second Lien Debt (j) (ao)			12.50%/0.00%	12/21/2022	5/31/2025	12,500	12,445	12,445	3 %
UBEO, LLC	Business Services								
Common Equity (705,000 units) (h)(j)				4/3/2018			655	2,101	0 %
United Biologics, LLC	Healthcare Services								
Preferred Equity (98,377 units) (h)(j)				4/1/2012			1,008	—	
Warrant (57,469 units) (j)(m)				3/5/2012			566	—	
							1,574	—	0 %
USG AS Holdings, LLC	Utilities: Services								
First Lien Debt (j)		(S + 8.50%) / (2.50%)	13.48%/0.00%	2/23/2023	2/23/2028	10,000	9,902	9,902	
Common Equity (Units N/A) (j)				2/21/2023			1,000	1,000	
							10,902	10,902	2 %
Virginia Tile Company, LLC	Specialty Distribution								
Common Equity (17 units) (j)				12/19/2014			79	933	0 %
Virtex Enterprises, LP	Component Manufacturing								
Second Lien Debt		(S + 9.75%) / (1.00%)	14.80%/0.00%	4/13/2022	10/13/2027	11,002	10,911	6,092	1 %
Winona Foods, Inc.	Specialty Distribution								
First Lien Debt (j)(am)		(L + 12.00%) / (1.00%)	17.16%/0.00%	4/1/2021	4/1/2026	4,000	3,914	4,000	
First Lien Debt		(L + 13.00%) / (1.00%)	18.16%/0.00%	4/1/2021	4/1/2026	7,000	6,968	7,000	
							10,882	11,000	2 %
Wonderware Holdings, LLC (dba CORE Business Technologies)	Information Technology Services								
First Lien Debt (k)(z)		(L + 7.25%) / (1.00%)	11.97%/0.00%	2/10/2021	2/9/2026	8,316	8,282	8,268	2 %
Worldwide Express Operations, LLC	Transportation services								

Second Lien Debt (j)	(S + 7.00%) / (0.75%)	12.16%/0.00%	8/2/2021	7/26/2029	27,497	26,438	26,947

Common Equity (795,000units) (j)				7/21/2021			795	1,037	
Common Equity (752,380 units) (h)(j)				7/26/2021			225	792	
							27,458	28,776	6 %
Zonkd, LLC	Component Manufacturing								
First Lien Debt (j)		(L + 10.00%) / (1.00%)	15.96%/0.00%	3/18/2022	3/18/2027	5,000	4,818	4,946	
Common Equity (4,987 units) (h)(j)				3/18/2022			169	92	
							4,987	5,038	1 %
Total Non-control/Non-affiliate Investments							$ 791,325	$ 798,287	165 %
Total Investments							$ 864,980	$ 897,324	185 %
Money market funds (included in cash and cash equivalents)									
Goldman Sachs Financial Square Treasury Obligation Institution CUSIP (38141W323) (ad)							$ 35,380	$ 35,380	7 %
Total money market funds							$ 35,380	$ 35,380	7 %
Total Investments and Money Market Funds							$ 900,360	$ 932,704	192 %

(a) See Note 3 to the consolidated financial statements for portfolio composition by geographic location.

(b) Equity ownership may be held in shares or units of companies related to the portfolio companies.

(c) All debt investments are income producing, unless otherwise indicated. Equity investments are non-income producing unless otherwise noted.

(d) Variable rate investments bear interest at a rate indexed to LIBOR (L), Prime (P) or SOFR (S), which are reset monthly, bimonthly, quarterly, or semi-annually. Certain variable rate investments also include a LIBOR, Prime or SOFR interest rate floor. For each investment, the Company has provided the spread over the reference rate and the LIBOR, Prime or SOFR floor, if any, as of March 31, 2023.

(e) Rate includes the cash interest or dividend rate and paid-in-kind interest or dividend rate, if any, as of March 31, 2023. Generally, payment-in-kind interest can be paid-in-kind or all in cash.

(f) Investment date represents the date of the initial investment in the security.

(g) Except as otherwise noted, the Company'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. Therefore, the Company values all of its portfolio investments at fair value, as determined in good faith by the board of directors, using significant unobservable Level 3 inputs.

(h) Investment is held by a taxable subsidiary of the Company.

(i) The disclosed commitment represents the unfunded amount as of March 31, 2023. The Company is earning 0.50% interest on the unfunded balance of the commitment. The interest rate disclosed represents the rate which will be earned if the commitment is funded.

(j) Investment pledged as collateral for the Credit Facility and, as a result, is not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Credit Facility (see Note 6 to the consolidated financial statements).

(k) The portion of the investment not held by the Funds is pledged as collateral for the Credit Facility and, as a result, is not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Credit Facility (see Note 6 to the consolidated financial statements).

(l) As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of this portfolio company because it owns 5% or more of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company. Transactions in which the issuer was an Affiliated Person are detailed in Note 3 to the consolidated financial statements.

(m) Warrants entitle the Company to purchase a predetermined number of shares or units of common equity, and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

(n) Investment in portfolio company that has sold its operations and is in the process of winding down.

(o) The Company sold a participating interest of approximately $0.3 million in aggregate principal amount of the portfolio company's first lien senior secured term loan. As the transaction did not qualify as a "true sale" in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company recorded a corresponding secured borrowing in the Consolidated Statements of Assets and Liabilities.

(p) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 5.35% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(q) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional cash interest amount of 2.00% and PIK interest amount of 0.50% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(r) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.16% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(s) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.28% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(t) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and "Control" this portfolio company because it owns 25% or more of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company. Transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control are detailed in Note 3 to the consolidated financial statements.

(u) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional cash interest amount of 2.90% and PIK interest amount of 0.97% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(v) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.10% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(w) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.90% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(x) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.71% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(y) Investment was on non-accrual status as of March 31, 2023.

(z) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.40% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(aa) The Company sold a participating interest of approximately $4.0 million in aggregate principal amount of the portfolio company's first lien senior secured term loan. As the transaction did not qualify as a "true sale" in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company recorded a corresponding secured borrowing in the Consolidated Statements of Assets and Liabilities.

(ab) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 7.72% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ac) The disclosed commitment represents the unfunded amount as of March 31, 2023. The Company is earning 1.00% interest on the unfunded balance of the commitment. The interest rate disclosed represents the rate earned on the outstanding, funded balance of the commitment.

(ad) This investment is classified as a Level 1 investment. For further detail on the fair value measurements, see Note 4 to the consolidated financial statements.

(ae) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.53% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(af) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.29% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ag) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.86% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ah) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 1.63% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ai) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 5.22% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(aj) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.11% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ak) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.83% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(al) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 5.18% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(am) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 5.37% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(an) The Company sold a participating interest of approximately $13.5 million in aggregate principal amount of the portfolio company's first lien senior secured term loan. As the transaction did not qualify as a "true sale" in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company recorded a corresponding secured borrowing in the Consolidated Statements of Assets and Liabilities.

(ao) The investment is treated as a non-qualifying asset under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). Under the 1940 Act, the Company can not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of March 31, 2023, total non-qualifying assets at fair value represented 1.34% of the Company's total assets calculated in accordance with the 1940 Act.

(ap) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional cash interest amount of 1.25% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(aq) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.73% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ar) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.72% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(as) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 5.73% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(at) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.21% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(au) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.25% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(av) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.50% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(aw) The headquarters of this portfolio company is located in Canada.

(ax) The disclosed commitment represents the unfunded amount as of March 31, 2023. The Company is earning 0.75% interest on the unfunded balance of the commitment. The interest rate disclosed represents the rate which will be earned if the commitment is funded.

See Notes to Consolidated Financial Statements (unaudited).

FIDUS INVESTMENT CORPORATION
Consolidated Schedule of Investments
December 31, 2022
(in thousands, except shares)

Portfolio Company (a)(b) Investment Type (c)	Industry	Variable Index Spread / Floor (d)	Rate (e) Cash/PIK	Investment Date (f)	Maturity	Principal Amount	Cost	Fair Value (g)	Percent of Net Assets
Control Investments (t)									
EBL, LLC (EbLens)	Retail								
Second Lien Debt (j)(y)			0.00%/13.00%	10/3/2022	10/3/2025	$ 9,350	$ 9,332	$ —	
Common Equity (75,000 units) (j)				7/13/2017			750	—	
Common Equity (375 units) ($375 unfunded commitment) (j)				10/3/2022			1,000	—	
							11,082	—	0 %
US GreenFiber, LLC (n)	Building Products Manufacturing								
Second Lien Debt (j)(y)			10.00%/3.00%	7/3/2014	8/30/2024	5,226	5,223	—	
Common Equity (2,522 units) (h)(j)				7/3/2014			586	—	
Common Equity (425,508 units) (j)				8/30/2019			1	—	
Common Equity (1,022,813 units) (h)(j)				7/1/2020			1,023	—	
							6,833	—	0 %
Total Control Investments							$ 17,915	$ —	0 %
Affiliate Investments (l)									
Applegate Greenfiber Intermediate Inc. (fka US GreenFiber, LLC)	Building Products Manufacturing								
Subordinated Debt (j)			10.00%/0.00%	12/31/2021	12/31/2027	$ 9,602	$ 9,602	$ 9,602	
Common Equity (5,690 units) (h) (j)				12/31/2021			5,690	5,897	
Common Equity (7,113 units) (h) (j)				12/31/2021			7,113	7,669	
Common Equity (2,012 units) (h) (j)				12/31/2021			-	-	
							22,405	23,168	4 %
Medsurant Holdings, LLC	Healthcare Services								
Preferred Equity (84,997 units) (h)(j)				4/12/2011			716	591	
Warrant (252,588 units) (h)(j)(m)				4/12/2011			2,258	1,949	
							2,974	2,540	1 %
Pfanstiehl, Inc.	Healthcare Products								
Subordinated Debt (j)			10.00%/0.00%	8/2/2022	8/2/2027	10,000	9,954	9,954	
Common Equity (2,550 units) (j)				3/29/2013			255	42,038	
							10,209	51,992	11 %
Spectra A&D Acquisition, Inc. (fka FDS Avionics Corp.)	Aerospace & Defense Manufacturing								
First Lien Debt (k)(ag)		(L + 5.50%) / (1.00%)	10.23%/0.00%	2/12/2021	2/11/2026	15,000	14,931	14,999	
Common Equity (12,035 units) (j)				8/25/2021			1,204	1,204	
Common Equity (38,493 units) (j)				12/16/2022			2,609	2,443	
Common Equity (4,663 units) (j)				9/16/2022			472	472	
							19,216	19,118	4 %
Steward Holding LLC (dba Steward Advanced Materials)	Aerospace & Defense Manufacturing								
Common Equity (1,000,000 units)				11/12/2015			1,000	4,772	1 %
Total Affiliate Investments							$ 55,804	$ 101,590	21 %
Non-control/Non-affiliate Investments									
2KDirect, Inc. (dba iPromote)	Information Technology Services								
First Lien Debt (k)(at)		(L + 6.75%) / (0.50%)	11.48%/0.00%	6/25/2021	6/25/2026	$ 11,558	$ 11,497	$ 11,560	
First Lien Debt (j)(aa)		(L + 6.75%) / (0.50%)	11.48%/0.00%	7/30/2021	6/25/2026	3,556	3,556	3,556	
Common Equity (1,000,000 units)				6/25/2021			1,000	477	
							16,053	15,593	3 %
Acendre Midco, Inc.	Information Technology Services								
First Lien Debt (j)		(S + 7.75%) / (0.50%)	12.30%/0.00%	10/6/2021	10/6/2026	5,500	5,488	5,500	
First Lien Debt (j)		(S + 7.75%) / (0.50%)	12.30%/0.00%	10/6/2021	10/6/2026	12,500	12,450	12,500	
Revolving Loan ($1,000 unfunded commitment) (j)(i)		(S + 7.50%) / (0.50%)	12.30%/0.00%	10/6/2021		—	—	—	
Common Equity (500,000 shares) (j)				10/6/2021			371	433	
Warrant (150,000 shares) (j)(m)				10/6/2021			129	130	
Preferred Equity (77,016 shares) (j)				9/26/2022			88	143	
							18,526	18,706	4 %
Aeronix Inc.	Aerospace & Defense Manufacturing								
First Lien Debt (ai)		(L + 5.88%) / (0.50%)	10.63%/0.00%	6/11/2021	6/11/2026	14,250	14,184	14,250	
Common Equity (549 units)				6/11/2021			593	779	
							14,777	15,029	4 %
Allredi, LLC (fka Marco Group International OpCo, LLC)	Industrial Cleaning & Coatings								
Second Lien Debt (y)			12.50%/2.25%	3/2/2020	9/2/2026	10,345	10,281	8,144	
Common Equity (570,636 units) (h)(j)				7/21/2017			637	98	
Common Equity (39,443 units) (h)(j)				11/24/2021			22	55	
							10,940	8,297	2 %
American AllWaste LLC (dba WasteWater Transport Services)	Environmental Industries								
First Lien Debt (j)(p)		(L + 6.15%) / (1.00%)	9.82%/0.00%	6/28/2021	6/28/2026	20,500	20,329	20,500	
First Lien Debt (j)(o)		(L + 3.75%) / (1.00%)	7.42%/0.00%	6/28/2021	6/28/2026	330	330	325	
Preferred Equity (500 units) (h)(j)				5/31/2018			500	547	
Preferred Equity (207 units) (h)(j)				8/6/2019			250	264	
Preferred Equity (141 units) (h)(j)				11/2/2020			171	180	
Preferred Equity (74 units) (h)(j)				12/29/2021			97	101	
							21,677	21,917	5 %
AmeriWater, LLC	Component Manufacturing								
First Lien Debt (af)		(S + 6.25%) / (1.00%)	9.81%/0.00%	7/8/2022	7/8/2027	7,704	7,662	7,662	
Subordinated Debt (j)			7.00%/7.00%	7/8/2022	1/8/2028	2,069	2,060	2,060	
Common Equity (1,000 units) (h)(j)				7/8/2022			1,000	1,000	
							10,722	10,722	2 %
AOM Intermediate Holdco, LLC (dba AllOver Media)	Information Technology Services								

First Lien Debt (aq)		(S + 6.50%) / (0.75%)	10.31%/0.00%	2/1/2022	2/1/2027	10,000	9,940	10,000	
Common Equity (750 units) (h)(j)				2/1/2022			750	741	
							10,690	10,741	2 %
APM Intermediate Holdings, LLC (dba Artistic Paver Manufacturing, Inc.)	Building Products Manufacturing								
First Lien Debt (av)		(S + 7.00%) / (2.00%)	11.21%/0.00%	11/8/2022	11/8/2027	15,000	14,890	14,890	
Common Equity (1,200 units) (h)(j)				11/8/2022			1,200	1,200	
							16,090	16,090	4 %
Applied Data Corporation	Information Technology Services								
First Lien Debt (k)(v)		(S + 6.25%) / (1.50%)	10.07%/0.00%	11/6/2020	11/6/2025	19,005	18,916	19,005	
Common Equity (24 units)				11/6/2020			66	465	
Preferred Equity (1,184,711 units)				11/6/2020			1,185	1,364	
							20,167	20,834	5 %
Auto CRM LLC (dba Dealer Holdings)	Information Technology Services								
First Lien Debt (au)		(P + 5.50%) / (3.25%)	13.00%/0.85%	10/1/2021	10/1/2026	7,581	7,525	7,581	
Subordinated Debt			0.00%/12.75%	10/1/2021	12/31/2026	587	584	587	
Common Equity (500 units) (j)				10/1/2021			500	471	
							8,609	8,639	2 %
BCM One Group Holdings, Inc.	Information Technology Services								
Subordinated Debt (j)			10.25%/0.00%	11/17/2021	11/17/2028	11,333	11,279	11,333	2 %
Bedford Precision Parts LLC	Specialty Distribution								
Common Equity (500,000 units) (h)(j)				3/12/2019			484	486	0 %
BP Thrift Buyer, LLC (dba myUnique and Ecothrift)	Retail								
First Lien Debt (j)(al)		(S + 5.75%) / (1.50%)	9.31%/0.00%	9/13/2022	9/13/2027	20,000	19,564	19,564	
Common Equity (1,000 units) (j)				9/13/2022			1,000	1,000	
							20,564	20,564	4 %
Cardback Intermediate, LLC (dba Chargeback Gurus)	Information Technology Services								
First Lien Debt (j)(ah)		(L + 6.50%) / (0.75%)	10.24%/0.00%	8/10/2021	8/10/2026	12,541	12,485	12,541	
Common Equity (495 shares) (j)				8/10/2021			125	33	
Preferred Equity (495 shares) (j)				8/10/2021			125	277	
							12,735	12,851	3 %
Cardboard Box LLC (dba Anthony's Coal Fired Pizza) (ad)	Restaurants								
Common Equity (14,201 units) (j)(ao)				11/3/2022			521	18	
Preferred Equity (9,787 units) (j)(ao)				11/3/2022			96	292	
							617	310	0 %
Choice Technology Solutions, LLC (dba Choice Merchant Solutions, LLC)	Information Technology Services								
First Lien Debt (j)		(S + 7.25%) / (1.00%)	11.06%/0.00%	4/1/2022	4/1/2027	8,500	8,460	8,500	
Revolving Loan ($1,000 unfunded commitment) (i)(j)		(S + 6.25%) / (1.00%)	10.06%/0.00%	4/1/2022	4/1/2027	—	—	—	
							8,460	8,500	2 %
CIH Intermediate, LLC	Business Services								
Subordinated Debt (k)			10.00%/1.00%	3/3/2022	3/3/2028	13,751	13,634	13,751	
Common Equity (563 shares) (j)				3/3/2022			400	425	
Preferred Equity (563 shares) (j)				3/3/2022			400	853	
							14,434	15,029	3 %
Combined Systems, Inc.	Aerospace & Defense Manufacturing								
First Lien Debt		(L + 11.00%) / (2.00%)	17.74%/0.00%	1/31/2020	1/31/2025	4,890	4,866	4,890	
First Lien Debt		(L + 11.00%) / (2.00%)	18.75%/0.00%	12/22/2022	2/15/2023	475	475	475	
Revolving Loan ($162 unfunded commitment) (j)(ac)		(L + 10.00%) / (2.00%)	16.74%/0.00%	1/31/2020	1/31/2025	3,838	3,828	3,838	
							9,169	9,203	2 %
Comply365, LLC	Aerospace & Defense Manufacturing								
Common Equity (1,000,000 units)				12/11/2020			627	1,143	0 %
CRS Solutions Holdings, LLC (dba CRS Texas)	Business Services								
Common Equity (Class A Units) (574,929 units) (h)(j)				6/28/2022			272	212	0 %
Dataguise, Inc.	Information Technology Services								
Subordinated Debt (j)			11.00%/3.00%	12/30/2022	11/23/2027	20,763	20,712	20,714	
Common Equity (909 shares) (j)				12/31/2020			1,500	569	
							22,212	21,283	5 %
Diversified Search LLC	Business Services								
First Lien Debt (k)(r)		(S + 6.50%) / (1.00%)	10.32%/0.00%	2/7/2019	2/7/2024	24,155	24,041	24,155	
Common Equity (573 units) (h)(j)				2/7/2019			552	1,102	
							24,593	25,257	5 %
ECM Industries, LLC	Component Manufacturing								
Common Equity (1,000,000 units) (h)(j)				4/30/2020			221	1,633	0 %
Education Incites, LLC (dba Acceleration Academies)	Business Services								
Second Lien Debt			12.75%/0.00%	10/31/2022	10/29/2027	6,000	5,971	5,971	1 %
Elements Brands, LLC	Consumer Products								
First Lien Debt			12.25%/0.00%	12/31/2020	6/30/2024	1,775	1,755	1,775	
Revolving Loan (j)			12.25%/0.00%	12/31/2020	6/30/2024	1,500	1,490	1,500	
							3,245	3,275	1 %
Fishbowl Solutions, LLC	Information Technology Services								
First Lien Debt (ar)		(S + 7.75%) / (1.00%)	12.57%/0.00%	3/25/2022	3/25/2027	14,428	14,335	14,427	3 %
Global Plasma Solutions, Inc.	Component Manufacturing								
Common Equity (947 shares) (j)				9/21/2018			52	283	0 %
GP&C Operations, LLC (dba Garlock Printing and Converting)	Component Manufacturing								
First Lien Debt (w)		(L + 8.25%) / (1.00%)	13.01%/0.00%	1/22/2021	1/22/2026	11,000	10,899	11,000	
Common Equity (515,625 units) (h)(j)				1/22/2021			516	313	
							11,415	11,313	3 %
Green Cubes Technology, LLC (dba Green Cubes)	Information Technology Services								
First Lien Debt (j)		(L + 13.00%) / (0.00%)	17.77%/0.00%	12/17/2021	12/17/2024	13,000	12,952	13,000	3 %

Gurobi Optimization, LLC	Information Technology Services								
Common Equity (3 shares)				12/19/2017			605	2,381	0 %
Haematologic Technologies, Inc.	Healthcare Services								
First Lien Debt (x)		(L + 8.25%) / (2.00%)	12.98%/0.00%	10/11/2019	10/11/2024	5,378	5,363	5,378	
Common Equity (630 units) (h)(j)				10/11/2019			630	415	
							5,993	5,793	1 %
Hallmark Health Care Solutions, Inc.	Healthcare Services								
First Lien Debt (j)(ae)		(L + 7.25%) / (1.50%)	10.99%/0.00%	12/4/2020	12/4/2025	8,361	8,323	8,361	
Common Equity (750,000 units) (j)				12/4/2020			750	3,517	
							9,073	11,878	3 %
Healthfuse, LLC	Healthcare Services								
Preferred Equity (197,980 units)				11/13/2020			748	1,376	0 %
Hub Acquisition Sub, LLC (dba Hub Pen)	Promotional products								
Second Lien Debt (k)			12.50%/1.00%	3/23/2016	12/15/2023	25,007	25,005	25,006	
Common Equity (3,750 units)				3/23/2016			62	708	
Preferred Equity (868 units) (j)				10/16/2020			153	218	
							25,220	25,932	5 %
IBH Holdings, LLC (fka Inflexxion, Inc.)	Business Services								
Common Equity (150,000 units)				6/20/2018			—	346	0 %
Ipro Tech, LLC	Information Technology Services								
First Lien Debt (j)(u)		(S + 7.00%) / (1.00%)	11.69%/1.00%	6/30/2020	7/28/2025	19,773	19,083	19,773	
Preferred Equity (682,075 units) (j)				7/28/2021			682	1,023	
							19,765	20,796	4 %
ISI PSG Holdings, LLC (dba Incentive Solutions, Inc.)	Business Services								
First Lien Debt (j)(aj)		(L + 7.50%) / (0.50%)	11.17%/0.00%	4/5/2021	4/5/2026	12,175	12,106	12,175	
First Lien Debt (j)(an)		(L + 7.50%) / (0.50%)	11.17%/0.00%	6/30/2021	4/5/2026	12,994	12,994	12,994	
Common Equity (256,964 units) (h)(j)				4/5/2021			500	666	
							25,600	25,835	5 %
K2 Merger Agreement Agent, LLC (fka K2 Industrial Services, Inc.) (n)	Industrial Cleaning & Coatings								
Second Lien Debt (j) (y)			0.00%/10.00%	1/28/2019	1/28/2025	2,368	2,368	2,123	0 %
The Kyjen Company, LLC (dba Outward Hound)	Consumer Products								
Common Equity (855 shares) (j)				12/8/2017			933	110	0 %
Level Education Group, LLC (dba CE4Less)	Business Services								
First Lien Debt (ak)		(L + 6.75%) / (0.50%)	10.49%/0.00%	4/1/2021	4/1/2026	5,165	5,138	5,165	
Common Equity (1,000,000 units) (j)				4/1/2021			1,000	1,263	
							6,138	6,428	1 %
LifeSpan Biosciences, Inc.	Healthcare Products								
Subordinated Debt (j)			11.50%/0.00%	3/19/2021	9/19/2026	16,000	15,946	15,418	
Common Equity (100 shares) (j)				3/19/2021			1,000	605	
							16,946	16,023	3 %
Magenta Buyer LLC (dba Trellix)	Information Technology Services								
Second Lien Debt (j)		(L + 8.25%) / (0.75%)	12.98%/0.00%	7/19/2022	7/27/2029	7,182	6,809	7,126	1 %
MBS Opco, LLC (dba Marketron)	Information Technology Services								
First Lien Debt (j)		(S + 8.50%) / (1.50%)	13.34%/0.00%	9/29/2022	9/28/2026	27,000	26,873	26,873	6 %
Micronics Filtration Holdings, Inc. (dba Micronics Engineered Filtration Group, Inc.)	Component Manufacturing								
First Lien Debt (k) (as)		(S + 5.50%) / (0.50%)	9.32%/0.00%	2/17/2022	2/17/2027	11,223	11,154	11,223	
Common Equity (14,400 units) (j)				2/17/2022			1,440	3,173	
							12,594	14,396	3 %
Mobilewalla, Inc.	Information Technology Services								
First Lien Debt (j)		(L + 11.50%) / (0.50%)	16.26%/0.00%	12/17/2021	12/17/2024	5,715	5,696	5,715	1 %
Netbase Solutions, Inc. (dba Netbase Quid)	Information Technology Services								
First Lien Debt ($3,300 unfunded commitment) (i)(k)(ap)		(P + 4.00%) / (3.25%)	11.50%/0.00%	11/18/2021	11/18/2025	16,708	16,618	16,852	4 %
NGT Acquisition Holdings, LLC (dba Techniks Industries)	Component Manufacturing								
Common Equity (378 units) (j)				5/24/2017			500	121	0 %
OnePath Systems, LLC	Information Technology Services								
First Lien Debt (s)		(S + 7.50%) / (1.00%)	12.08%/0.00%	9/30/2022	9/30/2027	11,000	10,922	10,922	
Common Equity (732,542 shares) (j)				9/30/2022			500	500	
							11,422	11,422	3 %
Palmetto Moon, LLC	Retail								
Common Equity (499 units) (j)				11/3/2016			265	453	0 %
Pinnergy, Ltd.	Oil & Gas Services								
Subordinated Debt (j)			9.00%/0.00%	6/30/2022	6/30/2027	13,000	12,933	13,000	3 %
Pool & Electrical Products, LLC	Specialty Distribution								
Common Equity (15,000 units) (h)(j)				10/28/2020			549	4,835	1 %
Power Grid Components, Inc.	Specialty Distribution								
Second Lien Debt (k)			11.00%/0.50%	4/12/2018	12/2/2025	17,734	17,689	17,734	
Preferred Equity (392 shares) (j)				4/12/2018			392	624	
Preferred Equity (48 shares) (j)				12/2/2019			48	77	
Common Equity (10,622 shares) (j)				4/12/2018			462	1,776	
							18,591	20,211	4 %
PowerGrid Services Acquisition, LLC	Utilities: Services								
Second Lien Debt (j)		(L + 9.50%) / (1.00%)	14.23%/0.00%	9/21/2021	3/21/2029	10,831	10,786	10,831	
Common Equity (5,341 units) (h)(j)				9/21/2021			534	588	
							11,320	11,419	2 %
Prime AE Group, Inc.	Business Services								
First Lien Debt (j)		(S + 6.75%) / (2.00%)	11.59%/0.00%	11/25/2019	11/25/2024	5,833	5,760	5,833	
Preferred Equity (900,000 shares) (j)				11/25/2019			900	404	
							6,660	6,237	1 %
Quest Software US Holdings Inc.	Information Technology Services								
Second Lien Debt (j)		(S + 7.50%) / (0.50%)	11.79%/0.00%	3/1/2022	2/1/2030	20,000	19,360	15,002	3 %

R1 Holdings, LLC (dba RoadOne IntermodaLogistics)	Transportation services								
First Lien Debt ($2,489 unfunded commitment) (j)(ac)		(S + 6.25%) / (1.00%)	10.83%/0.00%	12/30/2022	12/30/2028	5,511	5,309	5,309	
Subordinated Debt ($417 unfunded commitment) (j)(ac)			8.75%/5.00%	12/30/2022	6/30/2029	1,334	1,287	1,287	
Common Equity (280,000 units) ($70 unfunded commitment) (j)				12/30/2022			280	280	
							6,876	6,876	1 %
Rhino Assembly Company, LLC	Specialty Distribution								
Second Lien Debt (k)			11.50%/0.00%	8/11/2017	2/11/2026	14,851	14,837	14,851	
Common Equity (Class A Units) (10,915 units) (h)(j)				8/11/2017			1,125	2,379	
Preferred Equity (Units N/A) (h)(j)				12/10/2020			268	307	
Common Equity (Class F Units) (710 units) (h)(j)				12/10/2020			—	—	
							16,230	17,537	4 %
Road Safety Services, Inc.	Business Services								
Second Lien Debt			11.25%/2.00%	9/18/2018	9/18/2025	15,842	15,810	15,842	
Common Equity (779 units)				9/18/2018			1,121	1,558	
							16,931	17,400	4 %
Sonicwall US Holdings, Inc.	Information Technology Services								
Second Lien Debt (j)		(L + 7.50%) / (0.00%)	12.20%/0.00%	9/6/2022	5/18/2026	4,774	4,508	4,733	1 %
Suited Connector LLC	Information Technology Services								
Second Lien Debt (j)			12.00%/0.00%	10/29/2021	6/1/2028	16,000	15,933	10,726	
Common Equity (7,500 units) (h)(j)				12/1/2021			750	12	
							16,683	10,738	2 %
Tedia Company, LLC	Healthcare Products								
First Lien Debt (j)		(S + 7.75%) / (1.00%)	11.57%/0.00%	3/4/2022	3/4/2027	15,600	15,527	15,600	
Revolving Loan ($2,400 unfunded commitment) (j)(i)		(S + 7.75%) / (1.00%)	11.57%/0.00%	3/4/2022	3/4/2027	1,600	1,581	1,600	
Delayed Draw Commitment ($3,000 unfunded commitment) (j)(ac)		(S + 7.75%) / (1.00%)	11.57%/0.00%	3/4/2022	3/4/2027	—	(14)	—	
Subordinated Debt (j)			7.25%/7.25%	3/4/2022	9/4/2027	2,656	2,643	3,750	
Preferred Equity (Series A) (1,000 units) (h)(j)				3/4/2022			1,000	1,792	
							20,737	22,742	5 %
Tiger Calcium Services Inc. (aw)	Transportation services								
Second Lien Debt (j) (ao)			12.50%/0.00%	12/21/2022	5/31/2025	12,500	12,438	12,438	3 %
UBEO, LLC	Business Services								
Common Equity (705,000 units) (h)(j)				4/3/2018			655	1,504	0 %
United Biologics, LLC	Healthcare Services								
Preferred Equity (98,377 units) (h)(j)				4/1/2012			1,008	—	
Warrant (57,469 units) (j)(m)				3/5/2012			565	—	
							1,573	—	0 %
Virginia Tile Company, LLC	Specialty Distribution								
Common Equity (17 units) (j)				12/19/2014			79	845	0 %
Virtex Enterprises, LP	Component Manufacturing								
Second Lien Debt		(S + 9.75%) / (1.00%)	14.48%/0.00%	4/13/2022	10/13/2027	11,002	10,906	5,887	1 %
Western's Smokehouse, LLC	Consumer Products								
First Lien Debt (j)(ab)		(S + 6.50%) / (1.50%)	11.21%/0.00%	2/28/2020	12/23/2024	9,616	9,554	9,615	
Delayed Draw Commitment ($2,702 unfunded commitment) (j)(i)(ax)		(S + 5.00%) / (1.50%)	9.71%/0.00%	6/29/2022	12/23/2024	798	791	798	
							10,345	10,413	2 %
Winona Foods, Inc.	Specialty Distribution								
First Lien Debt (j)(am)		(L + 12.00%) / (1.00%)	16.75%/0.00%	4/1/2021	4/1/2026	4,000	3,907	4,000	
First Lien Debt		(L + 13.00%) / (1.00%)	17.75%/0.00%	4/1/2021	4/1/2026	7,000	6,966	7,000	
							10,873	11,000	2 %
Wonderware Holdings, LLC (dba CORE Business Technologies)	Information Technology Services								
First Lien Debt (k)(z)		(L + 7.25%) / (1.00%)	11.97%/0.00%	2/10/2021	2/9/2026	8,316	8,279	8,316	2 %
Worldwide Express Operations, LLC	Transportation services								
Second Lien Debt (j)		(L + 7.00%) / (0.75%)	11.73%/0.00%	8/2/2021	7/26/2029	27,497	26,398	26,534	
Common Equity (795,000units) (j)				7/21/2021			795	942	
Common Equity (752,380 units) (h)(j)				7/26/2021			225	892	
							27,418	28,368	6 %
Zonkd, LLC	Component Manufacturing								
First Lien Debt (j)		(L + 10.00%) / (1.00%)	15.76%/0.00%	3/18/2022	3/18/2027	5,000	4,807	4,610	
Common Equity (4,987 units) (h)(j)				3/18/2022			169	8	
							4,976	4,618	1 %
Total Non-control/Non-affiliate Investments							$ 754,974	$ 758,739	158 %
Total Investments							$ 828,693	$ 860,329	179 %
Money market funds (included in cash and cash equivalents)									
Goldman Sachs Financial Square Treasury Obligation Institution CUSIP (38141W323) (ad)							$ 61,076	$ 61,076	13 %
Total money market funds							$ 61,076	$ 61,076	13 %
Total Investments and Money Market Funds							$ 889,769	$ 921,405	192 %

(a) See Note 3 to the consolidated financial statements for portfolio composition by geographic location.
(b) Equity ownership may be held in shares or units of companies related to the portfolio companies.
(c) All debt investments are income producing, unless otherwise indicated. Equity investments are non-income producing unless otherwise noted.
(d) Variable rate investments bear interest at a rate indexed to LIBOR (L), Prime (P) or SOFR (S), which are reset monthly, bimonthly, quarterly, or semi-annually. Certain variable rate investments also include a LIBOR, Prime or SOFR interest rate floor. For each investment, the Company has provided the spread over the reference rate and the LIBOR, Prime or SOFR floor, if any, as of December 31, 2022.
(e) Rate includes the cash interest or dividend rate and paid-in-kind interest or dividend rate, if any, as of December 31, 2022. Generally, payment-in-kind interest can be paid-in-kind or all in cash.

(f) Investment date represents the date of the initial investment in the security.

(g) Except as otherwise noted, the Company’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. Therefore, the Company values all of its portfolio investments at fair value, as determined in good faith by the board of directors, using significant unobservable Level 3 inputs.

(h) Investment is held by a taxable subsidiary of the Company.

(i) The disclosed commitment represents the unfunded amount as of December 31, 2022. The Company is earning 0.50% interest on the unfunded balance of the commitment. The interest rate disclosed represents the rate which will be earned if the commitment is funded.

(j) Investment pledged as collateral for the Credit Facility and, as a result, is not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Credit Facility (see Note 6 to the consolidated financial statements).

(k) The portion of the investment not held by the Funds is pledged as collateral for the Credit Facility and, as a result, is not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Credit Facility (see Note 6 to the consolidated financial statements).

(l) As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of this portfolio company because it owns 5% or more of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company. Transactions in which the issuer was an Affiliated Person are detailed in Note 3 to the consolidated financial statements.

(m) Warrants entitle the Company to purchase a predetermined number of shares or units of common equity, and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

(n) Investment in portfolio company that has sold its operations and is in the process of winding down.

(o) The Company sold a participating interest of approximately $0.3 million in aggregate principal amount of the portfolio company’s first lien senior secured term loan. As the transaction did not qualify as a “true sale” in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company recorded a corresponding secured borrowing in the Consolidated Statements of Assets and Liabilities.

(p) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.76% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(q) Warrant entitles the Company to purchase 4.79% of the outstanding principal of Junior Subordinated Notes prior to exercise, and is non-income producing.

(r) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.24% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(s) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.32% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(t) As defined in the 1940 Act, the Company is deemed to be both an “Affiliated Person” of and “Control” this portfolio company because it owns 25% or more of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company. Transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control are detailed in Note 3 to the consolidated financial statements.

(u) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional cash interest amount of 2.93% and PIK interest amount of 0.98% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(v) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.11% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(w) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 7.11% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(x) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.73% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(y) Investment was on non-accrual status as of December 31, 2022.

(z) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.45% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(aa) The Company sold a participating interest of approximately $4.0 million in aggregate principal amount of the portfolio company’s first lien senior secured term loan. As the transaction did not qualify as a “true sale” in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company recorded a corresponding secured borrowing in the Consolidated Statements of Assets and Liabilities.

(ab) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 1.77% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ac) The disclosed commitment represents the unfunded amount as of December 31, 2022. The Company is earning 1.00% interest on the unfunded balance of the commitment. The interest rate disclosed represents the rate earned on the outstanding, funded balance of the commitment.

(ad) This investment is classified as a Level 1 investment. For further detail on the fair value measurements, see Note 4 to the consolidated financial statements.

(ae) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.53% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(af) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.28% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ag) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.54% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ah) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 1.63% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ai) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.65% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(aj) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.11% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ak) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.83% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(al) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 5.62% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(am) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 5.72% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(an) The Company sold a participating interest of approximately $13.5 million in aggregate principal amount of the portfolio company’s first lien senior secured term loan. As the transaction did not qualify as a “true sale” in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company recorded a corresponding secured borrowing in the Consolidated Statements of Assets and Liabilities.

(ao) The investment is treated as a non-qualifying asset under Section 55(a) of the Investment Company Act of 1940, as amended (the “1940 Act”). Under the 1940 Act, the Company can not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of December 31, 2022, total non-qualifying assets at fair value represented 1.36% of the Company's total assets calculated in accordance with the 1940 Act.

(ap) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional cash interest amount of 1.25% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(aq) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.68% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(ar) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.72% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(as) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 4.76% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(at) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.21% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

(au) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.26% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.
(av) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 3.50% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.
(aw) The headquarters of this portfolio company is located in Canada.
(ax) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 5.75% on its “last out” tranche of the portfolio company’s senior term debt, which was previously syndicated into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.

See Notes to Consolidated Financial Statements.

Note 1. Organization and Nature of Business

Fidus Investment Corporation ("FIC," and together with its subsidiaries, the "Company"), a Maryland corporation, operates as an externally managed, closed-end, non-diversified business development company ("BDC") under the Investment Company Act of 1940, as amended ("1940 Act"). FIC completed its initial public offering, or IPO, in June 2011. In addition, for U.S. federal income tax purposes, the Company has elected, and intends to qualify annually, to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

The Company provides customized debt and equity financing solutions to lower middle-market companies, and may make investments directly or through its two wholly-owned investment company subsidiaries, Fidus Mezzanine Capital II, L.P. ("Fund II") and Fidus Mezzanine Capital III, L.P. ("Fund III") (collectively, Fund II and Fund III are referred to as the "Funds"). The Funds are licensed by the U.S. Small Business Administration (the "SBA") as small business investment companies ("SBIC"). The SBIC licenses allow the Funds to obtain leverage by issuing SBA-guaranteed debentures ("SBA debentures"), subject to the issuance of leverage commitments by the SBA and other customary procedures. As SBICs, the Funds are subject to regulations of and oversight by the SBA under the Small Business Investment Act of 1958, as amended (the "SBIC Act"), concerning, among other things, the size and nature of the companies in which they may invest and the structure of those investments.

We believe that utilizing both FIC and the Funds as investment vehicles provides 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 we will continue to make investments through the Funds until the earlier of the end of the Funds' investment period, if applicable, or the Funds reach their borrowing limit under the program. For two or more SBICs under common control, the maximum amount of outstanding SBA debentures cannot exceed $350,000.

Fund II and Fund III are not registered under the 1940 Act and rely on the exclusion from the definition of investment company contained in Section 3(c)(7) of the 1940 Act.

The Company pays a quarterly base management fee and an incentive fee to Fidus Investment Advisors, LLC, our investment advisor (the "Investment Advisor" or "Fidus Investment Advisors") under an investment advisory agreement (the "Investment Advisory Agreement").

Note 2. Significant Accounting Policies

Basis of presentation: The accompanying consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") pursuant to the requirements for reporting on Form 10-Q, Accounting Standards Codification ("ASC") 946, *Financial Services – Investment Companies* ("ASC 946"), and Articles 6 or 10 of Regulation S-X. 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. The current period's results of operation are not necessarily indicative of results that ultimately may be achieved for the year. Therefore, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2022.

During fiscal year ended December 31, 2022, the Company elected to change the manner in which it presents residual investments in portfolio companies that have sold their operations and are in the process of winding down. These investments similar to escrow receivables are now included in prepaid expenses and other assets whereas previously they were included as a component of investments, at fair value, on the consolidated statements of assets and liabilities until the security was legally extinguished or relinquished. There is no change in historical net increase in net assets resulting from operations due to this change in 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: Pursuant to Article 6 of Regulation S-X and ASC 946, the Company 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 Company. As a result, the consolidated financial statements of the Company include only the accounts of the Company and its wholly-owned subsidiaries, including the Funds. All significant intercompany balances and transactions have been eliminated.

Investment risks: The Company's investments are subject to a variety of risks. These risks may include, but are not limited to the following:

•*Market risk* - In contrast to investment-grade bonds (the market prices of which change primarily as a reaction to changes in interest rates), the market prices of high-yield bonds (which are also affected by changes in interest rates) are influenced much more by credit factors and financial results of the issuer as well as general economic factors that influence the financial markets as a whole. The portfolio companies in which the Company invests may be unseasoned, unprofitable and/or have little established operating history or earnings. These companies may also lack technical, marketing, financial, and other resources or may be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of a manager or management team, as compared to larger, more established entities. The failure of a single product, service or distribution channel, or the loss or the ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such companies. Furthermore, these companies may be more vulnerable to competition and to overall economic conditions than larger, more established entities.

•*Credit risk* - Credit risk represents the risk that the Company would incur if the counterparties failed to perform pursuant to the terms of their agreements with the Company. Issues of high-yield debt securities in which the Company invests are more likely to default on interest or principal than are issues of investment-grade securities.

•*Liquidity risk* - Liquidity risk represents the possibility that the Company may not be able to sell its investments quickly or at a reasonable price (given the lack of an established market).

•*Interest rate risk* - Interest rate risk represents the likelihood that a change in interest rates could have an adverse impact on the fair value of an interest-bearing financial instrument.

•*Prepayment risk* - Certain of the Company's debt investments allow for prepayment of principal without penalty. Downward changes in market interest rates may cause prepayments to occur at a faster than expected rate, thereby effectively shortening the maturity of the debt investments and making the instrument less likely to be an income producing instrument through the stated maturity date.

•*Off-Balance sheet risk* - Some of the Company's financial instruments contain off-balance sheet risk. Generally, these financial instruments represent future commitments to purchase other financial instruments at defined terms at defined future dates. See Note 7 for further details.

Fair value of financial instruments: The Company measures and discloses fair value with respect to substantially all of its financial instruments in accordance with ASC Topic 820 — *Fair Value Measurements and Disclosures* ("ASC Topic 820"). ASC Topic 820 defines fair value, establishes a framework used to measure fair value, and requires disclosures for fair value measurements, including the categorization of financial instruments into a three-level hierarchy based on the transparency of valuation inputs. See Note 4 to the consolidated financial statements for further discussion regarding the fair value measurements and hierarchy.

Investment classification: The Company 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 Company 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 Company 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 Company 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 Company places its cash in financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits. The Company does not believe its cash balances are exposed to any significant credit risk.

Deferred financing costs: Deferred financing costs consist of fees and expenses paid in connection with the SBA debentures, the Credit Facility and the Notes (as defined in Note 6). Deferred financing costs are capitalized and amortized to interest and financing expenses over the term of the debt agreement using the effective interest method. Unamortized deferred financing costs are presented as an offset to the corresponding debt liabilities on the consolidated statements of assets and liabilities.

Realized losses on extinguishment of debt: Upon the repayment of debt obligations which are deemed to be extinguishments, the difference between the principal amount due at maturity, adjusted for any unamortized deferred financing costs, is recognized as a loss (i.e., the unamortized deferred financing costs are recognized as a loss upon extinguishment of the underlying debt obligation).

Deferred offering costs: Deferred offering costs include registration expenses related to the shelf registration statement filing pursuant to which the Company may offer its securities, from time to time, in one or more offerings. These expenses primarily consist of U.S. Securities and Exchange Commission ("SEC") registration fees, legal fees and accounting fees incurred. These expenses are included in prepaid expenses and other assets on the consolidated statements of assets and liabilities. Upon the completion of an equity offering or a debt offering, the deferred expenses are charged to additional paid-in capital or deferred financing costs, respectively. If no offering is completed prior to the expiration of the registration statement, the deferred costs are charged to expense.

Realized gains or losses and unrealized appreciation or depreciation on investments: Realized gains or losses on investments are recorded upon the sale or disposition of a portfolio investment and are calculated as the difference between the net proceeds from the sale or disposition and the cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation on the consolidated statements of operations includes changes in the fair value of investments from the prior period, as determined in good faith by the Company's board of directors (the "Board") through the application of the Company's valuation policy, as well as reclassifications of any prior period unrealized appreciation or depreciation on exited investments to realized gains or losses on investments.

Interest and dividend income: Interest and dividend income are recorded on the accrual basis to the extent that the Company expects to collect such amounts. Interest is accrued daily based on the outstanding principal amount and the contractual terms of the debt. Dividend income is recorded as dividends are declared or at the point an obligation exists for the portfolio company to make a distribution, and is generally recognized when received. Distributions from portfolio companies are evaluated to determine if the distribution is a distribution of earnings or a return of capital. Distributions of earnings are included in dividend income while a return of capital is recorded as a reduction in the cost basis of the investment. Estimates are adjusted as necessary after the relevant tax forms are received from the portfolio company.

PIK income: Certain of the Company's investments contain a payment-in-kind ("PIK") income provision. The PIK income, computed at the contractual rate specified in the applicable investment agreement, is added to the principal balance of the investment, rather than being paid in cash, and recorded as interest or dividend income, as applicable, on the consolidated statements of operations. Generally, PIK can be paid-in-kind or all in cash. The Company stops accruing PIK income when there is reasonable doubt that PIK income will be collected. PIK income that has been contractually capitalized to the principal balance of the investment prior to the non-accrual designation date is not reserved against interest or dividend income, but rather is assessed through the valuation of the investment (with corresponding adjustments to unrealized depreciation, as applicable). PIK income is included in the Company's taxable income and, therefore, affects the amount the Company is required to pay to shareholders in the form of dividends in order to maintain the Company's tax treatment as a RIC, even though the Company has not yet collected the cash.

Non-accrual: Debt investments or preferred equity investments (for which the Company is accruing PIK dividends) 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. Any original issue discount and market discount are no longer accreted to interest income as of the date the loan is placed on full non-accrual status. Interest and dividend payments received on non-accrual investments may be recognized as interest or dividend income or may be applied to the investment principal balance based on management's judgment. Non-accrual investments are restored to accrual status when past due principal, interest or dividends are paid and, in management's judgment, payments are likely to remain current.

Origination and closing fees: The Company also typically receives debt investment origination or closing fees in connection with such investments. Such debt investment origination and closing fees are capitalized as unearned income and offset against investment cost basis on the consolidated statements of assets and liabilities and accreted into interest income over the life of the investment. Upon the prepayment of a debt investment, any unaccreted debt investment origination and closing fees are accelerated into interest income.

Warrants: In connection with the Company's debt investments, the Company will sometimes receive warrants or other equity-related securities from the borrower ("Warrants"). The Company determines 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 is treated as original issue discount ("OID"), and accreted into interest income using the effective interest method over the term of the debt investment. Upon the prepayment of a debt investment, any unaccreted OID is accelerated into interest income.

Fee income: Transaction fees earned in connection with the Company's investments are recognized as fee income and are generally non-recurring. Such fees typically include fees for services, including structuring and advisory services, provided to portfolio companies. The Company recognizes income from fees for providing such structuring and advisory services when the services are rendered or the transactions are completed. Upon the prepayment of a debt investment, any prepayment penalties are recorded as fee income when earned.

Partial loan and equity sales: The Company follows the guidance in ASC 860, *Transfers and Servicing,* when accounting for loan (debt investment) participations, equity assignments and other partial loan sales. Such guidance requires a participation, assignment or other partial loan or equity sale to meet the definition of a "participating interest," as defined in the guidance, in order for sale treatment to be allowed. Participations, assignments or other partial loan or equity sales which do not meet the definition of a participating interest should remain on the Company's consolidated statements of assets and liabilities and the proceeds recorded as a secured borrowing until the definition is met. For these partial loan sales, the interest earned on the entire loan balance is recorded within "interest income" and the interest earned by the buyer in the partial loan sale is recorded within "interest and financing expenses" in the accompanying consolidated statements of operations.

Income taxes: The Company has elected, and intends to qualify annually, to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code, which will generally relieve the Company from U.S. federal income taxes with respect to all income distributed to stockholders. To maintain the tax treatment of a RIC, the Company generally is required to timely distribute to its stockholders at least 90% of "investment company taxable income," as defined by Subchapter M of the Code, each year. Depending on the level of taxable income earned in a tax year, the Company may choose to carry forward taxable income in excess of current year distributions into the next tax year; however, the Company will pay a 4% excise tax if it does not distribute at least 98% of the current year's ordinary taxable income. Any such carryover taxable income must be distributed through a dividend declared prior to the later of the date on which the final tax return related to the year in which the Company generated such taxable income is filed or the 15th day of the 10th month following the close of such taxable year. In addition, the Company will be subject to U.S. federal excise tax if it does not distribute at least 98.2% of its net capital gains realized, computed for any one year period ending October 31.

In the future, the Funds may be limited by provisions of the SBIC Act and SBA regulations governing SBICs from making certain distributions to FIC that may be necessary to enable FIC to make the minimum distributions required to maintain the tax treatment of a RIC.

The Company has certain wholly-owned subsidiaries (the "Taxable Subsidiaries"), each of which generally holds one or more of the Company's portfolio investments listed on the consolidated schedules of investments, that have elected to be treated as corporations for U.S. federal income tax purposes and are thus subject to U.S. federal income tax at corporate rates. The Taxable Subsidiaries are consolidated for financial reporting purposes, such that the Company's consolidated financial statements reflect the Company's investment in the portfolio company investments owned by the Taxable Subsidiaries. The purpose of the Taxable Subsidiaries is to permit the Company to hold equity investments in portfolio companies that are taxed as partnerships for U.S. federal income tax purposes (such as entities organized as limited liability companies ("LLCs") or other forms of pass through entities) while complying with the "source-of-income" requirements contained in the RIC tax provisions. The Taxable Subsidiaries are not consolidated with the Company for U.S. federal corporate income tax purposes, and each Taxable Subsidiary will be subject to U.S. federal corporate income tax on its taxable income. Any such income or expense is reflected in the consolidated statements of operations.

U.S. federal income tax regulations differ from GAAP, and as a result, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized under GAAP. Differences may be permanent or temporary. Permanent differences may arise as a result of, among other items, a difference in the book and tax basis of certain assets and nondeductible U.S. federal income taxes. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

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 Company's tax returns to determine whether the tax positions are "more-likely-than-not" to be respected by the applicable tax authorities. 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 Company's policy to recognize accrued interest and penalties related to uncertain tax benefits included in the income tax provision, if any. There were no material uncertain income tax positions at March 31, 2023 and December 31, 2022. The Company's tax returns are generally subject to examination by U.S. federal and most state tax authorities for a period of three years from the date the respective returns are filed, and, accordingly, the Company's 2019 through 2021 tax years remain subject to examination.

Dividends to stockholders: Dividends to stockholders are recorded on the record date with respect to such distributions. The amount, if any, to be distributed to stockholders, is determined by the Board each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, may be distributed at least annually, although the Company may decide to retain such capital gains for investment.

The determination of the tax attributes for the Company's distributions is made annually, and is based upon the Company's taxable income and distributions paid to its stockholders for the full year. Ordinary dividend distributions from a RIC do not qualify for the preferential tax rate on qualified dividend income from domestic corporations and qualified foreign corporations, except to the extent that the RIC received the income in the form of qualifying dividends from domestic corporations and qualified foreign corporations. The tax characterization of the Company's distributions generally includes both ordinary income and capital gains but may also include qualified dividends or return of capital.

The Company has adopted a dividend reinvestment plan ("DRIP") that provides for the reinvestment of dividends on behalf of its stockholders, unless a stockholder has elected to receive dividends in cash. As a result, if the Company declares a cash dividend, the Company's stockholders who have not "opted out" of the DRIP at least two days prior to the dividend payment date will have their cash dividend automatically reinvested into additional shares of the Company's common stock. The Company has the option to satisfy the share requirements of the DRIP through the issuance of new shares of common stock or through open market purchases of common stock by the DRIP plan administrator. Newly issued shares are valued based upon the final closing price of the Company's common stock on a date determined by the Board. Shares purchased in the open market to satisfy the DRIP requirements will be valued based upon the average price of the applicable shares purchased by the DRIP plan administrator before any associated brokerage or other costs. See Note 9 to the consolidated financial statements regarding dividend declarations and distributions.

Earnings and net asset value per share: The earnings per share calculations for the three months ended March 31, 2023 and 2022, are computed utilizing the weighted average shares outstanding for the period. Net asset value per share is calculated using the number of shares outstanding as of the end of the period.

Stock Repurchase Program: The Company has an open market stock repurchase program (the "Stock Repurchase Program") under which the Company may acquire up to $5,000 of its outstanding common stock. Under the Stock Repurchase Program, the Company may, but is not obligated to, repurchase outstanding common stock in the open market from time to time provided that the Company complies with the prohibitions under its insider trading policies and the requirements of Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including certain price, market value and timing constraints. The timing, manner, price and amount of any share repurchases will be determined by the Company's management, in its discretion, based upon the evaluation of economic and market conditions, stock price, capital availability, applicable legal and regulatory requirements and other corporate considerations. On October 31, 2022, the Board extended the Stock Repurchase Program through December 31, 2023, or until the approved dollar amount has been used to repurchase shares. The Stock Repurchase Program does not require the Company to repurchase any specific number of shares and the Company cannot assure that any shares will be repurchased under the Stock Repurchase Program. The Stock Repurchase Program may be suspended, extended, modified or discontinued at any time. The Company did not make any repurchases of common stock during the three months ended March 31, 2023 and 2022. Refer to Note 8 for additional information concerning stock repurchases.

Recent accounting pronouncement:

In June 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2022-03, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (Topic 820)," which clarifies that a contractual sale restriction prohibiting the sale of an equity security is a characteristic of the reporting entity holding the equity security and is not included in the equity security's unit of account. Accordingly, an entity should not consider the contractual sale restriction when measuring the equity security's fair value. In addition, ASU No. 2022-03 prohibits an entity from recognizing a contractual sale restriction as a separate unit of account. ASU No. 2022-03's amendments are effective for fiscal years beginning after December 15, 2023, with early adoption permitted. The Company is currently evaluating the impact of the adoption of ASU No. 2022-03 on its consolidated financial statements.

(in thousands, except shares and per share data)

Note 3. Portfolio Company Investments

The Company's portfolio investments principally consist of secured and unsecured debt, equity warrants and direct equity investments primarily 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 or variable rates, and generally mature between five and seven years from the original investment. In connection with a debt investment, the Company also may receive nominally priced equity warrants and/or make a direct equity investment in the portfolio company. The Company's warrants or equity investments may be investments in a holding company related to the portfolio company. In addition, the Company makes equity investments in portfolio companies organized as LLCs or other forms of pass-through entities through Taxable Subsidiaries. In both situations, the investment is generally reported under the name of the operating company on the consolidated schedules of investments.

As of March 31, 2023, the Company had active investments in 78 portfolio companies and residual investments in two portfolio companies that have sold their underlying operations. The aggregate fair value of the total portfolio was $897,324 and the weighted average effective yield on the Company's debt investments was 14.3% as of such date. As of March 31, 2023, the Company held equity investments in 76.3% of its portfolio companies and the average fully diluted equity ownership in those portfolio companies was 3.9%.

As of December 31, 2022, the Company had active investments in 76 portfolio companies and residual investments in two portfolio companies that have sold their underlying operations. The aggregate fair value of the total portfolio was $860,329 and the weighted average effective yield on the Company's debt investments was 13.8% as of such date. As of December 31, 2022, the Company held equity investments in 74.4% of its portfolio companies and the average fully diluted equity ownership in those portfolio companies was 4.0%.

The weighted average yield of the Company's debt investments is not the same as a return on investment for its stockholders but, rather, relates to a portion of the Company's investment portfolio and is calculated before the payment of all of the Company's and its subsidiaries' fees and expenses. The weighted average yields were computed using the effective interest rates for debt investments at cost as of March 31, 2023 and December 31, 2022, including accretion of OID and debt investment origination fees, but excluding investments on non-accrual status and investments recorded as a secured borrowing, if any.

Purchases of debt and equity investments for the three months ended March 31, 2023 and 2022 totaled $51,521 and $114,428, respectively. Proceeds from sales and repayments, including principal, return of capital distributions and realized gains, of portfolio investments for the three months ended March 31, 2023 and 2022 totaled $15,918 and $23,185, respectively.

Investments by type with corresponding percentage of total portfolio investments consisted of the following:

	Fair Value				Cost			
	March 31, 2023		December 31, 2022		March 31, 2023		December 31, 2022	
First Lien Debt[1]	$ 481,547	53.6 %	$ 456,105	53.0 %	$ 478,893	55.4 %	$ 453,585	54.7 %
Second Lien Debt	188,931	21.1	182,948	21.3	218,939	25.3	213,654	25.8
Subordinated Debt	102,386	11.4	101,456	11.8	103,130	11.9	100,634	12.1
Equity	122,103	13.6	117,741	13.7	61,066	7.1	57,868	7.0
Warrants	2,357	0.3	2,079	0.2	2,952	0.3	2,952	0.4
Total	$ 897,324	100.0 %	$ 860,329	100.0 %	$ 864,980	100.0 %	$ 828,693	100.0 %

(1)Includes unitranche investments, which account for 41.4% and 42.7% of our portfolio on a fair value and cost basis as of March 31, 2023, respectively. Includes unitranche investments, which account for 42.1% and 43.4% of our portfolio on a fair value and cost basis as of December 31, 2022, respectively.

The following table shows portfolio composition by geographic region at fair value and cost 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.

	Fair Value				Cost			
	March 31, 2023		December 31, 2022		March 31, 2023		December 31, 2022	
United States								
Midwest	$ 173,676	19.4 %	$ 180,556	21.0 %	$ 125,969	14.6 %	$ 132,177	16.0 %
Southeast	279,940	31.1	265,902	31.0	271,839	31.5	258,373	31.1
Northeast	155,837	17.4	127,427	14.8	163,512	18.9	134,897	16.3
West	150,203	16.7	151,487	17.6	162,072	18.7	161,935	19.5
Southwest	125,223	14.0	122,519	14.2	129,143	14.9	128,873	15.6
Canada	12,445	1.4	12,438	1.4	12,445	1.4	12,438	1.5
Total	$ 897,324	100.0 %	$ 860,329	100.0 %	$ 864,980	100.0 %	$ 828,693	100.0 %

(in thousands, except shares and per share data)

The following table shows portfolio composition by type and by geographic region at fair value as a percentage of net assets.

By Type

	March 31, 2023	December 31, 2022
First Lien Debt	99.4 %	95.0 %
Second Lien Debt	39.0	38.1
Subordinated Debt	21.1	21.1
Equity	25.2	24.5
Warrants	0.5	0.4
Total	185.2 %	179.1 %

By Geographic Region

	March 31, 2023	December 31, 2022
United States		
Midwest	35.8 %	37.6 %
Southeast	57.8	55.4
Northeast	32.2	26.5
West	31.0	31.5
Southwest	25.8	25.5
Canada	2.6	2.6
Total	185.2 %	179.1 %

As of March 31, 2023 and December 31, 2022, the Company had no portfolio company investments that represented more than 10% of the total investment portfolio on a fair value or cost basis. As of March 31, 2023 and December 31, 2022, the Company's investment in Pfanstiehl, Inc. totaled $50,975 and $51,992 or 5.4% and 5.6% of total assets, respectively.

As of March 31, 2023 and December 31, 2022, the Company had debt investments in five and four portfolio companies, respectively, on non-accrual status.

	March 31, 2023		December 31, 2022	
Portfolio Company	**Fair Value**	**Cost**	**Fair Value**	**Cost**
EBL, LLC (EbLens)	$ —	$ 9,332	$ —	$ 9,332
US GreenFiber, LLC	—	5,223	—	5,223
K2 Merger Agreement Agent, LLC (fka K2 Industrial Services, Inc.)	2,123	2,368	2,123	2,368
Allredi, LLC (fka Marco Group International OpCo, LLC)	8,742	10,281	8,144	10,281
Suited Connector LLC	9,642	15,933	— (1)	— (1)
Total	$ 20,507	$ 43,137	$ 10,267	$ 27,204

(1) Debt investment in portfolio company was not on non-accrual status as of December 31, 2022.

Consolidated Schedule of Investments In and Advances To Affiliates

The table below represents the fair value of control and affiliate investments as of December 31, 2022 and any additions and reductions made to such investments during the three months ended March 31, 2023, the ending fair value as of March 31, 2023, and the total investment income earned on such investments during the period.

						Year Ended March 31, 2023					
Portfolio Company (1)	**March 31, 2023 Principal Amount - Debt Investments**	**December 31, 2022 Fair Value**	**Gross Additions (2)**	**Gross Reductions (3)**	**March 31, 2023 Fair Value**	**Net Realized Gains (Losses) (4)**	**Net Change in Unrealized Appreciation (Depreciation)**	**Interest Income**	**Payment-in-kind Interest Income**	**Dividend Income**	**Fee Income**
Control Investments											
EBL, LLC (EbLens)	$ 9,350	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
US GreenFiber, LLC	5,226	—	—	—	—	—	—	—	—	—	—
Total Control Investments	$ 14,576	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Affiliate Investments											
Applegate Greenfiber Intermediate Inc. (fka US GreenFiber, LLC)	$ 9,602	$ 23,168	$ 377	$ —	$ 23,545	$ —	378	$ 240	$ —	$ —	$ —
Medsurant Holdings, LLC	—	2,540	407	(73)	2,874	—	407	—	—	—	—
Pfanstiehl, Inc.	10,000	51,992	2	(1,019)	50,975	—	(1,021)	249	—	348	—
Spectra A&D Acquisition, Inc. (fka FDS Avionics Corp.)	15,000	19,118	6	(2,978)	16,146	—	(2,978)	561	—	—	5
Steward Holding LLC (dba Steward Advanced Materials)	—	4,772	725	—	5,497	—	725	—	—	—	—
Total Affiliate Investments	$ 34,602	$ 101,590	$ 1,517	$ (4,070)	$ 99,037	$ —	$ (2,489)	$ 1,050	$ —	$ 348	$ 5

(1) The investment type, industry, ownership detail for equity investments, interest rate and maturity date for debt investments, and if the investment is income producing is disclosed in the consolidated schedule of investments.

(2) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, accrued PIK interest and PIK dividend income, accretion of OID and origination fees, and net unrealized appreciation recognized during the period. Gross additions also include transfers of portfolio companies into the control or affiliate classification during the period, as applicable.

(3) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and net unrealized (depreciation) recognized during the period. Gross reductions also include transfers of portfolio companies out of the control or affiliate classification during the period, as applicable.

(4) The schedule does not reflect realized gains or losses on escrow receivables for investments which were previously exited and were not held during the period presented. Gains and losses on escrow receivables are classified in the consolidated statements of operations according to the control classification at the time the investment was exited. Escrow receivables are presented in prepaid expenses and other assets on the consolidated statements of assets and liabilities.

(in thousands, except shares and per share data)

The table below represents the fair value of control and affiliate investments as of December 31, 2021 and any additions and reductions made to such investments during the year ended December 31, 2022, including the total investment income earned on such investments during the period.

						Year Ended December 31, 2022					
Portfolio Company (1)	**December 31, 2022 Principal Amount - Debt Investments**	**December 31, 2021 Fair Value**	**Gross Additions** (2)	**Gross Reductions** (3)	**December 31, 2022 Fair Value**	**Net Realized Gains (Losses)** (4)	**Net Change in Unrealized Appreciation (Depreciation)**	**Interest Income**	**Payment-in-kind Interest Income**	**Dividend Income**	**Fee Income**
Control Investments											
EBL, LLC (EbLens) (5)	$ 9,350	$ —	$ 19,628	$ (19,628)	$ —	$ —	$ (11,083)	$ —	$ —	$ —	$ —
Hilco Plastics Holdings, LLC (dba Hilco Technologies)	—	—	353	(353)	$ —	(352)	—	—	—	—	—
Mesa Line Services, LLC	—	2,151	193	(2,344)	—	194	(2,150)	—	—	—	—
US GreenFiber, LLC	5,226	—	—	—	—	—	—	—	—	—	—
Total Control Investments	$ 14,576	$ 2,151	$ 20,174	$ (22,325)	$ —	$ (158)	$ (13,233)	$ —	$ —	$ —	$ —
Affiliate Investments											
Applegate Greenfiber Intermediate Inc. (fka US GreenFiber, LLC)	$ 9,602	$ 22,405	$ 13,566	$ (12,803)	$ 23,168	$ —	763	$ 973	$ —	$ —	$ —
FAR Research Inc.	—	28	—	(28)	—	—	(28)	—	—	—	—
Medsurant Holdings, LLC	—	3,662	—	(1,122)	2,540	—	(1,122)	—	—	—	—
Mirage Trailers LLC	—	10,675	355	(11,030)	—	324	(1,694)	248	29	—	132
Pfanstiehl, Inc.	10,000	57,639	34,335	(39,982)	51,992	24,330	(15,432)	421	—	—	150
Pinnergy, Ltd. (6)	—	21,178	15,300	(36,478)	—	15,300	(18,177)	—	—	656	—
Spectra A&D Acquisition, Inc. (fka FDS Avionics Corp.)	15,000	18,359	5,487	(4,728)	19,118	(121)	(1,723)	1,822	—	—	175
Steward Holding LLC (dba Steward Advanced Materials)	—	3,338	1,434	—	4,772	—	1,434	—	1	69	—
Total Affiliate Investments	$ 34,602	$ 137,284	$ 70,477	$ (106,171)	$ 101,590	$ 39,833	$ (35,979)	$ 3,464	$ 30	$ 725	$ 457

(1) The investment type, industry, ownership detail for equity investments, interest rate, maturity date, and if the investment is income producing is disclosed in the consolidated schedule of investments.

(2) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, accrued PIK interest and PIK dividend income, accretion of OID and origination fees, and net unrealized appreciation recognized during the period. Gross additions also include transfers of portfolio companies into the control or affiliate classification during the period, as applicable.

(3) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and net unrealized (depreciation) recognized during the period. Gross reductions also include transfers of portfolio companies out of the control or affiliate classification during the period, as applicable.

(4) The schedule does not reflect realized gains or losses on escrow receivables for investments which were previously exited and were not held during the period presented. Gains and losses on escrow receivables are classified in the consolidated statements of operations according to the control classification at the time the investment was exited. Escrow receivables are presented in prepaid expenses and other assets on the consolidated statements of assets and liabilities.

(5) Portfolio company was transferred to Control investments from Non-control/Non-affiliate investments during the year ended December 31, 2022.

(6) Portfolio company was transferred to Non-control/Non-affiliate investments from Affiliate investments during the year ended December 31, 2022.

Note 4. Fair Value Measurements

Investments

The Board 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 and consistent with the requirements of the 1940 Act. Fair value is the price, determined at the measurement date, that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. 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 described below are applied. Under ASC Topic 820, portfolio investments recorded at fair value in the consolidated financial statements are classified within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value, as defined below:

Level 1 — Inputs are unadjusted, quoted prices in active markets for identical assets as of the measurement date.

Level 2 — Inputs include quoted prices for similar assets in active markets, or that are quoted prices for identical or similar assets in markets that are not active and inputs that are observable, either directly or indirectly, for substantially the full term, if applicable, of the investment.

Level 3 — Inputs include those that are both unobservable and significant to the overall fair value measurement.

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 Company's investment portfolio is comprised entirely 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, with the exception of money market funds and one portfolio company, which are valued using Level 1 inputs as of March 31, 2023. Therefore, the Company values such portfolio investments at fair value, as determined in good faith by the Board, using Level 3 inputs, with the exception of money market funds and one portfolio company that was valued using Level 1 inputs as of March 31, 2023. The degree of judgment exercised by the Board in determining fair value is greatest for investments classified as Level 3 inputs. Due to the inherent uncertainty of determining the fair values of investments that do not have readily available market quotations, the Board's estimate of fair values may differ significantly from the values that would have been used had a ready market for the securities existed, and those differences may be material. 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 amounts ultimately realized on these investments to be materially different than the valuations currently assigned.

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

- the quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of the Investment Advisor responsible for the portfolio investment;
- preliminary valuation conclusions are then documented and discussed with the investment committee of the Investment Advisor;
- the Board engages one or more independent valuation firm(s) to conduct independent appraisals of a selection of our portfolio investments for which market quotations are not readily available. Each portfolio company investment is generally appraised by the valuation firm(s) at least once every calendar year and each new portfolio company investment is appraised at least once in the twelve-month period following the initial investment. In certain instances, the Company may determine that it is not cost-effective, and as a result it is not in the Company's stockholders' best interest, to request the independent appraisal of certain portfolio company investments. Such instances include, but are not limited to, situations where the Company determines that the fair value of the portfolio company investment is relatively insignificant to the fair value of the total portfolio.
- the audit committee of the Board reviews the preliminary valuations of the Investment Advisor and of the independent valuation firm(s) and responds and supplements the valuation recommendations to reflect any comments; and
- the Board discusses these valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of the Investment Advisor, the independent valuation firm(s) and the audit committee.

In making the good faith determination of the value of portfolio investments, the Board starts with the cost basis of the security. 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 Board consulted with the independent third-party valuation firm(s) in arriving at our determination of fair value for 16 and 18 of our portfolio company investments representing 27.6% and 21.4% of the total portfolio investments at fair value (exclusive of new portfolio company investments made during the three months ended March 31, 2023 and 2022, respectively) as of three months ended March 31, 2023 and 2022, respectively.

Consistent with the policies and methodologies adopted by the Board, the Company performs detailed valuations of its debt and equity investments, including an analysis on the Company's unfunded debt investment commitments, using both the market and income approaches as appropriate. Under the market approach, the Company 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 Company derives a single estimate of enterprise value. Under the income approach, the Company typically prepares and analyzes discounted cash flow models to estimate the present value of future cash flows of either an individual debt investment or of the underlying portfolio company itself.

The Company evaluates investments in portfolio companies using the most recent portfolio company financial statements and forecasts. The Company also consults with the portfolio company's senior management to obtain further updates on the portfolio company's performance, including information such as industry trends, new product development and other operational issues.

(in thousands, except shares and per share data)

For the Company's debt investments the primary valuation technique used to estimate the fair value is the discounted cash flow method. However, if there is deterioration in credit quality or a debt investment is in workout status, the Company may consider other methods 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. The Company's discounted cash flow models estimate a range of fair values by applying an appropriate discount rate to the future cash flow streams of its debt investments, based on future interest and principal payments as set forth in the associated debt investment agreements. The Company prepares a weighted average cost of capital for use in the discounted cash flow model for each investment, based on factors including, but not limited to: current pricing and credit metrics for similar proposed or executed investment transactions of private companies; the portfolio company's historical financial results and outlook; and the portfolio company's current leverage and credit quality as compared to leverage and credit quality as of the date the investment was made. The Company may also consider the following factors when determining the fair value of debt investments: the portfolio company's ability to make future scheduled payments; prepayment penalties and other fees; estimated remaining life; the nature and realizable value of any collateral securing such debt investment; 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 Company estimates the remaining life of its debt investments to generally be the legal maturity date of the instrument, as the Company generally intends to hold its debt investments to maturity. However, if the Company has information available to it that the debt investment is expected to be repaid in the near term, it would use an estimated remaining life based on the expected repayment date.

For the Company's equity investments, including equity securities and warrants, the Company generally uses a market approach, including valuation methodologies consistent with industry practice, to estimate the enterprise value of portfolio companies. Typically, the enterprise value of a private company is based on multiples of EBITDA, net income, revenues, or in limited cases, book value. In estimating the enterprise value of a portfolio company, the Company 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.

The Company may also utilize an income approach when estimating the fair value of its equity investments, either as a primary methodology if consistent with industry practice or if the market approach is otherwise not applicable, or as a supporting methodology to corroborate the fair value ranges determined by the market approach. The Company typically prepares and analyzes discounted cash flow models based on projections of the future free cash flows (or earnings) of the portfolio company. The Company 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.

The following tables present fair value measurements of investments by major class according to the fair value hierarchy:

	March 31, 2023			
	Level 1	Level 2	Level 3	Total
First Lien Debt	$ —	$ —	$ 481,547	$ 481,547
Second Lien Debt	—	—	188,931	188,931
Subordinated Debt	—	—	102,386	102,386
Equity	262	—	121,841	122,103
Warrants	—	—	2,357	2,357
Money Market Funds	35,380	—	—	35,380
Total	$ 35,642	$ —	$ 897,062	$ 932,704

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
First Lien Debt	$ —	$ —	$ 456,105	$ 456,105
Second Lien Debt	—	—	182,948	182,948
Subordinated Debt	—	—	101,456	101,456
Equity	310	—	117,431	117,741
Warrants	—	—	2,079	2,079
Money Market Funds	61,076	—	-	61,076
Total	$ 61,386	$ —	$ 860,019	$ 921,405

The Company reviews the fair value hierarchy classifications on a quarterly basis. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in or out of the Level 3 category as of the beginning of the quarter in which the reclassifications occur. There were no transfers among Levels 1, 2, and 3 during the three months ended March 31, 2023 and 2022.

(in thousands, except shares and per share data)

The following tables present a reconciliation of the beginning and ending balances for fair valued investments measured using significant unobservable inputs (Level 3) for the three months ended March 31, 2023 and 2022:

	First Lien Debt	Second Lien Debt	Subordinated Debt	Equity	Warrants	Total
Balance, December 31, 2021	$ 354,922	$ 158,815	$ 36,064	$ 165,762	$ 3,204	$ 718,767
Net realized gains (losses) on investments	—	—	—	6,868	—	6,868
Net change in unrealized appreciation (depreciation) on investments	823	1,277	(5)	(7,590)	195	(5,300)
Purchase of investments	76,710	15,795	17,470	4,453	—	114,428
Proceeds from sales and repayments of investments	(4,027)	(7,106)	-	(12,052)	—	(23,185)
Interest and dividend income paid-in-kind	252	254	41	—	—	547
Proceeds from loan origination fees	(602)	(4)	(165)	—	—	(771)
Accretion of loan origination fees	238	34	8	—	—	280
Accretion of original issue discount	1	22	—	—	—	23
Balance, March 31, 2022	$ 428,317	$ 169,087	$ 53,413	$ 157,441	$ 3,399	$ 811,657
Balance, December 31, 2022	$ 456,105	$ 182,948	$ 101,456	$ 117,431	$ 2,079	$ 860,019
Net realized gains (losses) on investments	—	—	—	58	—	58
Net change in unrealized appreciation (depreciation) on investments	133	698	(1,565)	1,165	278	709
Purchase of investments	40,980	5,000	2,182	3,359	—	51,521
Proceeds from sales and repayments of investments	(15,699)	-	—	(172)	—	(15,871)
Interest and dividend income paid-in-kind	127	196	314	—	—	637
Proceeds from loan origination fees	(481)	(31)	(25)	—	—	(537)
Accretion of loan origination fees	366	25	22	—	—	413
Accretion of original issue discount	16	95	2	—	—	113
Balance, March 31, 2023	$ 481,547	$ 188,931	$ 102,386	$ 121,841	$ 2,357	$ 897,062

Net change in unrealized appreciation/(depreciation) of $793 the three months ended March 31, 2023, was attributable to Level 3 investments held at March 31, 2023. Net change in unrealized appreciation/(depreciation) of $(123) for the three months ended March 31, 2022, was attributable to Level 3 investments held at March 31, 2022.

The following tables summarize the significant unobservable inputs by valuation technique used to determine the fair value of the Company's Level 3 debt and equity investments as of March 31, 2023 and December 31, 2022. The tables are not intended to be all-inclusive, but instead capture the significant unobservable inputs relevant to the Company's determination of fair values.

	Fair Value at March 31, 2023	Valuation Techniques	Unobservable Inputs	Range (weighted average)(1)
Debt investments:				
First Lien Debt	$ 452,536	Discounted cash flow	Weighted average cost of capital	9.5% - 20.6% (15.8%)
	11,000	Enterprise value	Asset Coverage	1.0x - 1.0x (1.0x)
	14,986	Enterprise value	EBITDA multiples	7.3x - 7.3x (7.3x)
	3,025	Enterprise value	Revenue multiples	4.3x - 4.3x (4.3x)
Second Lien Debt	186,808	Discounted cash flow	Weighted average cost of capital	11.5% - 25.0% (14.8%)
	—	Enterprise value	EBITDA multiples	5.0x - 5.0x (5.0x)
	2,123	Enterprise value	Asset Coverage	0.8x - 0.8x (0.8x)
Subordinated Debt	102,386	Discounted cash flow	Weighted average cost of capital	10.1% - 23.6% (12.7%)
Equity investments:				
Equity	115,739	Enterprise value	EBITDA multiples	3.5x - 16.0x (8.3x)
	6,102	Enterprise value	Revenue multiples	0.9x - 7.5x (5.8x)
Warrants	2,225	Enterprise value	EBITDA multiples	6.0x - 6.0x (6.0x)
	132	Enterprise value	Revenue multiples	4.5x - 4.5x (4.5x)

(1) Unobservable inputs were weighted by the relative fair value of the instruments.

(in thousands, except shares and per share data)

		Fair Value at December 31, 2022	Valuation Techniques	Unobservable Inputs	Range (weighted average)[1]
Debt investments:					
First Lien Debt	$	441,830	Discounted cash flow	Weighted average cost of capital	8.9% - 21.9% (15.5%)
		11,000	Enterprise value	Asset Coverage	1.1x - 1.1x (1.1x)
		3,275	Enterprise value	Revenue multiples	4.3x - 4.3x (4.3x)
Second Lien Debt		180,825	Discounted cash flow (2)	Weighted average cost of capital	11.7% - 25.0% (14.5%)
		-	Enterprise value	EBITDA multiples	5.0x - 5.0x (5.0x)
		2,123	Enterprise value	Asset Coverage	0.8x - 0.8x (0.8x)
Subordinated Debt		97,706	Discounted cash flow	Weighted average cost of capital	10.0% - 15.2% (12.5%)
		3,750	Enterprise value	EBITDA multiples	8.5x - 8.5x (8.5x)
Equity investments:					
Equity		111,808	Enterprise value	EBITDA multiples	4.0x - 16.8x (8.1x)
		5,623	Enterprise value	Revenue multiples	0.9x - 7.8x (6.4x)
Warrants		1,949	Enterprise value	EBITDA multiples	6.0x - 6.0x (6.0x)
		130	Enterprise value	Revenue multiples	4.5x - 4.5x (4.5x)

(1) Unobservable inputs were weighted by the relative fair value of the instruments.
(2) Includes $18.0 million of debt investments which were valued using a trading discount to par.

The significant unobservable input used in determining the fair value under the discounted cash flow technique is the weighted average cost of capital of each security. Significant increases (or decreases) in this input would likely result in significantly lower (or higher) fair value estimates.

The significant unobservable inputs used in determining fair value under the enterprise value technique are revenue and EBITDA multiples, as well as asset coverage. Significant increases (or decreases) in these inputs could result in significantly higher (or lower) fair value estimates.

Other Financial Assets and Liabilities

ASC Topic 820 requires disclosure of the fair value of financial instruments for which it is practical to estimate such value. The Company believes that the carrying amounts of its other financial instruments such as cash and cash equivalents, interest receivable and accounts payable and other liabilities approximate the fair value of such items due to the short maturity of such instruments. The Company's borrowings under the Credit Facility (as defined in Note 6), the SBA debentures, and the Notes (as defined in Note 6) are recorded at their respective carrying values.

The following tables summarize the carrying value and fair value of the Company's debt obligations as of March 31, 2023 and December 31, 2022.

	March 31, 2023[5]				December 31, 2022[5]			
	Carrying Value[1]		Fair Value		Carrying Value[1]		Fair Value	
SBA debentures [2]	$	165,000	$	165,000	$	153,000	$	153,000
Credit Facility borrowings [3]		15,000		15,000		—		—
January 2026 Notes [4]		125,000		110,759		125,000		111,854
November 2026 Notes [4]		125,000		102,700		125,000		103,963
Total	$	430,000	$	393,459	$	403,000	$	368,817

(1)Carrying value represents the outstanding principal balance of the debt obligation.
(2)The fair value of the SBA debentures is estimated by discounting the remaining payments using current market rates for similar instruments and considering such factors as the legal maturity date and the ability of market participants to prepay the debentures, which are Level 3 inputs under ASC Topic 820.
(3)The fair value of borrowings under the Credit Facility, if valued under ASC Topic 820, are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.
(4)The fair value of the January 2026 Notes (as defined in Note 6) and the November 2026 Notes (as defined in Note 6) are estimated by discounting the remaining payments using current market rates for similar instruments and considering such factors as the legal maturity date, which are Level 3 inputs under ASC Topic 820.
(5)Totals exclude $16,634 and $16,880 of Secured Borrowings as of March 31, 2023 and December 31, 2022, respectively.

(in thousands, except shares and per share data)

The following table summarizes the inputs used to value the Company's debt obligations if measured at fair value as of March 31, 2023 and December 31, 2022.

	Fair Value			
Valuation Inputs		**March 31, 2023**		**December 31, 2022**
Level 1	$	—	$	—
Level 2		—		—
Level 3		393,459		368,817
Total	$	393,459	$	368,817

Note 5. Related Party Transactions

Investment Advisory Agreement: The Company has entered into an Investment Advisory Agreement with the Investment Advisor. On June 9, 2022, the Board approved the renewal of the Investment Advisory Agreement for the period beginning June 20, 2022 through June 20, 2023. Pursuant to the Investment Advisory Agreement and subject to the overall supervision of the Board, the Investment Advisor provides investment advisory services to the Company. For providing these services, the Investment Advisor receives a fee, 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 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 Board accepted a voluntary, non-contractual, and unconditional waiver from the Investment Advisor to exclude any investments recorded as secured borrowings as defined under GAAP from the base management fee payable effective April 1, 2021. The base management fee is payable quarterly in arrears. The base management fee under the Investment Advisory Agreement was $3,854 and $3,343 for the three months ended March 31, 2023 and 2022, respectively. The base management fee waiver was $72 and $76 for the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023 and December 31, 2022, the base management fee payable (net of the base management fee waiver) was $3,782 and $3,769, respectively.

The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears based on the Company's 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 the Company receives 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 (defined below) and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee and excise taxes on realized gains). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as market discount, original issue discount, debt instruments with PIK income, preferred stock with PIK dividends and zero-coupon securities), and accrued income the Company has not yet received in cash. The Investment Advisor is not under any obligation to reimburse the Company for any part of the incentive fee it receives that was based on accrued interest that the Company never collects.

Pre-incentive fee net investment income does not include any realized capital gains, taxes associated with such realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that the Company may pay an incentive fee in a quarter where the Company incurs a loss. For example, if the Company generates pre-incentive fee net investment income in excess of the hurdle rate (as defined below) for a quarter, the Company will pay the applicable incentive fee even if the Company has incurred a loss in that quarter due to a net loss on investments.

Pre-incentive fee net investment income, expressed as a rate of return on the value of the Company's 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. Under conditions such as the current rising interest rate environment, the Company may be able to invest funds in debt instruments that provide for a higher return, which would increase the Company's pre-incentive fee net investment income and make it easier for the Investment Advisor to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income.

The Company pays the Investment Advisor an incentive fee with respect to 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 the Company's 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. This portion of the pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.5%) is referred to as the "catch-up" provision. The catch-up is meant to provide the 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 the Company's pre-incentive fee net investment income, if any, that exceeds 2.5% in any calendar quarter.

The sum of the calculations above equals the income incentive fee. The income incentive fee is appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the calendar quarter. The income incentive fee was $3,647 and $1,053 for the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023 and December 31, 2022, the income incentive fee payable was $3,647 and $3,035, respectively.

The second part of the incentive fee is a capital gains incentive fee that is determined and paid 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 the net capital gains as of the end of the fiscal year. In determining the capital gains incentive fee to be paid in cash to the Investment Advisor, the Company calculates the cumulative aggregate realized capital gains and losses since the Formation Transactions (realized capital gains and losses include realized gains and losses on investments, net of income tax provision from realized gains on investments, and realized losses on extinguishment of debt, but excluding income tax (provision) benefit from deemed distribution of long term capital gains), and the aggregate unrealized capital depreciation on investments as of the date of the calculation. At the end of the applicable year, the amount of capital gains that serves as the basis for the calculation of the capital gains incentive fee to be paid equals the cumulative aggregate realized capital gains on investments, less cumulative aggregate tax (provision) benefit on realized gains (losses), less cumulative aggregate realized capital losses on investments, less aggregate unrealized capital depreciation on investments, and less cumulative aggregate realized losses on extinguishment of debt. If this number is positive at the end of such year, then the capital gains incentive fee to be paid in cash for such year equals 20.0% of such amount, less the aggregate amount of any capital gains incentive fees paid in all prior years. As of March 31, 2023 and December 31, 2022, the capital gains incentive fee payable in cash was zero and $7,556, respectively (as cumulative aggregate realized capital gains and losses on investments exceeded aggregate unrealized capital depreciation on investments plus realized losses on extinguishment of debt). The aggregate amount of capital gains incentive fees paid from the IPO through March 31, 2023 was $14,040.

In addition, the Company accrues, but does not pay in cash, a capital gains incentive fee in connection with any unrealized capital appreciation on investments, as applicable. If, on a cumulative basis, the sum of (i) net realized gains/(losses) on investments plus (ii) net unrealized appreciation/(depreciation) on investments plus (iii) realized losses on extinguishment of debt decreases during a period, the Company will reverse any excess capital gains incentive fee previously accrued such that the amount of capital gains incentive fee accrued is no more than 20.0% of the sum of (i) net realized gains/(losses) on investments plus (ii) net unrealized appreciation/(depreciation) on investments plus (iii) realized losses on extinguishment of debt. The capital gains incentive fee accrued (reversed) during the three months ended March 31, 2023 and 2022 was $153 and $270, respectively. As of March 31, 2023 and December 31, 2022, the accrued capital gains incentive fee payable was $15,257 and $22,659, respectively.

Unless terminated earlier as described below, the Investment Advisory Agreement will continue in effect from year to year if approved annually by the Board or by the affirmative vote of the holders of a majority of the Company's outstanding voting securities, and, in either case, if also approved by a majority of the directors who are not "interested persons" of the Company, as such term is defined under Section 2(a)(19) of the 1940 Act (the "Independent Directors"). The Investment Advisory Agreement automatically terminates in the event of its assignment, as defined in the 1940 Act, by the 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 the Company's outstanding voting securities may also terminate the Investment Advisory Agreement without penalty.

Administration Agreement: The Company also entered into an administration agreement (the "Administration Agreement") with the Investment Advisor. On June 9, 2022, the Board approved the renewal of the Administration Agreement for the period beginning June 20, 2022 through June 20, 2023. Under the Administration Agreement, the Investment Advisor furnishes the Company with office facilities and equipment, provides clerical, bookkeeping, and record keeping services at such facilities and provides the Company with other administrative services necessary to conduct its day-to-day operations. The Company reimburses the Investment Advisor for the allocable portion of overhead expenses incurred in performing its obligations under the Administration Agreement, including rent and the Company's allocable portion of the cost of its chief financial officer and chief compliance officer and their respective staffs. Under the Administration Agreement, the Investment Advisor also provides managerial assistance to those portfolio companies on the Company's behalf to those portfolio companies that have accepted the Company's offer to provide such assistance and the Company reimburses the Investment Advisor for fees and expenses incurred with providing such services. In addition, the Company reimburses the Investment Advisor for fees and expenses incurred while performing due diligence on the Company's prospective portfolio companies, including "dead deal" expenses. Under the Administration Agreement, administrative service expenses for the three months ended March 31, 2023 and 2022 were $473, and $422, respectively. As of March 31, 2023 and December 31, 2022, the accrued administrative service expense payable was $461 and $700, respectively.

Note 6. Debt

Revolving Credit Facility: On June 16, 2014, FIC entered into a senior secured revolving credit agreement (the "Credit Agreement" and the senior secured revolving credit facility, the "Credit Facility") with ING Capital LLC ("ING"), as the administrative agent, collateral agent, and lender. The Credit Facility is secured by certain portfolio investments held by the Company, but portfolio investments held by the Funds are not collateral for the Credit Facility. On April 24, 2019, the Company entered into an Amended & Restated Senior Secured Revolving Credit Agreement (the "Amended Credit Agreement") among the Company, as borrower, the lenders party thereto, and ING, as administrative agent. On June 26, 2020, the Company entered into an amendment to the Amended Credit Agreement that, among other changes, modified certain financial covenants. On August 17, 2022, the Company entered into a second amendment to the Amended Credit Agreement ("Second Amendment"). The Second Amendment, among other things: (i) changed the underlying benchmark used to compute interest under the Amended Credit Agreement to SOFR from LIBOR; (ii) reduced the applicable margin from 3.00% to 2.675% on SOFR loans prior to satisfying certain step-down conditions, and from 2.675% to 2.50% after satisfying certain step-down conditions, with commensurate reductions in the applicable margins for base rate loans; (iii) provided for a loan commitment availability period ending on August 17, 2026; (iv) extended the maturity date to August 17, 2027 from April 24, 2023; and (v) amended certain financial covenants, including (a) amending the asset coverage ratio to no less than 1.50 to 1.00 from no less than 2.00 to 1.00 (on a regulatory basis); and (b) requiring the Company to maintain a senior asset coverage ratio of no less than 2.00 to 1.00.

The Company pays a commitment fee that varies depending on the size of the unused portion of the Credit Facility: 2.500% to 2.675% per annum on the unused portion of the Credit Facility at or below 35% of the commitments and 0.50% per annum on any remaining unused portion of the Credit Facility between the total commitments and the 35% minimum utilization. The Credit Facility is secured by a first priority security interest in all of our assets, excluding the assets of our SBIC subsidiaries.

Amounts available to borrow under the Credit Facility are subject to a minimum borrowing/collateral base that applies an advance rate to certain investments held by the Company, excluding investments held by the Funds. The Company is subject to limitations with respect to the investments securing the Credit Facility, including, but not limited to, restrictions on sector concentrations, loan size, payment frequency and status and collateral interests, as well as restrictions on portfolio company leverage, which may also affect the borrowing base and therefore amounts available to borrow.

The Company has made customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. These covenants are subject to important limitations and exceptions that are described in the documents governing the Credit Facility. As of March 31, 2023 and December 31, 2022, the Company was in compliance in all material respects with the terms of the Credit Agreement.

SBA debentures: The Company uses debenture leverage provided through the SBA to fund a portion of its investment purchases.

Under the SBA debenture program, the SBA commits to purchase debentures issued by SBICs; such debentures have 10-year terms with the entire principal balance due at maturity and are guaranteed by the SBA. Interest on SBA debentures is payable semi-annually on March 1 and September 1. As of March 31, 2023 and December 31, 2022, approved and unused SBA debenture commitments were $25,000 and $37,000, 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 Company's full compliance, as determined by the SBA, with the terms and conditions under SBA regulations.

As of March 31, 2023 and December 31, 2022, the Company's issued and outstanding SBA debentures mature as follows:

(in thousands, except shares and per share data)

Pooling Date [1]	Maturity Date	Fixed Interest Rate	March 31, 2023	December 31, 2022
3/25/2015	3/1/2025	3.277 %	$ 1,500	$ 1,500
3/23/2016	3/1/2026	3.267	1,500	1,500
3/23/2016	3/1/2026	3.249	2,500	2,500
9/21/2016	9/1/2026	2.793	500	500
9/20/2017	9/1/2027	3.260	1,000	1,000
9/20/2017	9/1/2027	3.190	33,000	33,000
9/25/2019	9/1/2029	2.377	7,500	7,500
3/25/2020	3/1/2030	2.172	6,000	6,000
9/22/2021	9/1/2031	1.398	11,500	11,500
3/23/2022	3/1/2032	3.209	43,500	43,500
9/21/2022	9/1/2032	4.533	17,500	17,500
3/22/2023	3/1/2033	5.439	4,000	4,000
3/22/2023	3/1/2033	5.341	3,000	3,000
3/22/2023	3/1/2033	5.341	3,000	3,000
3/22/2023	3/1/2033	5.439	5,000	5,000
3/22/2023	3/1/2033	5.439	5,000	5,000
3/22/2023	3/1/2033	5.341	7,000	7,000
3/22/2023	3/1/2033	5.341	4,000	—
(2)	(2)	(2)	8,000	—
Total outstanding SBA debentures			$ 165,000	$ 153,000

(1) The SBA has two scheduled pooling dates for debentures (in March and in September). Certain debentures funded during the reporting periods may not be pooled until the subsequent pooling date.

(2) The Company issued $8,000 in SBA debentures which will pool in September 2023. Until the pooling date, the debentures bear interest at a fixed rate interim interest rate of 6.047%. The Company expects the current interim interest rate will reset to a higher long-term fixed rate on the pooling date.

Notes: On December 23, 2020, the Company closed the offering of $125,000 in aggregate principal amount of its 4.75% notes due 2026, or the "January 2026 Notes". The total net proceeds to the Company from the January 2026 Notes, based on a public offering price of 100.00% of par, after deducting underwriting discounts of $2,500 and estimated offering expenses of approximately $400, were approximately $122,100. The January 2026 Notes will mature on January 31, 2026 and bear interest at a rate of 4.75%. The January 2026 Notes may be redeemed in whole or in part at any time or from time to time at our option subject to a make whole provision if redeemed more than three months prior to maturity and at par thereafter. Interest on the January 2026 Notes is payable on January 31 and July 31 of each year. The Company does not intend to list the January 2026 Notes on any securities exchange or automated dealer quotation system.

On October 8, 2021, the Company closed the offering of $125,000 in aggregate principal amount of its 3.50% notes due 2026, or the "November 2026 Notes" (collectively with the January 2026 Notes, the "Notes"). The total net proceeds to the Company from the November 2026 Notes, based on a public offering price of 99.996% of par, after deducting underwriting discounts of $2,500 and estimated offering expenses of approximately $400, were approximately $122,095. The November 2026 Notes will mature on November 15, 2026 and bear interest at a rate of 3.50%. The November 2026 Notes may be redeemed in whole or in part at any time or from time to time at our option subject to a make whole provision if redeemed more than three months prior to maturity and at par thereafter. Interest on the November 2026 Notes is payable on May 15 and November 15 of each year. The Company does not intend to list the November 2026 Notes on any securities exchange or automated dealer quotation system.

Each of the Notes are unsecured obligations of the Company and rank pari passu with the Company's existing and future unsecured indebtedness; effectively subordinated to all of the Company's existing and future secured indebtedness; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, financing vehicles, or similar facilities the Company may form in the future, with respect to claims on the assets of any such subsidiaries, financing vehicles, or similar facilities, including the Credit Facility.

(in thousands, except shares and per share data)

Secured Borrowing

As of March 31, 2023 and December 31, 2022, the carrying value of secured borrowings totaled $16,634 and $16,880, respectively and the fair value of the associated loans included in investments was $16,630 and $16,875, respectively. These secured borrowings were created as a result of our completion of partial loan sales of certain unitranche loan assets that did not meet the definition of a "participating interest." As a result, sale treatment was not permitted and these partial loan sales were treated as secured borrowings. The weighted average interest rate on our secured borrowings was approximately 8.7% and 7.8% as of March 31, 2023, and December 31, 2022, respectively.

Senior Securities

As of March 31, 2023, and December 31, 2022, the aggregate amount outstanding of the senior securities (including secured borrowings) issued by the Company was $281,634 and $266,880, respectively, for which our asset coverage was 272.1% and 280.0%, respectively. The SBA debentures are not subject to the asset coverage requirements of the 1940 Act as a result of exemptive relief granted to us by the SEC on June 30, 2014. The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by total senior securities representing indebtedness.

Interest and Financing Expenses

Interest and fees related to the Company's debt for the three months ended March 31, 2023 and 2022 which are included in interest and financing expenses on the consolidated statements of operations, were as follows:

	Three Months Ended March 31, 2023					Three Months Ended March 31, 2022				
	SBA debentures	Credit Facility	Secured Borrowings	Notes	Total	SBA debentures	Credit Facility	Secured Borrowings	Notes	Total
Stated interest expense	$ 1,372	$ 330	$ 389	$ 2,578	$ 4,669	$ 739	$ 363	$ 208	$ 2,578	$ 3,888
Amortization of deferred financing costs	168	73	-	275	516	138	112	-	274	524
Total interest and financing expenses	$ 1,540	$ 403	$ 389	$ 2,853	$ 5,185	$ 877	$ 475	$ 208	$ 2,852	$ 4,412
Weighted average stated interest rate, period end	3.268 %	7.390 %	8.685 %	4.125 %	4.244 %	2.846 %	3.125 %	4.497 %	4.125 %	3.726 %
Unused commitment fee rate, period end	N/A	0.970 %	N/A	N/A	0.970 %	N/A	1.375 %	N/A	N/A	1.375 %

Realized Losses on Extinguishment of Debt

During the three months ended March 31, 2023 and 2022, the Company prepaid $0 and $20,000 of SBA debentures, respectively, which were scheduled to mature on dates ranging from 2025 to 2028. As a result of the prepayments, the Company recognized realized losses on extinguishment of debt of $0 and $198, respectively, equal to the write-off of the related unamortized deferred financing costs, during the three months ended March 31, 2023 and 2022.

Deferred Financing Costs

Deferred financing costs are amortized into interest and financing expenses on the consolidated statements of operations, using the effective interest method, over the term of the respective financing instrument. Deferred financing costs related to the SBA debentures, the Credit Facility, and the Notes as of March 31, 2023 and December 31, 2022 were as follows:

	March 31, 2023				December 31, 2022			
	SBA debentures	Credit Facility	Notes	Total	SBA debentures	Credit Facility	Notes	Total
SBA debenture commitment fees	$ 3,000	$ —	$ —	$ 3,000	$ 3,000	$ —	$ —	$ 3,000
SBA debenture leverage fees	6,681	—	—	6,681	6,389	—	—	6,389
Credit Facility upfront fees	—	4,417	—	4,417	—	4,417	—	4,417
Notes underwriting discounts	—	—	5,005	5,005	—	—	5,005	5,005
Notes debt issue costs	—	—	685	685	—	—	685	685
Total deferred financing costs	9,681	4,417	5,690	19,788	9,389	4,417	5,690	19,496
Less: accumulated amortization	(5,033)	(3,111)	(2,092)	(10,236)	(4,865)	(3,037)	(1,818)	(9,720)
Unamortized deferred financing costs	$ 4,648	$ 1,306	$ 3,598	$ 9,552	$ 4,524	$ 1,380	$ 3,872	$ 9,776

Unamortized deferred financing costs are presented as a direct offset to the SBA debentures, the Credit Facility and the Notes liabilities on the consolidated statements of assets and liabilities. The following table summarizes the outstanding debt net of unamortized deferred financing costs as of March 31, 2023 and December 31, 2022:

	March 31, 2023[(1)]				December 31, 2022[(1)]			
	SBA debentures	Credit Facility	Notes	Total	SBA debentures	Credit Facility	Notes	Total
Outstanding debt	$ 165,000	$ 15,000	$ 250,000	$ 430,000	$ 153,000	$ —	$ 250,000	$ 403,000
Less: unamortized deferred financing costs	(4,648)	(1,306)	(3,598)	(9,552)	(4,524)	(1,380)	(3,872)	(9,776)
Debt, net of deferred financing costs	$ 160,352	$ 13,694	$ 246,402	$ 420,448	$ 148,476	$ (1,380)	$ 246,128	$ 393,224

(in thousands, except shares and per share data)

(1)Total excludes $16,634 and $16,880 of Secured Borrowings as of March 31, 2023 and December 31, 2022, respectively.

As of March 31, 2023, the Company's debt liabilities are scheduled to mature as follows (1):

Year	SBA debentures	Credit Facility (2)	Secured Borrowings	Notes	Total
2024	$ —	$ —	$ —	$ —	$ —
2025	1,500	—	—	—	1,500
2026	4,500	—	16,634	250,000	271,134
2027	34,000	15,000	—	—	49,000
2028	-	—	—	—	-
Thereafter	125,000	—	—	—	125,000
Total	$ 165,000	$ 15,000	$ 16,634	$ 250,000	$ 446,634

(1) The table above presents scheduled maturities of the Company's outstanding debt liabilities as of a point in time pursuant to the terms of those instruments. The timing of actual repayments of outstanding debt liabilities may not ultimately correspond with the scheduled maturity dates depending on the terms of the underlying instruments and the potential for earlier prepayments.

(2) The Credit Facility matures on August 17, 2027.

Note 7. Commitments and Contingencies

Commitments: The Company had outstanding commitments to portfolio companies to fund various undrawn revolving loans, other debt investments and capital commitments totaling $12,964 and $16,915 as of March 31, 2023 and December 31, 2022, respectively. Such outstanding commitments are summarized in the following table:

	March 31, 2023		December 31, 2022	
Portfolio Company - Investment	Total Commitment	Unfunded Commitment	Total Commitment	Unfunded Commitment
Acendre Midco, Inc. - Revolving Loan	$ 1,000	$ 1,000	$ 1,000	$ 1,000
American AllWaste LLC (dba WasteWater Transport Services) - First Lien Debt	2,500	2,500	—	—
Choice Technology Solutions, LLC (dba Choice Merchant Solutions, LLC) - Revolving Loan	1,000	1,000	1,000	1,000
Combined Systems, Inc. - Revolving Loan	4,000	162	4,000	162
EBL, LLC (EbLens) - Common Equity (Units)	375	375	375	375
Elements Brands, LLC - Revolving Loan	1,500	—	1,500	—
Netbase Solutions, Inc. (dba Netbase Quid) - First Lien Debt (last out)	300	300	300	300
Netbase Solutions, Inc. (dba Netbase Quid) - First Lien Debt (last out)	3,000	3,000	3,000	3,000
R1 Holdings, LLC (dba RoadOne IntermodaLogistics) - First Lien Debt	2,489	1,740	2,489	2,489
R1 Holdings, LLC (dba RoadOne IntermodaLogistics) - Senior Subordinated Debt	417	417	417	417
R1 Holdings, LLC (dba RoadOne IntermodaLogistics) - Common Equity	70	70	70	70
Tedia Company, LLC - Revolving Loan	2,400	2,400	4,000	2,400
Tedia Company, LLC - Delayed Draw Term Loan	—	—	3,000	3,000
Western's Smokehouse, LLC - Delayed Draw Term Loan	—	—	3,500	2,702
Total	$ 19,051	$ 12,964	$ 24,651	$ 16,915

Additional detail for each of the commitments above is provided in the Company's consolidated schedules of investments.

The commitments are generally subject to the borrowers meeting certain criteria such as compliance with financial and non-financial covenants, which may limit such borrower's ability to draw on a revolving loan or delayed draw loan. Since commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements.

Indemnifications: In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide indemnifications under certain circumstances. In addition, in connection with the disposition of an investment in a portfolio company, the Company may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. The Company may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of future obligation under these indemnifications to be remote.

Legal proceedings: In the normal course of business, the Company may be subject to legal and regulatory proceedings that are generally incidental to its ongoing operations. While the outcome of any such legal proceedings cannot be predicted with certainty, the Company does not believe any such legal proceedings will have a material adverse effect on the Company's consolidated financial statements.

(in thousands, except shares and per share data)

Note 8. Common Stock

Public Offerings of Common Stock

The following table summarizes the cumulative total shares issued, net proceeds received, and weighted average offering price in public offerings of the Company's common stock since the IPO in June 2011, except for the issuances under the ATM Program as described further below.

Period	Cumulative Number of Shares	Cumulative Gross Proceeds	Cumulative Underwriting Fees and Commissions and Offering Costs (1)	Weighted Average Offering Price
Cumulative since IPO	14,388,414	$ 236,597	$ 8,989	$ 16.44

(1) Fidus Investment Advisors, LLC agreed to bear a cumulative of $1,925 of underwriting fees and commissions and offering costs associated with these offerings (such amounts are not included in the number reported above). All such payments made by Fidus Investment Advisors, LLC are not subject to reimbursement by the Company.

Equity ATM Program

On November 10, 2022, the Company established the at-the-market program (the "ATM Program"), pursuant to which the Company may offer and sell, from time to time through Raymond James & Associates, Inc. and B. Riley Securities, Inc., each as sales agents, shares of the Company's common stock having an aggregate offering price of up to $50,000. The gross proceeds raised, the related sales agent commissions and the offering expenses, the net proceeds raised, and the average price at which shares were issued under the ATM Program for the three months ended March 31, 2023 and 2022 are as follows:

Three Months Ended March 31, 2022	**Number of Shares**	**Average Offering Price**	**Gross Proceeds**	**Underwriting Fees and Commissions and Offering Costs**	**Net Proceeds**
January 1, 2022 through March 31, 2022	-	$ -	$ -	$ -	$ -
Total	-	$ -	$ -	$ -	$ -
Three Months Ended March 31, 2023					
January 1, 2023 through March 31, 2023	260,610	$ 20.68	$ 5,389	$ 83	$ 5,306
Total	260,610	$ 20.68	$ 5,389	$ 83	$ 5,306

Cumulative to date, the Company has sold 550,998 shares of common stock under the ATM Program at a weighted-average price of $20.49, raising $11,289 of gross proceeds. Net proceeds were $11,120 after commissions to the sales agents on shares sold. As of March 31, 2023, the Company has $38,711 available under the ATM Program.

Stock Repurchase Program

As described in Note 2, the Company has a Stock Repurchase Program under which the Company may acquire up to $5,000 of its outstanding common stock. The Company did not make any repurchases of common stock during the three months ended March 31, 2023 and 2022.

Refer to Note 9 for additional information regarding the issuance of shares under the DRIP.

The Company had 24,988,398 and 24,727,788 shares of common stock outstanding as of March 31, 2023 and December 31, 2022, respectively.

(in thousands, except shares and per share data)

Note 9. Dividends and Distributions

The Company's dividends and distributions are recorded on the record date. The following table summarizes the dividends paid during the last two fiscal years and for the three months ended March 31, 2023.

Date Declared	Record Date	Payment Date	Amount Per Share	Total Distribution	Cash Distribution	DRIP Shares Value	DRIP Shares	DRIP Share Issue Price
Year Ended December 31, 2021:								
2/09/2021	3/12/2021	3/26/2021	$ 0.31	$ 7,575	$ 7,575	$ — (3)	— (3)	—
2/09/2021 (2)	3/12/2021	3/26/2021	0.07	1,711	1,711	— (3)	— (3)	—
5/03/2021	6/14/2021	6/28/2021	0.31	7,576	7,576	— (3)	— (3)	—
5/03/2021 (2)	6/14/2021	6/28/2021	0.08	1,955	1,955	— (3)	— (3)	—
8/02/2021	9/14/2021	9/28/2021	0.32	7820	7820	— (3)	— (3)	—
8/02/2021 (2)	9/14/2021	9/28/2021	0.06	1,466	1,466	— (3)	— (3)	—
8/02/2021 (1)	9/14/2021	9/28/2021	0.04	977	977	— (3)	— (3)	—
11/01/2021	12/3/2021	12/17/2021	0.32	7,820	7,820	— (3)	— (3)	—
11/01/2021 (2)	12/3/2021	12/17/2021	0.04	978	978	— (3)	— (3)	—
11/01/2021 (1)	12/3/2021	12/17/2021	0.05	1,222	1,222	— (3)	— (3)	—
			$ 1.60	$ 39,100	$ 39,100	$ —	—	
Year Ended December 31, 2022:								
2/15/2022	3/11/2022	3/25/2022	$ 0.36	$ 8,797	$ 8,797	$ — (3)	— (3)	—
2/15/2022 (2)	3/11/2022	3/25/2022	0.17	4,154	4,154	— (3)	— (3)	—
5/02/2022	6/10/2022	6/24/2022	0.36	8,797	8,797	— (3)	— (3)	—
5/02/2022 (2)	6/10/2022	6/24/2022	0.07	1,712	1,712	— (3)	— (3)	—
8/01/2022	9/9/2022	9/23/2022	0.36	8,797	8,797	— (3)	— (3)	—
8/01/2022 (2)	9/9/2022	9/23/2022	0.07	1,711	1,711	— (3)	— (3)	—
8/01/2022	12/2/2022	12/16/2022	0.36	8,902	8,902	— (3)	— (3)	—
8/01/2022 (2)	12/2/2022	12/16/2022	0.07	1,731	1,731	— (3)	— (3)	—
11/03/2022 (2)	12/2/2022	12/16/2022	0.08	1,978	1,978	— (3)	— (3)	—
11/03/2022 (1)	12/2/2022	12/16/2022	0.10	2,473	2,473	— (3)	— (3)	—
			$ 2.00	$ 49,052	$ 49,052	$ —	—	
Three Months Ended March 31, 2023:								
2/15/2023	3/22/2023	3/29/2023	$ 0.41	$ 10,245	$ 10,245	$ — (3)	— (3)	—
2/15/2023 (2)	3/22/2023	3/29/2023	0.15	3,748	3,748	— (3)	— (3)	—
2/15/2023 (1)	3/22/2023	3/29/2023	0.10	2,499	2,499	— (3)	— (3)	—
			$ 0.66	$ 16,492	$ 16,492	$ —	—	

(1) Special dividend
(2) Supplemental dividend
(3) During the three months ended March 31, 2023 and the years ended December 31, 2022 and 2021, the Company directed the DRIP plan administrator to repurchase shares on the open market in order to satisfy the DRIP obligation to deliver shares of common stock in lieu of issuing new shares. Accordingly, the Company purchased and reissued shares to satisfy the DRIP obligation as follows:

Year Ended December 31, 2021:	**Number of Shares Purchased and Reissued**	**Average Price Paid Per Share**	**Total Amount Paid**
January 1, 2021 through March 31, 2021	15,562	$ 15.62	$ 243
April 1, 2021 through June 30, 2021	17,042	17.20	293
July 1, 2021 through September 30, 2021	18,201	17.82	324
October 1, 2021 through December 31, 2021	18,283	17.42	318
Total	69,088	$ 17.05	$ 1,178

Year Ended December 31, 2022:	**Number of Shares Purchased and Reissued**	**Average Price Paid Per Share**	**Total Amount Paid**
January 1, 2022 through March 31, 2022	20,380	$ 20.51	$ 418
April 1, 2022 through June 30, 2022	20,233	17.89	362
July 1, 2022 through September 30, 2022	21,114	17.08	360
October 1, 2022 through December 31, 2022	23,026	18.99	437
Total	84,753	$ 18.61	$ 1,577

Three Months Ended March 31, 2023:	**Number of Shares Purchased and Reissued**	**Average Price Paid Per Share**	**Total Amount Paid**
January 1, 2023 through March 31, 2023	25,512	$ 19.22	$ 490
Total	25,512	$ 19.22	$ 490

(in thousands, except shares and per share data)

Note 10. Financial Highlights

The following is a schedule of financial highlights for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
Per share data:		
Net asset value at beginning of period	$ 19.43	$ 19.96
Net investment income (1)	0.59	0.42
Net realized gain (loss) on investments, net of tax (provision) (1)	-	0.29
Net unrealized appreciation (depreciation) on investments (1)	0.03	(0.22)
Realized losses on extinguishment of debt (1)	-	(0.01)
Total increase from investment operations (1)	0.62	0.48
Accretive (dilutive) effect of share issuances and repurchases	0.01	-
Dividends to stockholders	(0.66)	(0.53)
Other (11)	(0.01)	-
Net asset value at end of period	$ 19.39	$ 19.91
Market value at end of period	$ 19.07	$ 20.18
Shares outstanding at end of period	24,988,398	24,437,400
Weighted average shares outstanding during the period	24,803,951	24,437,400
Net assets at end of period	$ 484,646	$ 486,502
Average net assets (6)	$ 482,495	$ 487,133
Ratios to average net assets:		
Total expenses (2)(4)(10)	11.9 %	8.4 %
Net investment income (5)	12.2 %	8.5 %
Total return based on market value (3)	2.8 %	15.7 %
Total return based on net asset value (8)	3.2 %	2.4 %
Portfolio turnover ratio (9)	7.2 %	12.0 %
Supplemental Data:		
Average debt outstanding (7)	$ 433,257	$ 385,290
Average debt per share (1)	$ 17.47	$ 15.77

(1) Weighted average per share data.

(2) Annualized with the exception of income tax (provision) benefit from realized gains on investments.

(3) Total return based on market value equals the change in the market value of the Company’s common stock per share during the period divided by the market value per share at the beginning of the period, and assumes reinvestment of dividends at prices obtained by our dividend reinvestment plan during the period. The return does not reflect any sales load that may be paid by an investor.

(4) The total expenses to average net assets ratio is calculated using (i) the “total expenses, net of base management waiver”, (ii) the “income tax provision (benefit)”, and (iii) the “income tax (provision) benefit from realized gains on investments” captions, as presented on the consolidated statements of operations.

(5) The net investment income to average net assets ratio is calculated using the net investment income caption as presented on the consolidated statements of operations, which includes incentive fee.

(6) Average net assets is calculated as the average of the net asset balances as of each quarter end during the fiscal year and the prior year end.

(7) Average debt outstanding is calculated as the average of the outstanding debt balances, including secured borrowings, as of each quarter end during the fiscal year and the prior year end.

(8) Total return based on net asset value per share equals the change in net asset value per share during the period, plus dividends paid per share during the period, less other non-operating changes during the period, and divided by beginning net asset value per share for the period. Non-operating changes include any items that affect net asset value per share other than increase from investment operations, such as the effects of share issuances and repurchases and other miscellaneous items.

(9) Annualized.

(10) The following are schedules of supplemental expense ratios to average net assets:

	Three Months Ended March 31,	
Ratio to average net assets:	2023	2022
Expenses other than incentive fee (2)	8.7 %	7.3 %
Incentive fee (9)	3.2 %	1.1 %
Total expenses (2)(4)	11.9 %	8.4 %

(in thousands, except shares and per share data)

	Three Months Ended March 31,	
Ratio to average net assets:	**2023**	**2022**
Total expenses, before base management fee waiver (2)	11.9%	8.5%
Base management fee waiver (9)	0.0%	(0.1%)
Total expenses (2)(4)	11.9%	8.4%

(11) Represents the impact of different share amounts used in calculating per share data as a result of calculating certain per share data based on weighted average shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date, or other rounding.

Note 11. Subsequent Events

On April 4, 2023, the Company exited its debt and equity investments in Rhino Assembly Company, LLC
. The Company received payment in full of $14,850 on its second lien debt. The Company received a distribution on its common and preferred equity investments for a net realized gain of approximately $2,077.

On April 28, 2023, the Company invested $2,500 in first lien debt of Puget Collision, LLC, a multi-unit operator of auto collision repair shops operating in the CARSTAR and Fix Auto franchise systems.

On May 1, 2023, the Board declared a regular quarterly dividend of $0.41 per share, a supplemental dividend of $0.19 per share, and a special dividend of $0.10 per share, payable on June 28, 2023, to stockholders of record as of June 21, 2023.

Item 2. 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 Fidus Investment Corporation's consolidated financial statements and related notes appearing in our annual report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 2, 2023. The information contained in this section should also be read in conjunction with our unaudited consolidated financial statements and related notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q.

Except as otherwise specified, references to "we," "us," "our," "Fidus" and "FIC" refer to Fidus Investment Corporation and its consolidated subsidiaries.

Forward Looking Statements

This Quarterly Report on Form 10-Q 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 Fidus Investment Corporation, our current and prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as "anticipates," "expects," "intends," "plans," "will," "may," "continue," "believes," "seeks," "estimates," "would," "could," "should," "targets," "projects" and variations of these words and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained in this Quarterly Report on Form 10-Q involve risks and uncertainties, including statements as to:

- our future operating results;
- changes in the financial and lending markets;
- our business prospects and the prospects of our portfolio companies, including our and their ability to achieve our respective objectives;
- the impact of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- an economic downturn and its impacts on the ability of our portfolio companies to operate and the investment opportunities available to us;
- the impact of geopolitical conditions, including the ongoing conflict between Ukraine and Russia and U.S. and China relations, and its impact on financial market volatility, global economic markets, and various sectors, industries and markets for commodities globally;
- the ability of our portfolio companies to achieve their objectives;
- our expected financing and investments;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of the Investment Advisor to locate suitable investments for us and to monitor and administer our investments;
- the ability of our Investment Advisor to attract and retain highly talented professionals;
- our regulatory structure and tax treatment;
- our ability to operate as a BDC and a RIC and each of the Funds to operate as an SBIC;
- the timing, form and amount of any dividend distributions;
- the impact of interest rate volatility, including the decommissioning of LIBOR and rising interest rates, and the elevated level of inflation on our business and portfolio companies;
- the valuation of any investments in portfolio companies, particularly those having no liquid trading market; and
- our ability to recover unrealized losses.

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:

- an economic downturn and significant disruptions to our portfolio companies, including supply chain disruptions and labor shortages, could impair our portfolio companies' ability to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies;
- a contraction of available credit and/or an inability to access the equity markets could impair our lending and investment activities;
- interest rate volatility, including the decommissioning of LIBOR and rising interest rates, could adversely affect our results, particularly because we use leverage as part of our investment strategy;
- the elevated level of inflation could adversely affect our business, results of operations and financial condition of our portfolio companies, which may, in turn, impact the valuation of such portfolio companies; and
- the risks, uncertainties and other factors we identify in Item 1A. – Risk Factors contained in our Annual Report on Form 10-K for the year ended December 31, 2022, elsewhere in this Quarterly Report on Form 10-Q and in our other filings with the SEC.

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. Important assumptions include our ability to originate new debt investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this Quarterly Report on Form 10-Q 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 *Item 1.A – Risk Factors* contained in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 2, 2023. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Quarterly Report on Form 10-Q.

Overview

General and Corporate Structure

We provide customized 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. 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.

FIC was formed as a Maryland corporation on February 14, 2011. We completed our initial public offering, or IPO, in June 2011. On June 20, 2011, FIC acquired all of the limited partnership interests of Fund I and membership interests of Fidus Mezzanine Capital GP, LLC, its general partner, resulting in Fund I becoming our wholly-owned SBIC subsidiary. Immediately following the acquisition, we and Fund I elected to be treated as business development companies, or BDCs, under the 1940 Act and our investment activities have been managed by Fidus Investment Advisors, LLC, our investment advisor, and supervised by our board of directors, a majority of whom are independent of us. On March 29, 2013, we commenced operations of a second wholly-owned subsidiary, Fund II. On April 18, 2018, we commenced operations of a third wholly-owned subsidiary, Fund III.

Fund II and Fund III received their SBIC licenses on May 28, 2013, and March 21, 2019, respectively. We plan to continue to operate the Funds as SBICs, subject to SBA approval, and to utilize the proceeds of the sale of SBA-guaranteed debentures to enhance returns to our stockholders. As of September 9, 2019, Fund I completed a wind-down plan, relinquished its SBIC license, and can no longer issue additional SBA debentures. We have also made, and continue to make, investments directly through FIC. We believe that utilizing FIC and the Funds as investment vehicles provides us with access to a broader array of investment opportunities.

We have certain wholly-owned subsidiaries (the “Taxable Subsidiaries”), each of which generally holds one or more of our portfolio investments listed on the consolidated schedules of investments, that have elected to be treated as corporations for U.S. federal income tax purposes and are thus subject to U.S. federal income tax at corporate rates. The Taxable Subsidiaries are consolidated for financial reporting purposes, such that our consolidated financial statements reflect our investment in the portfolio company investments owned by the Taxable Subsidiaries. The purpose of the Taxable Subsidiaries is to permit us to hold equity investments in portfolio companies that are taxed as partnerships for U.S. federal income tax purposes (such as entities organized as limited liability companies (“LLCs”) or other forms of pass through entities) while complying with the “source-of-income” requirements contained in the RIC tax provisions. The Taxable Subsidiaries are not consolidated with us for U.S. federal corporate income tax purposes, and each Taxable Subsidiary will be subject to U.S. federal corporate income tax on its taxable income. Any such income or expense is reflected in the consolidated statements of operations.

Investments

We seek to create a diversified investment portfolio that primarily includes debt investments and, to a lesser extent, equity securities. Our investments typically range between $5.0 million to $35.0 million per portfolio company, 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 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 debt investments.

First Lien Debt. We structure some of our investments as senior secured or first lien debt investments. First lien debt investments are secured by a first priority lien on existing and future assets of the borrower and may take the form of term loans or revolving lines of credit. First lien debt is typically senior on a lien basis to other liabilities in the issuer’s capital structure and has the benefit of a first-priority security interest in assets of the issuer. The security interest ranks above the security interest of any second lien lenders in those assets. Our first lien debt may include stand-alone first lien loans, “last out” first lien loans, or “unitranche” loans. Stand-alone first lien loans are traditional first lien loans. All lenders in the facility have equal rights to the collateral that is subject to the first-priority security interest. “Last out” first lien loans have a secondary priority behind super-senior “first out” first lien loans in the collateral securing the loans in certain circumstances. The arrangements for a “last out” first lien loan are set forth in an “agreement among lenders,” which provides lenders with “first out” and “last out” payment streams based on a single lien on the collateral. Since the “first out” lenders generally have priority over the “last out” lenders for receiving payment under certain specified events of default, or upon the occurrence of other triggering events under intercreditor agreements or agreements among lenders, the “last out” lenders bear a greater risk and, in exchange, receive a higher effective interest rate, through arrangements among the lenders, than the “first out” lenders or lenders in stand-alone first lien loans. Agreements among lenders also typically provide greater voting rights to the “last out” lenders than the intercreditor agreements to which second lien lenders often are subject.

Many of our debt investments also include excess cash flow sweep features, whereby principal repayment may be required before maturity if the portfolio company achieves certain defined operating targets. Additionally, our debt investments typically have principal prepayment penalties in the early years of the debt investment. The majority of our debt investments provide for a variable interest rate, generally with a LIBOR or SOFR floor.

Second Lien Debt. Some of our debt investments take the form of second lien debt, which includes senior subordinated notes. Second lien debt investments obtain security interests in the assets of the portfolio company as collateral in support of the repayment of such loans. Second lien debt typically is senior on a lien basis to other liabilities in the issuer's capital structure and has the benefit of a security interest over assets of the issuer, though ranking junior to first lien debt secured by those assets. First lien lenders and second lien lenders typically have separate liens on the collateral, and an intercreditor agreement provides the first lien lenders with priority over the second lien lenders' liens on the collateral. These loans typically provide for no contractual loan amortization, with all amortization deferred until loan maturity, and may include payment-in-kind ("PIK") interest, which increases the principal balance over the term and, coupled with the deferred principal payment provision, increases credit risk exposure over the life of the loan.

Subordinated Debt. These investments are typically structured as unsecured, subordinated notes. Structurally, subordinated debt usually ranks subordinate in priority of payment to first lien and second lien debt and may not have the benefit of financial covenants common in first lien and second lien debt. Subordinated debt may rank junior as it relates to proceeds in certain liquidations where it does not have the benefit of a lien in specific collateral held by creditors (typically first lien and/or second lien) who have a perfected security interest in such collateral. However, subordinated debt ranks senior to common and preferred equity in an issuer's capital structure. These loans typically have relatively higher fixed interest rates (often representing a combination of cash pay and PIK interest) and amortization of principal deferred to maturity. The PIK feature (meaning a feature allowing for the payment of interest in the form of additional principal amount of the loan instead of in cash), which effectively operates as negative amortization of loan principal, coupled with the deferred principal payment provision, increases credit risk exposure over the life of the loan.

Equity Securities. Our equity investments typically consist of either a direct minority equity investment in common or preferred stock or membership/partnership interests 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 to the same portfolio companies.

Revenues: We generate revenue in the form of interest and fee income on debt investments and dividends, if any, on equity investments. Our debt investments, whether in the form of second lien, subordinated or first lien loans, typically have terms of five to seven years and most bear interest at fixed or variable rates. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we may receive repayments of some of our debt investments prior to their scheduled maturity dates, which may include prepayment penalties. The frequency or volume of these repayments fluctuates significantly from period to period. Our portfolio activity may reflect the proceeds of sales of securities. In some cases, our investments provide for deferred interest payments or PIK interest. The principal amount of debt investments and any accrued but unpaid interest generally become due at the maturity date. In addition, we may generate revenue in the form of commitment, origination, amendment, or structuring fees and fees for providing managerial assistance. Debt investment origination fees, OID and market discount or premium, if any, are capitalized, and we accrete or amortize such amounts into interest income. We record prepayment penalties on debt investments as fee income when earned. Interest and dividend income is recorded on the accrual basis to the extent that we expect to collect such amounts. Interest is accrued daily based on the outstanding principal amount and the contractual terms of the debt investment. Dividend income is recorded as dividends are declared or at the point an obligation exists for the portfolio company to make a distribution, and is generally recognized when received. Distributions of earnings from portfolio companies are evaluated to determine if the distribution is a distribution of earnings or a return of capital. Distributions of earnings are included in dividend income while a return of capital is recorded as a reduction in the cost basis of the investment. Estimates are adjusted as necessary after the relevant tax forms are received from the portfolio company. Debt investments or preferred equity investments (for which we are accruing PIK dividends) 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 and dividend payments received on non-accrual investments may be recognized as interest or dividend income or may be applied to the investment principal balance based on management's judgment. Non-accrual investments are restored to accrual status when past due principal, interest or dividends are paid and, in management's judgment, payments are likely to remain current. See "Critical Accounting Policies and Use of Estimates – Revenue Recognition."

We recognize realized gains or losses on investments based on the difference between the net proceeds from the disposition and the cost basis of the investment, without regard to unrealized gains or losses previously recognized. We record current period changes in fair value of investments that are measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments in the consolidated statements of operations.

Expenses: All investment professionals of the 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 allocable to personnel who provide these services to us, are provided and paid for by the Investment Advisor and not by us. We 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 the 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, including "dead deal" costs;
- 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 the Investment Advisor based upon our allocable portion of the 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 our chief compliance officer, our chief financial officer, 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 the Investment Advisor in connection with administering our business.

Portfolio Composition, Investment Activity and Yield

During the three months ended March 31, 2023 and 2022, we invested $51.5 million and $114.4 million, respectively, in debt and equity investments including three and seven new portfolio companies, respectively. During the three months ended March 31, 2023 and 2022, we received proceeds from sales or repayments, including principal, return of capital dividends and net realized gains (losses), of $15.9 million and $23.2 million, respectively, including an exit of one and one portfolio company, respectively. The following table summarizes investment purchases and sales and repayments of investments by type for the three months ended March 31, 2023 and 2022 (dollars in millions).

	Purchases of Investments				Sales and Repayments of Investments			
	Three Months ended March 31,							
	2023		2022		2023		2022	
First Lien Debt[1]	$ 41.0	79.6 %	$ 76.7	67.0 %	$ 15.7	17.2 %	$ 4.0	17.2 %
Second Lien Debt	5.0	9.7	15.8	13.9	—	31.1	7.2	31.1
Subordinated Debt	2.2	4.2	17.4	15.2	—	(0.9)	(0.2)	(0.9)
Equity	3.3	6.5	4.5	3.9	0.2	52.6	12.2	52.6
Warrants	—	—	—	—	—	—	—	—
Total	$ 51.5	100.0 %	$ 114.4	100.0 %	$ 15.9	100.0 %	$ 23.2	100.0 %

(1) For the three months ended March 31, 2023 and 2022, first lien debt includes unitranche securities, which account for 40.3% and 49.2% of purchases, respectively. For the three months ended March 31, 2023 and 2022, first lien debt includes unitranche securities, which account for 5.9% and 7.1% of repayments, respectively.

As of March 31, 2023, the fair value of our investment portfolio totaled $897.3 million and consisted of 78 active portfolio companies and two portfolio companies that have sold their underlying operations. As of March 31, 2023, 43 portfolio companies' debt investments bore interest at a variable rate, which represented $549.9 million, or 71.2%, of our debt investment portfolio on a fair value basis, and the remainder of our debt investment portfolio was comprised of fixed-rate investments. Overall, the portfolio had net unrealized appreciation of $32.3 million as of March 31, 2023. As of March 31, 2023, our average active portfolio company investment at amortized cost was $11.1 million, which excludes investments in the two portfolio companies that have sold their underlying operations.

As of December 31, 2022, the fair value of our investment portfolio totaled $860.3 million and consisted of 76 active portfolio companies and two portfolio companies that have sold their underlying operations. As of December 31, 2022, 43 portfolio companies' debt investments bore interest at a variable rate, which represented $522.9 million, or 70.6%, of our debt investment portfolio on a fair value basis, and the remainder of our debt investment portfolio was comprised of fixed-rate investments. Overall, the portfolio had net unrealized appreciation of $31.6 million as of December 31, 2022. As of December 31, 2022, our average active portfolio company investment at amortized cost was $10.9 million, which excludes investments in the two portfolio companies that have sold their underlying operations.

The weighted average yield on debt investments as of March 31, 2023 and December 31, 2022 was 14.3% and 13.8%, respectively. The weighted average yield of our debt investments is not the same as a return on investment for our stockholders but, rather, relates to a portion of our investment portfolio and is calculated before the payment of all of our and our subsidiaries' fees and expenses. The weighted average yields were computed using the effective interest rates for debt investments at cost including the accretion of OID and debt investment origination fees, but excluding investments on non-accrual status, if any.

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

	Fair Value				Cost			
	March 31, 2023		December 31, 2022		March 31, 2023		December 31, 2022	
First Lien Debt[(1)]	$ 481.5	53.6 %	$ 456.1	53.0 %	$ 478.9	55.4 %	$ 453.6	54.7 %
Second Lien Debt	188.9	21.1	182.9	21.3	218.9	25.3	213.7	25.8
Subordinated Debt	102.4	11.4	101.5	11.8	103.1	11.9	100.6	12.1
Equity	122.1	13.6	117.7	13.7	61.1	7.1	57.9	7.0
Warrants	2.4	0.3	2.1	0.2	3.0	0.3	2.9	0.4
Total	$ 897.3	100.0 %	$ 860.3	100.0 %	$ 865.0	100.0 %	$ 828.7	100.0 %

(1) Includes unitranche investments, which account for 41.4% and 42.7% of our portfolio on a fair value and cost basis as of March 31, 2023, respectively. Includes unitranche investments, which account for 42.1% and 43.4% of our portfolio on a fair value and cost basis as of December 31, 2022, respectively.

The following table shows portfolio composition by geographic region at fair value and cost and as a percentage of total investments (dollars in millions). 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.

	Fair Value				Cost			
	March 31, 2023		December 31, 2022		March 31, 2023		December 31, 2022	
United States								
Midwest	$ 173.7	19.4 %	$ 180.6	21.0 %	$ 126.0	14.6 %	$ 132.2	16.0 %
Southeast	279.9	31.1	265.9	31.0	271.8	31.5	258.4	31.1
Northeast	155.8	17.4	127.4	14.8	163.5	18.9	134.9	16.3
West	150.2	16.7	151.5	17.6	162.1	18.7	161.9	19.5
Southwest	125.2	14.0	122.5	14.2	129.1	14.9	128.9	15.6
Canada	12.5	1.4	12.4	1.4	12.5	1.4	12.4	1.5
Total	$ 897.3	100.0 %	$ 860.3	100.0 %	$ 865.0	100.0 %	$ 828.7	100.0 %

The following table shows the detailed industry composition of our portfolio at fair value and cost as a percentage of total investments:

	Fair Value		Cost	
Name	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Information Technology Services	32.0 %	33.3 %	33.9 %	35.4 %
Business Services	13.4	12.2	13.6	12.2
Healthcare Products	9.6	10.5	5.5	5.8
Component Manufacturing	7.7	5.7	8.0	6.1
Specialty Distribution	6.3	6.4	5.4	5.6
Aerospace & Defense Manufacturing	5.5	5.7	5.4	5.4
Transportation Services	5.4	5.5	5.5	5.6
Building Products Manufacturing	4.5	4.7	5.2	5.5
Promotional Products	2.9	3.0	2.9	3.0
Utilities: Services	2.5	1.3	2.6	1.4
Environmental Industries	2.5	2.5	2.5	2.6
Retail	2.4	2.4	3.7	3.9
Healthcare Services	2.4	2.5	2.3	2.5
Oil & Gas Services	1.4	1.5	1.5	1.6
Industrial Cleaning & Coatings	1.2	1.2	1.5	1.6
Consumer Products	0.3	1.6	0.4	1.7
Restaurants	— (1)	— (1)	0.1	0.1
Total	100.0 %	100.0 %	100.0 %	100.0 %

(1) Percentage is less than 0.1% of respective total.

Portfolio Asset Quality

In addition to various risk management and monitoring tools, the Investment Advisor uses 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 use a five-level numeric rating scale. The following is a description of the conditions associated with each investment rating:

- Investment Rating 1 is used for investments that involve the least amount of risk in our portfolio. The portfolio company is performing above expectations, the debt investment is expected to be paid in the near term and the trends and risk factors are favorable, and may include an expected capital gain on the equity investment.
- Investment Rating 2 is used for investments that involve a level of risk similar to the risk at the time of origination. The portfolio company is performing substantially within our expectations and the 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 indicates the investment's risk has increased somewhat since origination. The portfolio company requires closer monitoring, but we expect a full return of principal and collection of all interest and/or dividends.
- Investment Rating 4 is used for investments performing materially below expectations and the risk has increased materially since origination. The investment has the potential for some loss of investment return, but we expect no loss of principal.
- Investment Rating 5 is used for investments performing substantially below our expectations and the risks have increased substantially since origination. We expect some loss of principal.

We also have observed, and continue to observe, supply chain disruptions, labor and resource shortages, commodity inflation, elements of financial market instability (including rapidly rising interest rates), an uncertain economic outlook for the United States (which may include a recession), and elements of geopolitical instability (including the ongoing war in Ukraine and U.S. and China relations). In the event that the U.S. economy enters into a protracted recession, it is possible that the results of certain U.S. middle market companies could experience deterioration. We are closely monitoring the effect of such market volatility may have on our portfolio companies and our investment activities. We also are maintaining close communications with our portfolio companies and have also increased oversight of credits in vulnerable industries to mitigate any decline in loan performance and reduce credit risk.

The following table shows the distribution of our investments on the 1 to 5 investment rating scale at fair value and cost as of March 31, 2023 and December 31, 2022 (dollars in millions):

	Fair Value				Cost			
	March 31, 2023		December 31, 2022		March 31, 2023		December 31, 2022	
Investment Rating								
1	$ 98.8	11.0 %	$ 84.4	9.8 %	$ 32.3	3.7 %	$ 26.9	3.2 %
2	713.4	79.5	699.4	81.3	705.9	81.7	682.9	82.4
3	82.7	9.2	73.9	8.6	101.5	11.7	94.4	11.4
4	0.2	—	0.3	—	0.7	0.1	1.6	0.2
5	2.2	0.3	2.3	0.3	24.6	2.8	22.9	2.8
Total	$ 897.3	100.0 %	$ 860.3	100.0 %	$ 865.0	100.0 %	$ 828.7	100.0 %

Based on our investment rating system, the weighted average rating of our portfolio as of March 31, 2023 and December 31, 2022 was 2.0 and 2.0, respectively, on a fair value basis and 2.2 and 2.2, respectively, on a cost basis.

Non-Accrual

As of March 31, 2023, we had debt investments in five portfolio companies on non-accrual status. As of December 31, 2022, we had debt investments in four portfolio companies on non-accrual status (dollars in millions).

	March 31, 2023		December 31, 2022	
Portfolio Company	**Fair Value**	**Cost**	**Fair Value**	**Cost**
EBL, LLC (EbLens)	$ —	$ 9.3	$ —	$ 9.3
US GreenFiber, LLC	—	5.2	—	5.2
K2 Merger Agreement Agent, LLC (fka K2 Industrial Services, Inc.)	2.1	2.4	2.1	2.4
Allredi, LLC (fka Marco Group International OpCo, LLC)	8.8	10.3	8.2	10.3
Suited Connector LLC	9.6	15.9	— (1)	— (1)
Total	$ 20.5	$ 43.1	$ 10.3	$ 27.2

(1) Debt investment in portfolio company was not on non-accrual status at December 31, 2022.

Discussion and Analysis of Results of Operations

Comparison of three months ended March 31, 2023 and 2022

Investment Income

Below is a summary of the changes in total investment income for the three months ended March 31, 2023 as compared to the same period in 2022 (dollars in millions, percent change calculated based on underlying dollar amounts in thousands):

	Three Months Ended March 31,			
	2023	**2022**	**$ Change**	**% Change (1)(2)**
Interest income	$ 26.0	$ 17.1	$ 8.9	52.0 %
Payment-in-kind interest income	0.6	0.5	0.1	16.5 %
Dividend income	0.4	0.7	(0.3)	(44.3 %)
Fee income	1.4	2.2	(0.8)	(34.7 %)
Interest on idle funds and other income	0.7	—	0.7	NM
Total investment income	$ 29.1	$ 20.5	$ 8.6	41.6 %

(1) NM = Not meaningful
(2) Percent change calculated based on underlying dollar amounts in thousands as presented on the consolidated statements of operations.

For the three months ended March 31, 2023, total investment income was $29.1 million, an increase of $8.6 million or 41.6%, from the $20.5 million of total investment income for the three months ended March 31, 2022. As reflected in the table above, the increase is primarily attributable to the following:

- $9.0 million increase in total interest income (including PIK interest income) resulting from an increase in average debt investment balances and an increase in weighted average yield on debt investment balances outstanding, during 2023 as compared to 2022.

- $0.3 million decrease in dividend income due to a decrease in distributions received from equity investments.

- $0.8 million decrease in fee income resulting from a decrease in origination fees, partially offset by an increase in amendment and prepayment fees, during 2023 as compared to 2022.

Expenses

Below is a summary of the changes in total expenses, including income tax provision, for the three months ended March 31, 2023 as compared to the same period in 2022 (dollars in millions, percent change calculated based on underlying dollar amounts in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	$ Change	% Change [1][2]
Interest and financing expenses	$ 5.2	$ 4.4	$ 0.8	17.5 %
Base management fee	3.9	3.3	0.6	15.3 %
Incentive fee - income	3.6	1.1	2.5	246.3 %
Incentive fee (reversal) - capital gains	0.2	0.3	(0.1)	(43.3 %)
Administrative service expenses	0.5	0.4	0.1	12.1 %
Professional fees	0.8	0.5	0.3	36.2 %
Other general and administrative expenses	0.2	0.3	(0.1)	18.2 %
Total expenses, before base management and income incentive fee waivers	14.4	10.3	4.1	39.5 %
Base management and income incentive fee waivers	(0.1)	(0.1)	—	NM
Total expenses, before income tax provision	14.3	10.2	4.1	39.8 %
Income tax provision (benefit)	—	—	—	NM
Total expenses, including income tax provision	$ 14.3	$ 10.2	$ 4.1	40.8 %

(1) NM = Not meaningful
(2) Percent change calculated based on underlying dollar amounts in thousands as presented on the consolidated statements of operations.

For the three months ended March 31, 2023, total expenses, including income tax provision, were $14.3 million, an increase of $4.1 million or 40.8%, from the $10.2 million of total expenses for the three months ended March 31, 2022. As reflected in the table above, changes across the periods were primarily attributable to the following:

- $0.8 million increase in interest and financing expenses due to an increase in debt outstanding in 2023 and an increase in weighted average interest rate on borrowings, during 2023 as compared to 2022.
- $0.6 million net increase in base management fee, including the base management fee waiver, due to higher average total assets during 2023 as compared to 2022.
- $2.5 million net increase in the income incentive fee due to an increase in pre-incentive fee net investment income during 2023 as compared to 2022.
- $0.1 million decrease in the accrued capital gains incentive fee due to a $0.6 million decrease in net gain on investments (net realized gains (losses), plus net change in unrealized appreciation (depreciation) on investments) plus realized losses on extinguishment of debt, during 2023 as compared to the same period in 2022.
- $0.3 million increase in professional fees due to increased audit and legal expenses, a portion of which relates to the ATM Program, during 2023 as compared to 2022.

Net Investment Income

Net investment income increased by $4.5 million, or 42.4%, to $14.7 million during the three months ended March 31, 2023 as compared to the same period in 2022, as a result of the $8.6 increase in total investment income, partially offset by the $4.1 million increase in total expenses, including base management fee waivers and income tax provision.

Net Gain (Loss) on Investments

For the three months ended March 31, 2023, the total net realized gain/(loss) on investments, before income tax (provision)/benefit, was $0.1 million. There was no income tax (provision) benefit from realized gains on investments for the three months ended March 31, 2023. We realize a gain/(loss) on our equity investments primarily when we either sell our equity investment or the underlying portfolio company is sold. Significant realized gains (losses) for the three months ended March 31, 2023 are summarized below (dollars in millions):

Portfolio Company	Realization Event	Net Realized Gains (Losses)
The Tranzonic Companies	Escrow distribution	0.1
Net realized gain (loss) on investments		0.1
Income tax (provision) benefit from realized gains on investments		—
Net realized gain (loss), net of income tax provision, on investments		$ 0.1

For the three months ended March 31, 2022, the total net realized gain/(loss) on investments, before income tax (provision)/benefit, was $6.9 million. There was no income tax (provision) benefit from realized gains/(losses) on investments for the three months ended March 31, 2022. We realize a gain/(loss) on our equity investments primarily when we either sell our equity investment or the underlying portfolio company is sold. Significant realized gains (losses) for the three months ended March 31, 2022 are summarized below (dollars in millions):

Portfolio Company	Realization Event (1)	Net Realized Gains (Losses)
Frontline Food Services, LLC (f/k/a Accent Food Services, LLC)	Exit of portfolio company	$ 0.2
Revenue Management Solutions, LLC	Exit of portfolio company	0.1
SpendMend LLC	Exit of portfolio company	6.2
FDS Avionics Corp.	Escrow liability release	(0.4)
Mesa Line Services, LLC	Exit of portfolio company	0.5
Mirage Trailers LLC	Exit of portfolio company	0.3
Net realized gain (loss) on investments		6.9
Income tax (provision) benefit from realized gains on investments		—
Net realized gain (loss), net of income tax provision, on investments		$ 6.9

(1) As it relates to realization events, we define an 'exit' of a portfolio company as situations where we have completely exited our position in all of the portfolio company's securities and no longer carry the portfolio company on our schedule of investments.

During the three months ended March 31, 2023 and 2022, we recorded a net change in unrealized appreciation (depreciation) on investments attributable to the following (dollars in millions):

	Three Months Ended March 31,	
Unrealized Appreciation (Depreciation)	2023	2022
Exit, sale or restructuring of investments	$ (0.1)	$ (6.4)
Fair value adjustments to debt investments	(0.6)	2.0
Fair value adjustments to equity investments	1.4	(0.9)
Net change in unrealized appreciation (depreciation)	$ 0.7	$ (5.3)

Net Increase in Net Assets Resulting From Operations

Net increase (decrease) in net assets resulting from operations during the three months ended March 31, 2023 and 2022 was $15.5 million and $11.7 million, respectively, as a result of the events described above.

Liquidity and Capital Resources

As of March 31, 2023, we had $36.4 million in cash and cash equivalents and our net assets totaled $484.6 million. We believe that our current cash and cash equivalents on hand, our Credit Facility, our continued access to SBA-guaranteed debentures, and our anticipated cash flows from investments will provide adequate capital resources with which to operate and finance our investment business and make distributions to our stockholders for at least the next 12 months. We intend to generate additional cash primarily from the future offerings of securities (including the ATM Program) and future borrowings, as well as cash flows from operations, including income earned from investments in our portfolio companies. On both a short-term and long-term basis, our primary use of funds will be investments in portfolio companies and cash distributions to our stockholders. We did not repay any SBA debentures during the three months ended March 31, 2023. Our remaining outstanding SBA debentures continue to mature in 2025 and subsequent years through 2033, which will require repayment on or before the respective maturity dates. This “Liquidity and Capital Resources” section should be read in conjunction with the notes of our consolidated financial statements.

Cash Flows

For the three months ended March 31, 2023, we experienced a net decrease in cash and cash equivalents in the amount of $25.9 million. During that period, we made payments of $41.2 million of cash for operating activities, which included the funding of $51.5 million of investments that was partially offset by proceeds received from sales and repayments of investments of $15.9 million. During the same period, we received proceeds from the issuances of SBA debentures of $12.0 million, received net proceeds from the ATM program of approximately $5.3 million, received repayments of $0.2 million on our secured borrowings, paid cash dividends to stockholders of $16.5 million, and made payment of deferred financing costs related to our debt financings of $0.3 million.

Capital Resources

We anticipate that we will continue to fund our investment activities on a long-term basis through a combination of additional debt and equity capital.

SBA Debentures

The Funds are licensed to operate as SBICs, and have the ability to issue debentures guaranteed by the SBA at favorable interest rates. Under the SBA regulations, an SBIC can have outstanding at any time debentures guaranteed by the SBA in an amount up to twice its regulatory capital. 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 $175.0 million, whichever is less. For two or more SBICs under common control, the maximum amount of outstanding SBA debentures cannot exceed $350.0 million. SBA debentures 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 SBA debentures is not required to be paid before maturity but may be pre-paid at any time. As of March 31, 2023, Fund II and Fund III had $40.0 million and $125.0 million of outstanding SBA debentures, respectively. Subject to SBA regulatory requirements and approval, Fund III may access up to $50.0 million of additional SBA debentures under the SBIC debenture program. The SBA may limit the amount that may be drawn each year under these commitments, and each issuance of leverage is conditioned on the Company's full compliance, as determined by the SBA, with the terms and conditions under SBA regulations. For more information on the SBA debentures, please refer to Note 6 to our consolidated financial statements.

Credit Facility

On June 16, 2014, we entered into a senior secured revolving credit agreement (the "Credit Agreement" and the senior secured revolving credit facility, the "Credit Facility") with ING Capital LLC ("ING"), as the administrative agent, collateral agent, and lender. The Credit Facility is secured by certain portfolio investments held by us, but portfolio investments held by the Funds are not collateral for the Credit Facility. On April 24, 2019, we entered into an Amended & Restated Senior Secured Revolving Credit Agreement (the "Amended Credit Agreement") among us, as borrower, the lenders party thereto, and ING, as administrative agent. On June 26, 2020, we entered into an amendment to the Amended Credit Agreement that, among other changes, modified certain financial covenants. On August 17, 2022, the Company entered into a second amendment to the Amended Credit Agreement ("Second Amendment"). The Second Amendment, among other things: (i) changed the underlying benchmark used to compute interest under the Amended Credit Agreement to the Secured Overnight Financing Rate (SOFR) from the London Interbank Offered Rate (LIBOR); (ii) reduced the applicable margin from 3.00% to 2.675% on SOFR loans prior to satisfying certain step-down conditions, and from 2.675% to 2.50% after satisfying certain step-down conditions, with commensurate reductions in the applicable margins for base rate loans; (iii) provided for a loan commitment availability period ending on August 17, 2026; (iv) extended the maturity date to August 17, 2027 from April 24, 2023; and (v) amended certain financial covenants, including (a) amending the asset coverage ratio to no less than 1.50 to 1.00 from no less than 2.00 to 1.00 (on a regulatory basis); and (b) requiring the Company to maintain a senior asset coverage ratio of no less than 2.00 to 1.00.

We pay a commitment fee that varies depending on the size of the unused portion of the Credit Facility: 2.500% to 2.675% per annum on the unused portion of the Credit Facility at or below 35% of the commitments and 0.50% per annum on any remaining unused portion of the Credit Facility between the total commitments and the 35% minimum utilization. The Credit Facility is secured by a first priority security interest in all of our assets, excluding the assets of our SBIC subsidiaries.

Amounts available to borrow under the Credit Facility are subject to a minimum borrowing/collateral base that applies an advance rate to certain investments held by us, excluding investments held by the Funds. We are subject to limitations with respect to the investments securing the Credit Facility, including, but not limited to, restrictions on sector concentrations, loan size, payment frequency and status and collateral interests, as well as restrictions on portfolio company leverage, which may also affect the borrowing base and therefore amounts available to borrow.

We have made customary representations and warranties and we are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. These covenants are subject to important limitations and exceptions that are described in the documents governing the Credit Facility. As of March 31, 2023, we were in compliance with all covenants under the Credit Agreement and we had $15.0 million outstanding under the Credit Facility.

Notes

On December 23, 2020, we closed the offering of $125.0 million in aggregate principal amount of our 4.75% notes due 2026, or the "January 2026 Notes". The total net proceeds to us from the January 2026 Notes, based on a public offering price of 100.00% of par, after deducting underwriting discounts of $2.5 million and estimated offering expenses of approximately $0.4 million, were approximately $122.1 million. The January 2026 Notes will mature on January 31, 2026 and bear interest at a rate of 4.75%. The January 2026 Notes may be redeemed in whole or in part at any time or from time to time at our option subject to a make whole provision if redeemed more than three months prior to maturity and at par thereafter. Interest on the January 2026 Notes is payable on January 31 and July 31 of each year. We do not intend to list the January 2026 Notes on any securities exchange or automated dealer quotation system. As of March 31, 2023, the outstanding principal balance of the January 2026 Notes was approximately $125.0 million.

On October 8, 2021, we closed the offering of $125.0 million in aggregate principal amount of our 3.50% notes due 2026, or the "November 2026 Notes" (collectively with the January 2026 Notes, the "Notes"). The total net proceeds to us from the November 2026 Notes, based on a public offering price of 99.996% of par, after deducting underwriting discounts of $2.5 million and estimated offering expenses of approximately $0.3 million, were approximately $122.2 million. The November 2026 Notes will mature on November 15, 2026 and bear interest at a rate of 3.50%. The November 2026 Notes may be redeemed in whole or in part at any time or from time to time at our option subject to a make whole provision if redeemed more than three months prior to maturity and at par thereafter. Interest on the November 2026 Notes is payable on May 15 and November 15 of each year. We do not intend to list the November 2026 Notes on any securities exchange or automated dealer quotation system. As of March 31, 2023, the outstanding principal balance of the November 2026 Notes was approximately $125.0 million.

Each of the Notes are unsecured obligations and rank pari passu with our existing and future unsecured indebtedness; effectively subordinated to all of our existing and future secured indebtedness; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities we may form in the future, with respect to claims on the assets of any such subsidiaries, financing vehicles, or similar facilities, including the Credit Facility.

Secured Borrowing

As of March 31, 2023, the carrying value of secured borrowings totaled $16.6 million and the fair value of the associated loans included in investments was $16.6 million. As of December 31, 2022, carrying value of secured borrowings totaled $16.9 million and the fair value of the associated loans included in investments was $16.9 million. These secured borrowings were created as a result of our completion of partial loan sales of certain unitranche loan assets that did not meet the definition of a "participating interest." As a result, sale treatment was not permitted and these partial loan sales were treated as secured borrowings. The weighted average interest rate on our secured borrowings was approximately 8.685% and 7.786% as of March 31, 2023 and December 31, 2022, respectively.

As of March 31, 2023, the weighted average stated interest rates for our SBA debentures and the Notes were 3.268% and 4.125%, respectively. As of March 31, 2023, we had $85.0 million of unutilized commitment under our Credit Facility, and we were subject to a 0.971% fee on such amount. As of March 31, 2023, the weighted average stated interest rate on total debt outstanding was 4.244%.

As a BDC, we are generally required to meet an asset coverage ratio of at least 150.0% (defined as the ratio which the value of our consolidated total assets, less all consolidated liabilities and indebtedness not represented by senior securities, bears to the aggregate amount of senior securities representing indebtedness), which includes borrowings and any preferred stock we may issue in the future. This requirement limits the amount that we may borrow. On April 29, 2019, our Board, including a majority of the non-interested directors, approved a minimum asset coverage ratio of 150% under Sections 18(a)(1) and 18(a)(2) of the 1940 Act. As a result, we are subject to the 150% asset coverage ratio effective as of April 29, 2020. We have received exemptive relief from the U.S. Securities and Exchange Commission ("SEC") to allow us to exclude the senior securities issued by the Funds from the definition of senior securities in the 150% asset coverage requirement applicable to the Company under the 1940 Act, which, in turn, will enable us to fund more investments with debt capital.

As a BDC, we are generally not permitted 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 the Board, including the Independent Directors, determines that such sale is in the best interests of us and our stockholders, and if our stockholders approve such sale. On June 29, 2022, our stockholders voted to allow us to sell or otherwise issue common stock at a price below net asset value per share for a period of one year ending on the earlier of June 29, 2023 or the date of our 2023 Annual Meeting of Stockholders. Our stockholders specified that the cumulative number of shares sold in each offering during the one-year period ending on the earlier of June 29, 2023 or the date of our 2023 Annual Meeting of Stockholders may not exceed 25.0% of our outstanding common stock immediately prior to each such sale. We are seeking stockholder approval of a similar proposal at our 2023 Annual Meeting of Stockholders

Equity ATM Program

On November 10, 2022, the Company established the at-the-market program (the “ATM Program”), pursuant to which the Company may offer and sell, from time to time through Raymond James & Associates, Inc. and B. Riley Securities, Inc., each as sales agents, shares of the Company’s common stock having an aggregate offering price of up to $50.0 million. Cumulative to date, the Company has sold 550,998 shares of common stock under the ATM Program at a weighted-average price of $20.49, raising $11.3 million of gross proceeds. Net proceeds were $11.1 million after commissions to the sales agents on sales sold. As of March 31, 2023, the Company has $38.7 million available under the ATM Program.

Stock Repurchase Program

We have an open market stock repurchase program (the “Stock Repurchase Program”) under which we may acquire up to $5.0 million of our outstanding common stock. Under the Stock Repurchase Program, we may, but are not obligated to, repurchase outstanding common stock in the open market from time to time provided that we comply with the prohibitions under our insider trading policies and the requirements of Rule 10b-18 of the Securities Exchange Act of 1934, as amended, including certain price, market value and timing constraints. The timing, manner, price and amount of any share repurchases will be determined by our management, in its discretion, based upon the evaluation of economic and market conditions, stock price, capital availability, applicable legal and regulatory requirements and other corporate considerations. On October 31, 2022, the Board extended the Stock Repurchase Program through December 31, 2023, or until the approved dollar amount has been used to repurchase shares. The Stock Repurchase Program does not require us to repurchase any specific number of shares and we cannot assure that any shares will be repurchased under the Stock Repurchase Program. The Stock Repurchase Program may be suspended, extended, modified or discontinued at any time. We did not make any repurchases of common stock during the three months ended March 31, 2023 and 2022. Refer to Note 8 to our consolidated financial statements for additional information concerning stock repurchases.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make certain estimates and assumptions affecting amounts reported in the financial statements. We have identified investment valuation, revenue recognition and transfers of financial assets as our most critical accounting policies and estimates. We continuously evaluate our policies and 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

As a BDC, we report our assets and liabilities at fair value at all times consistent with GAAP and the 1940 Act. Accordingly, we are required to periodically determine the fair value of all of our portfolio investments.

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 quotation, the fair value of our investments may differ significantly from the values that would have been used had a readily available market quotation 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 the Investment Advisor responsible for the portfolio investment;
- preliminary valuation conclusions are then documented and discussed with the investment committee of the Investment Advisor;
- our board of directors engages one or more independent valuation firm(s) to conduct independent appraisals of a selection of our portfolio investments for which market quotations are not readily available. Each portfolio company investment is generally appraised by the valuation firm(s) at least once every calendar year and each new portfolio company investment is appraised at least once in the twelve-month period following the initial investment. In certain instances, we may determine that it is not cost-effective, and as a result it is not in our stockholders’ best interest, to request the independent appraisal of certain portfolio company investments. Such instances include, but are not limited to, situations where we determine that the fair value of the portfolio company investment is relatively insignificant to the fair value of the total portfolio;

- the audit committee of our board of directors reviews the preliminary valuations of the Investment Advisor and of the independent valuation firm(s) and responds and supplements the valuation recommendations to reflect any comments; and
- our 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 the Investment Advisor, the independent valuation firm(s) and the audit committee.

In making the good faith determination of the value of portfolio investments, the Board starts with the cost basis of the security. 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.

Our Board consulted with the independent valuation firm(s) in arriving at our determination of fair value for 16 and 16 of our portfolio company investments representing 27.6% and 29.5% of the total portfolio investments at fair value (exclusive of new portfolio company investments made during the three months ended March 31, 2023 and December 31, 2022, respectively) as of March 31, 2023 and December 31, 2022, respectively

Consistent with the policies and methodologies adopted by the Board, we perform detailed valuations of our debt and equity investments, including an analysis on the Company’s unfunded debt investment commitments, using both the market and income 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. Under the income approach, we typically prepare and analyze discounted cash flow models to estimate the present value of future cash flows of either an individual debt investment or of the underlying portfolio company itself.

We evaluate investments in portfolio companies using the most recent portfolio company financial statements and forecasts. We also consult with the portfolio company’s senior management to obtain further updates on the portfolio company’s performance, including information such as industry trends, new product development and other operational issues.

For our debt investments the primary valuation technique used to estimate the fair value is the discounted cash flow method. However, if there is deterioration in credit quality or a debt investment is in workout status, we may consider other methods 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. Our discounted cash flow models estimate a range of fair values by applying an appropriate discount rate to the future cash flow streams of our debt investments, based on future interest and principal payments as set forth in the associated debt investment agreements. We prepare a weighted average cost of capital for use in the discounted cash flow model for each investment, based on factors including, but not limited to: current pricing and credit metrics for similar proposed or executed investment transactions of private companies; the portfolio company’s historical financial results and outlook; and the portfolio company’s current leverage and credit quality as compared to leverage and credit quality as of the date the investment was made. We may also consider the following factors when determining the fair value of debt investments: the portfolio company’s ability to make future scheduled payments; prepayment penalties and other fees; estimated remaining life; the nature and realizable value of any collateral securing such debt investment; 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 debt investments to maturity. However, if we have information available to us that the debt investment is expected to be repaid in the near term, we would use an estimated remaining life based on the expected repayment date.

For our equity investments, including equity securities and warrants, we generally use a market approach, including valuation methodologies consistent with industry practice, to estimate the enterprise value of portfolio companies. Typically, the enterprise value of a private company is based on multiples of EBITDA, net income, revenues, or in limited cases, book 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.

We may also utilize an income approach when estimating the fair value of our equity investments, either as a primary methodology if consistent with industry practice or if the market approach is otherwise not applicable, or as a supporting methodology to corroborate the fair value ranges determined by the market approach. We typically prepare and analyze discounted cash flow models based on projections of the future free cash flows (or earnings) of the portfolio company. 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.

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

Revenue Recognition

Investments and related investment income. Realized gains or losses on investments are recorded upon the sale or disposition of a portfolio investment and are calculated as the difference between the net proceeds from the sale or disposition and the cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation on the consolidated statements of operations includes changes in the fair value of investments from the prior period, as determined by the Board through the application of our valuation policy, as well as reclassifications of any prior period unrealized appreciation or depreciation on exited investments to realized gains or losses on investments.

Interest and dividend income. Interest and dividend income are recorded on the accrual basis to the extent that we expect to collect such amounts. Interest is accrued daily based on the outstanding principal amount and the contractual terms of the debt. Dividend income is recorded as dividends are declared or at the point an obligation exists for the portfolio company to make a distribution, and is generally recognized when received. Distributions from portfolio companies are evaluated to determine if the distribution is a distribution of earnings or a return of capital. Distributions of earnings are included in dividend income while a return of capital is recorded as a reduction in the cost basis of the investment. Estimates are adjusted as necessary after the relevant tax forms are received from the portfolio company.

PIK income. Certain of our investments contain a PIK income provision. The PIK income, computed at the contractual rate specified in the applicable investment agreement, is added to the principal balance of the investment, rather than being paid in cash, and recorded as interest or dividend income, as applicable, on the consolidated statements of operations. Generally, PIK can be paid-in-kind or all in cash. We stop accruing PIK income when there is reasonable doubt that PIK income will be collected. PIK income that has been contractually capitalized to the principal balance of the investment prior to the non-accrual designation date is not reserved against interest or dividend income, but rather is assessed through the valuation of the investment (with corresponding adjustments to unrealized depreciation, as applicable). PIK income is included in our taxable income and, therefore, affects the amount we are required to pay to our stockholders in the form of dividends in order to maintain our tax treatment as a RIC, even though we have not yet collected the cash.

Non-accrual. Debt investments or preferred equity investments (for which we are accruing PIK dividends) 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. Any original issue discount and market discount are no longer accreted to interest income as of the date the loan is placed on full non-accrual status. Interest and dividend payments received on non-accrual investments may be recognized as interest or dividend income or applied to the investment principal balance based on management’s judgment. Non-accrual investments are restored to accrual status when past due principal, interest or dividends are paid and, in management’s judgment, are likely to remain current.

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 is treated as OID and accreted into interest income using the effective interest method over the term of the debt investment. Upon the prepayment of a debt investment, any unaccreted OID is accelerated into interest income.

Fee income. All transaction fees earned in connection with our investments are recognized as fee income and are generally non-recurring. Such fees typically include fees for services, including structuring and advisory services, provided to portfolio companies. We recognize income from fees for providing such structuring and advisory services when the services are rendered or the transactions are completed. Upon the prepayment of a debt investment, any prepayment penalties are recorded as fee income when earned.

We also typically receive debt investment origination or closing fees in connection with investments. Such debt investment origination and closing fees are capitalized as unearned income and offset against investment cost basis on our consolidated statements of assets and liabilities and accreted into interest income over the term of the investment. Upon the prepayment of a debt investment, any unaccreted debt investment origination and closing fees are accelerated into interest income.

Transfers of Financial Assets

Partial loan and equity sales. We follow the guidance in ASC 860, *Transfers and Servicing,* when accounting for loan (debt investment) participations, equity assignments and other partial loan sales. Such guidance requires a participation, assignment or other partial loan or equity sale to meet the definition of a “participating interest,” as defined in the guidance, in order for sale treatment to be allowed. Participations, assignments or other partial loan or equity sales which do not meet the definition of a participating interest should remain on our consolidated statements of assets and liabilities and the proceeds recorded as a secured borrowing until the definition is met.

Recently Issued Accounting Standard

In June 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2022-03, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (Topic 820)," which clarifies that a contractual sale restriction prohibiting the sale of an equity security is a characteristic of the reporting entity holding the equity security and is not included in the equity security's unit of account. Accordingly, an entity should not consider the contractual sale restriction when measuring the equity security's fair value. In addition, ASU No. 2022-03 prohibits an entity from recognizing a contractual sale restriction as a separate unit of account. ASU No. 2022-03's amendments are effective for fiscal years beginning after December 15, 2023, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU No. 2022-03 on our consolidated financial statements.

Related Party Transactions

We have entered into a number of business relationships with affiliated or related parties, including the following:

- We have entered into the Investment Advisory Agreement with Fidus Investment Advisors as our investment advisor. Pursuant to the agreement, the Investment Advisor manages our day-to-day operating and investing activities. We pay the Investment Advisor a fee for its services under the Investment Advisory Agreement consisting of two components — a base management fee and an incentive fee. See Note 5 to our consolidated financial statements.
- Fidus Group Holdings, LLC ("Holdings"), a limited liability company organized under the laws of Delaware, is the parent company of Fidus Investment Advisors. Edward H. Ross, our Chairman and Chief Executive Officer, and Thomas C. Lauer, our President, are managers of Holdings.
- We entered into the Administration Agreement with Fidus Investment Advisors to provide us with the office facilities and administrative services necessary to conduct day-to-day operations. See Note 5 to our consolidated financial statements.
- We entered into a license agreement with Fidus Partners, LLC, pursuant to which Fidus Partners, LLC has granted us a non-exclusive, royalty-free license to use the name "Fidus."
- The Investment Advisor, in consultation with the Board, agreed to voluntarily waive $0.1 million and $0.1 million of the base management fees on any assets accounted for as secured borrowings as defined under GAAP for the three months ended March 31, 2023, and 2022, respectively.

In connection with the IPO and our election to be regulated as a BDC, we applied for and received exemptive relief from the SEC on March 27, 2012 to allow us to take certain actions that would otherwise be prohibited by the 1940 Act, as applicable to BDCs. Effective June 30, 2014, pursuant to exemptive relief from the SEC, we are permitted to exclude the senior securities issued by Fund II and Fund III from the definition of senior securities in the asset coverage requirement applicable to the Company under the 1940 Act.

While we may co-invest with investment entities managed by the Investment Advisor or its affiliates, to the extent permitted by the 1940 Act and the rules and regulations thereunder, the 1940 Act imposes significant limits on co-investment. On January 4, 2017, the SEC staff has granted us relief sought in an exemptive order that expands our ability to co-invest in portfolio companies with other funds managed by the Investment Advisor or its affiliates ("Affiliated Funds") in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors, subject to compliance with certain conditions (the "Order"). Pursuant to the Order, we are permitted to co-invest with our affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) or the Independent Directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transactions, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching by us or our stockholders on the part of any person concerned, and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies. However, neither we nor our affiliates are obligated to invest or co-invest when investment opportunities are referred to us or them.

In addition, we and our Investment Advisor have each adopted a joint code of ethics pursuant to Rule 17j-1 under the 1940 Act that governs the conduct of our and the Investment Advisor's officers, directors and employees. Additionally, the Investment Advisor has adopted a code of ethics pursuant to Rule 204A-1 under the Advisers Act of 1940, as amended, and in accordance with Rule 17j-1(c) under the 1940 Act. We have also adopted a code of business conduct that is applicable to all officers, directors and employees of Fidus and our Investment Advisor. Our officers and directors also remain subject to the duties imposed by both the 1940 Act and the Maryland General Corporation Law.

Recent Developments

On April 4, 2023, we exited our debt and equity investments in Rhino Assembly Company, LLC. We received payment in full of $14.9 million on our second lien debt. We received a distribution on our common and preferred equity investments for a net realized gain of approximately $2.1 million.

On April 28, 2023, we invested $2.5 million in first lien debt of Puget Collision, LLC, a multi-unit operator of auto collision repair shops operating in the CARSTAR and Fix Auto franchise systems.

On May 1, 2023, our Board declared a regular quarterly dividend of $0.41 per share, a supplemental dividend of $0.19 per share, and a special dividend of $0.10 per share, payable on June 28, 2023, to stockholders of record as of June 21, 2023.

Item 3. Quantitative and Qualitative Disclosures 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. The prices of securities held by us may decline in response to certain events, including those directly involving the companies in which we invest and conditions affecting the general economy, including: overall market changes, including an increase in market volatility; legislative reform; local, regional, national or global political, social or economic instability; and interest rate volatility, including the decommissioning of LIBOR and rising interest rates.

In the future, our investment income may also be affected by changes in various interest rates, including the decommissioning of LIBOR and changes in alternate rates and prime rates, to the extent of any debt investments that include floating interest rates. Since March 2022, the Federal Reserve has been rapidly raising interest rates and has indicated that it would consider additional rate hikes in response to ongoing inflation concerns. In a rising interest rate environment, 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. It is possible that the Federal Reserve's tightening cycle could result the United States into a recession, which would likely decrease interest rates. A prolonged reduction in interest rates will reduce our gross investment income and could result in a decrease in our net investment income if such decreases in base rates, such as LIBOR and SOFR are not offset by a corresponding increase in the spread over such base rate that we earn on any portfolio investments, a decrease in in our operating expenses, including with respect to our income incentive fee, or a decrease in the interest rate of our floating interest rate liabilities tied to such base rate. See Risk Factors contained in our Annual Report on Form 10-K for the year ended December 31, 2022, such as "Changes in interest rates will affect our cost of capital and net investment income", "Inflation may adversely affect the business, results of operations and financial condition of our portfolio companies, which may, in turn, impact the valuation of such portfolio companies", and "Changes relating to the discontinuation LIBOR may adversely affect the value of our portfolio of LIBOR-indexed, floating-rate debt securities".

As of March 31, 2023 and December 31, 2022, 43 and 43 portfolio companies' debt investments, respectively, bore interest at a variable rate, which represented $549.9 million and $522.9 million of our portfolio on a fair value basis, respectively, and the remainder of our debt portfolio was comprised entirely of fixed rate investments. Our pooled SBA debentures and our Notes bear interest at fixed rates. Our Credit Facility bears interest, at our election, at a rate per annum equal to (a) 2.675% on SOFR loans prior to satisfying certain step-down conditions (or 2.50% after satisfying certain step-down conditions, with commensurate reductions in the applicable margins for base rate loans). We pay a commitment fee that varies depending on the size of the unused portion of the Credit Facility: 2.500% to 2.675% per annum on the unused portion of the Credit Facility at or below 35% of the commitments and 0.50% per annum on any remaining unused portion of the Credit Facility between the total commitments and the 35% minimum utilization. The Credit Agreement relating to the Credit Facility contains certain covenants, including a minimum asset coverage ratio of 1.50 to 1.00 (on a regulatory basis) and a senior asset coverage ratio of no less than 2.00 to 1.00. The Credit Facility is secured by a first priority security interest in all of our assets, excluding the assets of our SBIC subsidiaries.

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.

The following table shows the approximate annualized increase or decrease in the components of net investment income due to hypothetical base rate changes in interest rates, assuming no changes in our investments and borrowings as of March 31, 2023 (dollars in millions):

Basis Point Increase (Decrease)	Interest Income Increase (Decrease) (1) (2)	Interest Expense Increase (Decrease) (4)	Net Increase (Decrease)	Net Investment Income (3)
(200)	$ (11.2)	$ (0.6)	$ (10.6)	$ (8.5)
(150)	(8.4)	(0.4)	(8.0)	(6.4)
(100)	(5.6)	(0.3)	(5.3)	(4.2)
(50)	(2.8)	(0.1)	(2.7)	(2.2)
50	2.8	0.2	2.6	2.1
100	5.6	0.3	5.3	4.2
150	8.4	0.5	7.9	6.3
200	11.2	0.7	10.5	8.4
250	14.0	0.9	13.1	10.5
300	16.8	0.9	15.9	12.7

(1) Certain of our variable rate debt investments have a LIBOR, PRIME or SOFR interest rate floor, which lessens the impact of decreases in interest rates.
(2) Interest income calculated assuming three-month LIBOR, PRIME, and SOFR rate as of March 31, 2023.
(3) Includes the impact of income incentive fee at 20.0% on net increase (decrease) in net interest.
(4) As of March 31, 2023, we had $15.0 million outstanding under our Credit Facility.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the 1934 Act) as of the end of the period covered by this report. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective. It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the first quarter of 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

We are not, and the Investment Advisor is not, currently subject to any material legal proceedings.

Item 1A. Risk Factors.

Except for the risk factor set forth below, there have been no material changes to the risk factors previously disclosed under "Item 1A. Risk Factors" previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 2, 2023, which are incorporated herein by reference. The risk factors therein could materially affect our business, financial condition and/or operating results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially affect our business, financial condition and/or operating results.

Our business is dependent on bank relationships and recent strain on the banking system may adversely impact us.

The financial markets recently have encountered volatility associated with concerns about the balance sheets of banks, especially small and regional banks that may have significant losses associated with investments that make it difficult to fund demands to withdraw deposits and other liquidity needs. Although the federal government has announced measures to assist these banks and protect depositors, some banks have already been impacted and others may be materially and adversely impacted. Our business is dependent on bank relationships, including small and regional banks, and we are proactively monitoring the financial health of banks with which we (or our portfolio companies) do or may in the future do business. To the extent that our portfolio companies work with banks that are negatively impacted by the foregoing, such portfolio companies' ability to access their own cash, cash equivalents and investments may be threatened. In addition, such affected portfolio companies may not be able to enter into new banking arrangements or credit facilities, or receive the benefits of their existing banking arrangements or facilities. Any such developments could harm our business, financial condition, and operating results, and prevent us from fully implementing our investment plan. Continued strain on the banking system may adversely impact our business, financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

We have an open market stock repurchase program (the "Stock Repurchase Program") under which we may acquire up to $5.0 million of our outstanding common stock. Under the Stock Repurchase Program, we may, but are not obligated to, repurchase outstanding common stock in the open market from time to time provided that we comply with the prohibitions under our insider trading policies and the requirements of Rule 10b-18 of the Securities Exchange Act of 1934, as amended, including certain price, market value and timing constraints. The timing, manner, price and amount of any share repurchases will be determined by our management, in its discretion, based upon the evaluation of economic and market conditions, stock price, capital availability, applicable legal and regulatory requirements and other corporate considerations. On October 31, 2022, the Board extended the Stock Repurchase Program through December 31, 2023, or until the approved dollar amount has been used to repurchase shares. The Stock Repurchase Program does not require us to repurchase any specific number of shares and we cannot assure that any shares will be repurchased under the Stock Repurchase Program. The Stock Repurchase Program may be suspended, extended, modified or discontinued at any time.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

Number	Exhibit
3.1	Articles of Amendment and Restatement of the Registrant (Filed as Exhibit (a)(1) to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form N-2 (File No. 333-172550) filed with the U.S. Securities and Exchange Commission on April 29, 2011 and incorporated herein by reference).
3.2	Bylaws of the Registrant (Filed as Exhibit (b)(1) to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form N-2 (File No. 333-172550) filed with the U.S. Securities and Exchange Commission on April 29, 2011 and incorporated herein by reference).
4.1	Form of Stock Certificate of the Registrant (Filed as Exhibit (d) to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form N-2 (File No. 333-172550) filed with the U.S. Securities and Exchange Commission on April 29, 2011 and incorporated herein by reference).
4.2	Agreement to Furnish Certain Instruments (Filed as Exhibit (f)(2) to Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-172550) filed with the U.S. Securities and Exchange Commission on May 26, 2011 and incorporated herein by reference).
4.3	Form of Indenture (Filed as Exhibit (d)(5) to Post-Effective Amendment No. 2 to the Registrant's Registration Statement on Form N-2 (File No. 333-202531) filed with the U.S. Securities and Exchange Commission on April 29, 2016 and incorporated herein by reference).
4.4	Fourth Supplemental Indenture dated as of December 23, 2020 between Fidus Investment Corporation and U.S. Bank National Association, as trustee (Filed as Exhibit 4.1 to the Registrant's Current report on Form 8-K filed with the U.S. Securities and Exchange Commission on December 23, 2020 and incorporated herein by reference).
4.5	Form of Global Note with respect to the 4.75% Notes due 2026 (Filed as Exhibit 4.1 to the Registrant's Current report on Form 8-K filed with the U.S. Securities and Exchange Commission on December 23, 2020 and incorporated herein by reference).
4.6	Fifth Supplemental Indenture dated as of October 8, 2021 between Fidus Investment Corporation and U.S. Bank National Association, as trustee (Filed as Exhibit 4.1 to the Registrant's Current report on Form 8-K filed with the U.S. Securities and Exchange Commission on October 8, 2021 and incorporated herein by reference).
4.7	Form of Global Note with respect to the 3.50% Notes due 2026 (Filed as Exhibit 4.1 to the Registrant's Current report on Form 8-K filed with the U.S. Securities and Exchange Commission on October 8, 2021 and incorporated herein by reference).
31.1	Chief Executive Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Chief Financial Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document

104	Cover Page Interactive Data File (embedded within the Inline XBRL document)*

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	FIDUS INVESTMENT CORPORATION
Date: May 4, 2023	/s/ EDWARD H. ROSS Edward H. Ross Chairman and Chief Executive Officer (Principal Executive Officer)
Date: May 4, 2023	/s/ SHELBY E. SHERARD Shelby E. Sherard Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

Fidus Investment Corporation Chief Executive Officer Certification
Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Edward H. Ross, as Chief Executive Officer of Fidus Investment Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fidus Investment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 4, 2023

/s/ EDWARD H. ROSS
Edward H. Ross
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Fidus Investment Corporation Chief Financial Officer Certification
Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Shelby E. Sherard, as Chief Financial Officer of Fidus Investment Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fidus Investment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ SHELBY E. SHERARD
Shelby E. Sherard
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002

In connection with the Quarterly Report on Form 10-Q of Fidus Investment Corporation (the "Company") for the quarterly period ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward H. Ross, Chief Executive Officer of the Company, and I, Shelby E. Sherard, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2023

/s/ EDWARD H. ROSS
Edward H. Ross
Chairman and Chief Executive Officer
(Principal Executive Officer)

/s/ SHELBY E. SHERARD
Shelby E. Sherard
Chief Financial Officer
(Principal Financial and Accounting Officer)