

Earnings Presentation

Fourth Quarter ended December 31, 2016

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Some of the statements in this presentation constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation involve risks and uncertainties, including statements as to: our future operating results; changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, which could result in changes to the value of our assets; our business prospects and the prospects of our current and prospective portfolio companies; the impact of investments that we expect to make; the impact of increased competition; our contractual arrangements and relationships with third parties; the dependence of our future success on the general economy, including general economic trends, and its impact on the industries in which we invest; the ability of our prospective portfolio companies to achieve their objectives; the relative and absolute performance of our investment adviser, including in identifying suitable investments for us; our expected financings and investments; the adequacy of our cash resources and working capital; our ability to make distributions to our stockholders; the effects of legislation and regulations and changes thereto; the timing of cash flows, if any, from the operations of our prospective portfolio companies; and the impact of future acquisitions and divestitures.

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MARKET & PORTFOLIO TRENDS

CURRENT MARKET TRENDS IN THE LOWER MIDDLE-MARKET

- ▶ Markets have reacted favorably to the presidential election results based on the expectations of a prolonged economic expansion. Questions remain about the timing and details of the stated policies and their ultimate effects on the business community
- ▶ Overall loan volume in the lower middle market remained tepid due primarily to reduced sponsor volume. Sponsors have cited a disconnect with sellers on valuation
- ▶ While we expect sponsor volume to pick up in the coming quarters, enhanced liquidity in the market has led to some tightening of spreads in the lower middle market
- ▶ Investors interested in yield premiums have been drawn to non-bank direct lending and a number of managers are attempting to raise private lending funds focused on the middle market
- ▶ We have begun to see larger club deals that have bypassed the traditional syndication market. These tend to be nuanced credits that don't meet the criterion of the traditional CLO market

SNAPSHOT OF OUR PORTFOLIO

- ▶ New purchases and add-ons during Q4 2016 totaled \$18.6 million of par value across two new portfolio companies with a weighted average yield of deals closed during the quarter of 8.0%
- ▶ Closed on two core loan purchases during the quarter, both of which were sponsor deals
- ▶ There were \$42.8 million of repayments during Q4 2016 with a weighted average yield of 11.5%
- ▶ Leverage of the portfolio decreased slightly from prior quarter to 3.6x from 3.7x
- ▶ Weighted average risk rating was 2.49x as compared to 2.56x in the prior quarter primarily driven by risk rating upgrades on credits we are expecting to payoff. Absent the upgrades on payoff expectations, the risk in our overall portfolio remained relatively flat from prior quarter
- ▶ Subsequent to December 31, 2016, purchased six syndicated credits totaling \$18.7 million and received full repayments on three credits totaling \$26.7 million

Q4 2016 LOAN PORTFOLIO ADDITIONS



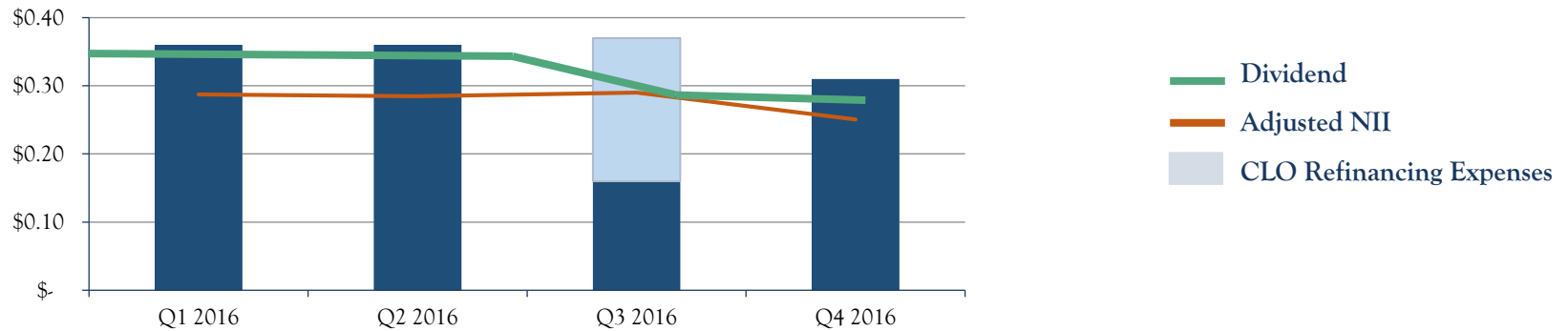
Business Overview	Supplies a broad range of filtration and ignition products to the light vehicle aftermarket for replacement parts.	A leader in data migration for large quantity conversions and infrastructure optimization.
Date Closed / Tenor	12/23/2016 5 Year Deal	12/23/2016 6 Year Deal
Interest Rate	LIBOR + 6.75%, 1.00% Floor, 2.00% upfront fee	LIBOR + 5.25%, 1.00% Floor, 1.00% upfront fee
Asset Type	Term Loan – First Lien	Term Loan – First Lien
Invested / Global Facility Size	TL: \$9.0mm / \$215.0mm*	TL: \$6.7mm / \$290.0mm*
Origination Source	Purchase	Purchase
Call Protection	101	101
Leverage (Debt / EBITDA)**	3.84x	4.36x

* Portion of the facility held by an affiliate of the Company and other lenders

** Represents leverage through tranche at origination

Q4 2016 EARNING HIGHLIGHTS

<i>(per share)</i>	Q1 2016	Q2 2016	Q3 2016 ⁽¹⁾	Q4 2016	YTD
Adjusted net investment income ⁽²⁾	\$ 0.29	\$ 0.28	\$ 0.29	\$ 0.25	\$ 1.11
Net investment income	\$ 0.36	\$ 0.36	\$ 0.16	\$ 0.31	\$ 1.18
Net realized/unrealized (loss) on investments	(0.53)	(0.60)	(0.23)	(0.13)	\$ (1.48)
Net increase in net assets from operations	\$ (0.17)	\$ (0.24)	\$ (0.07)	\$ 0.18	\$ (0.30)



- ▶ Paid a Q4 2016 dividend of \$0.28 per share and declared a Q1 2017 dividend of \$0.28 per share payable on March 30, 2017
- ▶ Earned NII of \$4.9 million, or \$0.31 per share, compared to a \$0.28 dividend for the three months ended December 31, 2016
 - ▶ This includes the non-recurring write-off of Badlands accrued interest in the amount of \$1.7 million, or \$0.10 per share
- ▶ \$5.2 million, or \$0.31 per share of undistributed taxable income which will be retained and spilled over to 2017
- ▶ Net realized and unrealized losses of \$(2.1) million, or \$(0.13) per share, for the three months ended December 31, 2016 were driven by the following:
 - Negative credit-related adjustments on Badlands Production Company - \$(3.2) million and Speed Commerce Investment Partners - \$(1.7) million
 - Offset by aggregate positive market-related adjustments of \$2.8 million primarily driven by tightening spreads in the middle market and higher bid quotations on our syndicated loans
- ▶ As of December 31, 2016, \$(18.5) million of net capital losses remain accumulated under our Incentive Fee Deferral mechanism representing the potential elimination of approximately four quarters of future net investment income incentive fees

(1) Adjusted net investment income for Q3 2016 excludes the non-recurring costs of \$3.4 million, or \$0.21 per share associated with the CLO refinancing

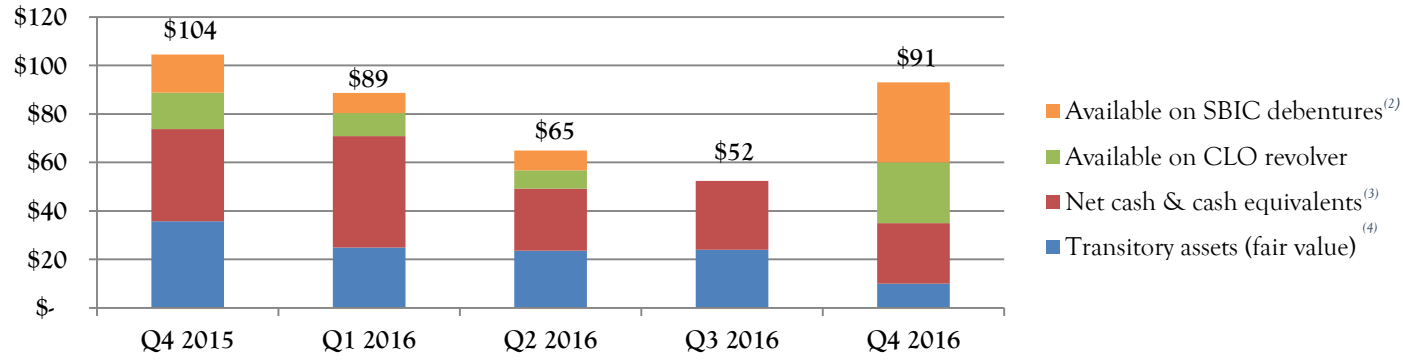
(2) Adjusted net investment income includes any fee waivers and excludes incentive fees related to realized and unrealized gains

Q4 2016 FUNDING & LIQUIDITY

FUNDING

- ▶ Our U.S. GAAP debt to equity ratio was 1.05x while our regulatory debt to equity ratio was 0.86x as of December 31, 2016⁽¹⁾
- ▶ SBIC – Received approval of additional \$35.0 million of leverage commitment on October 24, 2016, bringing our total commitment to \$70.0 million which represents 2.0x our fully funded \$35.0 million equity commitment
- ▶ Share repurchase program – Terminated in accordance with its terms on October 5, 2016
 - Since the share repurchase program was adopted, we repurchased a total of \$8.4 million, or 709,427 shares, at a weighted average price of \$11.77 per share
- ▶ Weighted average cost of funds as of December 31, 2016 was 3.9%

LIQUIDITY



GAAP Leverage Ratio	1.00x	1.10x	1.09x	1.16x	1.05x
WA Cost of Funds	3.2%	3.4%	3.4%	3.8%	3.9%

(1) Regulatory debt to equity ratio excludes SBIC leverage and unfunded commitments
 (2) Availability on unfunded SBIC commitments
 (3) Cash & cash equivalents net of due to / due from counterparties
 (4) Transitory investments are generally investments that we view as an additional source of liquidity that we may sell in order to fund investments that fit our core investment strategy. These transitory investments are generally at the lower end of our target portfolio yield range

Q4 2016 PORTFOLIO HIGHLIGHTS

PORTFOLIO ACTIVITY

Par (in millions)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Average
Originated	\$ 8.2	\$ 16.6	\$ 18.5	\$ -	\$ 43.3	\$ 10.8
Club	6.8	-	12.9	-	19.7	4.9
Purchased	17.6	-	5.0	15.7	38.3	9.6
Total add-on investments	3.4	5.1	2.6	2.9	14.0	3.5
Total Additions	36.0	21.7	39.0	18.6	115.3	28.8
Less: Total Repayments/Sales⁽¹⁾	(36.3)	(21.2)	(38.8)	(42.8)	(139.1)	(34.8)
Net Additions	\$ (0.3)	\$ 0.5	\$ 0.2	\$ (24.2)	\$ (23.8)	\$ (6.0)

Summary	Q1 2016 ⁽²⁾	Q2 2016	Q3 2016	Q4 2016	FY 2016	Average
Number of new investments	3	2	5	2	12	3
Weighted average yield of additions ⁽³⁾	10.5%	9.6%	10.8%	8.0%	10.0%	9.7%
Number of repayments/sales ⁽¹⁾	5	2	3	7	17	4
Weighted average yield of repayments/sales ⁽³⁾	8.1%	9.0%	10.2%	11.5%	10.2%	9.7%

(1) There was one position restructure in Q2 2016 resulting in a reduction in par of \$11.6 million.

(2) Q1 2016 activity excludes \$16.0 million of transitory loans across five portfolio companies that were both purchased and sold during the quarter.

(3) Weighted average yield excludes non-accrual portfolio companies.

CURRENT & HISTORICAL INVESTMENT PORTFOLIO COMPOSITION

Portfolio characteristics (<i>\$ in millions, % based on market value</i>)*	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Total fair value	\$376.7	\$400.9	\$404.6	\$405.6	\$415.0
Number of portfolio companies	57	62	61	62	66
Average investment size ⁽¹⁾	\$6.2	\$5.9	\$6.0	\$6.2	\$6.2
Weighted average yield ⁽²⁾	10.9%	11.2%	11.2%	11.2%	10.8%
Weighted average price ⁽¹⁾	95.0	95.3	96.1	90.9	92.9
First lien	96.6%	93.9%	93.2%	92.4%	91.8%
Second lien & mezzanine	- %	1.9%	1.9%	1.9%	1.8%
Consumer loans	1.8%	2.2%	2.9%	3.5%	4.2%
Equity & other	1.6%	2.0%	2.0%	2.2%	2.2%
Core⁽³⁾	97.3%	93.9%	94.1%	94.6%	91.2%
Transitory⁽³⁾	2.7%	6.1%	5.9%	5.4%	8.8%
Originated ⁽⁴⁾	53.0%	57.0%	57.8%	57.5%	56.4%
Club ⁽⁵⁾	27.0%	25.8%	26.3%	27.3%	26.1%
Purchased	20.0%	17.2%	15.9%	15.2%	17.5%
Floating ⁽¹⁾	96.8%	94.9%	94.7%	94.1%	93.2%
Fixed ⁽¹⁾	3.2%	5.1%	5.3%	5.9%	6.8%
Performing ⁽¹⁾	97.5%	99.3%	98.8%	95.9%	94.1%
Non-Accrual ⁽¹⁾	2.5%	0.7%	1.2%	4.1%	5.9%
Weighted average debt / EBITDA ⁽¹⁾⁽²⁾⁽⁶⁾	3.6x	3.7x	3.7x	3.7x	3.6x
Weighted average risk rating ⁽¹⁾	2.49	2.56	2.52	2.66	2.66

⁽¹⁾ Excludes consumer loans, equity investments and non-accrual loans.

⁽²⁾ Excludes investments with a risk rating of 4, unfunded revolvers and equity investments.

⁽³⁾ The period ended March 31, 2016 includes the transfer of one portfolio company, total par of \$4.8 million, to core from transitory, based on the current yield.

⁽⁴⁾ Originated positions include investments where we have sourced and led the execution of the deal.

⁽⁵⁾ Club positions include investments where we provide direct lending to a borrower with one or two other lenders but did not lead the deal.

⁽⁶⁾ Excludes non-operating portfolio companies, which we define as those investments collateralized by real estate, proved developed producing value ("PDP") or other hard assets. PDPs are proven revenues that can be produced with existing wells. As of December 31, 2016, \$49.6 million of par value and \$36.0 million of market value related to non-operating portfolio companies was excluded.

* Table excludes positions with a fair value of zero.

TOP 10 LOAN PORTFOLIO INVESTMENTS AS OF DECEMBER 31, 2016

Issuer (\$ in millions)	Fair Value	% of Loan Portfolio	Yield
MXD Group, Inc. (fka Exel Direct Inc.)	\$ 14.6	3.9%	18.1%
Worley Claims Services, LLC	10.3	2.7%	9.0%
CF Entertainment Inc. (Entertainment Studios)	10.1	2.7%	11.6%
AP Gaming I, LLC	10.1	2.7%	9.5%
Interior Specialists, Inc.	10.0	2.7%	9.0%
ShelterLogic Corp.	9.8	2.6%	11.0%
Specialty Bakers LLC	9.7	2.6%	9.6%
CR Brands, Inc.	9.7	2.6%	10.9%
ActivStyle, Inc.	9.7	2.6%	9.9%
AbelConn, LLC (Atrenne Computing)	9.6	2.5%	10.0%
Total	\$ 103.6	27.6%	11.2%

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

<i>(In thousands, except per share data)</i>	December 31, 2016	September 30, 2016	Variance	
Assets	(audited)	(unaudited)	\$	%
Investments, fair value	\$ 376,704	\$ 400,886	(24,182)	-6.0%
Cash and cash equivalents	10,378	6,706	3,672	54.8%
Cash and cash equivalents, restricted	12,568	22,628	(10,060)	-44.5%
Due from counterparties	2,083	52	2,031	N/M
Accrued interest receivable	3,387	4,246	(859)	-20.2%
Other assets	1,427	1,281	146	11.4%
Total Assets	406,547	435,799	(29,252)	-6.7%
Liabilities				
Debt	205,112	230,229	(25,117)	-10.9%
Due to counterparties	-	969	(969)	-100.0%
Payables to affiliates	42	2,018	(1,976)	-97.9%
Interest payable	1,089	122	967	N/M
Accrued expenses and other payables	896	1,413	(517)	-36.6%
Total Liabilities	207,139	234,751	(27,612)	-11.8%
Total Net Assets	199,408	201,048	(1,640)	-0.8%
Total Liabilities and Net Assets	406,547	435,799	(29,252)	-6.7%
Net Asset Value per Share	\$ 12.42	\$ 12.53	\$ (0.11)	-0.9%

COMPARATIVE STATEMENT OF QUARTERLY OPERATING RESULTS

(In thousands, except per share data)

	For the Three Months Ended		Variance	
	December 31, 2016 (unaudited)	September 30, 2016 (unaudited)	\$	%
Investment income				
Interest income	9,152	10,764	(1,612)	-15.0%
Other income	501	341	160	46.9%
Total investment income	9,653	11,105	(1,452)	-13.1%
Expenses				
Interest expense	2,108	3,665	(1,557)	-42.5%
Management fee, net of waivers	1,494	1,805	(311)	-17.2%
Incentive fee	-	-	-	NA
Loss on refinancing of senior secured notes	-	1,828	(1,828)	NA
Professional fees	290	357	(67)	-18.8%
Directors' fees	75	91	(16)	-17.6%
Administrator expenses	235	311	(76)	-24.4%
Other expenses	519	511	8	1.6%
Total expenses	4,721	8,568	(3,847)	-44.9%
Net investment income	4,932	2,537	2,395	94.4%
Realized and unrealized loss from investments				
Net realized loss from investments	(999)	(11,182)	10,183	91.1%
Net change in unrealized loss from investments	(1,080)	7,557	(8,637)	-114.3%
Net realized and unrealized loss from investments	(2,079)	(3,625)	1,546	42.6%
Net decrease in net assets resulting from operations	2,853	(1,088)	3,941	362.2%
Net investment income per common share	\$ 0.31	\$ 0.16	\$ 0.15	93.8%
Basic earnings per common share	\$ 0.18	\$ (0.07)	\$ 0.25	357.1%
Basic weighted average common shares outstanding	16,049,352	16,059,665	(10,313)	-0.1%
Dividends and distributions declared per common share	\$ 0.28	\$ 0.35	\$ (0.07)	-20.0%

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