UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 June 30, 2022

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 814-00712

BLACKROCK CAPITAL INVESTMENT CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**20-2725151** **(I.R.S. Employer Identification No.)**
40 East 52nd Street, New York, NY **(Address of Principal Executive Offices)**	**10022** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: 212-810-5800

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.

Large accelerated filer ☐ Accelerated filer ☐ Non-Accelerated filer ☑

Smaller reporting company ☐ Emerging growth 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 ☑

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	BKCC	NASDAQ Global Select Market

The number of shares of the Registrant's common stock, $.001 par value per share, outstanding at August 2, 2022 was 73,196,436.

BLACKROCK CAPITAL INVESTMENT CORPORATION

FORM 10-Q

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

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PART I. FINANCIAL INFORMATION

In this Quarterly Report, “Company”, “we”, “us” and “our” refer to BlackRock Capital Investment Corporation unless the context states otherwise.

Item 1. Consolidated Financial Statements

BlackRock Capital Investment Corporation

Consolidated Statements of Assets and Liabilities

	June 30, 2022 (Unaudited)	December 31, 2021
Assets		
Investments at fair value:		
Non-controlled, non-affiliated investments (cost of $540,873,730 and $520,501,274)	$ 534,465,028	$ 526,504,945
Non-controlled, affiliated investments (cost of $4,921,145 and $5,027,616)	4,255,178	4,131,978
Controlled investments (cost of $84,922,381 and $89,097,765)	18,674,073	21,927,071
Total investments at fair value (cost of $630,717,256 and $614,626,655)	557,394,279	552,563,994
Cash and cash equivalents	22,357,869	12,750,121
Interest, dividends and fees receivable	2,750,717	3,671,722
Deferred debt issuance costs	1,285,143	1,511,418
Due from broker	1,097,291	—
Receivable for investments sold	81,034	690,550
Prepaid expenses and other assets	378,496	788,469
Total assets	$ 585,344,829	$ 571,976,274
Liabilities		
Debt (net of deferred issuance costs of $1,030,354 and $425,272)	$ 236,969,646	$ 196,875,330
Distributions payable	7,363,184	7,392,972
Management fees payable	1,947,167	2,122,519
Income incentive fees payable (see Note 3)	69,343	170,002
Accrued capital gains incentive fees (see Note 3)	—	1,544,569
Interest and debt related payables	739,153	601,379
Payable for investments purchased	597,517	11,679,798
Accrued administrative expenses	299,262	384,225
Interest Rate Swap at fair value	198,694	—
Accrued expenses and other liabilities	1,716,216	1,553,507
Total liabilities	249,900,182	222,324,301
Commitments and contingencies (see Note 9)		
Net assets		
Common stock, par value $.001 per share, 200,000,000 common shares authorized, 84,481,797 and 84,478,251 issued and 73,354,142 and 73,876,987 outstanding	84,482	84,478
Paid-in capital in excess of par	848,052,543	852,360,178
Distributable earnings (losses)	(442,176,304)	(434,303,297)
Treasury stock at cost, 11,127,655 and 10,601,264 shares held	(70,516,074)	(68,489,386)
Total net assets	335,444,647	349,651,973
Total liabilities and net assets	$ 585,344,829	$ 571,976,274
Net assets per share	$ 4.57	$ 4.73

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Statements of Operations

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Investment income				
Interest income (excluding PIK):				
Non-controlled, non-affiliated investments	$ 11,646,011	$ 9,210,827	$ 23,252,914	$ 17,260,077
Non-controlled, affiliated investments	—	—	—	11,867
Controlled investments	—	135,371	—	718,571
PIK interest income:				
Non-controlled, non-affiliated investments	126,140	815,710	249,158	1,596,389
Non-controlled, affiliated investments	116,572	117,985	232,468	237,014
Dividend income (excluding PIK):				
Non-controlled, affiliated investments	—	—	—	71,500
Controlled investments	—	536,908	—	1,047,975
PIK dividend income:				
Non-controlled, non-affiliated investments	78,729	—	154,611	—
Other income:				
Non-controlled, non-affiliated investments	301,503	40,958	562,091	186,990
Total investment income	12,268,955	10,857,759	24,451,242	21,130,383
Operating expenses				
Interest and other debt expenses	2,860,691	2,969,177	5,589,642	5,722,273
Management fees	1,947,167	1,775,684	4,007,031	3,575,450
Incentive fees on income	69,343	—	88,356	—
Incentive fees on capital gains(1)	(1,073,068)	—	(1,544,569)	—
Administrative expenses	299,262	314,886	664,769	637,001
Professional fees	207,489	254,834	510,346	666,993
Insurance expense	196,114	201,597	395,872	400,961
Director fees	153,125	153,125	306,250	306,250
Investment advisor expenses	25,819	87,500	51,638	175,000
Other operating expenses	462,797	258,232	766,596	613,514
Total expenses, before incentive fee waiver	5,148,739	6,015,035	10,835,931	12,097,442
Incentive fee waiver (see Note 3)	—	—	—	—
Total expenses, net of incentive fee waiver	5,148,739	6,015,035	10,835,931	12,097,442
Net investment income(1)	7,120,216	4,842,724	13,615,311	9,032,941
Realized and unrealized gain (loss) on investments, Interest Rate Swap and foreign currency				
Net realized gain (loss):				
Non-controlled, non-affiliated investments	—	6,773	825,913	(639,501)
Non-controlled, affiliated investments	—	—	—	(7,989,591)
Controlled investments	—	(8,749,931)	—	(11,040,074)
Net realized gain (loss)	—	(8,743,158)	825,913	(19,669,166)
Net change in unrealized appreciation (depreciation):				
Non-controlled, non-affiliated investments	(9,875,353)	27,464,721	(12,412,374)	37,333,277
Non-controlled, affiliated investments	(352,787)	153,217	229,671	6,988,190
Controlled investments	766,458	8,689,595	922,387	14,826,843
Interest Rate Swap	(198,694)	—	(198,694)	—
Foreign currency translation	—	(381,379)	—	(285,360)
Net change in unrealized appreciation (depreciation)	(9,660,376)	35,926,154	(11,459,010)	58,862,950
Net realized and unrealized gain (loss)	(9,660,376)	27,182,996	(10,633,097)	39,193,784
Net increase (decrease) in net assets resulting from operations	$ (2,540,160)	$ 32,025,720	$ 2,982,214	$ 48,226,725
Net investment income per share—basic(1)	$ 0.10	$ 0.07	$ 0.18	$ 0.12
Earnings (loss) per share—basic(1)	$ (0.03)	$ 0.43	$ 0.04	$ 0.65
Weighted average shares outstanding—basic	73,667,822	74,150,425	73,744,580	74,292,637
Net investment income per share—diluted(1) (2)	$ 0.10	$ 0.07	$ 0.18	$ 0.12
Earnings (loss) per share—diluted(1) (2)	$ (0.03)	$ 0.38	$ 0.04	$ 0.58
Weighted average shares outstanding—diluted	87,860,082	91,144,162	89,329,839	91,286,374

(1) Net investment income and per share amounts displayed above are net of the reversal for incentive fees on capital gains which is reflected on a hypothetical liquidation basis in accordance with GAAP for the three and six month periods ended June 30, 2022 (see Note 3).

(2) For the three and six month periods ended June 30, 2022, the impact of the hypothetical conversion of the 2022 Convertible Notes was antidilutive (see Note 8).

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Statements of Changes in Net Assets
(Unaudited)

	Common Stock					
	Shares Outstanding	Par Amount, Shares Issued	Paid in Capital in Excess of Par	Distributable earnings (loss)	Treasury Stock at Cost	Total Net Assets
Balance at December 31, 2021	73,876,987	$ 84,478	$ 852,360,178	$ (434,303,297)	$ (68,489,386)	$ 349,651,973
Cumulative effect of adjustment for the adoption of ASU 2020-06(1)	—	—	(4,337,631)	3,888,233	—	(449,398)
Repurchase of common stock	(106,308)	—	—	—	(440,237)	(440,237)
Net investment income	—	—	—	6,495,095	—	6,495,095
Net realized and unrealized gain (loss)	—	—	—	(972,721)	—	(972,721)
Distributions to common stockholders(2)	—	—	—	(7,380,270)	—	(7,380,270)
Balance at March 31, 2022	73,770,679	$ 84,478	$ 848,022,547	$ (432,272,960)	$ (68,929,623)	$ 346,904,442
Repurchase of common stock	(420,083)	—	—	—	(1,586,451)	(1,586,451)
Issuance of common stock from the conversion of the 2022 Convertible Notes	3,546	4	29,996	—	—	30,000
Net investment income	—	—	—	7,120,216	—	7,120,216
Net realized and unrealized gain (loss)	—	—	—	(9,660,376)	—	(9,660,376)
Distributions to common stockholders(2)	—	—	—	(7,363,184)	—	(7,363,184)
Balance at June 30, 2022	73,354,142	$ 84,482	$ 848,052,543	$ (442,176,304)	$ (70,516,074)	$ 335,444,647

	Common Stock					
	Shares Outstanding	Par Amount, Shares Issued	Paid in Capital in Excess of Par	Distributable earnings (loss)	Treasury Stock at Cost	Total Net Assets
Balance at December 31, 2020	74,466,665	$ 84,478	$ 858,079,713	$ (476,857,055)	$ (66,296,859)	$ 315,010,277
Repurchase of common stock	(256,062)	—	—	—	(869,726)	(869,726)
Net investment income	—	—	—	4,190,217	—	4,190,217
Net realized and unrealized gain (loss)	—	—	—	12,010,788	—	12,010,788
Distributions to common stockholders(2)	—	—	—	(7,441,594)	—	(7,441,594)
Balance at March 31, 2021	74,210,603	$ 84,478	$ 858,079,713	$ (468,097,644)	$ (67,166,585)	$ 322,899,962
Repurchase of common stock	(80,944)	—	—	—	(301,703)	(301,703)
Net investment income	—	—	—	4,842,724	—	4,842,724
Net realized and unrealized gain (loss)	—	—	—	27,182,996	—	27,182,996
Distributions to common stockholders(2)	—	—	—	(7,413,594)	—	(7,413,594)
Balance at June 30, 2021	74,129,659	$ 84,478	$ 858,079,713	$ (443,485,518)	$ (67,468,288)	$ 347,210,385

(1) See Notes 2 and 4 for further information related to the adoption of ASU 2020-06.

(2) Sources of distribution to stockholders will be adjusted on an annual basis, if necessary, and calculated in accordance with federal income tax regulations (see Note 2). For the three months ended June 30, 2022, it is estimated that $242,968 out of the total $7,363,184 distribution was from a return of capital based on book income. For the three months ended March 31, 2022, it is estimated that $885,175 out of the total $7,380,270 distribution was from a return of capital based on book income.

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended	
	June 30, 2022	June 30, 2021
Operating activities		
Net increase (decrease) in net assets resulting from operations	$ 2,982,214	$ 48,226,725
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized (gain) loss	(825,913)	19,669,166
Net change in unrealized (appreciation) depreciation of investments	11,260,316	(59,148,310)
Net change in unrealized (appreciation) depreciation on Interest Rate Swap	198,694	—
Net change in unrealized (appreciation) depreciation on foreign currency translation	—	285,360
Interest and dividend income paid in kind	(636,237)	(1,833,403)
Net amortization of investment discounts and premiums	(1,532,581)	(688,156)
Amortization of deferred debt issuance costs	668,747	863,830
Amortization of original issue discount on debt	—	464,480
Changes in assets and liabilities:		
Purchase of investments	(116,857,948)	(141,841,057)
Proceeds from disposition of investments	103,762,076	113,366,562
Decrease (increase) in interest, dividends and fees receivable	921,005	(411,093)
Decrease (increase) in due from broker	(1,097,291)	—
Decrease (increase) in receivable for investments sold	609,516	5,414,351
Decrease (increase) in prepaid expenses and other assets	409,973	(744,102)
Increase (decrease) in payable for investments purchased	(11,082,281)	7,651,652
Increase (decrease) in interest and debt related payables	137,774	117,811
Increase (decrease) in management fees payable	(175,352)	(537,763)
Increase (decrease) in income incentive fees payable	(100,659)	—
Increase (decrease) in accrued capital gains incentive fees	(1,544,569)	—
Increase (decrease) in accrued administrative expenses	(84,963)	(74,178)
Increase (decrease) in accrued expenses and other liabilities	(88,671)	(903,641)
Net cash provided by (used in) operating activities	(13,076,150)	(10,121,766)
Financing activities		
Repayment of 2022 Convertible Notes	(143,720,000)	—
Proceeds from issuance of 2025 Private Placement Notes	92,000,000	—
Draws on Credit Facility	160,000,000	64,000,000
Repayments of Credit Facility draws	(68,000,000)	(50,800,000)
Distributions paid to common stockholders	(14,773,242)	(7,441,594)
Repurchase of common shares	(2,026,688)	(1,171,429)
Payments of debt issuance costs	(796,172)	(767,459)
Net cash provided by (used in) financing activities	22,683,898	3,819,518
Net increase (decrease) in cash and cash equivalents	9,607,748	(6,302,248)
Cash and cash equivalents at beginning of period	12,750,121	23,332,831
Cash and cash equivalents at end of period	$ 22,357,869	$ 17,030,583
Supplemental cash flow information		
Interest payments	$ 4,330,110	$ 3,762,774
Tax payments	$ 60,464	$ 60,050
Share issuance — conversion of 2022 Convertible Notes	$ 30,000	$ —

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments
June 30, 2022
(Unaudited)

Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments										
Aerospace & Defense										
Unanet, Inc.	First Lien Term Loan	LIBOR(M)	—	6.25%	7.94%	5/31/2024	$ 6,632,653	$ 6,606,314	$ 6,632,653	
Unanet, Inc.	First Lien Delayed Draw Term Loan	LIBOR(M)	—	6.25%	7.88%	5/31/2024	$ 1,709,184	1,705,603	1,709,184	
Unanet, Inc.	First Lien Revolver	LIBOR(M)	—	6.25%	7.94%	5/31/2024	$ 816,327	813,094	816,327	
								9,125,011	9,158,164	
Automobiles										
ALCV Purchaser, Inc. (AutoLenders)	First Lien Term Loan	LIBOR(M)	1.00%	6.75%	8.38%	4/15/2026	$ 2,400,993	2,372,994	2,400,993	
ALCV Purchaser, Inc. (AutoLenders)	First Lien Revolver	LIBOR(M)	1.00%	6.75%	8.38%	4/15/2026	$ 180,908	178,261	180,908	N
								2,551,255	2,581,901	
Building Products										
Porcelain Acquisition Corporation (Paramount)	First Lien Term Loan	LIBOR(Q)	1.00%	5.75%	8.00%	4/30/2027	$ 2,185,443	2,148,480	2,183,258	
Porcelain Acquisition Corporation (Paramount)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	5.75%	8.00%	4/30/2027	$ 340,589	335,018	340,248	
								2,483,498	2,523,506	
Capital Markets										
Pico Quantitative Trading, LLC	First Lien Term Loan (1.0% Exit Fee)	LIBOR(Q)	1.50%	7.25%	9.00%	2/7/2025	$ 500,000	487,331	505,000	
Pico Quantitative Trading, LLC	First Lien Incremental Term Loan	LIBOR(S)	1.50%	7.25%	8.75%	2/7/2025	$ 560,228	536,113	560,228	
								1,023,444	1,065,228	
Commercial Services & Supplies										
Kellermeyer Bergensons Services, LLC	First Lien Term Loan	LIBOR(M)	1.00%	6.00%	7.67%	11/7/2026	$ 1,593,137	1,583,639	1,535,784	
Kellermeyer Bergensons Services, LLC	First Lien Delayed Draw Term Loan A	LIBOR(M)	1.00%	6.00%	7.67%	11/7/2026	$ 350,506	348,295	337,888	
Kellermeyer Bergensons Services, LLC	First Lien Delayed Draw Term Loan B	LIBOR(M)	1.00%	6.00%	7.67%	11/7/2026	$ 485,391	482,363	467,917	
Thermostat Purchaser III, Inc. (Reedy Industries)	Second Lien Term Loan	LIBOR(Q)	0.75%	7.25%	8.82%	8/31/2029	$ 2,615,252	2,579,046	2,510,642	
Thermostat Purchaser III, Inc. (Reedy Industries)	Second Lien Delayed Draw Term Loan	LIBOR(Q)	0.75%	7.25%	8.82%	8/31/2029	$ —	(3,007)	(17,901)	N
								4,990,336	4,834,330	
Construction & Engineering										
CSG Buyer, Inc. (Core States)	First Lien Term Loan	SOFR(Q)	1.00%	6.00%	7.00%	3/31/2028	$ 3,291,606	3,225,774	3,209,316	
CSG Buyer, Inc. (Core States)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	6.00%	7.00%	3/31/2028	$ —	(10,731)	(26,828)	N
CSG Buyer, Inc. (Core States)	First Lien Revolver	SOFR(Q)	1.00%	6.00%	7.03%	3/31/2028	$ 214,625	203,894	201,211	N
Homerenew Buyer, Inc. (Project Dream)	First Lien Term Loan	SOFR(Q)	1.00%	6.50%	8.70%	11/23/2027	$ 3,582,680	3,493,903	3,450,121	
Homerenew Buyer, Inc. (Project Dream)	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	6.50%	8.69%	11/23/2027	$ 3,339,336	3,237,712	3,095,818	N
Homerenew Buyer, Inc. (Project Dream)	First Lien Revolver	SOFR(Q)	1.00%	6.50%	8.70%	11/23/2027	$ —	(18,617)	(44,541)	N
PHRG Intermediate, LLC (Power Home)	First Lien Term Loan	LIBOR(M)	0.75%	6.00%	7.60%	12/16/2026	$ 2,484,375	2,426,907	2,385,000	
Sunland Asphalt & Construction, LLC	First Lien Term Loan	LIBOR(S)	1.00%	6.00%	8.88%	1/13/2026	$ 2,487,454	2,451,312	2,427,755	
Sunland Asphalt & Construction, LLC	First Lien Delayed Draw Term Loan	LIBOR(S)	1.00%	6.00%	8.88%	1/13/2026	$ 836,406	824,104	816,333	
								15,834,258	15,514,185	
Consumer Finance										
Barri Financial Group, LLC	First Lien Term Loan	LIBOR(M)	1.00%	7.75%	9.11%	6/30/2026	$ 11,888,560	11,663,708	12,007,446	
Containers & Packaging										
BW Holding, Inc. (Brook & Whittle)	Second Lien Term Loan	SOFR(Q)	0.75%	7.50%	8.85%	12/14/2029	$ 4,172,342	4,081,566	3,963,725	
BW Holding, Inc. (Brook & Whittle)	Second Lien Delayed Draw Term Loan	SOFR(Q)	0.75%	7.50%	9.05%	12/14/2029	$ 387,017	378,755	367,666	
PVHC Holding Corp.	First Lien Term Loan	LIBOR(Q)	1.00%	4.75%	7.00%	8/2/2024	$ 10,231,375	9,110,988	9,770,963	
								13,571,309	14,102,354	
Distributors										
Colony Display LLC	First Lien Term Loan	LIBOR(Q)	1.00%	6.50%	8.75%	6/30/2026	$ 2,358,683	2,320,449	2,236,031	
Diversified Consumer Services										
Elevate Brands OpCo LLC	First Lien Delayed Draw Term Loan	SOFR(Q)	1.00%	8.50%	10.70%	3/15/2027	$ 7,900,095	7,790,184	7,687,400	N
Razor Group GmbH (Germany)	First Lien Delayed Draw Term Loan	LIBOR(M)	1.00%	9.00%	11.07%	9/30/2025	$ 12,653,058	12,747,350	12,653,058	H/J/N
Razor Group GmbH (Germany)	First Lien Sr Secured Convertible Term Loan	Fixed	—	3.50% Cash + 3.50% PIK	7.00%	10/2/2023	$ 1,609,710	1,609,710	2,726,848	D/H/J
SellerX Germany GmbH & Co. Kg (Germany)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	8.00%	10.15%	11/23/2025	$ 6,313,043	6,227,054	6,039,578	H/J/N
Thras.io, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	7.00%	9.25%	12/18/2026	$ 7,339,123	7,234,966	6,788,689	P

The accompanying notes are an integral part of these consolidated financial statements.

Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments - Continued										
Thras.io, LLC	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	7.00%	9.25%	12/18/2026	$ 3,076,216	$ 3,003,824	$ 2,640,831	P/N
Whele LLC (Perch)	First Lien Incremental Term Loan	LIBOR(S)	1.00%	8.50%	10.61%	10/15/2025	$ 6,842,404	6,889,025	6,582,393	
								45,502,113	45,118,797	
Diversified Financial Services										
2-10 Holdco, Inc.	First Lien Term Loan	LIBOR(M)	0.75%	6.00%	7.67%	3/26/2026	$ 6,572,192	6,472,446	6,474,923	
2-10 Holdco, Inc.	First Lien Revolver	LIBOR(M)	0.75%	6.00%	7.67%	3/26/2026	$ —	(3,598)	(3,556)	N
Callodine Commercial Finance, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	9.00%	11.25%	11/3/2025	$ 25,000,000	25,000,000	24,900,806	
Callodine Commercial Finance, LLC	Subordinated Debt	SOFR(Q)	0.25%	8.50%	10.19%	10/8/2027	$ 5,000,000	5,000,000	4,985,000	S
Gordon Brothers Finance Company	Unsecured Debt	LIBOR(M)	1.00%	11.00%	14.67%	10/31/2021	$ 37,686,148	37,686,148	18,674,073	G/R/T
Oasis Financial, LLC	Second Lien Term Loan	LIBOR(M)	1.00%	8.50%	10.01%	7/5/2026	$ 5,000,000	4,923,169	4,880,000	
Wealth Enhancement Group, LLC	First Lien Delayed Draw Term Loan	SOFR(S)	1.00%	6.00%	7.00%	10/4/2027	$ —	(17,277)	(124,155)	N
Wealth Enhancement Group, LLC	First Lien Revolver	SOFR(S)	1.00%	6.00%	7.00%	10/4/2027	$ 138,944	136,913	131,862	N
Worldremit Group Limited (United Kingdom)	First Lien Term Loan (3.0% Exit Fee)	LIBOR(Q)	1.00%	9.25%	10.76%	2/11/2025	$ 11,300,000	11,143,273	11,062,700	H/J
								90,341,074	70,981,653	
Diversified Telecommunication Services										
MetroNet Systems Holdings, LLC	Second Lien Term Loan	LIBOR(M)	0.75%	7.00%	8.63%	6/2/2029	$ 1,414,105	1,395,197	1,401,519	
MetroNet Systems Holdings, LLC	Second Lien Delayed Draw Term Loan	LIBOR(M)	0.75%	7.00%	8.63%	6/2/2029	$ 2,911,392	2,859,302	2,885,480	
								4,254,499	4,286,999	
Electrical Equipment										
Advanced Lighting Technologies, Inc.	Second Lien Sr Secured Notes	LIBOR(Q)	2.00%	16.00% PIK + 6.00% Cash	27.00%	3/16/2027	$ 2,149,829	935,927	666,447	D/I/R/T
Health Care Equipment & Supplies										
Zest Acquisition Corp.	Second Lien Term Loan	LIBOR(M)	1.00%	7.00%	8.63%	3/14/2026	$ 15,000,000	14,925,222	13,950,000	
Health Care Providers & Services										
INH Buyer, Inc. (IMS Health)	First Lien Term Loan	LIBOR(Q)	1.00%	6.00%	8.25%	6/28/2028	$ 2,679,750	2,631,111	2,355,500	
Outcomes Group Holdings, Inc.	Second Lien Term Loan	LIBOR(M)	—	7.50%	9.17%	10/26/2026	$ 5,769,231	5,762,441	5,625,000	
Outcomes Group Holdings, Inc.	Second Lien Term Loan	SOFR(S)	0.50%	7.50%	9.12%	10/26/2026	$ 3,538,462	3,487,052	3,432,308	
PHC Buyer, LLC (Patriot Home Care)	First Lien Term Loan	SOFR(M)	0.75%	6.00%	7.13%	5/4/2028	$ 3,817,828	3,742,557	3,725,437	
PHC Buyer, LLC (Patriot Home Care)	First Lien Delayed Draw Term Loan	SOFR(M)	0.75%	6.00%	7.13%	5/4/2028	$ —	(13,787)	(35,197)	N
Team Services Group, LLC	Second Lien Term Loan	LIBOR(M)	1.00%	9.00%	10.67%	11/13/2028	$ 6,554,543	6,387,931	6,423,452	
								21,997,305	21,526,500	
Health Care Technology										
Appriss Health, LLC (PatientPing)	First Lien Term Loan	LIBOR(Q)	1.00%	7.25%	8.25%	5/6/2027	$ 2,875,899	2,831,121	2,763,739	
Appriss Health, LLC (PatientPing)	First Lien Revolver	LIBOR(Q)	1.00%	7.25%	8.25%	5/6/2027	$ —	(3,104)	(7,477)	N
CareATC, Inc.	First Lien Term Loan	LIBOR(Q)	1.00%	7.25%	9.25%	3/14/2024	$ 7,867,476	7,785,190	7,851,741	
CareATC, Inc.	First Lien Revolver	LIBOR(Q)	1.00%	7.25%	8.29%	3/14/2024	$ 338,074	335,557	337,398	
ESO Solutions, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	7.00%	9.06%	5/3/2027	$ 8,380,593	8,228,461	8,271,646	
ESO Solutions, Inc.	First Lien Revolver	SOFR(Q)	1.00%	7.00%	9.06%	5/3/2027	$ —	(9,960)	(8,011)	N
Gainwell Acquisition Corp.	Second Lien Term Loan	LIBOR(Q)	1.00%	8.00%	9.00%	10/2/2028	$ 2,016,737	2,007,842	1,942,118	
Sandata Technologies, LLC	First Lien Term Loan	LIBOR(Q)	—	6.00%	8.31%	7/23/2024	$ 4,500,000	4,470,631	4,545,000	
Sandata Technologies, LLC	First Lien Revolver	LIBOR(Q)	—	6.00%	7.54%	7/23/2024	$ 300,000	296,790	300,000	N
								25,942,528	25,996,154	
Hotels, Restaurants & Leisure										
OCM Luxembourg Baccarat Bidco S.A.R.L. (Interblock) (Slovenia)	First Lien Term Loan	SOFR(Q)	0.75%	6.25%	7.68%	6/3/2027	$ 5,247,600	5,143,493	5,142,648	H/J
OCM Luxembourg Baccarat Bidco S.A.R.L. (Interblock) (Slovenia)	First Lien Revolver	SOFR(Q)	0.75%	6.25%	7.68%	6/3/2027	$ —	(8,270)	(8,396)	H/J/N
								5,135,223	5,134,252	
Insurance										
AmeriLife Holdings, LLC	Second Lien Term Loan	LIBOR(M)	1.00%	8.50%	9.56%	3/18/2028	$ 9,035,066	8,897,315	9,007,961	
IT Parent, LLC (Insurance Technologies)	First Lien Term Loan	LIBOR(M)	1.00%	6.25%	7.90%	10/1/2026	$ 1,943,516	1,915,019	1,842,453	
IT Parent, LLC (Insurance Technologies)	First Lien Revolver	LIBOR(M)	1.00%	6.25%	7.87%	10/1/2026	$ 66,667	63,075	53,667	N
Peter C. Foy & Associates Insurance Services, LLC (PCF Insurance)	First Lien Term Loan	SOFR(M)	0.75%	6.00%	7.39%	11/1/2028	$ 856,662	843,902	833,532	
Peter C. Foy & Associates Insurance Services, LLC (PCF Insurance)	First Lien Delayed Draw Term Loan	SOFR(M)	0.75%	6.00%	7.39%	11/1/2028	$ —	(15,840)	(57,825)	N
								11,703,471	11,679,788	

Consolidated Schedules of Investments—(Continued)
June 30, 2022
(Unaudited)

Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments - Continued										
Internet & Catalog Retail										
Syndigo, LLC	Second Lien Term Loan	LIBOR(S)	0.75%	8.00%	10.51%	12/14/2028	$ 4,673,472	$ 4,613,735	$ 4,393,064	
Internet Software & Services										
Astra Acquisition Corp. (Anthology)	Second Lien Term Loan	LIBOR(M)	0.75%	8.88%	10.54%	10/25/2029	$ 7,164,842	7,029,000	6,555,830	
InMoment, Inc.	First Lien Term Loan	SOFR(M)	0.75%	5.50% Cash + 2.00% PIK	8.66%	6/8/2028	$ 11,376,030	11,151,220	11,148,509	D
Magenta Buyer, LLC (McAfee)	Second Lien Term Loan	LIBOR(Q)	0.75%	8.25%	9.48%	7/27/2029	$ 7,000,000	6,909,500	6,370,000	P
MetricStream, Inc.	First Lien Term Loan	LIBOR(Q)	1.00%	8.00%	10.23%	9/28/2024	$ 11,002,285	10,869,706	10,727,228	
MetricStream, Inc.	First Lien Incremental Term Loan (3.25% Exit Fee)	LIBOR(Q)	1.00%	8.00%	10.25%	9/28/2024	$ 1,466,971	1,441,075	1,477,387	
Persado, Inc.	First Lien Term Loan (6.575% Exit Fee)	SOFR(M)	1.80%	7.00%	8.80%	6/10/2027	$ 5,830,726	5,749,864	5,772,419	
Persado, Inc.	First Lien Delayed Draw Term Loan (6.575% Exit Fee)	SOFR(M)	1.80%	7.00%	8.80%	6/10/2027	$ 1,562,500	1,551,832	1,488,568	N
Pluralsight, Inc.	First Lien Term Loan	LIBOR(Q)	1.00%	8.00%	9.00%	4/6/2027	$ 12,069,635	11,868,629	11,683,406	
Pluralsight, Inc.	First Lien Revolver	LIBOR(Q)	1.00%	8.00%	9.00%	4/6/2027	$ —	(14,804)	(29,772)	N
Quartz Holding Company (Quick Base)	Second Lien Term Loan	LIBOR(M)	—	8.00%	9.67%	4/2/2027	$ 5,512,958	5,441,309	5,507,445	
Reveal Data Corporation et al	First Lien Term Loan	SOFR(S)	1.00%	6.50%	7.50%	3/9/2028	$ 2,583,930	2,522,098	2,519,332	
Suited Connector, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	6.00%	7.60%	12/1/2027	$ 1,413,920	1,387,691	1,357,364	
Suited Connector, LLC	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	6.00%	7.60%	12/1/2027	$ —	(2,754)	(13,636)	N
Suited Connector, LLC	First Lien Revolver	LIBOR(M)	1.00%	6.00%	7.12%	12/1/2027	$ 45,455	41,313	36,364	N
								65,945,679	64,600,444	
IT Services										
Ensono, Inc.	Second Lien Term Loan B	LIBOR(M)	—	8.00%	9.67%	5/28/2029	$ 5,000,000	4,956,115	4,920,000	
Idera, Inc.	Second Lien Term Loan	LIBOR(M)	0.75%	6.75%	7.82%	2/4/2029	$ 2,867,296	2,848,775	2,709,595	
								7,804,890	7,629,595	
Leisure Products										
Peloton Interactive, Inc.	First Lien Term Loan	SOFR(S)	0.50%	6.50%	8.35%	5/25/2027	$ 2,644,791	2,548,188	2,514,217	J/P
Machinery										
Sonny's Enterprises, LLC	First Lien Term Loan	LIBOR(M)	1.00%	6.75%	8.42%	8/5/2026	$ 1,437,499	1,414,796	1,451,874	
Sonny's Enterprises, LLC	First Lien Delayed Draw Term Loan	LIBOR(M)	1.00%	6.75%	8.42%	8/5/2026	$ 3,875,124	3,814,316	3,913,876	
								5,229,112	5,365,750	
Media										
MBS Opco, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	9.00%	11.20%	12/29/2022	$ 11,733,450	11,733,450	11,733,450	
NEP II, Inc.	Second Lien Term Loan	LIBOR(M)	—	7.00%	8.67%	10/19/2026	$ 3,131,760	2,901,575	2,863,619	P
Terraboost Media Operating Company, LLC	First Lien Term Loan	SOFR(Q)	1.00%	6.50%	7.72%	8/23/2026	$ 3,676,502	3,608,235	3,547,825	
								18,243,260	18,144,894	
Metals & Mining										
Kemmerer Operations, LLC (WMLP)	First Lien Term Loan	Fixed	—	15.00% PIK	15.00%	6/21/2023	$ 3,027,697	3,027,697	3,027,697	D/F/N
Paper & Forest Products										
Alpine Acquisition Corp II (48Forty)	First Lien Term Loan	SOFR(Q)	1.00%	6.00%	7.22%	11/30/2026	$ 9,845,593	9,625,429	9,640,281	N
Alpine Acquisition Corp II (48Forty)	First Lien Revolver	SOFR(Q)	1.00%	6.00%	7.22%	11/30/2026	$ —	(18,833)	(13,468)	N
								9,606,596	9,626,813	
Professional Services										
DTI Holdco, Inc. (Epiq Systems, Inc.)	Second Lien Term Loan	SOFR(M)	0.75%	7.75%	9.28%	4/26/2030	$ 5,007,465	4,909,162	4,506,718	
Dude Solutions Holdings, Inc.	First Lien Term Loan	LIBOR(Q)	1.00%	6.25%	8.50%	6/13/2025	$ 9,205,005	9,094,652	9,076,135	
Dude Solutions Holdings, Inc.	First Lien Revolver	LIBOR(Q)	1.00%	6.25%	8.50%	6/13/2025	$ 650,100	636,303	633,035	N
GI Consilio Parent, LLC	Second Lien Term Loan	LIBOR(M)	0.50%	7.50%	9.17%	5/14/2029	$ 5,000,000	4,957,863	4,660,000	
JobandTalent USA, Inc. (United Kingdom)	First Lien Term Loan (3.0% Exit Fee)	SOFR(M)	1.00%	8.75%	10.34%	2/17/2025	$ 9,892,491	9,738,665	9,714,426	H/J
JobandTalent USA, Inc. (United Kingdom)	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	SOFR(M)	1.00%	8.75%	10.34%	2/17/2025	$ 5,300,000	5,221,960	5,204,600	H/J
RigUp, Inc.	First Lien Delayed Draw Term Loan (4.0% Exit Fee)	LIBOR(Q)	1.50%	7.00%	8.63%	3/1/2024	$ 500,000	495,480	492,500	
TLE Holdings, LLC	First Lien Term Loan	LIBOR(M)	1.00%	5.50%	7.17%	6/28/2024	$ 3,840,370	3,531,303	3,619,549	

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Schedules of Investments—(Continued)
June 30, 2022
(Unaudited)

Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments - Continued										
TLE Holdings, LLC	First Lien Delayed Draw Term Loan	LIBOR(M)	1.00%	5.50%	7.17%	6/28/2024	$ 982,979	$ 903,870	$ 926,457	
VT TopCo, Inc. (Veritext)	Second Lien Term Loan	LIBOR(M)	0.75%	6.75%	8.42%	8/4/2026	$ 1,064,655	1,058,668	995,452	
								40,547,926	39,828,872	
Real Estate Management & Development										
Greystone Affordable Housing Initiatives, LLC	First Lien Delayed Draw Term Loan	LIBOR(S)	1.25%	6.00%	7.25%	3/2/2026	$ 1,866,667	1,866,667	1,846,133	J
Greystone Select Company II, LLC (Passco)	First Lien Term Loan	SOFR(M)	1.50%	6.50%	8.11%	3/21/2027	$ 4,661,332	4,571,377	4,567,174	
Greystone Select Company II, LLC (Passco)	First Lien Delayed Draw Term Loan	SOFR(M)	1.50%	6.50%	8.11%	3/21/2027	$ —	7,410	(136,007)	N
								6,445,454	6,277,300	
Road & Rail										
Keep Truckin, Inc.	First Lien Term Loan	SOFR(Q)	1.00%	7.25%	8.37%	4/8/2025	$ 15,000,000	14,821,974	14,835,000	
Semiconductors & Semiconductor Equipment										
Emerald Technologies (U.S.) AcquisitionCo, Inc	First Lien Term Loan	SOFR(M)	1.00%	6.25%	7.88%	12/29/2027	$ 1,923,229	1,886,215	1,845,703	P
Emerald Technologies (U.S.) AcquisitionCo, Inc	First Lien Revolver	SOFR(M)	1.00%	6.25%	7.88%	12/29/2026	$ —	(81,034)	(48,337)	N
								1,805,181	1,797,366	
Software										
Aerospike, Inc.	First Lien Term Loan	LIBOR(M)	1.00%	7.50%	9.17%	12/29/2025	$ 2,416,867	2,395,700	2,385,931	
AlphaSense, Inc.	First Lien Term Loan	SOFR(M)	1.00%	7.00%	8.36%	3/11/2027	$ 8,673,018	8,587,989	8,586,288	
Aras Corporation	First Lien Term Loan	LIBOR(Q)	1.00%	3.25% Cash + 3.75% PIK	8.02%	4/13/2027	$ 4,359,113	4,292,603	4,258,852	D
Aras Corporation	First Lien Revolver	LIBOR(Q)	1.00%	6.50%	7.50%	4/13/2027	$ —	(4,907)	(7,064)	N
Backoffice Associates Holdings, LLC (Syniti)	First Lien Term Loan	LIBOR(Q)	1.00%	7.75%	8.99%	4/30/2026	$ 5,013,089	4,894,628	4,962,959	
Backoffice Associates Holdings, LLC (Syniti)	First Lien Revolver	PRIME	—	6.75%	11.50%	4/30/2026	$ 519,073	503,785	512,503	N
Bluefin Holding, LLC (BlackMountain)	Second Lien Term Loan	LIBOR(S)	—	7.75%	9.83%	9/6/2027	$ 4,809,535	4,758,735	4,747,011	
CyberGrants Holdings, LLC	First Lien Term Loan	LIBOR(Q)	0.75%	6.50%	8.75%	9/8/2027	$ 2,833,333	2,795,367	2,805,850	
CyberGrants Holdings, LLC	First Lien Delayed Draw Term Loan	LIBOR(Q)	0.75%	6.50%	8.75%	9/8/2027	$ 8,389	6,865	5,694	N
CyberGrants Holdings, LLC	First Lien Revolver	LIBOR(Q)	0.75%	6.50%	8.75%	9/8/2027	$ 169,467	165,813	166,772	N
Elastic Path Software Inc. (Canada)	First Lien Term Loan	SOFR(Q)	1.00%	7.50%	8.50%	1/6/2026	$ 1,893,754	1,877,491	1,872,165	H/J
Grey Orange Incorporated	First Lien Term Loan (3.75% Exit Fee)	SOFR(S)	1.00%	7.25%	9.31%	5/6/2026	$ 1,539,384	1,523,993	1,514,138	
Grey Orange Incorporated	First Lien Delayed Draw Term Loan (3.75% Exit Fee)	SOFR(S)	1.00%	7.25%	9.31%	5/6/2026	$ —	(14,801)	(25,246)	N
Integrate.com, Inc. (Infinity Data, Inc.)	First Lien Term Loan	LIBOR(Q)	1.00%	3.00% Cash + 3.00% PIK	7.04%	12/17/2027	$ 1,518,092	1,489,574	1,484,542	D
Integrate.com, Inc. (Infinity Data, Inc.)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	3.00% Cash + 3.00% PIK	7.04%	12/17/2027	$ —	(2,193)	(5,893)	D/N
Integrate.com, Inc. (Infinity Data, Inc.)	First Lien Revolver	LIBOR(Q)	1.00%	6.00%	7.04%	12/17/2027	$ —	(2,430)	(2,947)	N
Kaseya Inc.	First Lien Term Loan	SOFR(S)	0.75%	5.75%	8.29%	6/25/2029	$ 7,444,189	7,332,674	7,332,527	
Kaseya Inc.	First Lien Delayed Draw Term Loan	SOFR(S)	0.75%	5.75%	8.29%	6/25/2029	$ —	(3,391)	(6,826)	N
Kaseya Inc.	First Lien Revolver	SOFR(S)	0.75%	5.75%	8.29%	6/25/2029	$ —	(6,804)	(6,826)	N
Nvest, Inc. (SigFig)	First Lien Term Loan	SOFR(S)	1.00%	7.50%	8.71%	9/15/2025	$ 2,349,466	2,311,556	2,310,699	
Oversight Systems, Inc.	First Lien Term Loan	LIBOR(M)	1.00%	7.00%	8.67%	9/24/2026	$ 1,551,129	1,524,531	1,503,820	
SEP Eiger BidCo Ltd. (Beqom) (Switzerland)	First Lien Term Loan	SOFR(Q)	1.00%	6.00%	7.00%	5/9/2028	$ 5,491,904	5,382,066	5,382,066	H/J
SEP Eiger BidCo Ltd. (Beqom) (Switzerland)	First Lien Revolver	SOFR(Q)	1.00%	6.00%	7.00%	5/9/2028	$ —	(11,489)	(11,768)	H/J/N
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	First Lien Term Loan	LIBOR(Q)	1.00%	4.50% Cash + 3.00% PIK	9.81%	3/31/2027	$ 3,742,065	3,681,197	3,670,966	D/H/J
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	First Lien Revolver	LIBOR(Q)	1.00%	4.50% Cash + 3.00% PIK	9.81%	3/31/2027	$ —	(6,495)	(7,782)	D/H/J/N
Superman Holdings, LLC (Foundation Software)	First Lien Term Loan	LIBOR(Q)	1.00%	6.50%	8.75%	8/31/2027	$ 4,640,185	4,552,722	4,589,142	
Superman Holdings, LLC (Foundation Software)	First Lien Revolver	LIBOR(Q)	1.00%	6.50%	8.75%	8/31/2026	$ —	(5,738)	(3,624)	N
Syntellis Performance Solutions, Inc. (Axiom Software)	First Lien Term Loan	LIBOR(Q)	1.00%	7.00%	8.24%	8/2/2027	$ 843,218	823,672	851,651	
Zilliant Incorporated	First Lien Term Loan	LIBOR(S)	0.75%	2.00% Cash + 4.50% PIK	9.25%	12/21/2027	$ 1,515,377	1,487,980	1,471,431	D
Zilliant Incorporated	First Lien Delayed Draw Term Loan	LIBOR(S)	0.75%	2.00% Cash + 4.50% PIK	9.25%	12/21/2027	$ —	(3,059)	(10,741)	D/N
Zilliant Incorporated	First Lien Revolver	LIBOR(Q)	0.75%	6.00%	6.75%	12/21/2027	$ —	(2,705)	(4,296)	N
								60,324,929	60,321,994	
Specialty Retail										
Calceus Acquisition, Inc. (Cole Haan)	First Lien Term Loan B	LIBOR(Q)	—	5.50%	7.07%	2/12/2025	$ 228,760	214,629	181,006	P

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Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments - Continued										
Calceus Acquisition, Inc. (Cole Haan)	First Lien Sr Secured Notes	Fixed	—	9.75%	9.75%	2/19/2025	$ 1,000,000	$ 981,235	$ 857,000	
Hanna Andersson, LLC	First Lien Term Loan	LIBOR(M)	1.00%	6.25%	7.19%	7/2/2026	$ 7,240,146	7,120,728	7,102,583	
								8,316,592	8,140,589	
Technology Hardware, Storage & Peripherals										
SumUp Holdings Luxembourg S.A.R.L. (United Kingdom)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	7.00%	9.18%	2/17/2026	$ 6,177,544	6,079,189	5,895,629	H/J/N
Textiles, Apparel & Luxury Goods										
James Perse Enterprises, Inc.	First Lien Term Loan	SOFR(M)	1.00%	6.25%	7.78%	9/8/2027	$ 9,862,348	9,725,412	9,924,480	
James Perse Enterprises, Inc.	First Lien Revolver	SOFR(M)	1.00%	6.25%	7.78%	9/8/2027	$ —	(20,312)	—	N
								9,705,100	9,924,480	
Tobacco Related										
Juul Labs, Inc.	First Lien Term Loan	LIBOR(Q)	1.50%	7.00%	8.50%	8/2/2023	$ 12,963,997	12,929,639	11,291,642	
Trading Companies & Distributors										
Blackbird Purchaser, Inc. (Ohio Transmission Corp.)	Second Lien Term Loan	LIBOR(M)	0.75%	7.50%	9.17%	4/8/2027	$ 3,539,347	3,475,708	3,422,902	
Blackbird Purchaser, Inc. (Ohio Transmission Corp.)	Second Lien Delayed Draw Term Loan	LIBOR(M)	0.75%	7.50%	9.17%	4/8/2027	$ —	(9,389)	(38,815)	N
								3,466,319	3,384,087	
Wireless Telecommunication Services										
OpenMarket, Inc. (Infobip) (United Kingdom)	First Lien Term Loan	LIBOR(Q)	0.75%	6.25%	8.50%	9/17/2026	$ 4,962,500	4,854,123	4,826,031	H/J
Total Debt Investments - 162.5% of Net Assets								570,616,213	545,189,199	

The accompanying notes are an integral part of these consolidated financial statements.

Issuer(O/Q)	Instrument	Total Coupon	Expiration	Shares	Cost(A)	Fair Value(B)	Notes
Equity Securities							
Capital Markets							
Marsico Holdings, LLC	Limited Partnership/Limited Liability Company Interests			91,445	$ 1,848,077	$ —	C/I
Pico Quantitative Trading Holdings, LLC	Warrants to Purchase Membership Units		2/7/2030	162	14,804	47,758	C/I
					1,862,881	47,758	
Chemicals							
AGY Equity, LLC	Class A Preferred Stock			4,195,600	1,139,597	—	C/F/I
AGY Equity, LLC	Class B Preferred Stock			2,936,920	—	—	C/F/I
AGY Equity, LLC	Class C Common Stock			2,307,580	—	—	C/F/I
					1,139,597	—	
Diversified Consumer Services							
Elevate Brands Holdco Inc.	Warrants to Purchase Common Stock		3/14/2032	66,428	—	76,813	C/I
Elevate Brands Holdco Inc.	Warrants to Purchase Preferred Stock		3/14/2032	33,214	—	50,621	C/I
MXP Prime Platform GmbH (SellerX) (Germany)	Warrants to Purchase Preferred Series B Shares		11/23/2028	48	—	153,218	C/H/I/J
Razor Group GmbH (Germany)	Warrants to Purchase Preferred Series A1 Shares		4/28/2028	182	—	1,962,165	C/H/I/J
					—	2,242,817	
Diversified Financial Services							
Gordon Brothers Finance Company	Common Stock			10,612	10,611,548	—	C/G
Gordon Brothers Finance Company	Preferred Stock	13.50%		34,285	36,624,685	—	C/G/R
Worldremit Group Limited (United Kingdom)	Warrants to Purchase Series D Stock		2/11/2031	7,662	—	192,853	C/H/I/J
Worldremit Group Limited (United Kingdom)	Warrants to Purchase Series E Stock		8/27/2031	508	—	5,436	C/H/I/J
					47,236,233	198,289	
Household Durables							
Stitch Holdings, L.P.	Limited Partnership/Limited Liability Company Interests			5,910	5,909,910	5,023,500	C/I
Internet Software & Services							
FinancialForce.com, Inc.	Warrants to Purchase Series C Preferred Stock		1/30/2029	450,000	100,544	225,600	C/I
Media							
MBS Parent, LLC	Limited Partnership/Limited Liability Company Interests			546	500,000	843,297	C/M
Metals & Mining							
Kemmerer Holdings, LLC (WMLP)	Limited Partnership/Limited Liability Company Interests			8	753,851	1,227,481	C/F/K
Oil, Gas & Consumable Fuels							
ETX Energy Management Company, LLC	Limited Partnership/Limited Liability Company Interests			53,815	—	—	C
ETX Energy, LLC	Limited Partnership/Limited Liability Company Interests			51,119	—	—	C/L
					—	—	
Software							
Grey Orange International Inc.	Warrants to Purchase Common Stock		5/6/2032	81,895	—	8,066	C/I
Trading Companies & Distributors							
Blackbird Holdco, Inc. (Ohio Transmission Corp.)	Preferred Stock	12.50% PIK		2,478	2,598,027	2,388,272	D/I
Total Equity Securities - 3.6% of Net Assets					60,101,043	12,205,080	
Total Investments - 166.1% of Net Assets					$ 630,717,256	$ 557,394,279	
Cash and Cash Equivalents - 6.7% of Net Assets						$ 22,357,869	
Total Cash and Investments - 172.8% of Net Assets						$ 579,752,148	

Interest Rate Swap as of June 30, 2022(U)

	Company Receives Fixed	Company Pays Floating	Counterparty	Maturity Date	Payment Frequency	Notional Amount	Fair Value
Interest Rate Swap	2.633%	1 Day SOFR	CME	6/9/2025	Annual	$ 35,000,000	$ (198,694)

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Schedules of Investments:

(A) Represents amortized cost for fixed income securities and cost for preferred and common stock, limited partnership/limited liability company interests and equity warrants/options.
(B) Fair value is determined by or under the direction of the Company's Board of Directors. See Note 2 for further details.
(C) Non-income producing equity securities at June 30, 2022.
(D) Interest may be paid in cash or payment-in-kind ("PIK"), or a combination thereof which is generally at the option of the borrower. PIK earned is included in the cost basis of the security. In accordance with the Company's policy, PIK is recorded on an effective yield basis.
(E) Approximately 98.9% of the fair value of total senior secured loans in the Company's portfolio bear interest at a floating rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR"), "L", Secured Overnight Financing Rate ("SOFR"), "S", or other base rate (commonly the Federal Funds Rate or the Prime Rate), "P", at the borrower's option. In addition, 92.6% of the fair value of such senior secured loans have floors of 0.50% to 1.80%. The borrower under a senior secured loan generally has the option to select from interest reset periods of one, two, three or six months and may alter that selection at the end of any reset period. The stated interest rate represents the weighted average interest rate at June 30, 2022 of all contracts within the specified loan facility.
(F) Transaction and other information for "non-controlled, affiliated" investments under the Investment Company Act of 1940 (the "1940 Act"), whereby the Company owns 5% or more (but not more than 25%) of the portfolio company's outstanding voting securities, is presented in a separate table in Consolidated Schedules of Investments.
(G) Transaction and other information for "controlled" investments under the 1940 Act, whereby the Company owns more than 25% of the portfolio company's outstanding voting securities, is presented in a separate table in Consolidated Schedules of Investments.
(H) Non-U.S. company or principal place of business outside the U.S.
(I) Security is either exempt from registration under Rule 144A of the Securities Act of 1933 (the "Securities Act"), or sale of the security is subject to certain contractual restrictions. Securities that are exempt from registration under 144A may be resold in transactions, normally to qualified institutional buyers. In aggregate, these securities represent 3.2% of the Company's net assets at June 30, 2022. The acquisition dates for restricted securities of unaffiliated issuers were as follows as of June 30, 2022:

Investment	Initial Acquisition Date
Marsico Holdings, LLC, Limited Partnership/Limited Liability Company Interests	11/28/2007
FinancialForce.com, Warrants to Purchase Series C Preferred Stock	1/30/2019
Pico Quantitative Trading Holdings, LLC, Warrants to Purchase Membership Units	2/7/2020
Worldremit Group Limited (United Kingdom), Warrants to Purchase Series D Stock	2/11/2021
Advanced Lighting Technologies, LLC, Senior Secured Notes	3/16/2021
Razor Group GmbH (Germany), Warrants to Purchase Preferred Series A1 Shares	4/28/2021
Stitch Holdings, L.P., Limited Partnership Interests	7/30/2021
Worldremit Group Limited (United Kingdom), Warrants to Purchase Series E Stock	8/27/2021
MXP Prime Platform GmbH (SellerX) (Germany), Warrants to Purchase Preferred Series B Shares	11/23/2021
Blackbird Holdco, Inc. (Ohio Transmission Corp.), Preferred Stock	12/14/2021
Elevate Brands Holdco Inc., Warrants to Purchase Common Stock	3/14/2022
Elevate Brands Holdco Inc., Warrants to Purchase Preferred Stock	3/14/2022
Grey Orange International Inc., Warrants to Purchase Common Stock	5/6/2022

(J) Investments that the Company has determined are not "qualifying assets" under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets. The status of these assets under the 1940 Act may be subject to change. The Company monitors the status of these assets on an ongoing basis. As of June 30, 2022, approximately 13.8% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.
(K) The Company is the sole stockholder of BKC ASW Blocker, Inc., a consolidated subsidiary, which is the beneficiary of 5% or more (but not more than 25%) of the voting securities of Kemmerer Operations, LLC and thus non-controlled, affiliated investments.
(L) The Company is the sole stockholder of BKC ASW Blocker, Inc., a consolidated subsidiary, which is the beneficiary of less than 5% of the voting securities of ETX Energy, LLC, and thus non-controlled, non-affiliated investments.
(M) The Company is the sole stockholder of BCIC-MBS, LLC, a consolidated subsidiary, which is the beneficiary of less than 5% of the voting securities of MBS Parent, LLC and thus a non-controlled, non-affiliated investment.
(N) Position or associated portfolio company thereof has an unfunded commitment as of June 30, 2022 (see Note 9). Note that there may be additional unfunded positions which do not have a funded component at period end, and therefore are not displayed herein. Any negative balances represent unfunded commitments that were acquired and/or valued at a discount.
(O) Unless otherwise indicated, all investments are considered Level 3 in accordance with ASC Topic 820 (see Note 2).
(P) Investments are considered other than Level 3 in accordance with ASC Topic 820 (see Note 2).
(Q) As of June 30, 2022, the Company generally uses Global Industry Classification Standard ("GICS") codes to identify the industry groupings. This information is unaudited.
(R) The investment is on non-accrual status as of June 30, 2022 and therefore non-income producing. At June 30, 2022, the aggregate fair value and amortized cost of the Company's debt and preferred stock investments on non-accrual status represents 3.5% and 12.3%, respectively.
(S) This investment will have a first lien security interest after the senior tranches are repaid.
(T) Total coupon includes default interest of 2.00%.
(U) Refer to Notes 2 and 4 for additional information on the Company's Interest Rate Swap.

LIBOR and SOFR reset monthly (M), quarterly (Q) or semiannually (S).

Non-Controlled Affiliate Security(1)	Dividends and interest income(2)	Fair Value at December 31, 2021	Net realized gain (loss)(2)	Net increase or decrease in unrealized appreciation or depreciation(2)	Acquisitions(3)	Dispositions(4)	Fair Value at June 30, 2022
AGY Equity, LLC:							
Class A Preferred Stock	$ —	$ 251,736	$ —	$ (251,736)	$ —	$ —	$ —
Class B Preferred Stock	—	—	—	—	—	—	—
Class C Common Stock	—	—	—	—	—	—	—
Kemmerer Operations, LLC (WMLP):							
Senior Secured Loan, First Lien	231,298	3,091,618	—	—	231,324	(295,245)	3,027,697
Delayed Draw Term Loan, First Lien	1,170	42,550	—	—	1,188	(43,738)	—
Kemmerer Holdings, LLC (WMLP):							
Limited Liability Co. Interest	—	746,074	—	481,407	—	—	1,227,481
Totals	$ 232,468	$ 4,131,978	$ —	$ 229,671	$ 232,512	$ (338,983)	$ 4,255,178

(1) The issuers of the securities listed on this schedule are considered non-controlled, affiliated investments under the 1940 Act due to the ownership by the Company of 5% to 25% of the issuers' voting securities.

(2) Amounts reported above are for the six months ended June 30, 2022. Dividends and interest income also includes fee income as applicable.

(3) Acquisitions include new purchases, PIK income and amortization of original issue and market discounts, and the movement of an existing portfolio company into this category from a different category for the six months ended June 30, 2022.

(4) Dispositions include decreases in the cost basis of investments, net of realized gain or loss, resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category for the six months ended June 30, 2022.

The aggregate fair value of non-controlled, affiliated investments at June 30, 2022 represents 1.3% of the Company's net assets.

Controlled Affiliate Security(1)	Dividends and interest income(2)	Fair Value at December 31, 2021	Net realized gain (loss)(2)	Net increase or decrease in unrealized appreciation or depreciation(2)	Acquisitions(3)	Dispositions(4)	Fair Value at June 30, 2022
Gordon Brothers Finance Company:							
Unsecured Debt	$ —	$ 21,927,071	$ —	$ 922,387	$ —	$ (4,175,385)	$ 18,674,073
Preferred Stock	—	—	—	—	—	—	—
Common Stock	—	—	—	—	—	—	—
Totals	$ —	$ 21,927,071	$ —	$ 922,387	$ —	$ (4,175,385)	$ 18,674,073

(1) The issuers of securities listed on this schedule are considered controlled affiliates under the 1940 Act due to the ownership by the Company of more than 25% of the issuers' voting securities.

(2) Amounts reported above are for the six months ended June 30, 2022. Dividends and interest income also includes fee income as applicable.

(3) Acquisitions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category for the six months ended June 30, 2022.

(4) Dispositions include decreases in the cost basis of investments, net of realized gain or loss, resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category for the six months ended June 30, 2022.

The aggregate fair value of controlled investments at June 30, 2022 represents 5.6% of the Company's net assets.

Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments										
Aerospace & Defense										
Unanet, Inc.	First Lien Term Loan	LIBOR(M)	—	6.25%	6.38%	5/31/2024	$ 6,632,653	$ 6,597,643	$ 6,632,653	
Unanet, Inc.	First Lien Delayed Draw Term Loan	LIBOR(M)	—	6.25%	6.38%	5/31/2024	$ 1,709,184	1,704,021	1,709,184	
Unanet, Inc.	First Lien Revolver	LIBOR(M)	—	6.25%	6.38%	5/31/2024	$ 816,327	812,047	816,327	
								9,113,711	9,158,164	
Automobiles										
ALCV Purchaser, Inc. (AutoLenders)	First Lien Term Loan	LIBOR(M)	1.00%	6.75%	7.75%	2/25/2026	$ 2,801,159	2,763,855	2,863,064	
ALCV Purchaser, Inc. (AutoLenders)	First Lien Revolver	LIBOR(M)	1.00%	6.75%	7.75%	2/25/2026	$ —	(3,003)	—	N/S
								2,760,852	2,863,064	
Building Products										
Porcelain Acquisition Corporation (Paramount)	First Lien Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	4/30/2027	$ 2,196,481	2,155,551	2,200,874	
Porcelain Acquisition Corporation (Paramount)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	4/30/2027	$ —	(16,832)	1,892	N/S
								2,138,719	2,202,766	
Capital Markets										
Pico Quantitative Trading, LLC	First Lien Term Loan (1.0% Exit Fee)	LIBOR(S)	1.50%	7.25%	8.75%	2/7/2025	$ 500,000	485,090	505,000	
Pico Quantitative Trading, LLC	First Lien Incremental Term Loan	LIBOR(M)	1.50%	7.25%	8.75%	2/7/2025	$ 560,228	532,261	571,993	
								1,017,351	1,076,993	
Commercial Services & Supplies										
Kellermeyer Bergensons Services, LLC	First Lien Term Loan	LIBOR(S)	1.00%	5.75%	6.75%	11/7/2026	$ 1,601,307	1,590,431	1,585,294	
Kellermeyer Bergensons Services, LLC	First Lien Delayed Draw Term Loan A	LIBOR(S)	1.00%	5.75%	6.75%	11/7/2026	$ 352,288	349,723	348,765	
Kellermeyer Bergensons Services, LLC	First Lien Delayed Draw Term Loan B	LIBOR(S)	1.00%	5.75%	6.75%	11/7/2026	$ 319,881	318,126	315,002	S
Thermostat Purchaser III, Inc. (Reedy Industries)	Second Lien Term Loan	LIBOR(M)	0.75%	7.25%	8.00%	8/31/2029	$ 2,615,252	2,577,525	2,596,945	
Thermostat Purchaser III, Inc. (Reedy Industries)	Second Lien Delayed Draw Term Loan	LIBOR(M)	0.75%	7.25%	8.00%	8/31/2029	$ —	(3,216)	(3,133)	N/S
								4,832,589	4,842,873	
Construction & Engineering										
Homerenew Buyer, Inc. (Project Dream)	First Lien Term Loan	LIBOR(Q)	1.00%	6.50%	7.50%	8/10/2027	$ 3,189,333	3,110,747	3,106,411	
Homerenew Buyer, Inc. (Project Dream)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	6.50%	7.50%	8/10/2027	$ —	(23,480)	(50,695)	N/S
Homerenew Buyer, Inc. (Project Dream)	First Lien Revolver	LIBOR(Q)	1.00%	6.50%	7.50%	11/23/2027	$ —	(20,526)	(21,726)	N/S
PHRG Intermediate, LLC (Power Home)	First Lien Term Loan	LIBOR(Q)	0.75%	6.00%	6.75%	12/16/2026	$ 2,500,000	2,437,500	2,462,500	
Sunland Asphalt & Construction, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	1/13/2026	$ 2,500,081	2,458,489	2,492,581	
Sunland Asphalt & Construction, LLC	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	1/13/2026	$ 840,652	826,136	836,567	
								8,788,866	8,825,638	
Consumer Finance										
Barri Financial Group, LLC	First Lien Term Loan	LIBOR(M)	1.00%	7.75%	8.75%	6/30/2026	$ 12,356,957	12,098,329	12,480,527	
Containers & Packaging										
BW Holding, Inc. (Brook & Whittle)	Second Lien Term Loan	LIBOR(Q)	0.75%	7.50%	8.25%	12/14/2029	$ 2,229,219	2,179,061	2,179,061	
BW Holding, Inc. (Brook & Whittle)	Second Lien Delayed Draw Term Loan	LIBOR(Q)	0.75%	7.50%	8.25%	12/14/2029	$ —	(8,708)	(8,708)	N/S
PVHC Holding Corp.	First Lien Term Loan	LIBOR(Q)	1.00%	4.75%	5.75%	8/2/2024	$ 10,284,525	8,924,440	9,256,073	
								11,094,793	11,426,426	
Distributors										
Colony Display LLC	First Lien Term Loan	LIBOR(Q)	1.00%	6.50%	7.50%	6/30/2026	$ 2,370,595	2,327,386	2,294,736	
Colony Display LLC	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	6.50%	7.50%	6/30/2026	$ —	1,182	(38,120)	N/S
								2,328,568	2,256,616	
Diversified Consumer Services										
Razor Group GmbH (Germany)	First Lien Delayed Draw Term Loan	LIBOR(M)	1.00%	9.00%	10.00%	9/30/2025	$ 11,763,158	11,862,855	11,735,918	H/J/S
Razor Group GmbH (Germany)	First Lien Sr Secured Convertible Term Loan	Fixed	—	3.50% Cash + 3.50% PIK	7.00%	10/2/2023	$ 1,582,052	1,582,052	2,433,196	D/H/J
SellerX Germany GmbH & Co. Kg (Germany)	First Lien Term Loan	LIBOR(Q)	1.00%	8.00%	9.00%	11/23/2025	$ 5,537,893	5,484,992	5,511,312	H/J
SellerX Germany GmbH & Co. Kg (Germany)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	8.00%	9.00%	11/23/2025	$ —	(45,728)	(46,342)	H/J/N/S
Thras.io, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	7.00%	8.00%	12/18/2026	$ 7,376,378	7,261,963	7,302,615	P
Thras.io, LLC	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	7.00%	8.00%	12/18/2026	$ 3,091,832	3,012,793	3,033,624	P/S
Whele LLC (Perch)	First Lien Incremental Term Loan	LIBOR(M)	1.00%	7.50%	8.50%	10/15/2025	$ 6,842,404	6,895,074	6,862,932	
								36,054,001	36,833,255	

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
December 31, 2021

Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments (continued)										
Diversified Financial Services										
2-10 Holdco, Inc.	First Lien Term Loan	LIBOR(Q)	0.75%	6.00%	6.75%	3/26/2026	$ 6,605,469	$ 6,493,415	$ 6,569,138	
2-10 Holdco, Inc.	First Lien Revolver	LIBOR(Q)	0.75%	6.00%	6.75%	3/26/2026	$ —	(4,073)	(1,322)	N/S
Callodine Commercial Finance, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	9.00%	10.00%	11/3/2025	$ 25,000,000	25,000,000	25,175,000	
Callodine Commercial Finance, LLC	Delayed Draw Term Loan	LIBOR(Q)	1.00%	9.00%	10.00%	11/3/2025	$ —	—	56,452	S
Callodine Commercial Finance, LLC	Subordinated Debt	LIBOR(Q)	0.25%	8.50%	8.75%	10/8/2026	$ 5,000,000	5,000,000	5,000,000	T
Gordon Brothers Finance Company	Unsecured Debt	LIBOR(M)	1.00%	11.00%	14.00%	10/31/2021	$ 41,861,533	41,861,533	21,927,071	G/R/U
Oasis Financial, LLC	Second Lien Term Loan	LIBOR(M)	1.00%	8.50%	9.50%	7/5/2026	$ 5,000,000	4,914,140	4,935,000	
Worldremit Group Limited (United Kingdom)	First Lien Term Loan (3.0% Exit Fee)	LIBOR(Q)	1.00%	9.25%	10.25%	2/11/2025	$ 11,300,000	11,111,243	11,028,800	H/J
								94,376,258	74,690,139	
Diversified Telecommunication Services										
MetroNet Systems Holdings, LLC	Second Lien Term Loan	LIBOR(M)	0.75%	7.00%	7.75%	6/2/2029	$ 1,414,105	1,394,246	1,413,680	
MetroNet Systems Holdings, LLC	Second Lien Delayed Draw Term Loan	LIBOR(M)	0.75%	7.00%	7.75%	6/2/2029	$ 2,911,392	2,856,898	2,910,518	
								4,251,144	4,324,198	
Electrical Equipment										
Advanced Lighting Technologies, Inc.	Second Lien Sr Secured Notes	LIBOR(Q)	2.00%	16.00% PIK + 6.00% Cash	26.00%	3/16/2027	$ 1,976,481	935,927	652,239	D/I/R/U
Health Care Equipment & Supplies										
Zest Acquisition Corp.	Second Lien Term Loan	LIBOR(M)	1.00%	7.00%	8.00%	3/14/2026	$ 15,000,000	14,913,632	14,925,000	
Health Care Providers & Services										
INH Buyer, Inc. (IMS Health)	First Lien Term Loan	LIBOR(S)	1.00%	6.00%	7.00%	6/28/2028	$ 2,693,250	2,642,028	2,531,655	
Outcomes Group Holdings, Inc.	Second Lien Term Loan	LIBOR(S)	—	7.50%	7.85%	10/26/2026	$ 5,769,231	5,760,375	5,769,231	
Team Services Group, LLC	Second Lien Term Loan	LIBOR(S)	1.00%	9.00%	10.00%	11/13/2028	$ 6,554,543	6,376,646	6,521,770	
Tempus, LLC (Epic Staffing)	First Lien Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	2/5/2027	$ 4,050,005	3,977,128	4,090,505	
Tempus, LLC (Epic Staffing)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	2/5/2027	$ 1,528,379	1,495,592	1,569,223	S
								20,251,769	20,482,384	
Health Care Technology										
Appriss Health, LLC (PatientPing)	First Lien Term Loan	LIBOR(Q)	1.00%	7.25%	8.25%	5/6/2027	$ 2,875,899	2,826,567	2,824,133	
Appriss Health, LLC (PatientPing)	First Lien Revolver	LIBOR(Q)	1.00%	7.25%	8.25%	5/6/2027	$ —	(3,422)	(3,451)	N/S
CareATC, Inc.	First Lien Term Loan	LIBOR(Q)	1.00%	7.25%	8.25%	3/14/2024	$ 8,070,508	7,963,784	8,151,213	
CareATC, Inc.	First Lien Revolver	LIBOR(Q)	1.00%	7.25%	8.25%	3/14/2024	$ —	(3,141)	—	N/S
ESO Solutions, Inc.	First Lien Term Loan	LIBOR(S)	1.00%	7.00%	8.00%	5/3/2027	$ 6,794,312	6,666,863	6,794,312	
ESO Solutions, Inc.	First Lien Revolver	LIBOR(S)	1.00%	7.00%	8.00%	5/3/2027	$ —	(10,980)	—	N/S
Gainwell Acquisition Corp.	Second Lien Term Loan	LIBOR(Q)	1.00%	8.00%	9.00%	10/2/2028	$ 2,016,737	2,007,083	2,055,055	
Sandata Technologies, LLC	First Lien Term Loan	LIBOR(Q)	—	6.00%	6.25%	7/23/2024	$ 4,500,000	4,462,694	4,545,000	
Sandata Technologies, LLC	First Lien Revolver	LIBOR(Q)	—	6.00%	6.25%	7/23/2024	$ —	(3,964)	—	N/S
								23,905,484	24,366,262	
Insurance										
AmeriLife Holdings, LLC	Second Lien Term Loan	LIBOR(S)	1.00%	8.50%	9.50%	3/18/2028	$ 9,035,066	8,886,830	9,035,066	
IT Parent, LLC (Insurance Technologies)	First Lien Term Loan	LIBOR(Q)	1.00%	6.25%	7.25%	10/1/2026	$ 1,953,382	1,921,257	1,918,221	
IT Parent, LLC (Insurance Technologies)	First Lien Revolver	LIBOR(Q)	1.00%	6.25%	7.25%	10/1/2026	$ 66,667	62,659	62,167	S
								10,870,746	11,015,454	
Internet & Catalog Retail										
Syndigo, LLC	Second Lien Term Loan	LIBOR(S)	0.75%	8.00%	8.75%	12/14/2028	$ 4,673,472	4,609,839	4,661,788	
Internet Software & Services										
Astra Acquisition Corp.	Second Lien Term Loan	LIBOR(M)	0.75%	8.88%	9.63%	10/25/2029	$ 7,166,565	7,023,233	7,041,150	P
FinancialForce.com, Inc.	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	LIBOR(M)	2.75%	6.75%	9.50%	2/1/2024	$ 15,000,000	14,872,703	15,135,000	
Magenta Buyer, LLC (McAfee)	Second Lien Term Loan	LIBOR(Q)	0.75%	8.25%	9.00%	7/27/2029	$ 7,000,000	6,902,759	6,936,580	P
MetricStream, Inc.	First Lien Term Loan	LIBOR(Q)	1.00%	8.00%	9.00%	9/28/2024	$ 11,002,285	10,842,185	10,683,219	
MetricStream, Inc.	First Lien Incremental Term Loan (3.25% Exit Fee)	LIBOR(Q)	1.00%	8.00%	9.00%	9/28/2024	$ 1,466,971	1,437,645	1,437,632	
Persado, Inc.	First Lien Delayed Draw Term Loan (4.25% Exit Fee)	LIBOR(M)	1.80%	7.00%	8.80%	2/1/2025	$ 1,562,500	1,552,233	1,546,875	
Pluralsight, Inc.	First Lien Term Loan	LIBOR(S)	1.00%	8.00%	9.00%	4/6/2027	$ 12,069,635	11,847,614	12,045,495	

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Schedules of Investments—(Continued)
December 31, 2021

Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments (continued)										
Pluralsight, Inc.	First Lien Revolver	LIBOR(S)	1.00%	8.00%	9.00%	4/6/2027	$ —	$ (16,344)	$ (1,861)	N/S
Quartz Holding Company (Quick Base)	Second Lien Term Loan	LIBOR(M)	—	8.00%	8.10%	4/2/2027	$ 5,512,958	5,433,497	5,512,958	
Suited Connector, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	12/1/2027	$ 1,431,818	1,403,426	1,403,182	
Suited Connector, LLC	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	12/1/2027	$ —	(3,312)	(6,818)	N/S
Suited Connector, LLC	First Lien Revolver	LIBOR(Q)	1.00%	6.00%	7.00%	12/1/2027	$ 68,182	63,693	63,636	S
								61,359,332	61,797,048	
IT Services										
Ensono, Inc.	Second Lien Term Loan B	LIBOR(S)	—	8.00%	8.35%	5/28/2029	$ 5,000,000	4,952,045	5,100,000	
Idera, Inc.	Second Lien Term Loan	LIBOR(S)	0.75%	6.75%	7.50%	2/4/2029	$ 2,867,296	2,846,956	2,867,296	
Puppet, Inc.	First Lien Term Loan (3.0% Exit Fee)	LIBOR(Q)	1.00%	8.50%	9.50%	6/19/2023	$ 1,000,000	985,601	983,000	
								8,784,602	8,950,296	
Machinery										
Sonny's Enterprises, LLC	First Lien Term Loan	LIBOR(M)	1.00%	6.75%	7.75%	8/5/2026	$ 1,444,796	1,418,822	1,473,692	
Sonny's Enterprises, LLC	First Lien Delayed Draw Term Loan	LIBOR(M)	1.00%	6.75%	7.75%	8/5/2026	$ 3,894,753	3,827,544	3,972,649	
								5,246,366	5,446,341	
Media										
MBS Opco, LLC	First Lien Term Loan	LIBOR(Q)	1.00%	9.00%	10.00%	12/29/2022	$ 14,400,000	14,400,000	14,400,000	
NEP II, Inc.	Second Lien Term Loan	LIBOR(M)	—	7.00%	7.10%	10/19/2026	$ 3,131,760	2,880,854	3,060,513	P
								17,280,854	17,460,513	
Metals & Mining										
Kemmerer Operations, LLC (WMLP)	First Lien Term Loan	Fixed	—	15.00% PIK	15.00%	6/21/2023	$ 3,091,618	3,091,619	3,091,618	D/F
Kemmerer Operations, LLC (WMLP)	First Lien Delayed Draw Term Loan	Fixed	—	15.00% PIK	15.00%	6/21/2023	$ 42,550	42,550	42,550	D/F/S
								3,134,169	3,134,168	
Professional Services										
Dude Solutions Holdings, Inc.	First Lien Term Loan	LIBOR(Q)	1.00%	6.25%	7.25%	6/13/2025	$ 9,251,731	9,123,045	9,270,234	
Dude Solutions Holdings, Inc.	First Lien Revolver	LIBOR(Q)	1.00%	6.25%	7.25%	6/13/2025	$ —	(15,988)	—	N/S
GI Consilio Parent, LLC	Second Lien Term Loan	LIBOR(M)	0.50%	7.50%	8.00%	5/14/2029	$ 5,000,000	4,953,068	5,050,000	
JobandTalent USA, Inc. (United Kingdom)	First Lien Term Loan	LIBOR(M)	1.00%	8.75%	9.75%	2/17/2025	$ 9,892,491	9,718,436	9,991,416	H/J
JobandTalent USA, Inc. (United Kingdom)	First Lien Delayed Draw Term Loan	LIBOR(M)	1.00%	8.75%	9.75%	2/17/2025	$ 5,300,000	5,209,445	5,353,000	H/J
RigUp, Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fee)	LIBOR(M)	1.50%	7.00%	8.50%	3/1/2024	$ 500,000	494,061	499,500	
TLE Holdings, LLC	First Lien Term Loan	LIBOR(S)	1.00%	5.50%	6.50%	6/28/2024	$ 3,860,372	3,483,842	3,532,240	
TLE Holdings, LLC	First Lien Delayed Draw Term Loan	LIBOR(S)	1.00%	5.50%	6.50%	6/28/2024	$ 988,027	891,658	904,045	
VT TopCo, Inc. (Veritext)	Second Lien Term Loan	LIBOR(M)	0.75%	6.75%	7.50%	8/17/2026	$ 1,064,655	1,057,877	1,064,655	
								34,915,444	35,665,090	
Real Estate Management & Development										
Greystone Affordable Housing Initiatives, LLC	First Lien Delayed Draw Term Loan	LIBOR(S)	1.25%	6.00%	7.25%	3/2/2026	$ 1,866,667	1,866,667	1,866,667	J
Road & Rail										
Keep Truckin, Inc.	First Lien Term Loan	LIBOR(S)	1.00%	7.25%	8.25%	4/8/2025	$ 13,000,000	12,830,353	13,000,000	
St. George Warehousing & Trucking Co. of California, Inc.	First Lien Last Out Term Loan	LIBOR(Q)	1.00%	8.98%	9.98%	4/28/2023	$ 37,544,921	37,544,921	37,263,334	
St. George Warehousing & Trucking Co. of California, Inc.	First Lien Last Out Delayed Draw Term Loan	LIBOR(Q)	1.00%	8.98%	9.98%	4/28/2023	$ 7,696,249	7,696,249	7,638,527	
								58,071,523	57,901,861	
Software										
Aerospike, Inc.	First Lien Term Loan	LIBOR(M)	1.00%	7.50%	8.50%	12/29/2025	$ 2,416,867	2,392,765	2,392,698	
Aras Corporation	First Lien Term Loan	LIBOR(Q)	1.00%	3.25% Cash + 3.75% PIK	8.00%	4/13/2027	$ 3,876,087	3,804,903	3,829,574	D
Aras Corporation	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	3.25% Cash + 3.75% PIK	8.00%	4/13/2027	$ 409,525	406,401	404,611	D
Aras Corporation	First Lien Revolver	LIBOR(Q)	1.00%	6.50%	7.50%	4/13/2027	$ —	(5,415)	(3,686)	N/S
Backoffice Associates Holdings, LLC (Syniti)	First Lien Term Loan	LIBOR(S)	1.00%	7.75%	8.75%	4/30/2026	$ 5,038,407	4,903,903	5,083,752	
Backoffice Associates Holdings, LLC (Syniti)	First Lien Revolver	PRIME	—	6.75%	10.00%	4/30/2026	$ 164,264	147,108	164,264	S
Bluefin Holding, LLC (BlackMountain)	Second Lien Term Loan	LIBOR(Q)	—	7.75%	7.93%	9/6/2027	$ 4,809,535	4,753,821	4,809,535	
CyberGrants Holdings, LLC	First Lien Term Loan	LIBOR(Q)	0.75%	6.50%	7.25%	9/8/2027	$ 2,833,333	2,792,694	2,809,817	
CyberGrants Holdings, LLC	First Lien Delayed Draw Term Loan	LIBOR(Q)	0.75%	6.50%	7.25%	9/8/2027	$ —	(1,866)	(2,306)	N/S
CyberGrants Holdings, LLC	First Lien Revolver	LIBOR(Q)	0.75%	6.50%	7.25%	9/8/2027	$ —	(3,950)	(2,306)	N/S
Integrate.com, Inc. (Infinity Data, Inc.)	First Lien Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	12/17/2027	$ 1,506,667	1,476,673	1,476,533	
Integrate.com, Inc. (Infinity Data, Inc.)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	6.00%	7.00%	12/17/2027	$ —	(2,630)	(5,333)	N/S

Issuer(O/Q)	Instrument	Ref(E)	Floor	Spread	Total Coupon	Maturity	Principal	Cost(A)	Fair Value(B)	Notes
Debt Investments (continued)										
Integrate.com, Inc. (Infinity Data, Inc.)	First Lien Revolver	LIBOR(Q)	1.00%	6.00%	7.00%	12/17/2027	$ —	$ (2,648)	$ (2,667)	N/S
Oversight Systems, Inc.	First Lien Term Loan	LIBOR(M)	1.00%	7.00%	8.00%	9/24/2026	$ 1,558,944	1,529,069	1,515,449	
Rhode Holdings, Inc. (Kaseya)	First Lien Term Loan	LIBOR(Q)	1.00%	5.50% Cash + 1.00% PIK	7.50%	5/2/2025	$ 5,447,060	5,385,185	5,474,295	D
Rhode Holdings, Inc. (Kaseya)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	5.50% Cash + 1.00% PIK	7.50%	5/2/2025	$ 892,155	880,561	898,138	D/S
Rhode Holdings, Inc. (Kaseya)	First Lien Revolver	LIBOR(Q)	1.00%	6.50%	7.50%	5/2/2025	$ —	(3,898)	—	N/S
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	First Lien Term Loan	LIBOR(Q)	1.00%	7.00%	8.00%	3/31/2027	$ 3,686,254	3,618,969	3,700,999	H/J
SEP Raptor Acquisition, Inc. (Loopio) (Canada)	First Lien Revolver	LIBOR(Q)	1.00%	7.00%	8.00%	3/31/2027	$ —	(7,173)	—	H/J/N/S
SEP Vulcan Acquisition, Inc. (Tasktop) (Canada)	First Lien Term Loan	LIBOR(Q)	1.00%	7.00%	8.00%	3/16/2027	$ 3,016,305	2,961,731	3,046,468	H/J
SEP Vulcan Acquisition, Inc. (Tasktop) (Canada)	First Lien Revolver	LIBOR(Q)	1.00%	7.00%	8.00%	3/16/2027	$ —	(7,489)	—	H/J/N/S
Superman Holdings, LLC (Foundation Software)	First Lien Term Loan	LIBOR(Q)	1.00%	6.50%	7.50%	8/31/2027	$ 4,663,724	4,569,238	4,682,378	
Superman Holdings, LLC (Foundation Software)	First Lien Revolver	LIBOR(Q)	1.00%	6.50%	7.50%	8/31/2026	$ —	(6,420)	—	N/S
Syntellis Performance Solutions, Inc. (Axiom Software)	First Lien Term Loan	LIBOR(Q)	1.00%	7.00%	8.00%	8/2/2027	$ 847,510	826,019	864,460	
Zilliant Incorporated	First Lien Term Loan	LIBOR(Q)	0.75%	6.50% PIK	7.25%	12/21/2027	$ 1,481,481	1,452,019	1,451,852	D
Zilliant Incorporated	First Lien Delayed Draw Term Loan	LIBOR(Q)	0.75%	6.50% PIK	7.25%	12/21/2027	$ —	(3,666)	(7,407)	D/N/S
Zilliant Incorporated	First Lien Revolver	LIBOR(Q)	0.75%	6.00%	6.75%	12/21/2027	$ —	(2,948)	(2,963)	N/S
								41,852,956	42,578,155	
Specialty Retail										
Calceus Acquisition, Inc. (Cole Haan)	First Lien Term Loan B	LIBOR(Q)	—	5.50%	5.68%	2/12/2025	$ 171,349	164,623	160,782	P
Calceus Acquisition, Inc. (Cole Haan)	First Lien Sr Secured Notes	Fixed	—	9.75%	9.75%	2/19/2025	$ 1,000,000	978,419	989,561	S
Hanna Andersson, LLC	First Lien Term Loan	LIBOR(M)	1.00%	6.25%	7.25%	7/2/2026	$ 7,332,377	7,195,048	7,303,048	
								8,338,090	8,453,391	
Technology Hardware, Storage & Peripherals										
SumUp Holdings Luxembourg S.A.R.L. (United Kingdom)	First Lien Delayed Draw Term Loan	LIBOR(Q)	1.00%	7.00%	8.00%	2/17/2026	$ 5,403,099	5,296,171	5,186,242	H/J/S
Textiles, Apparel & Luxury Goods										
James Perse Enterprises, Inc.	First Lien Term Loan	LIBOR(S)	1.00%	6.25%	7.25%	9/8/2027	$ 6,666,667	6,571,045	6,671,333	
James Perse Enterprises, Inc.	First Lien Revolver	LIBOR(S)	1.00%	6.25%	7.25%	9/8/2027	$ —	651	—	S
WH Buyer, LLC (Anne Klein)	First Lien FILO Term Loan	LIBOR(Q)	1.00%	7.38%	8.38%	12/31/2025	$ 16,426,962	16,314,152	16,591,232	
								22,885,848	23,262,565	
Tobacco Related										
Juul Labs, Inc.	First Lien Term Loan	LIBOR(Q)	1.50%	7.00%	8.50%	8/2/2023	$ 13,051,497	12,994,616	12,999,291	
Trading Companies & Distributors										
Blackbird Purchaser, Inc. (Ohio Transmission Corp.)	Second Lien Term Loan	LIBOR(Q)	0.75%	7.50%	8.25%	4/8/2027	$ 3,539,347	3,469,160	3,468,560	
Blackbird Purchaser, Inc. (Ohio Transmission Corp.)	Second Lien Delayed Draw Term Loan	LIBOR(Q)	0.75%	7.50%	8.25%	4/8/2027	$ —	(11,585)	(23,596)	N/S
								3,457,575	3,444,964	
Wireless Telecommunication Services										
OpenMarket, Inc. (Infobip) (United Kingdom)	First Lien Term Loan	LIBOR(Q)	0.75%	6.25%	7.00%	9/17/2026	$ 4,987,500	4,868,610	4,844,359	H/J
Total Debt Investments - 154.5% of Net Assets								554,695,401	540,074,737	

The accompanying notes are an integral part of these consolidated financial statements.

BlackRock Capital Investment Corporation

Consolidated Schedules of Investments—(Continued)
December 31, 2021

Issuer(O/Q)	Instrument	Total Coupon	Expiration	Shares	Cost(A)	Fair Value(B)	Notes
Equity Securities							
Capital Markets							
Marsico Holdings, LLC	Limited Partnership/Limited Liability Company Interests			91,445	$ 1,848,077	$ —	C/I
Pico Quantitative Trading Holdings, LLC	Warrants to Purchase Membership Units		2/7/2030	162	14,804	58,357	C/I
					1,862,881	58,357	
Chemicals							
AGY Equity, LLC	Class A Preferred Stock			4,195,600	1,139,597	251,736	C/F/I
AGY Equity, LLC	Class B Preferred Stock			2,936,920	—	—	C/F/I
AGY Equity, LLC	Class C Common Stock			2,307,580	—	—	C/F/I
					1,139,597	251,736	
Diversified Consumer Services							
Razor Group GmbH (Germany)	Warrants to Purchase Preferred Series A1 Shares		4/28/2028	182	—	1,693,796	C/H/I/J
SellerX Germany GmbH & Co. Kg (Germany)	Warrants to Purchase Preferred Series B Shares		11/23/2028	48	—	126,699	C/H/I/J
					—	1,820,495	
Diversified Financial Services							
Gordon Brothers Finance Company	Common Stock			10,612	10,611,548	—	C/G
Gordon Brothers Finance Company	Preferred Stock	13.50%		34,285	36,624,684	—	C/G/R
Worldremit Group Limited (United Kingdom)	Warrants to Purchase Series D Stock		2/11/2031	7,662	—	188,409	C/H/I/J
Worldremit Group Limited (United Kingdom)	Warrants to Purchase Series E Stock		8/27/2031	508	—	5,446	C/H/I/J
					47,236,232	193,855	
Household Durables							
Stitch Holdings, L.P.	Limited Partnership/Limited Liability Company Interests			5,910	5,909,910	5,910,000	C/I
Internet Software & Services							
FinancialForce.com, Inc.	Warrants to Purchase Series C Preferred Stock		1/30/2029	450,000	100,544	260,550	C/I
Media							
MBS Parent, LLC	Limited Partnership/Limited Liability Company Interests			546	500,000	819,502	C/M
Metals & Mining							
Kemmerer Holdings, LLC (WMLP)	Limited Partnership/Limited Liability Company Interests			8	753,850	746,074	C/F/K
Oil, Gas & Consumable Fuels							
ETX Energy Management Company, LLC	Limited Partnership/Limited Liability Company Interests			53,815	—	—	C
ETX Energy, LLC	Limited Partnership/Limited Liability Company Interests			51,119	—	—	C/L
					—	—	
Trading Companies & Distributors							
Blackbird Holdco, Inc. (Ohio Transmission Corp.)	Preferred Stock	12.50% PIK		2,478	2,428,240	2,428,688	D/I
Total Equity Securities - 3.6% of Net Assets					59,931,254	12,489,257	
Total Investments - 158.1% of Net Assets					$ 614,626,655	$ 552,563,994	
Cash and Cash Equivalents - 3.6% of Net Assets						$ 12,750,121	
Total Cash and Investments - 161.7% of Net Assets						$ 565,314,115	

Notes to Consolidated Schedules of Investments:

(A) Represents amortized cost for fixed income securities and cost for preferred and common stock, limited partnership/limited liability company interests and equity warrants/options.

(B) Fair value is determined by or under the direction of the Company's Board of Directors. See Note 2 for further details.

(C) Non-income producing equity securities at December 31, 2021.

(D) Interest may be paid in cash or PIK, or a combination thereof which is generally at the option of the borrower. PIK earned is included in the cost basis of the security. In accordance with the Company's policy, PIK is recorded on an effective yield basis.

(E) Approximately 98.9% of the fair value of total senior secured loans in the Company's portfolio bear interest at a floating rate that may be determined by reference to the London Interbank Offered Rate (LIBOR), "L", or other base rate (commonly the Federal Funds Rate or the Prime Rate), "P", at the borrower's option. In addition, 92.5% of the fair value of such senior secured loans have floors of 0.25% to 2.75%. The borrower under a senior secured loan generally has the option to select from interest reset periods of one, two, three or six months and may alter that selection at the end of any reset period. The stated interest rate represents the weighted average interest rate at December 31, 2021 of all contracts within the specified loan facility.

(F) Transaction and other information for "non-controlled, affiliated" investments under the 1940 Act, whereby the Company owns 5% or more (but not more than 25%) of the portfolio company's outstanding voting securities, is presented in a separate table in Consolidated Schedules of Investments.

(G) Transaction and other information for "controlled" investments under the 1940 Act, whereby the Company owns more than 25% of the portfolio company's outstanding voting securities, is presented in a separate table in Consolidated Schedules of Investments.

(H) Non-U.S. company or principal place of business outside the U.S.

The accompanying notes are an integral part of these consolidated financial statements.

(I) Securities are either exempt from registration under Rule 144A of the Securities Act, or sale of the security is subject to certain contractual restrictions. Securities that are exempt from registration under 144A may be resold in transactions, normally to qualified institutional buyers. In aggregate, these securities represented 3.3% of the Company's net assets as of December 31, 2021. The acquisition dates for restricted securities of unaffiliated issuers were as follows as of December 31, 2021:

Investment	Initial Acquisition Date
Marsico Holdings, LLC, Limited Partnership/Limited Liability Company Interests	11/28/2007
FinancialForce.com, Warrants to Purchase Series C Preferred Stock	1/30/2019
Pico Quantitative Trading Holdings, LLC, Warrants to Purchase Membership Units	2/7/2020
Worldremit Group Limited (United Kingdom), Warrants to Purchase Series D Stock	2/11/2021
Advanced Lighting Technologies, LLC, Senior Secured Notes	3/16/2021
Razor Group GmbH (Germany), Warrants to Purchase Preferred Series A1 Shares	4/28/2021
Stitch Holdings, L.P., Limited Partnership Interests	7/30/2021
Worldremit Group Limited (United Kingdom), Warrants to Purchase Series E Stock	8/27/2021
SellerX Germany GmbH & Co. Kg (Germany), Warrants to Purchase Preferred Series B Shares	11/23/2021
Blackbird Holdco, Inc. (Ohio Transmission Corp.), Preferred Stock	12/14/2021

(J) Investments that the Company has determined are not "qualifying assets" under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets. The status of these assets under the 1940 Act may be subject to change. The Company monitors the status of these assets on an ongoing basis. As of December 31, 2021, approximately 11.7% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

(K) The Company is the sole stockholder of BKC ASW Blocker, Inc., a consolidated subsidiary, which is the beneficiary of 5% or more (but not more than 25%) of the voting securities of Kemmerer Operations, LLC and thus non-controlled, affiliated investments.

(L) The Company is the sole stockholder of BKC ASW Blocker, Inc., a consolidated subsidiary, which is the beneficiary of less than 5% of the voting securities of ETX Energy, LLC, and thus non-controlled, non-affiliated investments.

(M) The Company is the sole stockholder of BCIC-MBS, LLC, a consolidated subsidiary, which is the beneficiary of less than 5% of the voting securities of MBS Parent, LLC and thus a non-controlled, non-affiliated investment.

(N) Negative balances represent unfunded commitments that were acquired and/or valued at a discount.

(O) Unless otherwise indicated, all investments are considered Level 3 in accordance with ASC Topic 820 (see Note 2).

(P) Investments are considered other than Level 3 in accordance with ASC Topic 820 (see Note 2).

(Q) As of December 31, 2021, the Company generally uses GICS codes to identify the industry groupings. This information is unaudited.

(R) The investment is on non-accrual status as of December 31, 2021 and therefore non-income producing. At December 31, 2021, the aggregate fair value and amortized cost of the Company's debt and preferred stock investments on non-accrual status represents 4.2% and 13.4%, respectively.

(S) Position or associated portfolio company thereof has an unfunded commitment as of December 31, 2021 (see Note 9). Note that there may be additional unfunded positions which do not have a funded component at period end, and therefore are not displayed herein.

(T) This investment will have a first lien security interest after the senior tranches are repaid.

(U) Total coupon includes default interest.

LIBOR resets monthly (M), quarterly (Q) or semiannually (S).

Non-Controlled Affiliate Security(1)	Dividends or interest(2)	Fair Value at December 31, 2020	Net realized gain (loss)	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions(3)	Dispositions(4)	Fair Value at December 31, 2021
Advanced Lighting Technologies, LLC.:							
Senior Secured Note, Second Lien	$ —	$ —	$ (1,999,678)	$ 2,181,306	$ —	$ (181,628)	$ —†
Senior Secured Loan, First Lien	13,185	3,223,664	(3,017,339)	1,774,757	—	(1,981,082)	—†
Limited Liability Co. Interest	—	—	—	—	—	—	—†
Warrants	—	—	—	—	—	—	—†
Advantage Insurance Inc.:							
Preferred Stock	—	5,720,010	(2,972,574)	2,972,574	—	(5,720,010)	—†
Preferred Stock Series B	71,500	—	—	—	3,575,000	(3,575,000)	—†
AGY Equity, LLC:							
Class A Preferred Stock	—	1,557,200	—	(1,305,464)	—	—	251,736
Class B Preferred Stock	—	—	—	—	—	—	—
Class C Common Stock	—	—	—	—	—	—	—
Kemmerer Operations, LLC (WMLP):							
Delayed Draw Term Loan, First Lien	51,627	284,343	—	214,865	51,818	(508,476)	42,550
Senior Secured Loan, First Lien	428,855	2,314,096	—	348,845	428,677	—	3,091,618
Kemmerer Holdings, LLC (WMLP):							
Limited Liability Co. Interest	—	—	—	746,074	—	—	746,074
Totals	$ 565,167	$ 13,099,313	$ (7,989,591)	$ 6,932,957	$ 4,055,495	$ (11,966,196)	$ 4,131,978

(1) The issuers of the securities listed on this schedule are considered non-controlled, affiliated investments under the 1940 Act due to the ownership by the Company of 5% to 25% of the issuers' voting securities.

(2) Also includes fee income as applicable.

(3) Acquisitions include new purchases, PIK income and amortization of original issue and market discounts, and the movement of an existing portfolio company into this category from a different category.

(4) Dispositions include decreases in the cost basis of investments, net of realized gain or loss, resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.

† Investment no longer held as of December 31, 2021.

The aggregate fair value of non-controlled, affiliated investments at December 31, 2021 represents 1.2% of the Company's net assets.

The accompanying notes are an integral part of these consolidated financial statements.

Controlled Affiliate Security(1)	Dividends or interest(2)	Fair Value at December 31, 2020	Net realized gain (loss)	Net increase or decrease in unrealized appreciation or depreciation(5)	Acquisitions(3)	Dispositions(4)	Fair Value at December 31, 2021
BCIC Senior Loan Partners, LLC:							
Limited Liability Co. Interest	$ 1,647,661	$ 36,150,259	$ (21,980,389)	$ 25,758,053	$ —	$ (39,927,923)	$ —†
First Boston Construction Holdings, LLC:							
Subordinated Debt	163,125	32,625,000	—	—	—	(32,625,000)	—†
Limited Liability Co. Interest	—	4,557,035	(2,290,144)	3,599,215	—	(5,866,106)	—†
Gordon Brothers Finance Company:							
Unsecured Debt	—	22,850,000	—	504,323	—	(1,427,252)	21,927,071
Preferred Stock	—	—	—	—	—	—	—
Common Stock	—	—	—	—	—	—	—
Red Apple Stores Inc.:							
Senior Secured Loan, Second Lien	555,446	14,785,933	(1,474,033)	2,016,263	—	(15,328,163)	—†
Preferred Stock	—	—	—	—	—	—	—†
Common Stock	—	—	(6,751,452)	6,751,452	—	—	—†
Totals	$ 2,366,232	$ 110,968,227	$ (32,496,018)	$ 38,629,306	$ —	$ (95,174,444)	$ 21,927,071

(1) The issuers of the securities listed on this schedule are considered controlled affiliates under the 1940 Act due to the ownership by the Company of more than 25% of the issuers' voting securities.

(2) Also includes fee income as applicable.

(3) Acquisitions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.

(4) Dispositions include decreases in the cost basis of investments, net of realized gain or loss, resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.

(5) Net unrealized gain (loss) before taxes includes the net change in unrealized appreciation (depreciation) on controlled investments and net change in unrealized appreciation (depreciation) on foreign currency translation associated with the controlled investments. For the year ended December 31, 2021, the net change in unrealized appreciation (depreciation) and foreign currency translation associated with the Red Apple Stores Inc.'s common stock was $285,360 and $(285,360), respectively.

† Investment no longer held as of December 31, 2021.

The aggregate fair value of controlled investments at December 31, 2021 represents 6.3% of the Company's net assets.

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

BlackRock Capital Investment Corporation (together with its subsidiaries, the “Company”) was organized as a Delaware corporation on April 13, 2005 and was initially funded on July 25, 2005. The Company has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940 (the “1940 Act”). In addition, for tax purposes the Company has qualified and has elected to be treated as a regulated investment company (“RIC”) under the Internal Revenue Code of 1986 (the “Code”).

The Company’s investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in middle-market companies in the form of senior debt securities and loans, and our investment portfolio may include junior secured and unsecured debt securities and loans, each of which may include an equity component.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with United States (“U.S.”) generally accepted accounting principles (“GAAP”). The Company is an investment company following the accounting and reporting guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, *Financial Services-Investment Company* (“ASC 946”).

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, which were established to hold certain investments of the Company. The Company owns 100% of each subsidiary and, as such, the subsidiaries are consolidated into the Company’s consolidated financial statements. The subsidiaries hold investments which are treated as pass through entities for tax purposes. By investing through these 100% owned subsidiaries, the Company is able to benefit from corporate tax treatment for these entities and thereby create a tax structure that is more advantageous with respect to the RIC status of the Company. Intercompany balances and transactions are eliminated in consolidation.

Certain prior period information has been reclassified to conform to the current period presentation. The reclassification has no effect on the Company’s consolidated financial position or the consolidated results of operations as previously reported.

Expenses are recorded on an accrual basis.

Unaudited Interim Consolidated Financial Statements

Certain financial information that is normally included in annual financial statements, including certain financial statement footnotes, prepared in accordance with GAAP, is not required for interim reporting purposes and has been condensed or omitted herein. These consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements and notes related thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission (“SEC”) on March 2, 2022.

The interim financial information at June 30, 2022 and for the three and six months ended June 30, 2022 and 2021 is unaudited. However, in the opinion of management, the interim information includes all normal recurring adjustments necessary for the fair presentation of the Company’s results for the periods presented. The results of operations for interim periods are not necessarily indicative of results to be expected for the full year.

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, as well as the reported amounts of revenues and expenses during the reporting periods presented. Although management believes these estimates and assumptions to be reasonable, actual results could differ from those estimates and such differences could be material.

Investment Valuation

Investments are recorded at fair value in accordance with GAAP, based upon the principles and methods of valuation set forth in policies adopted by the Company’s Board of Directors. Securities traded on a recognized securities exchange are valued using the close price on the exchange on valuation date. Investments for which market prices from an exchange are not readily available are valued using the last available bid price or quote provided by an independent pricing service or one or more broker-dealers or market makers, unless they are deemed not to represent fair value. Debt and equity securities for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued at fair value as determined in good faith by or under the direction of the Company’s Board of Directors.

Because the Company expects that there will not be a readily available market for all of the investments in its portfolio, the Company expects to value a significant portion of its portfolio investments at fair value as determined in good faith by or under the direction of the Board of Directors using a consistently applied valuation process in accordance with a documented valuation policy that has been reviewed and approved by the Board of Directors. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that the Company may ultimately realize, as these amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated. Such circumstances may include macroeconomic, geopolitical and other events and conditions such as the COVID-19 pandemic (see Item 1A. *Risk* Factors), that may significantly impact the profitability or viability of businesses in which the Company is invested, and therefore may significantly impact the return on and realizability of the Company's investments.

In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of the Company's investments than on the fair values of the Company's investments for which market quotations are not readily available. Market quotations may be deemed not to represent fair value in certain circumstances where BlackRock Capital Investment Advisors, LLC ("BCIA" or the "Advisor"), believes that facts and circumstances applicable to an issuer, a seller, a purchaser or the market for a particular security cause current market quotations to not reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently causing a quoted purchase or sale price to become stale, where there is a "forced" sale by a distressed seller, where market quotations vary substantially among market makers, or where there is a wide bid-ask spread or significant increase in the bid-ask spread.

With respect to the Company's investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value, the Board of Directors has approved a multi-step valuation process applied each quarter, as described below:

(i) The quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of the Advisor responsible for the portfolio investment;

(ii) The investment professionals provide recent portfolio company financial statements and other reporting materials to independent valuation firms engaged by the Board of Directors (with the exception of statements and materials related to investments priced directly by the Advisor as described in (iv) below), such firms conduct independent appraisals each quarter and their preliminary valuation conclusions are documented and discussed with senior management of the Advisor;

(iii) The Audit Committee of the Board of Directors reviews the preliminary valuations prepared by the independent valuation firm and the Advisor, as applicable;

(iv) The fair value of certain investments, comprising in the aggregate, less than 5% of the Company's net asset value and no more than 15% of total positions held, respectively, may be determined by the Advisor in good faith without the engagement of an independent valuation firm in accordance with the Company's valuation policy; provided that if only the threshold with respect to the number of all positions valued at zero or immaterial amounts is exceeded, the Advisor may request Board approval to not request a fair valuation from an independent valuation firm for all such positions; and

(v) The Board of Directors discuss valuations and determines the fair value of each investment in the portfolio in good faith based on the input of the Advisor, the respective independent valuation firms (to the extent applicable) and the Audit Committee.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Company may take into account in determining the fair value of its investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, (e.g. non-performance risk), its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, the Company's principal market (as the reporting entity), any bid for a Company asset (irrespective of the perceived validity of such bid), and enterprise values. For positions acquired during the current quarter, the Advisor generally believes that cost will approximate fair value. As such, an independent valuation, in certain cases, will not be obtained until the quarter-end after the quarter the investment is acquired in.

ASC 820-10, *Fair Value Measurements and Disclosures* ("ASC 820-10"), issued by the FASB, defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. ASC 820-10 defines fair value as the price that the Company would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment. ASC 820-10 emphasizes that valuation techniques maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances.

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Valuations based on unadjusted quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The inputs into the determination of fair value may require significant management judgment or estimation.

Transfers between levels, if any, represent the value as of the beginning of the period of any investment where a change in the pricing level occurred from the beginning to the end of the period.

The SEC has adopted Rule 2a-5 (the "Rule") under the 1940 Act. The Rule establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Pursuant to the Rule, the Company's Board of Directors may designate a valuation designee to perform certain fair value functions, including performing fair value determinations. It is anticipated that the Company will be in compliance with the Rule on or before the formal SEC compliance date on September 8, 2022.

At June 30, 2022, the Company's investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt(1)	Other Corporate Debt(2)	Equity Securities	Total
1	Quoted prices in active markets for identical assets	$ —	$ —	$ —	$ —
2	Other direct and indirect observable market inputs(3)	23,204,065	—	—	23,204,065
3	Valuation sources that employ significant unobservable inputs	496,802,614	25,182,520	12,205,080	534,190,214
Total		$ 520,006,679	$ 25,182,520	$ 12,205,080	$ 557,394,279

(1) Includes senior secured loans.

(2) Includes senior secured notes, unsecured debt and subordinated debt.

(3) For example, quoted prices in inactive markets or quotes for comparable investments.

Unobservable inputs used in the fair value measurement of Level 3 investments as of June 30, 2022 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Weighted Average Range(1) (Concluded Value)(2)
Bank Debt	$ 421,494,625	Income approach	Discount rate	11.7% - 12.6% (12.3%)
	72,581,141	Market quotations	Indicative bid/ask quotes	1 (1)
	2,726,848	Option Pricing Model	Revenue multiple	4.0x - 4.5x (4.3x)
			Implied volatility	60.0% - 70.0% (65.0%)
			Term	2.3 years - 3.3years (2.8 years)
Other Corporate Debt	24,516,073	Income approach	Discount rate	12.6% - 14.1% (13.4%)
	666,447	Market comparable companies	Revenue multiples	0.2x - 0.2x (0.2x)
Equity	2,674,772	Option Pricing Model	EBITDA/Revenue multiples	4.8x - 5.3x (5.0x)
			Implied volatility	59.0% - 69.0% (64.0%)
			Term	2.3 years - 3.4 years (2.8 years)
	5,866,797	Market comparable companies	EBITDA multiples	5.8x - 6.7x (6.2x)
	3,615,753	Income approach	Discount rate	20.8% - 24.4% (22.6%)
	47,758	Market comparable companies	Revenue multiples	5.2x - 5.4x (5.3x)
	$ 534,190,214			

(1) Representing the weighted average of each significant unobservable input range at the investment level by fair value.

(2) Representing the weighted average of each significant unobservable input for concluded value at the investment level by fair value.

Certain fair value measurements may employ more than one valuation technique, with each valuation technique receiving a relative weight between 0% and 100%. Generally, a change in an unobservable input may result in a change to the value of an investment as follows:

Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Discount rate	Decrease	Increase
Revenue multiples	Increase	Decrease
EBITDA multiples	Increase	Decrease
Book value multiples	Increase	Decrease
Implied volatility	Increase	Decrease
Term	Increase	Decrease
Yield	Increase	Decrease

Changes in investments categorized as Level 3 during the three months ended June 30, 2022 were as follows:

	Bank Debt	Other Corporate Debt	Equity Securities	Total
Beginning balance	$ 448,941,825	$ 28,664,354	$ 12,894,493	$ 490,500,672
Net realized and unrealized gains (losses)	(7,868,042)	692,232	(768,142)	(7,943,952)
Acquisitions(1)	71,509,591	1,318	78,729	71,589,638
Dispositions	(20,890,895)	(4,175,384)	—	(25,066,279)
Transfers into Level 3(2)	6,987,400	—	—	6,987,400
Transfers out of Level 3(3)	(1,877,265)	—	—	(1,877,265)
Ending balance	$ 496,802,614	$ 25,182,520	$ 12,205,080	$ 534,190,214
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ (7,592,410)	$ 692,232	$ (768,142)	$ (7,668,320)

(1) Includes payments received in kind and accretion of original issue and market discounts.

(2) Comprised of one investment that was transferred from Level 2 to Level 3 due to decreased observable market activity.

(3) Comprised of one investment that was transferred from Level 3 to Level 2 due to increased observable market activity.

Changes in investments categorized as Level 3 during the six months ended June 30, 2022 were as follows:

	Bank Debt	Other Corporate Debt	Equity Securities	Total
Beginning balance	$ 483,970,602	$ 28,568,871	$ 12,489,257	$ 525,028,730
Net realized and unrealized gains (losses)	(9,826,619)	786,218	(453,966)	(9,494,367)
Acquisitions(1)	114,309,011	2,815	169,789	114,481,615
Dispositions	(98,691,530)	(4,175,384)	—	(102,866,914)
Transfers into Level 3(2)	7,041,150	—	—	7,041,150
Ending balance	$ 496,802,614	$ 25,182,520	$ 12,205,080	$ 534,190,214
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ (9,255,305)	$ 770,779	$ (453,966)	$ (8,938,492)

(1) Includes payments received in kind and accretion of original issue and market discounts.

(2) Comprised of one investment that was transferred from Level 2 to Level 3 due to decreased observable market activity.

At December 31, 2021, the Company's investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt(1)	Other Corporate Debt(2)	Equity Securities	Total
1	Quoted prices in active markets for identical assets	$ —	$ —	$ —	$ —
2	Other direct and indirect observable market inputs(3)	27,535,264	—	—	27,535,264
3	Valuation sources that employ significant unobservable inputs	483,970,602	28,568,871	12,489,257	525,028,730
Total		$ 511,505,866	$ 28,568,871	$ 12,489,257	$ 552,563,994

(1) Includes senior secured loans.

(2) Includes senior secured notes, unsecured debt and subordinated debt.

(3) For example, quoted prices in inactive markets or quotes for comparable investments.

Unobservable inputs used in the fair value measurement of Level 3 investments as of December 31, 2021 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Weighted Average Range(1) (Concluded Value)(2)
Bank Debt	$ 428,335,957	Income approach	Discount rate	9.0% - 9.6% (9.3%)
	50,067,281	Market quotations	Indicative quotes	1 (1)
	3,134,168	Market comparable companies	EBITDA multiples	1.0x - 1.2x (1.1x)
	2,433,196	Option Pricing Model	Revenue multiple	4.5x - 5.0x (4.8x)
			Implied volatility	60.0% - 70.0% (65.0%)
			Term	2.8 years - 3.8 years (3.3 years)
Other Corporate Debt	27,916,632	Income approach	Discount rate	11.3% - 12.9% (12.1%)
	652,239	Market comparable companies	Revenue multiples	0.2x - 0.2x (0.2x)
Equity	2,333,257	Option Pricing Model	EBITDA/Revenue multiples	4.7x - 5.2x (4.9x)
			Implied volatility	57.3% - 67.0% (62.1%)
			Term	2.6 years - 3.6 years (3.1 years)
	7,475,576	Market comparable companies	EBITDA multiples	5.2x - 5.6x (5.4x)
	2,428,688	Market quotations	Indicative bid/ask quotes	1 (1)
	251,736	Market comparable companies	Revenue multiples	0.6x - 0.8x (0.7x)
	$ 525,028,730			

(1) Representing the weighted average of each significant unobservable input range at the investment level by fair value.

(2) Representing the weighted average of each significant unobservable input for concluded value at the investment level by fair value.

Changes in investments categorized as Level 3 during the three months ended June 30, 2021 were as follows:

	Bank Debt	Other Corporate Debt	Equity Securities	Total
Beginning balance	$ 381,815,800	$ 29,236,227	$ 4,442,357	$ 415,494,384
Net realized and unrealized gains (losses)	3,402,345	(1,361,661)	23,786,919	25,827,603
Acquisitions(1)	89,124,878	1,188	—	89,126,066
Dispositions	(17,995,123)	—	—	(17,995,123)
Transfers into Level 3(2)	2,868,160	—	—	2,868,160
Transfers out of Level 3(3)	(14,250,000)	—	—	(14,250,000)
Ending balance	$ 444,966,060	$ 27,875,754	$ 28,229,276	$ 501,071,090
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ 3,728,589	$ (1,361,661)	$ 23,786,919	$ 26,153,847

(1) Includes payments received in kind and accretion of original issue and market discounts.

(2) Comprised of one investment that was transferred from Level 2 to Level 3 due to decreased observable market activity.

(3) Comprised of one investment that was transferred from Level 3 to Level 2 due to increased observable market activity.

Changes in investments categorized as Level 3 during the six months ended June 30, 2021 were as follows:

	Bank Debt	Other Corporate Debt	Equity Securities	Total
Beginning balance	$ 353,651,555	$ 61,573,500	$ 12,301,429	$ 427,526,484
Net realized and unrealized gains (losses)	6,963,248	(402,330)	29,030,409	35,591,327
Acquisitions(1)	141,565,848	938,464	3,575,000	146,079,312
Dispositions(1)	(49,188,324)	(34,233,880)	(16,677,562)	(100,099,766)
Transfers into Level 3(2)	5,623,733	—	—	5,623,733
Transfers out of Level 3(3)	(13,650,000)	—	—	(13,650,000)
Ending balance	$ 444,966,060	$ 27,875,754	$ 28,229,276	$ 501,071,090
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ 7,956,370	$ (583,958)	$ 27,721,338	$ 35,093,750

(1) Includes payments received in kind and accretion of original issue and market discounts, and cost basis impact of non-cash restructures.

(2) Comprised of one investment that was transferred from Level 2 to Level 3 due to decreased observable market activity.

(3) Comprised of one investment that was transferred from Level 3 to Level 2 due to increased observable market activity.

Investment Transactions

Security transactions are accounted for on the trade date unless there are substantial conditions to the transaction. Realized gains or losses are measured by the difference between the net proceeds from the disposition and the amortized cost of the investment. Unrealized gains or losses primarily reflect the change in investment values, including the reversal of previously recorded unrealized gains or losses when gains or losses are realized. Realized gains or losses on the disposition of investments are calculated using the specific identification method.

Cash and Cash Equivalents

Cash consists of amounts held in accounts with the custodian bank. Cash equivalents include short-term liquid overnight investments with original maturities of three months or less and may not be insured by the Federal Deposit Insurance Corporation or may exceed federally insured limits. Cash equivalents are classified as Level 1 in the GAAP valuation hierarchy.

Restricted Investments

The Company may invest without limitation in instruments that are subject to legal or contractual restrictions on resale. These instruments generally may be resold to institutional investors in transactions exempt from registration or to the public if the securities are registered. Disposal of these investments may involve time-consuming negotiations and additional expense, and prompt sale at an acceptable price may be difficult. See footnotes to the Consolidated Schedule of Investments. Restricted investments, including any restricted investments in affiliates, are valued in accordance with the investment valuation policies discussed above.

Foreign Currency Investments

The Company may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency amounts are translated into U.S. dollars on the following basis:

(i) market value of investment securities, other assets and liabilities—at the spot exchange rate on the last business day of the period; and

(ii) purchases and sales of investment securities, income and expenses—at the rates of exchange prevailing on the respective dates of such transactions, income or expenses.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, the Company may not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

Derivative Instruments:

The Company records all derivative financial instruments as either assets or liabilities at fair value on a gross basis in the Consolidated Statements of Assets and Liabilities.

Foreign Currency Forward Contracts and Warrants

The Company may enter into forward foreign currency contracts from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies or to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company’s investments denominated in foreign currencies. A forward foreign currency contract is a commitment to purchase or sell a foreign currency at a future date (usually the security transaction settlement date) at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. Realized gains or losses are recognized when contracts are settled. The Company’s forward foreign currency contracts generally have terms of approximately three months. The volume of open contracts at the end of each reporting period is reflective of the typical volume of transactions during each calendar quarter. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit this risk by dealing with only creditworthy counterparties. There were no open forward foreign currency contracts at June 30, 2022 and December 31, 2021.

The Company holds warrants and options in certain portfolio companies in an effort to achieve additional investment return. In purchasing warrants and options, the Company bears the risk of an unfavorable change in the value of the underlying equity interest. The aggregate fair value of warrants and options as of June 30, 2022 and December 31, 2021 represented 0.8% and 0.7% of the Company’s net assets, respectively.

Interest Rate Swap

The Company entered into a centrally-cleared interest rate swap (the “Interest Rate Swap”) to economically hedge the interest payable on the fixed rate tranche of the Company’s 2025 Private Placement Notes (as defined below) (see Note 4). The Company is required to deposit initial margin with the broker in the form of cash in an amount that varies depending on the size and risk profile of the particular swap. Pursuant to the contract, the Company agrees to receive from or pay to the broker daily variation margin. The amounts related to the right to claim or the obligation to return cash collateral may not be used to offset amounts due under the interest rate swap contract in the normal course of settlement. Therefore, both the initial margin and variation margin paid are included as assets within Due from broker on the Consolidated Statements of Assets and Liabilities at June 30, 2022.

Changes in the fair value of the swap contract are presented as part of change in unrealized appreciation (depreciation) on the Consolidated Statements of Operations. The Interest Rate Swap is recorded at fair value and is presented as a liability on the Company's Consolidated Statements of Assets and Liabilities at June 30, 2022. Interest rate swap agreements are valued utilizing quotes received from independent pricing services or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. The fair value of the Interest Rate Swap is classified as Level 2 with respect to the fair value hierarchy. See Note 4 for additional information on the Company’s Interest Rate Swap.

Debt Issuance Costs

Certain costs incurred in connection with the issuance and/or extension of debt of the Company and its subsidiaries were capitalized and are being amortized on a straight-line basis over the estimated life of the respective instruments. The impact of utilizing the straight-line amortization method versus the effective-interest method is not material to the operations of the Company.

Revenue Recognition

Interest and dividend income, including income paid in kind, is recorded on an accrual basis, when such amounts are considered collectible. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts, earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, are recognized as earned.

Certain debt investments are purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. Discounts on the acquisition of corporate bonds are generally amortized using the effective-interest or constant-yield method assuming there are no questions as to collectability. When principal payments on a loan are received in an amount in excess of the loan's amortized cost, the excess principal payments are recorded as interest income.

For loans and securities with payment-in-kind ("PIK") income, which represents contractual interest or dividends accrued and added to the principal balance and generally due at maturity, such income is accrued only to the extent that the Advisor believes that the PIK income is likely to be collected. To maintain the Company's status as a RIC, this non-cash source of income must be paid out to stockholders in the form of distributions, even though the Company has not yet collected the cash.

Income Taxes

The Company intends to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required.

The tax returns of the Company remain open for examination by tax authorities for a period of three years from the date they are filed. No such examinations are currently pending. Management has analyzed tax laws and regulations and their application to the Company as of June 30, 2022, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the consolidated financial statements.

The final tax characterization of distributions is determined after the fiscal year and is reported on Form 1099 and in the Company's annual report to shareholders. Distributions can be characterized as ordinary income, capital gains and/or return of capital. As of December 31, 2021, the Company had non-expiring capital loss carryforwards in the amount of $402,453,454 available to offset future realized capital gains.

As of December 31, 2021, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

		December 31, 2021
Tax basis of investments	$	573,715,741
Unrealized appreciation		9,337,793
Unrealized depreciation		(30,489,540)
Net unrealized depreciation	$	(21,151,747)

Non-Accrual Loans

Loans or debt securities are placed on non-accrual status, as a general matter, when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected. Accrued interest generally is reversed when a loan or debt security is placed on non-accrual status. Interest payments received on non-accrual loans or debt securities may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans and debt securities are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. The Company may make exceptions to this treatment if the loan has sufficient collateral value and is in the process of collection.

Recent Accounting Pronouncements

In August 2020, the FASB issued ASU No. 2020-06, "Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity," which simplifies the accounting for convertible instruments by removing the separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature. As a result, after adoption, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis. The Company adopted ASU 2020-06 under the modified retrospective basis as of January 1, 2022. The impact of the Company's adoption under the modified retrospective basis required a cumulative effect adjustment to opening net assets for the remaining unamortized original issue discount on the 2022 Convertible Notes, an increase to the Company's debt balance as a result of the recombination of the equity conversion component of the 2022 Convertible Notes to bring the balance to par, net of deferred issuance costs, and a lower interest expense on the Consolidated Statements of Operations. The Company's adoption of this guidance did not have a material impact on the Company's financial position, results of operations, or cash flows.

3. Management Fees, Incentive Fees and Other Expenses

Investment Management Agreement

On May 2, 2020, the Company and the Advisor, amended and restated the previous investment management agreement (the "Current Management Agreement"), which reduced the Company's base management fee ("Management Fee") and incentive management fee ("Incentive Fee") rates, which are further described below. For terms prior to the Current Management Agreement, refer to the Company's Form 10-K as filed with the SEC on March 2, 2022.

The Current Management Agreement will be in effect from year-to-year if approved annually by the Board of Directors or by the affirmative vote of the holders of a majority of outstanding voting securities, including, in either case, approval by a majority of the directors who are not interested persons. The Company's Board of Directors approved the continuation of the Current Management Agreement on November 2, 2021.

Management Fee

Under the Current Management Agreement, the Advisor, subject to the overall supervision of the Board, manages the day-to-day operations and provides the Company with investment advisory services. For providing these services, effective May 2, 2020, the Advisor receives a Management Fee at an annual rate of 1.50% of total assets up to 200% of net asset value (excluding cash and cash equivalents), including any assets acquired with the proceeds of leverage, payable quarterly in arrears based on the asset valuation as of the end of the prior quarter. Additionally, the Management Fee is calculated at 1.00% on assets that exceed 200% of net asset value of the Company. The Management Fee for any partial quarter is prorated.

For the three and six months ended June 30, 2022, the Company incurred $1,947,167 and $4,007,031, respectively, in Management Fees under the Current Management Agreement. For the three and six months ended June 30, 2021, the Company incurred $1,775,684 and $3,575,450, respectively, in Management Fees under the Current Management Agreement.

Incentive Fees

(i) Quarterly Incentive Fee Based on Income

The Current Management Agreement provides that the Advisor or its affiliates may be entitled to an Incentive Fee under certain circumstances. The Incentive Fee has two parts. The first portion is based on income other than capital gains and is calculated separately for each calendar quarter and will be paid on a quarterly basis if certain circumstances are met. Effective May 2, 2020, the Incentive Fee based on income is calculated as follows:

- No Incentive Fee based on income other than capital gains for any calendar quarter in which the Pre-Incentive Fee Net Investment Income does not exceed 1.75% (7.00% annualized) of net assets attributable to common stock at the beginning of such quarter.
- 100% of the Pre-Incentive Fee Net Investment Income in any calendar quarter with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, for such calendar quarter, that exceeds 1.75% (7.00% annualized) of net assets attributable to common stock at the beginning of such quarter but is less than approximately 2.12% (8.48% annualized).
- 17.5% of the Pre-Incentive Fee Net Investment Income, if any, for any calendar quarter that exceeds approximately 2.12% (8.48% annualized) of net assets attributable to common stock at the beginning of such quarter.

The calculations described above will be appropriately prorated for any period of less than a quarter and adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during such quarter.

The payment of any such Incentive Fee based on income otherwise earned by our Advisor will be deferred if, for the most recent four full calendar quarter period ending on or prior to the date such payment is to be made, the Annualized Rate of Return is less than 7.0% of net assets attributable to common stock at the beginning of such four quarter period as adjusted for the net proceeds from any common stock issuances and the cost of any common stock repurchases during such four full calendar quarter period, with any deferred Incentive Fees to be carried over for payment in subsequent quarterly calculation periods to the extent such payment can then be made in accordance with the investment management agreement.

For purposes of calculating the Incentive Fee, (i) "Annualized Rate of Return" is computed by reference to the sum of (x) the aggregate distributions to common stockholders for the period in question and (y) the change in net assets attributable to common stock (before taking into account any Incentive Fees otherwise payable during such period); (ii) "net assets attributable to common stock" means total assets less indebtedness and preferred stock; and (iii) "Pre-Incentive Fee Net Investment Income" means net investment income (as determined in accordance with U.S. GAAP) accrued by the Company during the calendar quarter excluding any accruals for or payments in respect of the Incentive Fee.

For the three and six months ended June 30, 2022, the Company incurred $69,343 and $88,356, respectively, in Incentive Fees on income. For the three and six months ended June 30, 2021, the Company incurred no Incentive Fees on income for either period. As of June 30, 2022 and December 31, 2021, there was $69,343 and $170,002, respectively, of Incentive Fees payable based on income. The payment of Incentive Fee based on income of $69,343 at June 30, 2022 was deferred pursuant to the Incentive Fee deferral provision discussed above.

(ii) Annual Incentive Fee Based on Capital Gains

The second portion of the Incentive Fee is based on capital gains and is calculated separately for each Annual Period. Effective May 2, 2020, our Advisor is entitled to receive an Incentive Fee based on capital gains for each Annual Period in an amount equal to 17.5% of the amount by which (1) net realized capital gains during the period, if any, exceeds (2) gross unrealized capital depreciation, if any, during the period. In calculating the portion of the Incentive Fee based on capital gains payable for any period, investments are accounted for on a security-by-security basis. In addition, the portion of the Incentive Fee based on capital gains is determined using the "period-to-period" method pursuant to which the portion of the Incentive Fee based on capital gains for any period will be based on realized capital gains for the period reduced by realized capital losses for the period and unrealized capital depreciation for the period.

The Company is required under GAAP to accrue an Incentive Fee on capital gains on a hypothetical liquidation basis, based upon net realized capital gains and unrealized capital appreciation and depreciation on investments held at the end of each period. The accrued Incentive Fee on capital gains assumes all unrealized capital appreciation and depreciation is realized in order to reflect an Incentive Fee on capital gains (if any) that would be payable at each measurement date, even though unrealized capital appreciation is not permitted to be considered in determining the Incentive Fee on capital gains actually payable on an annual basis under the Current Management Agreement. If such amount is positive at the end of the period, an Incentive Fee on capital gains is accrued equal to 17.5% of such amount, for periods ended after May 2, 2020, less the amount of any Incentive Fees on capital gains already accrued in prior periods. If the resulting calculation amount is negative, the accrual for GAAP in a given period may result in the reduction or reversal of Incentive Fee expense on capital gains accrued in a prior period.

Incentive Fees on capital gains accrued (reversed) on a liquidation basis under GAAP for the three and six months ended June 30, 2022 were $(1,073,068) and $(1,544,569), respectively. Incentive Fees on capital gains accrued (reversed) on a liquidation basis under GAAP for the three and six months ended June 30,2021 were zero for both periods. As of June 30, 2022 and December 31, 2021, the balance of accrued Incentive Fees on capital gains was zero and $1,544,569, respectively. However, as of December 31, 2021, no Incentive Fees on capital gains were realized and payable to the Advisor as of such date. There can be no assurance that unrealized capital appreciation and depreciation will be realized in the future, or that any accrued capital gains Incentive Fee will become payable under the Current Management Agreement. Incentive Fee amounts on capital gains actually paid by the Company will specifically exclude consideration of unrealized capital appreciation, consistent with requirements under the Investment Advisers Act of 1940 (the "Advisers Act") and the Current Management Agreement.

For purposes of calculating the Incentive Fee based on capital gains, "Annual Period" means the period beginning on July 1 of each calendar year, including the calendar year prior to the year in which the investment management agreement became effective, and ending on June 30 of the next calendar year. Capital gains and losses are calculated using the proceeds received and either (i) fair market value at the beginning of the Annual Period or (ii) cost for investments acquired during the Annual Period. In calculating whether the portion of the Incentive Fee based on capital gains is payable with respect to any period, the Company accounts for assets on a security-by-security basis. In addition, the Company uses the "period-to-period" method pursuant to which the portion of the Incentive Fee based on capital gains for any period is based on realized capital gains for the period reduced by realized capital losses and gross unrealized capital depreciation for the period. Based on current interpretations of Section 205(b)(3) of the Advisers Act by the SEC and its staff, the calculation of unrealized depreciation for each portfolio security over a period is based on the fair value of the security at the end of the period compared to the fair value at the beginning of the period. Incentive Fees earned in any of the periods described above are not subject to modification or repayment based upon performance in a subsequent period.

Other Expenses

The Company bears all expenses incurred in connection with its business, including fees and expenses outside of contracted services, such as custodian, administrative, legal, audit and tax preparation fees, costs of valuing investments, insurance costs, brokers' and finders' fees relating to investments, and any other transaction costs associated with the purchase and sale of investments.

4. Debt

Debt is comprised of a senior secured revolving credit facility dated as of February 19, 2016 (as amended, amended and restated, supplemented or otherwise modified from time to time, including as amended and restated by the sixth amendment thereto, dated as of April 23, 2021, the “Credit Facility”) and senior unsecured notes issued through a private placement on June 9, 2022 by the Company and due December 9, 2025 (the “2025 Private Placement Notes”). Prior to being repaid on June 15, 2022, debt also included the Company’s unsecured convertible senior notes due 2022 (the “2022 Convertible Notes”).

Effective on May 2, 2020, after obtaining stockholder approval at the annual meeting of the Company’s stockholders held on May 1, 2020, the Company’s asset coverage requirement was reduced from 200% to 150%, as set forth in Section 61(a)(2) of the 1940 Act, as amended by the Small Business Credit Availability Act. As of June 30, 2022 and December 31, 2021, the Company’s asset coverage was 240% and 276%, respectively.

Total debt outstanding and available at June 30, 2022 was as follows:

	Maturity	Rate		Carrying Value (1)	Available		Total Capacity	
Credit Facility	2025	L+2.00%	(2)	$ 146,000,000	$ 119,000,000	(3)	$ 265,000,000	(4)
2025 Private Placement Notes (1)	2025	Fixed/Variable	(5)	90,969,646	—		90,969,646	
Debt, net of unamortized issuance costs				$ 236,969,646	$ 119,000,000		$ 355,969,646	

(1) The carrying value of 2025 Private Placement Notes was comprised of the following:

	June 30, 2022
Principal amount of debt	$92,000,000
Unamortized issuance costs	(1,030,354)
Carrying value	$90,969,646

(2) The applicable margin for LIBOR-based borrowings could be either 2.00% or 2.25% depending on a ratio of the borrowing base to certain indebtedness. If the Company elects to borrow based on the alternate base rate, the applicable margin could be either 1.00% or 1.25% depending on a ratio of the borrowing base to certain indebtedness.

(3) Subject to borrowing base and leverage restrictions.

(4) Provides for a feature that allows the Company, under certain circumstances, to increase the size of the Credit Facility up to $325.0 million.

(5) The 2025 Private Placement Notes were issued in two tranches, consisting of a $35.0 million aggregate principal amount with a fixed interest rate of 5.82% and a $57.0 million aggregate principal amount bearing interest at a rate equal to SOFR plus 3.14%.

Total debt outstanding and available at December 31, 2021 was as follows:

	Maturity	Rate		Carrying Value (1)	Available		Total Capacity	
Credit Facility	2025	L+2.00%	(2)	$ 54,000,000	$ 211,000,000	(3)	$ 265,000,000	(4)
2022 Convertible Notes (1)	2022	5.00%		142,875,330	—		142,875,330	
Debt, net of unamortized issuance costs				$ 196,875,330	$ 211,000,000		$ 407,875,330	

(1) The carrying value of 2022 Convertible Notes was comprised of the following:

	December 31, 2021
Principal amount of debt	$143,750,000
Original issue discount, net of accretion	(449,398)
Unamortized issuance costs	(425,272)
Carrying value	$142,875,330

(2) The applicable margin for LIBOR-based borrowings was either 2.00% or 2.25% depending on a ratio of the borrowing base to certain indebtedness. If the Company elects to borrow based on the alternate base rate, the applicable margin could be either 1.00% or 1.25% depending on a ratio of the borrowing base to certain indebtedness.

(3) Subject to borrowing base and leverage restrictions.

(4) Provides for a feature that allows the Company, under certain circumstances, to increase the size of the Credit Facility up to $325.0 million.

The Company’s weighted average outstanding debt balance during the three months ended June 30, 2022 and 2021 was $213,448,919 and $173,454,058, respectively. The maximum amounts borrowed during the three months ended June 30, 2022 and 2021 were $377,673,980 and $193,926,217, respectively. The Company’s weighted average outstanding debt balance during the six months ended June 30, 2022 and 2021 was $210,643,606 and $161,052,536, respectively. The maximum amounts borrowed during the six months ended June 30, 2022 and 2021 were $377,671,273 and $193,926,217, respectively.

The weighted average annual interest cost, including the amortization of debt issuance costs, for the three and six months ended June 30, 2022 was 4.98% and 4.94%, respectively, exclusive of commitment fees. The weighted average annual interest cost, including the amortization of original issue discount, for periods prior to January 1, 2022 (refer to the adoption of ASU 2020-06 in Note 2), and amortization of debt issuance costs, for the three and six months ended June 30, 2021 was 6.26% and 6.45%, respectively, exclusive of commitment fees. With respect to any unused portion of the commitments under the Credit Facility, the Company incurs an annual commitment fee of 0.40%.

Total expenses related to debt for the three and six months ended June 30, 2022 and 2021 included the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Stated interest expense	$ 2,322,209	$ 1,979,648	$ 4,489,106	$ 3,819,434
Amortization of original issue discount(1)	—	232,790	—	464,480
Amortization of deferred debt issuance costs	325,665	493,678	668,747	863,830
Total interest expense	2,647,874	2,706,116	5,157,853	5,147,744
Commitment and credit facility fees	212,817	263,061	431,789	574,529
Total	$ 2,860,691	$ 2,969,177	$ 5,589,642	$ 5,722,273

(1) The Company adopted ASU 2020-06 under the modified retrospective basis as of January 1, 2022 (see Note 2).

Outstanding debt is carried at amortized cost in the Consolidated Statements of Assets and Liabilities. The fair value of the Company's Credit Facility is derived by taking the average of the high and low quotes as obtained from a broker, and is classified as Level 2 with respect to the fair value hierarchy. The fair value of the Company's 2025 Private Placement Notes is derived by using market quotations from a broker and is classified as Level 2 with respect to the fair value hierarchy. Prior to its maturity, the fair value of the Company's 2022 Convertible Notes was derived by taking the average of the high and low quotes as obtained from a broker, and was classified as Level 2.

The carrying and fair values of the Company's outstanding debt as of June 30, 2022 and December 31, 2021 were as follows:

	June 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Credit Facility	$ 146,000,000	$ 133,590,000	$ 54,000,000	$ 51,300,000
2022 Convertible Notes	—	—	142,875,330	145,726,563
2025 Private Placement Notes	90,969,646	90,293,400	—	—
Total	$ 236,969,646	$ 223,883,400	$ 196,875,330	$ 197,026,563

At June 30, 2022, the Company was in compliance with all covenants required under the Credit Facility and 2025 Private Placement Notes.

Senior Secured Revolving Credit Facility

On April 23, 2021, the Company amended its Credit Facility. Among other items, the amendment (i) extended the maturity date on loans made under the Credit Facility from June 5, 2023 to April 23, 2025, (ii) reduced the aggregate principal amount of the commitments under the Credit Facility from $300,000,000 to $265,000,000, (iii) reduced the amount by which the Company may seek an increase in the commitments under the Credit Facility (subject to satisfaction of certain conditions, including obtaining commitments) from $375,000,000 to $325,000,000, and (iv) revised to require a minimum shareholders' equity under the Credit Facility to the greater of (i) 33% of the total assets of the Company and its subsidiaries and (ii) $240,000,000 plus 25% of net proceeds from the sale of equity interests by the Company its subsidiaries. Additionally, the Sixth Amendment (i) eliminated the springing maturity date that would have occurred if the 2022 Convertible Notes were not refinanced by March 16, 2022 and (ii) removed certain restrictions on repurchase or prepayment of the 2022 Convertible Notes. For further details on the Company's Credit Facility including prior amendments, refer to the Company's Form 10-K as filed with the SEC on March 3, 2021.

Under the Credit Facility, the Company is required to comply with various customary affirmative and restrictive covenants, including reporting requirements and financial covenants, including, without limitation, covenants related to: (a) limitations on the incurrence of additional indebtedness and liens, (b) limitations on certain investments and fundamental changes, (c) limitations on distributions and certain other restricted payments, (d) certain restrictions on subsidiaries, (e) maintaining a certain minimum shareholders' equity, (f) maintaining an asset coverage ratio of not less than 1.5:1.0, (g) maintaining a senior coverage ratio of not less than 2.0:1:0, (h) limitations on certain transactions with affiliates, (i) limitations on pledging certain unencumbered assets, and (j) limitations on the creation or existence of agreements that prohibit liens on certain properties of the Company and certain of its subsidiaries. These covenants are subject to important limitations and exceptions that are described in the Credit Facility and other loan documents. Further, amounts available to borrow under the Credit Facility (and the incurrence of certain other permitted debt) are also subject to compliance with a borrowing base that applies different advance rates to different types of assets in the Company's portfolio that are pledged as collateral. The Credit Facility is secured by a lien on substantially all of the assets of the Company and its wholly owned domestic subsidiaries, subject to certain customary exceptions.

Unsecured Convertible Senior Notes Due 2022

On June 13, 2017, the Company issued $143,750,000 in aggregate principal amount ($125,000,000 of the initial offering and $18,750,000 of the underwriters' exercise of the overallotment option) of 5.00% Convertible Notes due 2022 under an indenture, dated as of June 13, 2017 (the "2022 Convertible Notes Indenture"). Net proceeds to the Company from the offering, including the exercise of the overallotment option, were approximately $139,800,000. The 2022 Convertible Notes matured on June 15, 2022, and the Company fully repaid the aggregate outstanding $143,720,000 principal amount (post noteholder conversion) plus outstanding accrued interest. The interest rate on the notes was 5.00% per year, payable semiannually in arrears on June 15 and December 15 of each year, commencing on December 15, 2017. Holders were able to convert their notes at their option prior to the close of business on the business day immediately preceding December 15, 2021, in integral multiples of $1,000 principal amount, only under certain circumstances. Upon noteholder conversion, the Company was able to pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election at an initial conversion rate of 118.2173 shares of common stock per $1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately $8.46 per share of the Company's common stock. On or after December 23, 2021, the Company was able to redeem the 2022 Convertible Notes for cash, in whole or from time to time in part, at its option in accordance with their terms. During the three and six months ended June 30, 2022, the Company issued 3,546 shares of common stock to a noteholder who elected the conversion option in lieu of principal repayment pursuant to the redemption terms of the 2022 Convertible Notes Indenture.

Prior to the adoption of ASU 2020-06, the Company determined that the embedded conversion options in the 2022 Convertible Notes were not required to be separately accounted for as a derivative under U.S. GAAP. In accounting for the 2022 Convertible Notes, at the time of issuance the Company estimated separate debt and equity components, and an original issue discount equal to the equity component was recorded in additional paid-in-capital in the accompanying Consolidated Statements of Assets and Liabilities. As of January 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective basis. In accordance with this guidance, the Company has recombined the equity conversion component of our 2022 Convertible Notes outstanding, and before its maturity, had begun accounting for the 2022 Convertible Notes as a single liability measured at amortized cost. This resulted in a cumulative decrease to additional paid in capital of $4,337,631, offset by a decrease to accumulated loss of $3,888,233 as of January 1, 2022, and an increase to the carrying value of the 2022 Convertible Notes of $449,398 (see Note 2).

The 2022 Convertible Notes contained certain covenants, which included covenants that required the Company to reserve shares of common stock for the purpose of satisfying all obligations to issue the underlying securities upon conversion of the securities and to furnish to holders of the securities upon request, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Unsecured Senior Notes Due 2025

On April 21, 2022, the Company entered into a Master Note Purchase Agreement (the "Note Purchase Agreement") governing the issuance on June 9, 2022, of $92,000,000 in aggregate principal amount of senior unsecured notes in two tranches to qualified institutional investors in a private placement. The Company issued $35,000,000 in aggregate principal amount of 2025 Private Placement Notes with a fixed interest rate of 5.82% with interest to be paid semi-annually on June 9 and December 9 of each year, beginning on December 9, 2022, and $57,000,000 in aggregate principal amount of 2025 Private Placement Notes bearing interest at a rate equal to SOFR plus 3.14% with interest to be paid quarterly on March 9, June 9, September 9, and December 9 of each year, beginning on September 9, 2022. In addition, during any time that the rating assigned to the 2025 Private Placement Notes declines below investment grade, the 2025 Private Placement Notes will bear interest at a rate that is increased by 1.00%. The 2025 Private Placement Notes were issued at a closing which occurred on June 9, 2022. The 2025 Private Placement Notes will be due on December 9, 2025 unless redeemed, purchased or prepaid prior to such date by the Company or its affiliates in accordance with their terms. The Company may prepay the 2025 Private Placement Notes at its option, subject to a prepayment premium, in an amount equal to 2% on or before June 9, 2023, 1% after June 9, 2023 but on or before June 9, 2024, 0.5% after June 9, 2024 but on or before June 9, 2025 and zero after June 9, 2025. In addition, the Company will be obligated to offer to repay the 2025 Private Placement Notes at par if certain change in control events occur. The 2025 Private Placement Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

In connection with the 2025 Private Placement Notes, the Company entered into a centrally cleared Interest Rate Swap to offset interest payable on the fixed rate tranche of the Notes. The notional amount of the Interest Rate Swap is $35,000,000 and matures on June 9, 2025. Under the swap agreement, the Company receives a fixed rate of 2.633% and pays a floating interest rate of SOFR. Such payments will be due annually. For the three and six months ended June 30, 2022, the Company did not make any periodic payments. Since the swap contract has not been designated as a hedge accounting relationship pursuant to ASC 815, "Derivatives and Hedging," both the net interest receivable and the change in the fair value of the swap contract are presented as part of the change in unrealized appreciation (depreciation) on the Consolidated Statements of Operations. As of June 30, 2022, the Interest Rate Swap had a fair value of $(198,694). The fair value of the Interest Rate Swap is classified as Level 2 with respect to the fair value hierarchy. See Note 2 for further information.

The Note Purchase Agreement contains customary terms and conditions for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company's status as a business development company within the meaning of the Investment Company Act of 1940, as amended, and a regulated investment company under the Internal Revenue Code of 1986, as amended, minimum shareholders' equity, minimum asset coverage ratio, and prohibitions on certain fundamental changes of the Company. The Note Purchase Agreement also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness of the Company or certain significant subsidiaries, certain judgments and orders, and certain events of bankruptcy.

5. Investments

Purchases of investments, including PIK, for the three and six months ended June 30, 2022 totaled $73,481,309 and $117,494,185, respectively. Purchases of investments, including PIK, for the three and six months ended June 30, 2021 totaled $88,868,915 and $143,739,364, respectively. Proceeds from sales, repayments and other exits of investments for the three and six months ended June 30, 2022 totaled $25,107,943 and $103,762,076, respectively. Proceeds from sales, repayments and other exits of investments for the three and six months ended June 30, 2021 totaled $25,398,787 and $113,366,562 respectively.

At June 30, 2022, investments consisted of the following:

	Cost	Fair Value
Senior secured notes	$ 1,917,162	$ 1,523,447
Unsecured debt	37,686,148	18,674,073
Subordinated debt	5,000,000	4,985,000
Senior secured loans:		
First lien	414,480,316	412,021,888
Second/other priority lien	111,532,587	107,984,791
Total senior secured loans	526,012,903	520,006,679
Preferred stock	40,362,309	2,388,272
Common stock	10,611,548	—
Limited partnership/limited liability company interests	9,011,838	7,094,278
Equity warrants/options	115,348	2,722,530
Total investments	$ 630,717,256	$ 557,394,279

At December 31, 2021, investments consisted of the following:

	Cost	Fair Value
Senior secured notes	$ 1,914,346	$ 1,641,800
Unsecured debt	41,861,533	21,927,071
Subordinated debt	5,000,000	5,000,000
Senior secured loans:		
First lien	405,193,486	409,626,942
Second/other priority lien	100,726,036	101,878,924
Total senior secured loans	505,919,522	511,505,866
Preferred stock	40,192,521	2,680,424
Common stock	10,611,548	—
Limited partnership/limited liability company interests	9,011,837	7,475,576
Equity warrants/options	115,348	2,333,257
Total investments	$ 614,626,655	$ 552,563,994

Industry Composition

As of June 30, 2022, the Company generally uses GICS to classify the industries of its portfolio companies. The following table shows the industry composition of the portfolio, at fair value, at June 30, 2022 and December 31, 2021 by GICS.

Industry	June 30, 2022	December 31, 2021
Diversified Financial Services	12.8%	13.6%
Internet Software & Services	11.6	11.2
Software	10.8	7.7
Diversified Consumer Services	8.5	7.0
Professional Services	7.1	6.5
Health Care Technology	4.7	4.4
Health Care Providers & Services	3.9	3.7
Media	3.4	3.3
Construction & Engineering	2.8	1.6
Road & Rail	2.7	10.5
Containers & Packaging	2.5	2.1
Health Care Equipment & Supplies	2.5	2.7
Consumer Finance	2.2	2.3
Insurance	2.1	2.0
Tobacco Related	2.0	2.4
Textiles, Apparel & Luxury Goods	1.8	4.2
Paper & Forest Products	1.7	—
Aerospace & Defense	1.6	1.7
Specialty Retail	1.5	1.5
IT Services	1.4	1.6
Real Estate Management & Development	1.1	0.3
Technology Hardware, Storage & Peripherals	1.1	0.9
Trading Companies & Distributors	1.0	1.1
Machinery	1.0	1.0
Hotels, Restaurants & Leisure	0.9	—
Household Durables	0.9	1.1
Commercial Services & Supplies	0.9	0.8
Wireless Telecommunication Services	0.9	0.9
Internet & Catalog Retail	0.8	0.8
Diversified Telecommunication Services	0.8	0.8
Metals & Mining	0.7	0.7
Automobiles	0.5	0.5
Building Products	0.5	0.4
Leisure Products	0.4	—
Distributors	0.3	0.4
Semiconductors & Semiconductor Equipment	0.3	—
Capital Markets	0.2	0.2
Electrical Equipment	0.1	0.1
Chemicals	—	—
Oil, Gas & Consumable Fuels	—	—
Totals	100.0%	100.0%

The following table shows the geographic composition of the portfolio at fair value at June 30, 2022 and December 31, 2021. The geographic composition is determined by several factors including the location of the corporate headquarters of the portfolio company.

Geography	June 30, 2022	December 31, 2021
United States	86.3%	88.3%
United Kingdom	6.6	6.6
Germany	4.2	3.9
Canada	1.0	1.2
Switzerland	1.0	—
Slovenia	0.9	—
Totals	100.0%	100.0%

Market and Credit Risk

In the normal course of business, the Company invests in securities and enters into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Company may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Company; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations (see Item 1A. Risk Factors for further details). The impact of epidemics and pandemics such as the coronavirus, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. Similar to issuer credit risk, the Company may be exposed to counterparty credit risk, or the risk that an entity with which the Company has unsettled or open transactions may fail to or be unable to perform on its commitments. The Company manages counterparty risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Company to market, issuer and counterparty credit risks, consist principally of investments in portfolio companies. The extent of the Company's exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Consolidated Statements of Assets and Liabilities. The Company is also exposed to credit risk related to maintaining all of its cash at a major financial institution.

The Company has investments in lower rated and comparable quality unrated senior and junior secured, unsecured and subordinated debt securities and loans, which are subject to a greater degree of credit risk than more highly rated investments. The risk of loss due to default by the issuer is significantly greater for holders of such securities and loans, particularly in cases where the investment is unsecured or subordinated to other creditors of the issuer.

6. Other Related Party Transactions

Advisor Reimbursements

The Current Management Agreement provides that the Company will reimburse the Advisor for costs and expenses incurred by the Advisor for administrative or operating services, office space rental, office equipment and utilities allocable to the Advisor under the investment management agreement, as well as any costs and expenses incurred by the Advisor relating to any non-investment advisory, administrative or operating services provided by the Advisor to the Company. For the three and six months ended June 30, 2022, the Company incurred $25,819 and $51,638, respectively, for such investment advisor expenses. For the three and six months ended June 30, 2021, the Company incurred $87,500 and $175,000, respectively, for such investment advisor expenses.

From time to time, the Advisor and its affiliates may pay third party providers for goods or services utilized by the Company. The Company will subsequently reimburse the Advisor and its affiliates for such amounts. Reimbursements to the Advisor and their affiliates for such purposes during the three and six months ended June 30, 2022 were $72,211 and $161,895, respectively. Reimbursements to the Advisor and their affiliates for such purposes during the three and six months ended June 30, 2021 were $72,910 and $137,634, respectively.

No person who is an officer, director or employee of the Advisor and who serves as a director of the Company receives any compensation from the Company for such services. Directors who are not affiliated with the Advisor receive compensation for their services and reimbursement of expenses incurred to attend meetings.

Administration

The Company also has entered into an administration agreement with BlackRock Financial Management, Inc. (the "Administrator") under which the Administrator provides certain administrative services to the Company. For providing these services, facilities and personnel, the Company reimburses the Administrator for the Company's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the administration agreement, including rent and the Company's allocable portion of the cost of certain of the Company's officers and their respective staffs. For the three and six months ended June 30, 2022, the Company incurred $299,262 and $664,769, respectively, for such administrative services expenses. For the three and six months ended June 30, 2021, the Company incurred $314,886 and $637,001, respectively, for such administrative services expenses.

Advisor Stock Transactions

At June 30, 2022 and December 31, 2021, BCIA did not own any shares of the Company. At both June 30, 2022 and December 31, 2021, other entities affiliated with the Administrator and Advisor beneficially owned less than 1% of the Company's total shares of common stock outstanding.

7. Stockholders' Equity and Distributions

Distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a distribution is determined by the Board of Directors. Net realized capital gains, if any, generally are distributed at least annually, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan (the "Plan") that provides for reinvestment of distributions on behalf of stockholders, unless a stockholder elects to receive cash. As a result, if the Board of Directors authorizes, and the Company declares, a cash distribution, then stockholders who have not "opted out" of the dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of Common Stock, rather than receiving the cash distributions. Additionally, if the Company makes a distribution to be paid in cash or in stock at the election of stockholders as of the applicable dividend record date (a "Cash/Stock Distribution"), the terms are subject to the amended Plan dated May 13, 2020 described below.

For the three and six months ended June 30, 2022 and 2021, declared distributions to common stockholders were as follows:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount	Reinvested distributions paid during quarter (1) (2)
March 1, 2022	March 17, 2022	April 7, 2022	Regular	$ 0.10	$ 7,380,270	$ 698,261
April 27, 2022	June 16, 2022	July 7, 2022	Regular	0.10	7,363,184	744,840
Total				$ 0.20	$ 14,743,454	$ 1,443,101

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount	Reinvested distributions paid during quarter (1) (2)
March 2, 2021	March 17, 2021	April 7, 2021	Regular	$ 0.10	$ 7,441,594	$ —
April 28, 2021	June 16, 2021	July 7, 2021	Regular	0.10	7,413,594	541,771
Total				$ 0.20	$ 14,855,188	$ 541,771

(1) The Company has adopted a dividend reinvestment plan that provides for reinvestment of distributions on behalf of stockholders, unless a stockholder elects to receive cash.

(2) Distributions reinvested through purchase of shares in the open market.

On March 6, 2018, the Board of Directors of the Company adopted amendments to the Plan. Under the terms of the amended Plan, if the Company declares a dividend or determines to make a capital gain or other distribution, the reinvestment plan agent will acquire shares for the participants' accounts, depending upon the following circumstances, (i) through receipt of additional unissued but authorized shares from the Company ("newly issued shares") and/or (ii) by purchase of outstanding shares on the open market ("open-market purchases"). If, on the distribution payment date, the last quarterly net asset value per share ("NAV") is equal to or less than the closing market price per share on such distribution payment date (such condition often referred to as a "market premium"), the reinvestment plan agent will invest the distribution amount in newly issued shares on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the distribution by the greater of (i) the NAV or (ii) 95% of the closing market price on the distribution payment date. If, on the distribution payment date, the NAV is greater than the closing market price per share on such distribution payment date (such condition often referred to as a "market discount"), the reinvestment plan agent may, upon notice from the Company, either (a) invest the distribution amount in newly issued shares on behalf of the participants or (b) invest the distribution amount in shares acquired on behalf of the participants in open-market purchases.

On May 13, 2020, the Board of Directors of the Company adopted further amendments to the Plan. Under the terms of the amended Plan, if the Company makes a Cash/Stock Distribution, each stockholder will be required to elect whether to receive the distribution in cash or in shares of the Company's common stock ("Common Shares"), pursuant to such notices, forms or other documentation as may be provided to the stockholder by the Company (the "Election Forms"). If the stockholder is a Plan participant and elects to receive the Cash/Stock Distribution in cash, the stockholder will be deemed to have elected not to participate in the Plan solely with respect to such Cash/Stock Distribution and will receive the distribution in cash subject to any rules applicable to the distribution that may limit the portion of the distribution the Company is required to pay in cash. If the stockholder is a Plan participant and elects to receive the Cash/Stock Distribution in stock, the stockholder will receive the distribution in newly issued Common Shares. The number of newly issued Common Shares credited to the stockholders' account in either case will be determined by dividing the dollar amount of the distribution (or portion of the distribution to be paid in Common Shares) by the price per Common Share determined in accordance with the Election Forms rather than pursuant to the formula(s) otherwise applicable under the Plan.

On November 2, 2021, the Company's Board of Directors authorized the Company to purchase up to a total of 8,000,000 shares, effective until the earlier of November 2, 2022 or such time that all of the authorized shares have been repurchased (the "Company Repurchase Plan"), in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934 (the "Exchange Act"). As of June 30, 2022, 7,380,503 shares remained available for repurchase.

The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the three and six months ended June 30, 2022:

June 30, 2022	Shares Repurchased	Price Per Share	Total Cost
Three Months Ended	420,083	$ 3.78	$ 1,586,451
Six Months Ended	526,391	3.85	2,026,688

The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the three and six months ended June 30, 2021:

June 30, 2021	Shares Repurchased	Price Per Share	Total Cost
Three Months Ended	80,944	$ 3.73	$ 301,703
Six Months Ended	337,006	3.48	1,171,429

Since inception of the original repurchase plan through June 30, 2022, the Company has purchased 11,127,655 shares of its common stock on the open market for $70,516,074, including brokerage commissions through the repurchase plan. The Company currently holds the shares it repurchased in treasury stock.

8. Earnings (Loss) per share

The following information sets forth the computation of basic and diluted net increase (decrease) in net assets from operations per share (earnings (loss) per share) for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Earnings (Loss) per share – basic:				
Net increase (decrease) in net assets resulting from operations	$ (2,540,160)	$ 32,025,720	$ 2,982,214	$ 48,226,725
Weighted average shares outstanding – basic	73,667,822	74,150,425	73,744,580	74,292,637
Earnings (Loss) per share – basic	$ (0.03)	$ 0.43	$ 0.04	$ 0.65
Earnings (Loss) per share – diluted:				
Net increase (decrease) in net assets resulting from operations, before adjustments	$ (2,540,160)	$ 32,025,720	$ 2,982,214	$ 48,226,725
Adjustments for interest on unsecured convertible senior notes(1)	—	2,262,796	—	4,521,930
Net increase (decrease) in net assets resulting from operations, as adjusted	$ (2,540,160)	$ 34,288,516	$ 2,982,214	$ 52,748,655
Weighted average shares outstanding – diluted(1)	73,667,822	91,144,162	73,744,580	91,286,374
Earnings (Loss) per share – diluted	$ (0.03)	$ 0.38	$ 0.04	$ 0.58

(1) No adjustments for interest or incremental shares were included for the three and six month periods ended June 30, 2022 because the effect would be antidilutive.

Diluted earnings (loss) per share is computed using the if-converted method, which assumes conversion of convertible securities at the beginning of the reporting period and is intended to show the maximum dilution effect to common stockholders regardless of how the conversion can occur.

9. Commitments and contingencies

In the normal course of business, the Company may enter into guarantees on behalf of portfolio companies. Under these arrangements, the Company would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. There were no such guarantees outstanding at June 30, 2022 and December 31, 2021. In addition, from time to time, the Company may provide for a commitment to a portfolio company for investment in an existing or new security. At June 30, 2022 and December 31, 2021, the Company had unfunded commitments of $69.5 million across 38 portfolio companies and $49.4 million across 35 portfolio companies, respectively. The aggregate fair value of unfunded commitments at June 30, 2022 and December 31, 2021 was $67.9 million and $49.1 million, respectively. We maintain sufficient cash on hand and available borrowings to fund such unfunded commitments should the need arise.

In the normal course of business, the Company enters into contractual agreements that provide general indemnifications against losses, costs, claims and liabilities arising from the performance of individual obligations under such agreements. The Company's individual 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. However, based on management's experience, the Company expects the risk of loss to be remote.

From time to time, the Company and the Advisor may be a party to certain legal proceedings incidental to the normal course of its business, including the enforcement of its rights under contracts with our portfolio companies. Further, third parties may try to seek to impose liability on the Company in connection with the activities of its portfolio companies. While the Company cannot predict the outcome of these legal proceedings with certainty, we do not expect that these proceedings will have a material effect on its consolidated financial statements.

10. Financial highlights

The following per share data and ratios have been derived from information provided in the consolidated financial statements. The following is a schedule of financial highlights for a common share outstanding for the six months ended June 30, 2022 and 2021:

	Six Months Ended	
	June 30, 2022	**June 30, 2021**
Per Share Data:		
Net asset value, beginning of period	$ 4.73	$ 4.23
Investment Operations:		
Net investment income, before incentive fees	0.16	0.12
Incentive fees(1)	0.02	—
Net investment income(1)	0.18	0.12
Net realized and unrealized gain (loss)	(0.14)	0.53
Total from investment operations	0.04	0.65
Cumulative effect of adjustment for the adoption of ASU 2020-06(2)	(0.01)	—
Repurchase of common stock	0.01	—
Distributions to stockholders(3)	(0.20)	(0.20)
Net asset value, end of period	$ 4.57	$ 4.68
Market price at end of period	$ 3.67	$ 3.93
Total return based on market price(4)	(3.67)%	53.77%
Total return based on net asset value(5)	1.44%	16.45%
Shares outstanding at end of period	73,354,142	74,129,659
Ratios to average net assets(6):		
Operating expenses, before incentive fees	3.92%	3.98%
Interest and other debt related expenses	3.26%	3.57%
Total expenses, before incentive fees	7.18%	7.55%
Incentive fees(1)	(0.42)%	—
Total expenses, after incentive fees	6.76%	7.55%
Net investment income	7.53%	5.64%
Net assets at end of period	$ 335,444,647	$ 347,210,385
Portfolio turnover rate	19%	24%
Weighted average interest rate on debt(7)	4.94%	6.45%
Weighted average debt outstanding	$ 210,643,606	$ 161,052,536
Weighted average shares outstanding	73,744,580	74,292,637
Weighted average debt per share(8)	$ 2.86	$ 2.17

(1) For the six months ended June 30, 2022, net investment income per share amount displayed above is net of a reversal of hypothetical liquidation basis GAAP incentive fees on capital gains of $(0.02) per share, or (0.45)% of average net assets for such period.

(2) The Company adopted ASU 2020-06 under the modified retrospective basis as of January 1, 2022 (see Notes 2 and 4).

(3) For the six months ended June 30, 2022, $13.6 million out of the total $14.7 million declared distributions were from net investment income based on book income. The amount of distribution related to a return of capital will be adjusted on an annual basis if necessary, and calculated in accordance with federal income tax regulations (see Note 2).

(4) Total return based on market value is calculated by determining the percentage change in market value per share during the period and assuming that the dividend distributions are reinvested in accordance with the Company's dividend reinvestment plan. Not annualized.

(5) Total return based on net asset value is calculated by determining the percentage change in net asset value per share during the period and assuming that the dividend distributions are reinvested in accordance with the Company's dividend reinvestment plan. Not annualized.

(6) Annualized, except for incentive fees.

(7) Weighted average interest rate on debt includes contractual interest, amortization of original issue discount, for periods prior to January 1, 2022 (refer to the adoption of ASU 2020-06 in Note 2) and amortization of debt issuance costs (see Note 4).

(8) Weighted average debt per share is calculated as weighted average debt outstanding divided by the weighted average shares outstanding during the applicable period.

11. Subsequent events

On August 2, 2022, the Company's Board of Directors declared a distribution of $0.10 per share, payable on October 6, 2022 to stockholders of record at the close of business on September 15, 2022.

On August 2, 2022, pursuant to Rule 2a-5 under the 1940 Act, the Board of Directors designated the Advisor as the Valuation Designee to perform certain fair value functions, including performing fair value determinations for the Company.

The Company has reviewed subsequent events occurring through the date that these consolidated financial statements were available to be issued and determined that no subsequent events occurred requiring accrual or disclosure, except as disclosed above and elsewhere in these notes to consolidated financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The information contained in this section should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report.

Forward-looking statements

This report, and other statements that we may make, may contain forward-looking statements with respect to future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as “trend,” “opportunity,” “pipeline,” “believe,” “comfortable,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “potential,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” or similar expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and we assume no duty to and do not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously identified elsewhere in the reports BlackRock Capital Investment Corporation has filed with the Securities and Exchange Commission (the “SEC”), the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- 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;
- the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital, including our ability to obtain continued financing on favorable terms;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the impact of increased competition;
- the impact of COVID-19 on our portfolio companies and the markets in which they operate, interest rates and the economy in general;
- the ability of the Advisor to locate suitable investments for us and to monitor and administer our investments;
- changes in law and policy accompanying the new administration and uncertainty pending any such changes;
- increased geopolitical unrest, terrorist attacks or acts of war, which may adversely affect the general economy, domestic and local financial and capital markets, or the specific industries of our portfolio companies;
- changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets;
- the unfavorable resolution of legal proceedings; and
- the impact of changes to tax legislation and, generally, our tax position.

Overview

We were incorporated in Delaware on April 13, 2005 and commenced operations with private funding on July 25, 2005, and completed our initial public offering on July 2, 2007. Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in middle-market companies in the form of senior debt securities and loans, and our investment portfolio may include junior secured and unsecured debt securities and loans, each of which may include an equity component.

We are externally managed and have elected to be regulated as a BDC under the 1940 Act. As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in “qualifying assets,” including securities of private or thinly traded public U.S. companies, cash, cash equivalents, U.S. Government securities and high-quality debt investments that mature in one year or less.

Certain items previously reported may have been reclassified to conform to the current year presentation.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity, the general economic environment and the competitive environment for the types of investments we make.

As a BDC, we generally do not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Qualifying assets include investments in "eligible portfolio companies." Under the relevant SEC rules, the term "eligible portfolio company" includes most private companies, companies whose securities are not listed on a national securities exchange, and certain public companies that have listed their securities on a national securities exchange and have a market capitalization of less than $250 million. These rules also permit us to include as qualifying assets certain follow-on investments in companies that were eligible portfolio companies at the time of initial investment but that no longer meet the definition. As of June 30, 2022, approximately 13.8% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

Revenues

We generate revenues primarily in the form of interest on the debt we hold, dividends on our equity interests and capital gains on the sale of warrants and other debt or equity interests that we acquire in portfolio companies. Our investments in fixed income instruments generally have an expected maturity of three to ten years, although we have no lower or upper constraint on maturity, and typically bear interest at a fixed or floating rate. Interest on our debt securities is generally payable monthly, quarterly or semi-annually. In some cases, our debt instruments and preferred stock investments may defer payments of cash interest or dividends or pay interest or dividends in-kind. Any outstanding principal amount of our debt securities and any accrued but unpaid interest will generally become due at the maturity date. In addition, we may generate revenue in the form of prepayment fees, commitment, origination, capital structuring fees, end-of-term or exit fees, for providing significant managerial assistance, and other investment related income.

Expenses

Our primary operating expenses include the payment of a Management Fee and, depending on our operating results, Incentive Fees, interest and credit facility fees, expenses reimbursable under the Current Management Agreement, professional fees, administration fees and the allocable portion of overhead under the administration agreement. The Management Fee and Incentive Fee compensate the Advisor for work in identifying, evaluating, negotiating, closing and monitoring our investments. Our Current Management Agreement with the Advisor provides that we will reimburse the Advisor for costs and expenses incurred by the Advisor for office space rental, office equipment and utilities allocable to the Advisor under the Current Management Agreement, as well as any costs and expenses incurred by the Advisor relating to any non-investment advisory, administrative or operating services provided by the Advisor to us. We bear all other costs and expenses of our operations and transactions.

Critical accounting policies and estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these 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, as well as the reported amounts of revenues and expenses during the reporting periods presented. Although management believes these estimates and assumptions to be reasonable, actual results could differ from those estimates and such differences could be material.

Management considers the significant accounting policies important to understanding the consolidated financial statements. In addition to the discussion below, our significant accounting policies are further described in the notes to the consolidated financial statements. See Note 2 to the consolidated financial statements for a description of significant accounting policies and of recently issued accounting pronouncements. Management considers Investments to be an area deemed a critical accounting policy as a result of the judgments necessary for management to select valuation methodologies and to select significant unobservable inputs to estimate fair value. Additionally, the SEC has adopted Rule 2a-5 (the "Rule") under the 1940 Act. Pursuant to the Rule, the Company's Board of Directors may designate a valuation designee to perform certain fair value functions, including performing fair value determinations. It is anticipated that the Company will be in compliance with the Rule on or before the formal SEC compliance date on September 8, 2022 (see Note 2 to the consolidated financial statements).

Financial and operating highlights

At June 30, 2022:

Investment portfolio, at fair value: $557.4 million
Net assets: $335.4 million
Indebtedness, excluding deferred issuance costs: $238.0 million
Net asset value per share: $4.57

Portfolio Activity for the Three Months Ended June 30, 2022:
Cost of investments during period, including PIK: $73.5 million
Sales, repayments and other exits during period: $25.1 million
Number of portfolio companies at end of period: 100

Operating Results for the Three Months Ended June 30, 2022:
Net investment income per share: $0.10
Distributions declared per share: $0.10
Basic earnings (loss) per share: $(0.03)
Net investment income: $7.1 million
Net realized and unrealized gain (loss): $(9.7) million
Net increase (decrease) in net assets from operations: $(2.5) million
Net investment income per share, as adjusted[1]: $0.08
Basic earnings (loss) per share, as adjusted[1]: $(0.05)
Net investment income, as adjusted[1]: $6.0 million
Net increase (decrease) in net assets from operations, as adjusted[1]: $(3.6) million

As Adjusted[1]: The Company reports its financial results in accordance with GAAP; however, management believes evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. See "Supplemental Non-GAAP information" for further information on non-GAAP financial measures and for as adjusted items, which are adjusted to remove the impact of the accrued hypothetical liquidation basis incentive fee expense reversal based on capital gains that was recorded, as required by GAAP, and to include only the incremental incentive fee based on income. Under the Current Management Agreement, incentive fee expense based on income is calculated for each calendar quarter and may be paid on a quarterly basis if certain thresholds are met. Adjusted amounts reflect the fact that no Incentive Fee on capital gains was realized and payable to the Advisor during the three months ended June 30, 2022.

Portfolio and investment activity

We invested approximately $73.5 million, including PIK, during the three months ended June 30, 2022. The new investments consisted of senior secured loans secured by first lien ($62.7 million, or 85.4%) or second lien ($10.7 million, or 14.5%) and equity securities ($0.1 million, or 0.1%). Additionally, we received proceeds from sales, repayments and other exits of approximately $25.1 million during the three months ended June 30, 2022.

Concentration of our assets in an issuer, industry or sector may present certain risks. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. At June 30, 2022, our portfolio of $557.4 million (at fair value) consisted of 100 portfolio companies and was invested approximately 93% in senior secured loans, 4% in unsecured or subordinated debt securities, 2% in equity investments, and less than 1% in senior secured notes. Our average investment by portfolio company at amortized cost was approximately $6.3 million at June 30, 2022. Our largest portfolio company investment at fair value was approximately $24.9 million and our five largest portfolio company investments at fair value comprised approximately 15% of our portfolio at June 30, 2022. At December 31, 2021, our portfolio of $552.6 million (at fair value) consisted of 86 portfolio companies and was invested 93% in senior secured loans, 5% in unsecured or subordinated debt securities, 2% in equity investments and less than 1% in senior secured notes. Our average investment by portfolio company at amortized cost was approximately $7.1 million at December 31, 2021. Our largest portfolio company investment at fair value was approximately $37.3 million and our five largest portfolio company investments by value comprised approximately 21% of our portfolio at December 31, 2021.

In addition, we may, from time to time, invest a substantial portion of our assets in the securities of issuers in any single industry or sector of the economy or in only a few issuers. A downturn in an industry or sector in which we are concentrated could have a larger impact on us than on a company that does not concentrate in that particular industry or sector. Our Advisor monitors industry and sector uncertainties on an ongoing basis, including substantial regulatory challenges in the healthcare sector, volatility and extensive government regulation in the financial services sector, cyclical risks associated with the overall economy and events outside of our control, including public health crises such as COVID-19, or other geopolitical or macroeconomic events (see Item 1A. Risk Factors for further details), which may have resulted in a negative impact to certain industries, including significant reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain interruptions and overall economic and financial market instability both globally and in the United States (see Note 5 to the consolidated financial statements), among various other industry and sector uncertainties due to certain exposures. At June 30, 2022, our top three industry concentrations at fair value consisted of Diversified Financial Services (12.8%), Internet Software & Services (11.6%), and Software (10.8%). At December 31, 2021, our top three industry concentrations at fair value consisted of Diversified Financial Services (13.6%), Internet Software & Services (11.2%) and Road & Rail (10.5%) (see Note 5 to the consolidated financial statements).

The weighted average portfolio yields at fair value and cost as of June 30, 2022 and December 31, 2021 were as follows:

	June 30, 2022		December 31, 2021	
	Fair Value	Cost	Fair Value	Cost
Weighted Average Yield(1)				
Total portfolio	9.1%	8.2%	8.5%	7.6%
Senior secured loans	9.6%	9.6%	9.0%	9.0%
Other debt securities	2.4%	1.4%	1.9%	1.1%
Debt and income producing equity securities	9.3%	9.0%	8.7%	8.4%

(1) Computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount, divided by (b) the amortized cost or at fair value of each category, as applicable. The calculation excludes exit fees that are receivable upon repayment of certain loan investments.

For the three and six months ended June 30, 2022, the total return based on net asset value was (0.2)% and 1.4%, respectively. For the three and six months ended June 30, 2022, the total return based on market price was (10.6)% and (3.7)%, respectively. For the three and six months ended June 30, 2021, the total return based on net asset value was 10.3% and 16.4%, respectively. For the three and six months ended June 30, 2021, the total return based on market price was 20.3% and 53.8%, respectively. Total returns are historical and are calculated by determining the percentage change in the net asset value or market price with all distributions reinvested, if any. Distributions are assumed to be reinvested in accordance with the Company's dividend reinvestment plan and do not reflect brokerage commissions.

The Advisor generally employs a grading system for our entire portfolio. The Advisor grades all loans on a scale of 1 to 4. This system is intended to reflect the performance of the borrower's business, the collateral coverage of the loans and other factors considered relevant. Generally, the Advisor assigns only one loan grade to each portfolio company for all loan investments in that portfolio company; however, the Advisor will assign multiple ratings when appropriate for different investments in one portfolio company. The following is a description of the conditions associated with each investment rating:

Grade 1: Investments in portfolio companies whose performance is substantially within or above the Advisor's original base case expectations and whose risk factors are neutral to favorable to those at the time of the original investment or subsequent restructuring.

Grade 2: Investments in portfolio companies whose performance is materially below the Advisor's original base case expectations or risk factors have increased since the time of original investment or subsequent restructuring. No loss of investment return or principal (or invested capital) is expected.

Grade 3: Investments in portfolio companies whose performance is materially below the Advisor's original base case expectations or risk factors have increased materially since the time of original investment or subsequent restructuring. Some loss of investment return is expected, but no loss of principal (or invested capital) is expected.

Grade 4: Investments in portfolio companies whose performance is materially below the Advisor's original base case expectations or risk factors have increased substantially since the time of original investment or subsequent restructuring. Some loss of principal (or invested capital) is expected.

The Advisor monitors and, when appropriate, changes the investment ratings assigned to each investment in our portfolio. In connection with our valuation process, the Advisor and Board of Directors review these investment ratings on a quarterly basis. Our weighted average investment rating was 1.27 at June 30, 2022 and 1.21 at December 31, 2021. The following is a distribution of the investment ratings of our portfolio companies, at fair value, at June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021
Grade 1	$ 443,045,874	$ 474,466,652
Grade 2	89,984,385	49,356,296
Grade 3	—	—
Grade 4	19,340,520	22,579,310
Not Rated(1)	5,023,500	6,161,736
Total investments	$ 557,394,279	$ 552,563,994

(1) Not Rated category at June 30, 2022 consists primarily of the Company's residual equity investments in Stitch Holdings, L.P. Not Rated category as of December 31, 2021 consists primarily of the Company's residual equity investments in Stitch Holdings, L.P. and AGY Equity, LLC. For purposes of calculating our weighted average investment rating, the Not Rated category is excluded.

Results of operations

Results comparisons for the three months ended June 30, 2022 and 2021.

Investment income

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
Investment income		
Interest and fees on senior secured loans	$ 12,004,839	$ 10,184,389
Interest and fees on other debt securities	149,298	136,106
Interest earned on short-term investments, cash equivalents	36,089	356
Dividends and fees on equity securities	78,729	536,908
Total investment income	$ 12,268,955	$ 10,857,759

Total investment income for the three months ended June 30, 2022 increased $1.4 million, or 13.0%, as compared to the three months ended June 30, 2021. The increase was primarily due to a 16.8% higher average balance in senior secured loans, at amortized cost, during the three months ended June 30, 2022, and an increase in fee and other one-time income of $0.4 million period over period as a result of certain exited investments during the quarter. The increase in portfolio size is primarily due to net deployments during 2021 and the first half of 2022, which were substantially all in senior secured debt. These increases are partially offset by a decrease in dividend income of $0.5 million period over period, which is attributable to the exit of BCIC Senior Loan Partners, LLC ("Senior Loan Partners") during December 2021.

Expenses

	Three Months Ended	
	June 30, 2022	June 30, 2021
Operating expenses		
Interest and other debt expenses	$ 2,860,691	$ 2,969,177
Management fees	1,947,167	1,775,684
Incentive fees on income	69,343	—
Incentive fees on capital gains	(1,073,068)	—
Administrative expenses	299,262	314,886
Professional fees	207,489	254,834
Insurance expense	196,114	201,597
Director fees	153,125	153,125
Investment advisor expenses	25,819	87,500
Other operating expenses	462,797	258,232
Total expenses, before incentive fee waiver	5,148,739	6,015,035
Incentive fee waiver	—	—
Total expenses, net of incentive fee waiver	$ 5,148,739	$ 6,015,035

Total expenses, net of incentive fee waiver, decreased $0.9 million, or 14.4%, for the three months ended June 30, 2022 from the comparable period in 2021, primarily due to the reversal of previously accrued incentive fees on capital gains, as required by GAAP during the three months ended June 30, 2022.

The Company is required under GAAP to accrue a hypothetical liquidation basis incentive fee on capital gains, based upon net realized capital gains and unrealized capital appreciation and depreciation on investments held at the end of each period. If the resulting calculation amount is negative, the accrual for GAAP in a given period may result in the reduction or reversal of Incentive Fees on capital gains accrued in a prior period (see Note 3 to the consolidated financial statements). The accrual (reversal) of Incentive Fees on capital gains was approximately $(1.1) million and zero during the three months ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and December 31, 2021, the balance of accrued Incentive Fees on capital gains was zero and $1.5 million, respectively. However, as of December 31, 2021 no Incentive Fees on capital gains were realized and payable to the Advisor as of such date.

For the three months ended June 30, 2022, and 2021, the Company incurred $0.1 million and zero, respectively, of Incentive Fees based on income.

Net investment income

Net investment income was $7.1 million and $4.8 million for the three months ended June 30, 2022 and 2021, respectively. The increase of approximately $2.3 million, or 47.0%, was due to a $1.4 million increase in total investment income, coupled with a $0.9 million decrease in expenses described above.

Net realized gain or loss

There was no net realized gain (loss) recorded for the three months ended June 30, 2022. Net realized gain (loss) for the three months ended June 30, 2021 was approximately $(8.7) million, primarily due to the full exit of our debt and equity positions in Red Apple Stores Inc. Substantially all of the net realized losses were reflected in unrealized depreciation in prior periods.

Net unrealized appreciation or depreciation

For the three months ended June 30, 2022 and 2021, the change in net unrealized appreciation or depreciation on our investments, Interest Rate Swap, and foreign currency translation was an increase in net unrealized depreciation of $(9.7) million and a decrease in net unrealized depreciation of $35.9 million, respectively. The increase in net unrealized depreciation for the three months ended June 30, 2022 was primarily due to i) an overall increase in valuation depreciation across our portfolio due to spread widening and general market declines during the quarter (see Item 1A. *Risk Factors*), out of which our investments in Zest Acquisition Corp., Thras.io, LLC, Razor Group GmbH and Magenta Buyer, LLC contributed to $(2.8) million of that decrease; ii) a $(1.5) million increase in valuation depreciation in our investment in Juul Labs Inc; partially offset by iii) a $0.8 million decrease in unrealized depreciation in Gordon Brothers Finance Company, including the reversal of $2.0 million of previously recognized depreciation as a result of a paydown during the quarter and $(1.2) million of valuation depreciation during the quarter. The decrease in net unrealized depreciation for the three months ended June 30, 2021 was primarily due to a $23.2 million increase in the fair value of SVP-Singer Holdings, LP, based on expected proceeds on the sale of the portfolio company which successfully closed in July 2021, and an $8.4 million reversal of previously recognized depreciation, including foreign currency translation, related to the full exit of our debt and equity investments in Red Apple Stores Inc.

Net increase or decrease in net assets resulting from operations

The net increase or (decrease) in net assets resulting from operations for the three months ended June 30, 2022 and 2021 was $(2.5) million and $32.0 million, respectively. As compared to the prior period, the decrease is reflective of net realized and unrealized gain (loss) of $(9.7) million for the current period, as compared to $27.2 million of net realized and unrealized gain (loss) for the three months ended June 30, 2021, the impact of which was partially offset by an increase in net investment income of approximately $2.3 million period-over-period.

Results comparisons for the six months ended June 30, 2022 and 2021.

Investment income

	Six Months Ended	
	June 30, 2022	June 30, 2021
Investment income		
Interest and fees on senior secured loans	$ 23,973,523	$ 19,575,574
Interest and fees on other debt securities	285,205	433,903
Interest earned on short-term investments, cash equivalents	37,903	1,431
Dividends and fees on equity securities	154,611	1,119,475
Total investment income	$ 24,451,242	$ 21,130,383

Total investment income for the six months ended June 30, 2022 increased $3.3 million, or 15.7%, as compared to the six months ended June 30, 2021. The increase was primarily due to a 22.8% higher average balance in senior secured loans, at amortized cost, during the six months ended June 30, 2022, and an increase in fee and other one-time income of $1.0 million period over period as a result of certain exited investments during the period. The increase in portfolio size is primarily due to net deployments during 2021 and the first half of 2022, which were substantially all in senior secured debt. These increases are partially offset by a decrease in dividend income of $1.0 million period over period, which is attributable to the exit of Senior Loan Partners during December 2021.

Expenses

	Six Months Ended	
	June 30, 2022	June 30, 2021
Operating expenses		
Interest and other debt expenses	$ 5,589,642	$ 5,722,273
Management fees	4,007,031	3,575,450
Incentive fees on income	88,356	—
Incentive fees on capital gains	(1,544,569)	—
Administrative expenses	664,769	637,001
Professional fees	510,346	666,993
Insurance expense	395,872	400,961
Director fees	306,250	306,250
Investment advisor expenses	51,638	175,000
Other operating expenses	766,596	613,514
Total expenses, before incentive fee waiver	10,835,931	12,097,442
Incentive fee waiver	—	—
Total expenses, net of incentive fee waiver	$ 10,835,931	$ 12,097,442

Total expenses, net of incentive fee waiver, decreased $1.3 million, or 10.4%, for the six months ended June 30, 2022 from the comparable period in 2021, primarily due to the reversal of previously accrued incentive fees on capital gains, as required by GAAP during the six months ended June 30, 2022, which was partially offset by an increase in management fees period over period.

The Company is required under GAAP to accrue a hypothetical liquidation basis incentive fee on capital gains, based upon net realized capital gains and unrealized capital appreciation and depreciation on investments held at the end of each period. If the resulting calculation amount is negative, the accrual for GAAP in a given period may result in the reduction or reversal of Incentive Fees on capital gains accrued in a prior period (see Note 3 to the consolidated financial statements). The accrual (reversal) of Incentive Fees on capital gains was approximately $(1.5) million and zero during the six months ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and December 31, 2021, the balance of accrued Incentive Fees on capital gains was zero and $1.5 million, respectively. However, as of December 31, 2021 no Incentive Fees on capital gains were realized and payable to the Advisor as of such date.

For the six months ended June 30, 2022, and 2021, the Company incurred $0.1 million and zero, respectively, of Incentive Fees based on income.

Management fees increased approximately $0.4 million, or 12.1%, for the six months ended June 30, 2022 from the comparable period in 2021 due to an increase in the total assets on which management fees are calculated (in arrears). The increase in total assets was primarily due to net deployments during 2021.

Net investment income

Net investment income was $13.6 million and $9.0 million for the six months ended June 30, 2022 and 2021, respectively. The increase of approximately $4.6 million, or 50.7%, was due to a $3.3 million increase in total investment income, coupled with a $1.3 million decrease in expenses described above.

Net realized gain or loss

Net realized gain (loss) for the six months ended June 30, 2022 was approximately $0.8 million, primarily due to escrow proceeds received from SVP – Singer Holdings, LP, which was exited during 2021. Net realized gain (loss) for the six months ended June 30, 2021 was $(19.7) million, primarily due to the restructure of Advanced Lighting Technologies, LLC, and exits of our investments in Red Apple Stores Inc., First Boston Construction Holdings, LLC, and Advantage Insurance Inc. Substantially all of the net realized losses were reflected in unrealized depreciation in prior periods.

Net unrealized appreciation or depreciation

For the six months ended June 30, 2022 and 2021, the change in net unrealized appreciation or depreciation on our investments, Interest Rate Swap, and foreign currency translation was an increase in net unrealized depreciation of $(11.5) million and a decrease in net unrealized depreciation of $58.9 million, respectively. The increase in net unrealized depreciation for the six months ended June 30, 2022 was primarily due to i) an overall increase in valuation depreciation across our portfolio due to spread widening and general market declines during the period (see Item 1A. *Risk Factors*), out of which our investments in Zest Acquisition Corp., Stitch Holdings L.P., Thras.io, LLC, and Magenta Buyer, LLC contributed to $(3.3) million of that decrease; ii) a $(1.6) million increase in valuation depreciation in our investment in Juul Labs Inc.; partially offset by iii) a $0.9 million decrease in unrealized depreciation in Gordon Brothers Finance Company, including the reversal of $2.0 million of previously recognized depreciation as a result of a paydown during the period and $(1.1) million of valuation depreciation during the period. The decrease in net unrealized depreciation for the six months ended June 30, 2021 was primarily due to i) a $27.4 million decrease in net unrealized depreciation on SVP-Singer Holdings, LP, including the reversal of previously recognized depreciation of $1.5 million associated with a distribution from the portfolio company and $25.9 million of valuation appreciation, based on expected proceeds on the sale of the portfolio company which successfully closed in July 2021; ii) the reversal of previously recognized depreciation of $19.3 million, including foreign currency translation, related to the exits of our investments in Red Apple Stores Inc., First Boston Construction Holdings, LLC and Advantage Insurance Inc., and the restructure of Advanced Lighting Technologies, LLC; and iii) overall increase in valuation appreciation across our portfolio.

Net increase or decrease in net assets resulting from operations

The net increase or (decrease) in net assets resulting from operations for the six months ended June 30, 2022 and 2021 was $3.0 million and $48.2 million, respectively. As compared to the prior period, the decrease is reflective of net realized and unrealized gain (loss) of $(10.6) million for the current period, as compared to $39.2 million of net realized and unrealized gain (loss) for the six months ended June 30, 2021, the impact of which was partially offset by an increase in net investment income of approximately $4.6 million period-over-period.

Supplemental Non-GAAP information

We report our financial results on a GAAP basis; however, management believes that evaluating our ongoing operating results may be enhanced if investors have additional non-GAAP basis financial measures. Management reviews non-GAAP financial measures to assess ongoing operations and, for the reasons described below, considers them to be effective indicators, for both management and investors, of our financial performance over time. Management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

After March 6, 2017, Incentive Fees based on income are calculated for each calendar quarter and may be paid on a quarterly basis if certain thresholds are met. In addition, as previously disclosed, the Advisor, in consultation with the Company's Board of Directors, had agreed to waive Incentive Fees based on income from March 7, 2017 to June 30, 2019. BCIA had agreed to honor such waiver. The Advisor had voluntarily waived a portion of its Incentive Fees based on income from July 1, 2019 through September 30, 2021.

We record our liability for Incentive Fee based on capital gains by performing a hypothetical liquidation basis calculation at the end of each reporting period, as required by GAAP, which assumes that all unrealized capital appreciation and depreciation is realized as of the reporting date. It should be noted that Incentive Fees based on capital gains (if any) are not due and payable until the end of the annual measurement period, or every June 30. The incremental Incentive Fee disclosed for a given period is not necessarily indicative of actual full year results. Changes in the economic environment, financial markets and other parameters used in determining such estimates could cause actual results to differ and such differences could be material. There can be no assurance that unrealized capital appreciation and depreciation will be realized in the future, or that any accrued capital gains Incentive Fee will become payable. Incentive Fee amounts on capital gains actually paid by the Company will specifically exclude consideration of unrealized capital appreciation, consistent with requirements under the Advisers Act and the Current Management Agreement. See Note 3 to the consolidated financial statements for a more detailed description of the Company's Incentive Fee.

Computations for all periods are derived from our consolidated financial statements as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
GAAP Basis:				
Net Investment Income	$ 7,120,216	$ 4,842,724	$ 13,615,311	$ 9,032,941
Net Investment Income per share	0.10	0.07	0.18	0.12
Addback: GAAP incentive fee (reversal) based on capital gains	(1,073,068)	—	(1,544,569)	—
Addback: GAAP incentive fee based on Income net of incentive fee waiver (if any)	69,343	—	88,356	—
Pre-Incentive Fee[1]:				
Net Investment Income	$ 6,116,491	$ 4,842,724	$ 12,159,098	$ 9,032,941
Net Investment Income per share	0.08	0.07	0.16	0.12
Less: Incremental incentive fee based on Income net of incentive fee waiver (if any)	(69,343)	—	(88,356)	—
As Adjusted[2]:				
Net Investment Income	$ 6,047,148	$ 4,842,724	$ 12,070,742	$ 9,032,941
Net Investment Income per share	0.08	0.07	0.16	0.12

Pre-Incentive Fee[1]: Amounts are adjusted to remove all incentive fees. Such fees have been accrued (reversed) but are not due and payable at the reporting date.

As Adjusted[2]: Amounts are adjusted to remove the GAAP accrual (reversal) for incentive fee based on capital gains, and to include only the incremental incentive fee based on income. Adjusted amounts reflect the fact that no Incentive Fee on capital gains was realized and payable to the Advisor during the three and six month periods ended June 30, 2022 and 2021, respectively (see Note 3). Under the Current Management Agreement, incentive fee based on income is calculated for each calendar quarter and may be paid on a quarterly basis if certain thresholds are met. Amounts reflected the Company's ongoing operating results and reflect the Company's financial performance over time.

Financial condition, liquidity and capital resources

During the six months ended June 30, 2022, we generated operating cash flows primarily from interest and fees received on senior secured loans and other debt securities, as well as from sales of selected portfolio company investments or repayments of principal. Net cash used in operating activities for the six months ended June 30, 2022 was $(13.1) million. Our use of cash from operating activities during the period primarily consisted of $(13.1) million in net purchases of investments, excluding PIK capitalization.

Net cash provided by financing activities during the six months ended June 30, 2022 was $22.7 million. Our sources of cash from financing activities consisted of $92.0 million from the issuance of our 2025 Private Placement Notes, and $92.0 million in net debt borrowings under the Credit Facility. Our uses of cash consisted of the $(143.7) million repayment of our 2022 Convertible Notes, cash distributions paid to stockholders of $(14.8) million, purchases of treasury stock of $(2.0) million, and payments of debt issuance costs of $(0.8) million.

In the normal course of business, we may enter into guarantees on behalf of portfolio companies. Under these arrangements, we would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. There were no such guarantees outstanding at June 30, 2022 and December 31, 2021. In addition, from time to time, the Company may provide for a commitment to a portfolio company for investment in an existing or new security. At June 30, 2022 and December 31, 2021, we were obligated to existing portfolio companies for unfunded commitments of $69.5 million across 38 portfolio companies and $49.4 million across 35 portfolio companies, respectively.

As of June 30, 2022, we have analyzed cash and cash equivalents and availability under our Credit Facility and believe that there is sufficient liquidity to meet all of our obligations, fund unfunded commitments should the need arise, and deploy capital into new and existing portfolio companies.

Contractual obligations

A summary of our significant contractual payment obligations for the repayment of outstanding borrowings at June 30, 2022 is as follows:

	Payments Due By Period (dollars in millions)				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Credit Facility(1)	$ 146.0	$ —	$ 146.0	$ —	$ —
2025 Private Placement Notes	92.0	—	—	92.0	—
Interest and Debt Related Payables	0.7	0.7	—	—	—

(1) At June 30, 2022, $119.0 million remained undrawn under our Credit Facility.

Distributions

Our quarterly distributions, if any, are determined by our Board of Directors. Distributions are declared considering our estimate of annual taxable income available for distribution to stockholders and the amount of taxable income carried over from the prior year for distribution in the current year. We cannot assure stockholders that they will receive any distributions at all or distributions at a particular level. The following table lists the quarterly distributions per share from our common stock since June 2020:

Distribution Amount Per Share Outstanding	Record Date	Payment Date
$ 0.10	June 1, 2020	July 7, 2020
$ 0.10	August 18, 2020	September 29, 2020
$ 0.10	November 18, 2020	December 30, 2020
$ 0.10	March 17, 2021	April 7, 2021
$ 0.10	June 16, 2021	July 7, 2021
$ 0.10	September 15, 2021	October 6, 2021
$ 0.10	December 16, 2021	January 6, 2022
$ 0.10	March 17, 2022	April 7, 2022
$ 0.10	June 16, 2022	July 7, 2022
$ 0.10	September 15, 2022	October 6, 2022

Tax characteristics of all distributions are reported to stockholders on Form 1099-DIV or Form 1042-S after the end of the calendar year.

We have elected to be taxed as a RIC under Subchapter M of the Code. In order to maintain favorable RIC tax treatment, we must distribute annually to our stockholders at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of:

- 98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year;
- 98.2% of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for the one-year period generally ending on October 31 of the calendar year; and
- certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

We may, at our discretion, carry forward taxable income in excess of calendar year distributions and pay a 4% excise tax on this income. If we choose to do so, all other things being equal, this would increase expenses and reduce the amounts available to be distributed to our stockholders. We will accrue excise tax on estimated taxable income as required. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment. There was no provision for federal excise taxes recorded for the year ended December 31, 2021.

The final tax characterization of distributions is determined after the fiscal year and is reported on Form 1099 and in the Company's annual report to stockholders. Distributions can be characterized as ordinary income, capital gains and/or return of capital. To the extent that distributions exceed the Company's current and accumulated earnings and profits, the excess may be treated as a non-taxable return of capital. Distributions that exceed a Company's taxable income but do not exceed the Company's current and accumulated earnings and profits, may be classified as ordinary income which is taxable to stockholders.

The Company estimates the source of its distributions as required by Section 19(a) of the 1940 Act. On a quarterly basis, for any payment of dividends estimated to be paid from any other source other than net investment income accrued for current period or certain cumulative periods based on the Section 19(a) requirement, the Company posts a Section 19(a) notice through the Depository Trust Company's Legal Notice System and its website, as well as sends its registered stockholders a printed copy of such notice along with the dividend payment. The estimates of the source of the distribution are interim estimates based on GAAP that are subject to revision, and the exact character of the distributions for tax purposes cannot be determined until the final books and records are finalized for the calendar year. Therefore, these estimates are made solely in order to comply with the requirements of Section 19(a) of the 1940 Act and should not be relied upon for tax reporting or any other purposes and could differ significantly from the actual character of distributions for tax purposes. For the $0.10 dividend per share paid on July 7, 2022, the Company estimates that approximately $0.097 was from net investment income and approximately $0.003 was estimated to be a return of capital. For Consolidated Statements of Changes in Net Assets, sources of distribution to stockholders will be adjusted on an annual basis, if necessary, and calculated in accordance with federal income tax regulations.

We maintain an "opt out" dividend reinvestment plan for our common stockholders. As a result, except as discussed below, if we declare a distribution, stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan as to receive cash distributions. Additionally, if the Company makes a distribution to be paid in cash or in stock at the election of stockholders as of the applicable dividend record date (a "Cash/Stock Distribution"), the terms are subject to the amended Plan dated May 13, 2020 described below (see Note 7 to the consolidated financial statements).

On March 6, 2018, the Board of Directors of the Company adopted amendments to the Company's dividend reinvestment plan (the "Plan"). Under the terms of the amended Plan, if the Company declares a dividend or determines to make a capital gain or other distribution, the reinvestment plan agent will acquire shares for the participants' accounts, depending upon the following circumstances, (i) through receipt of additional unissued but authorized shares from the Company ("newly issued shares") and/or (ii) by purchase of outstanding shares on the open market ("open-market purchases"). If, on the distribution payment date, the last quarterly net asset value per share ("NAV") is equal to or less than the closing market price per share on such distribution payment date (such condition often referred to as a "market premium"), the reinvestment plan agent will invest the distribution amount in newly issued shares on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the distribution by the greater of (i) the NAV or (ii) 95% of the closing market price on the distribution payment date. If, on the distribution payment date, the NAV is greater than the closing market price per share on such distribution payment date (such condition often referred to as a "market discount"), the reinvestment plan agent may, upon notice from the Company, either (a) invest the distribution amount in newly issued shares on behalf of the participants or (b) invest the distribution amount in shares acquired on behalf of the participants in open-market purchases.

On May 13, 2020, the Board of Directors of the Company adopted further amendments to the Plan. Under the terms of the amended Plan, if the Company makes a Cash/Stock Distribution, each stockholder will be required to elect whether to receive the distribution in cash or in shares of the Company's common stock ("Common Shares"), pursuant to such notices, forms or other documentation as may be provided to the stockholder by the Company (the "Election Forms"). If the stockholder is a Plan participant and elects to receive the Cash/Stock Distribution in cash, the stockholder will be deemed to have elected not to participate in the Plan solely with respect to such Cash/Stock Distribution and will receive the distribution in cash subject to any rules applicable to the distribution that may limit the portion of the distribution the Company is required to pay in cash. If the stockholder is a Plan participant and elects to receive the Cash/Stock Distribution in stock, the stockholder will receive the distribution in newly issued Common Shares. The number of newly issued Common Shares credited to the stockholders' account in either case will be determined by dividing the dollar amount of the distribution (or portion of the distribution to be paid in Common Shares) by the price per Common Share determined in accordance with the Election Forms rather than pursuant to the formula(s) otherwise applicable under the Plan. This feature of the Plan means that, under certain circumstances, we may issue shares of our common stock at a price below NAV per share, which could cause our stockholders to experience dilution. We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. Also, we may be limited in our ability to make distributions due to the asset coverage test applicable to us as a BDC under the 1940 Act and due to provisions in our existing and future debt arrangements.

If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of favorable RIC tax treatment. In addition, in accordance with U.S. GAAP and tax regulations, we include in income certain amounts that we have not yet received in cash, such as payment-in-kind interest, which represents contractual interest added to the loan balance that becomes due at the end of the loan term, or the accretion of original issue or market discount. Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90% of our investment company taxable income to obtain tax benefits as a RIC and may be subject to income or excise taxes. In order to satisfy the annual distribution requirement applicable to RICs, we may have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a sufficient portion of such dividend is paid in cash and certain requirements are met, the entire distribution would generally be treated as a dividend for U.S. federal income tax purposes.

Recent developments

On August 2, 2022, the Company's Board of Directors declared a distribution of $0.10 per share, payable on October 6, 2022 to stockholders of record at the close of business on September 15, 2022.

On August 2, 2022, pursuant to Rule 2a-5 under the 1940 Act, the Board of Directors designated the Advisor as the Valuation Designee to perform certain fair value functions, including performing fair value determinations for the Company.

The Company has reviewed subsequent events occurring through the date that these consolidated financial statements were available to be issued, and determined that no subsequent events occurred requiring accrual or disclosure, except as disclosed above and elsewhere in these notes to consolidated financial statements.

Notice is hereby given in accordance with Section 23(c) of the 1940 Act that from time to time the Company may purchase shares of its common stock in the open market at prevailing market prices.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. At June 30, 2022, 99% of our yielding debt investments, at fair value, bore interest based on floating rates, such as LIBOR, SOFR, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. Of those yielding floating rate debt investments, 91% contained an interest rate floor. Floating rate investments subject to a floor generally reset by reference to the current market index after one to six months only if the index exceeds the floor. Interest rate sensitivity refers to the change in our earnings that may result from changes in the level of interest rates. Since we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. The Company's Credit Facility bears interest at variable rates with a reference rate floor of 0.00%, while our 2025 Private Placement Notes were issued in two tranches, consisting of a fixed tranche and variable rate tranche with no floor. As a result, 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.

The following table shows the approximate annual increase (decrease) on net investment income of base rate changes in interest rates (considering interest rate floors for variable rate instruments) to our debt portfolio and outstanding borrowings as of June 30, 2022, assuming no changes to our investment and borrowing structure:

Basis Point Change ($ in millions, except per share data)	Net Investment Income(1)	Net Investment Income Per Share(1)
Up 400 basis points	$ 13.5	$ 0.18
Up 300 basis points	$ 10.1	$ 0.14
Up 200 basis points	$ 6.7	$ 0.09
Up 100 basis points	$ 3.4	$ 0.05
Down 100 basis points	$ (2.9)	$ (0.04)

(1) Excludes the impact of incentive fees based on income

While hedging activities may help to insulate us against adverse changes in interest rates, they also may limit our ability to participate in the beneficial interest rates with respect to our portfolio of investments. There can be no assurance that we will be able to effectively hedge our interest rate risk. Refer to Notes 2 and 4 for more information on the Company's Interest Rate Swap.

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Interim Chief Executive Officer and Interim Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15 under the Exchange Act). Based on that evaluation, our Interim Chief Executive Officer and Interim Chief Financial Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them to material information relating to us that is required to be disclosed by us in the reports we file or submit under the Exchange Act.

There have been no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we and the Advisor may be a party to certain legal proceedings incidental to the normal course of our business, including the enforcement of our rights under contracts with our portfolio companies. Further, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While we cannot predict the outcome of these legal proceedings with certainty, we do not expect that these proceedings will have a material effect on our consolidated financial statements.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factor discussed below and the risk factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the “Annual Report”), which could materially affect our business, financial condition and/or operating results. The risks described in our Annual Report and discussed below are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

Market disruptions and other geopolitical or macroeconomic events could create market volatility that negatively impacts our business, financial condition and earnings.

Periods of market volatility remain, and may continue to occur in the future, in response to various political, social and economic events both within and outside of the U.S. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may adversely affect the Company, including by making valuation of some of the Company’s securities uncertain and/or result in sudden and significant valuation increases or declines in the Company’s holdings. If there is a significant decline in the value of the Company’s portfolio, this may impact the asset coverage levels for the Company’s outstanding leverage.

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery, the financial condition of financial institutions and our business, financial condition and results of operation. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. To the extent uncertainty regarding the U.S. or global economy negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or a return to unfavorable economic conditions could impair the Company’s ability to achieve its investment objective.

The occurrence of events similar to those in recent years, such as localized wars, instability, new and ongoing pandemics (such as COVID-19), epidemics or outbreaks of infectious diseases in certain parts of the world, natural/environmental disasters, terrorist attacks in the U.S. and around the world, social and political discord, debt crises sovereign debt downgrades, increasingly strained relations between the U.S. and a number of foreign countries, new and continued political unrest in various countries, the exit or potential exit of one or more countries from the EU or the EMU, continued changes in the balance of political power among and within the branches of the U.S. government, government shutdowns, among others, may result in market volatility, may have long term effects on the U.S. and worldwide financial markets, and may cause further economic uncertainties in the U.S. and worldwide.

In particular, the consequences of the Russian military invasion of Ukraine, including comprehensive international sanctions, the impact on inflation and increased disruption to supply chains may impact our portfolio companies, result in an economic downturn or recession either globally or locally in the U.S. or other economies, reduce business activity, spawn additional conflicts (whether in the form of traditional military action, reignited "cold" wars or in the form of virtual warfare such as cyberattacks) with similar and perhaps wider ranging impacts and consequences and have an adverse impact on the Company's returns and net asset value. We have no way to predict the duration or outcome of the situation, as the conflict and government reactions are rapidly developing and beyond our control. Prolonged unrest, military activities, or broad-based sanctions could have a material adverse effect on our portfolio companies. Such consequences also may increase our funding cost or limit our access to the capital markets.

The current political climate has intensified concerns about a potential trade war between China and the U.S., as each country has imposed tariffs on the other country’s products. These actions may trigger a significant reduction in international trade, the oversupply of certain manufactured goods, substantial price reductions of goods and possible failure of individual companies and/or large segments of China’s export industry, which could have a negative impact on our performance. U.S. companies that source material and goods from China and those that make large amounts of sales in China would be particularly vulnerable to an escalation of trade tensions. Uncertainty regarding the outcome of the trade tensions and the potential for a trade war could cause the U.S. dollar to decline against safe haven currencies, such as the Japanese yen and the euro. Events such as these and their consequences are difficult to predict and it is unclear whether further tariffs may be imposed or other escalating actions may be taken in the future. Any of these effects could have a material adverse effect on our business, financial condition and results of operations.

Rising interest rates or changes in interest rates may adversely affect the value of our portfolio investments which could have an adverse effect on our business, financial condition and results of operations.

Our debt investments are generally based on floating rates, such as London Interbank Offer Rate ("LIBOR"), EURIBOR, Secured Overnight Financing Rate ("SOFR"), the Federal Funds Rate or the Prime Rate. General interest rate fluctuations may have a substantial negative impact on our investments, the value of our common stock and our rate of return on invested capital. A reduction in the interest rates on new investments relative to interest rates on current investments could also have an adverse impact on our net interest income. While we generally expect to invest a limited percentage of our assets in instruments with a fixed interest rate, including subordinated loans, senior and junior secured and unsecured debt securities and loans in high yield bonds, an increase in interest rates could decrease the value of those fixed rate investments. Rising interest rates may also increase the cost of debt for our underlying portfolio companies, which could adversely impact their financial performance and ability to meet ongoing obligations to the Company. Also, an increase in interest rates available to investors could make investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock.

Because we have borrowed money, and may issue preferred stock to finance investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds or pay distributions on preferred stock and the rate that our investments yield. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In this period of rising interest rates, our cost of funds may increase except to the extent we have issued fixed rate debt or preferred stock, which could reduce our net investment income.

You should also be aware that a change in the general level of interest rates can be expected to lead to a change in the interest rate we receive on many of our debt investments. Accordingly, a change in the interest rate could make it easier for us to meet or exceed the performance threshold and may result in a substantial increase in the amount of Incentive Fees payable to our Advisor with respect to the portion of the Incentive Fee based on income.

Interest rates have risen in recent months, and the risk that they may continue to do so is pronounced.

We are subject to risks related to inflation.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Recently, inflation has increased to its highest level in decades. As inflation increases, the real value of our shares and distributions therefore may decline. In addition, during any periods of rising inflation, interest rates of any debt securities issued by the Company would likely increase, which would tend to further reduce returns to shareholders. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and our investments may not keep pace with inflation, which may result in losses to our shareholders. This risk is greater for fixed-income instruments with longer maturities.

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

Sales of unregistered securities

None.

Issuer purchases of equity securities

The following table provides information regarding our purchases of our common stock for each month in the six months period ended June 30, 2022:

Period	Average Price Paid per Share(1)	Total Number of Shares Purchased	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 2022	$ 4.14	56,894	56,894	7,850,000
February 2022	—	—	—	7,850,000
March 2022	4.15	49,414	49,414	7,800,586
April 2022	4.25	29,202	29,202	7,771,384
May 2022	4.03	81,718	81,718	7,689,666
June 2022	3.67	309,163	309,163	7,380,503
	$ 3.85	526,391	526,391	

(1) The average price paid per share includes $0.03 commission fee per share.

The repurchase plan does not obligate us to acquire any specific number of shares and may be discontinued at any time. We intend to fund any repurchases with available cash and borrowings under the Credit Facility.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

Price Range of Common Stock

Our common stock began trading on June 27, 2007 and is currently traded on The NASDAQ Global Select Market under the symbol “BKCC.” The following table lists the high and low closing sale price for our common stock, the closing sale price as a percentage of net asset value, or NAV, and quarterly distributions per share in each fiscal quarter for the first two quarters of the year ended December 31, 2022, the year ended December 31, 2021 and the year ended December 31, 2020. On June 30, 2022, the reported closing price of our common stock was $3.67 per share.

	NAV(1)	Stock Price High(2)	Stock Price Low(2)	Premium/(Discount) of High Sales Price to NAV(3)	Premium/(Discount) of Low Sales Price to NAV(3)	Declared Distributions
Fiscal Year ended December 31, 2022						
First Quarter	$ 4.70	$ 4.25	$ 4.00	(10)%	(15)%	$ 0.10
Second Quarter	$ 4.57	$ 4.34	$ 3.46	(5)%	(24)%	$ 0.10
Fiscal Year ended December 31, 2021						
First Quarter	$ 4.35	$ 3.68	$ 2.65	(15)%	(39)%	$ 0.10
Second Quarter	$ 4.68	$ 4.43	$ 3.48	(5)%	(26)%	$ 0.10
Third Quarter	$ 4.74	$ 4.24	$ 3.81	(11)%	(20)%	$ 0.10
Fourth Quarter	$ 4.73	$ 4.35	$ 3.80	(8)%	(20)%	$ 0.10
Fiscal Year ended December 31, 2020						
First Quarter	$ 5.35	$ 5.09	$ 1.47	(5)%	(73)%	$ 0.14
Second Quarter	$ 4.84	$ 3.51	$ 1.79	(27)%	(63)%	$ 0.10
Third Quarter	$ 4.24	$ 3.08	$ 2.31	(27)%	(46)%	$ 0.10
Fourth Quarter	$ 4.23	$ 3.07	$ 2.34	(27)%	(45)%	$ 0.10

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.

(3) Calculated as the respective High/Low Stock Price minus the quarter end NAV, divided by the quarter end NAV.

Item 6. Exhibits.

(a) Exhibits.

3.1	Certificate of Incorporation of the Registrant (1)
3.2	Certificate of Amendment to the Certificate of Incorporation of the Registrant (2)
3.3	Amended and Restated By-laws of the Registrant (3)
4.1	Form of Stock Certificate of the Registrant (4)
10.1	Master Note Purchase Agreement, dated April 21, 2022, by and among BlackRock Capital Investment Corporation and the Purchasers signatory thereto (5)
31.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith

(1) Previously filed with the Registrant's Registration Statement on Form 10 (Commission File No. 000-51327), as amended, originally filed on May 24, 2005.

(2) Previously filed with the Registrant's Form 8-K dated as of March 9, 2015.

(3) Previously filed with the Registrant's Form 8-K dated as of April 30, 2018.

(4) Previously filed with the Registrant's pre-effective Amendment No. 2 to the Registration Statement on Form N-2 (Commission File No. 333-141090), filed on June 14, 2007.

(5) Previously filed with the Registrant's Form 8-K dated as of April 22, 2022.

SIGNATURES

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

	BLACKROCK CAPITAL INVESTMENT CORPORATION
Date: August 3, 2022	By: /s/ James E. Keenan **James E. Keenan** **Interim Chief Executive Officer**
Date: August 3, 2022	By: /s/ Chip Holladay **Chip Holladay** **Interim Chief Financial Officer and Treasurer**

EXHIBIT 31.1

CEO CERTIFICATION

I, James E. Keenan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BlackRock Capital 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 consolidated financial statements, and other financial information included in this report, fairly present in all material respects the consolidated financial condition, consolidated results of operations and consolidated cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer 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 consolidated 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 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 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: August 3, 2022

By: /s/ James E. Keenan
James E. Keenan
Interim Chief Executive Officer

EXHIBIT 31.2

CFO CERTIFICATION

I, Chip Holladay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BlackRock Capital 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 consolidated financial statements, and other financial information included in this report, fairly present in all material respects the consolidated financial condition, consolidated results of operations and consolidated cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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 consolidated 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 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 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: August 3, 2022

By: /s/ Chip Holladay
Chip Holladay
Interim Chief Financial Officer and Treasurer

EXHIBIT 32

**Certification of CEO and CFO 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 BlackRock Capital Investment Corporation (the “Company”) for the quarter ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), James E. Keenan, as Interim Chief Executive Officer of the Company, and Chip Holladay, as Interim Chief Financial Officer and Treasurer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(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 consolidated financial condition and consolidated results of operations of the Company.

/s/ James E. Keenan

Name: James E. Keenan
Title: Interim Chief Executive Officer
Date: August 3, 2022

/s/ Chip Holladay

Name: Chip Holladay
Title: Interim Chief Financial Officer and Treasurer
Date: August 3, 2022