



BLACKROCK KELSO CAPITAL

Investor Presentation

August 2013

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I. BlackRock Kelso Capital Overview

Market-Leading Platform

Successful Track Record of Middle Market Investing

- ✓ Dedicated team of investment professionals with long-standing relationships and a proactive direct origination focus
- ✓ Industry-leading, “hands-on” diligence approach focusing on long-term business fundamentals and capital preservation
- ✓ Vast majority of investments the result of directly negotiated transactions
- ✓ Completed 137 investments in middle market companies since inception⁽¹⁾
- ✓ Gross investments to date of over \$3.1 billion⁽¹⁾
- ✓ Declared \$9.76 per share in dividends to shareholders since inception⁽²⁾
- ✓ Active management of existing portfolio

Business Development Company Fund Structure

- ✓ Conservatively structured and highly regulated asset class (maximum one-to-one leverage allowance)
- ✓ Highly visible investment income and dividend generation
- ✓ Mark-to-market accounting requirements ensure accurate and timely valuations for investors
- ✓ Well capitalized with \$371.8 million in excess asset coverage^(1,11)

Investment Selection Criteria

Focus on Value and Cash Flow

- ✓ Premium on fundamental analysis and value from an investor's perspective
- ✓ Invest at low multiples of operating cash flow in companies profitable at the time of investment on an operating cash flow basis
- ✓ Typically do not invest in start-up companies or companies having speculative business plans

Competitive Position in Industry

- ✓ Companies that have strong market positions and are well suited to capitalize on growth opportunities
- ✓ Companies that demonstrate significant competitive advantages that aid to protect their market position and profitability

Experienced Management

- ✓ Generally require that portfolio companies have an experienced management team
- ✓ Generally require portfolio companies to have in place proper incentives to induce management to succeed and to act in concert with investor interests, which may include a significant equity stake

Investment Exit Strategy

- ✓ Internally generated cash flow for debt repayment
- ✓ Strategic acquisition by other industry participants
- ✓ Initial public offering of common stock or another capital market transaction
- ✓ Exit equity investments via repurchases by the company and sales pursuant to M&A

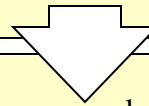
Liquidation Value of Assets

- ✓ Enterprise value focus
- ✓ Prospective liquidation value of the assets that collateralize loans
- ✓ Emphasize both tangible assets, such as accounts receivable, inventory, equipment and real estate, as well as intangible assets, such as intellectual property, customer lists, networks, and databases

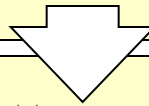
Thorough Investment Process

Due Diligence

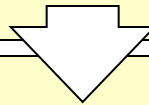
Review financials, business plan, due diligence materials and industry analysis
Investment committee provides guidance and resources for due diligence process



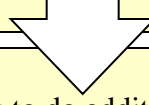
Visit management, sponsor, and company facilities
Investment committee provides senior transaction and industry resources



Access management teams and other experts
Leverage the resources of our partners



Conduct competitive analysis, collateral analysis, and determine exit strategy
Evaluate from an equity owner's perspective



Engage lawyers and consultants to do additional research and diligence
Review due diligence findings

Post approval, BlackRock Kelso Capital works to structure investments quickly and effectively

Comprehensive Portfolio Management

Detailed review and rating process

- Review financial statements and reports
- Evaluate adherence to business plan and covenants
- Compare to other industry participants

Financial performance of existing portfolio companies is evaluated by the deal team on at least a quarterly basis

- Monthly and/or quarterly financials are analyzed by the deal team
- Discussions with management are conducted to review the performance of the businesses
- In many cases, BKCC maintains observation rights or seats on the portfolio companies' boards of directors

Update memos are prepared for each portfolio company by the respective deal team at least quarterly

- Memos are reviewed at the weekly investment professionals' meeting

A separate investment rating meeting is held and attended by all transaction professionals each quarter

- Each investment is reviewed by its primary deal team and given a suggested rating level to be discussed among all transaction professionals
- At the conclusion of discussion, and subject to the approval of senior management, the chief financial officer records the internal investment ratings for review by the Board of Directors



II. Financial Summary

Financial and Portfolio Summary

Financial Highlights

<i>Amounts shown on per share basis; share count in millions</i>	Three Months Ending								
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13
Net Investment Income ⁽³⁾	\$ 0.35	\$ 0.29	\$ 0.15	\$ 0.26	\$ 0.30	\$ 0.32	\$ 0.11	\$ 0.18	\$ 0.29
Net Realized Gains (Losses) ⁽³⁾	\$ (0.01)	\$ 0.02	\$ (0.10)	\$ (0.00)	\$ (1.03)	\$ 0.04	\$ (0.21)	\$ 0.00	\$ (0.79)
Net Unrealized Gains (Losses) ⁽³⁾	\$ 0.19	\$ (0.13)	\$ 0.04	\$ 0.02	\$ 1.01	\$ (0.17)	\$ 0.12	\$ 0.22	\$ 0.66
Net Income ⁽³⁾	\$ 0.53	\$ 0.18	\$ 0.10	\$ 0.28	\$ 0.29	\$ 0.19	\$ 0.02	\$ 0.40	\$ 0.16
Net Asset Value at End of Period ⁽⁴⁾	\$ 9.83	\$ 9.75	\$ 9.58	\$ 9.59	\$ 9.61	\$ 9.55	\$ 9.31	\$ 9.47	\$ 9.37
Dividends Declared ⁽³⁾	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Basic Weighted Average Shares Outstanding ⁽³⁾	73.0	73.1	73.2	73.4	73.6	73.7	73.8	74.0	74.1
Total Shares Outstanding at End of Period	73.0	73.0	73.2	73.4	73.6	73.7	73.8	74.0	74.1

Portfolio Summary

<i>\$ in thousands</i>	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13
Investment Portfolio at Cost	\$ 993,646	\$ 1,048,672	\$ 1,097,871	\$ 1,142,955	\$ 1,138,439	\$ 1,079,815	\$ 1,037,349	\$ 982,305	\$ 919,574
Investment Portfolio at Fair Value	\$ 947,656	\$ 992,262	\$ 1,048,952	\$ 1,095,390	\$ 1,165,543	\$ 1,093,978	\$ 1,061,598	\$ 1,022,771	\$ 1,009,221
<i>Fair Value % Cost</i>	95.4%	94.6%	95.5%	95.8%	102.4%	101.3%	102.3%	104.1%	109.7%
Number of Portfolio Companies	55	54	54	55	53	50	47	44	41
Average Investment Size at Cost	\$ 18,066	\$ 19,420	\$ 20,331	\$ 20,781	\$ 21,480	\$ 21,596	\$ 22,071	\$ 22,325	\$ 22,429
Yield on Income Producing Capital at Cost	11.5%	11.9%	11.9%	11.6%	12.4%	12.2%	12.2%	12.4%	12.1%
Yield on Senior Secured Loans at Cost	11.1%	11.7%	12.0%	11.5%	11.7%	11.6%	11.4%	11.5%	11.5%
Yield on Other Debt Securities at Cost	11.9%	12.1%	11.4%	11.9%	13.8%	13.5%	13.5%	13.6%	13.2%
Total Investment Portfolio at Fair Value									
Senior Secured Loans & Notes	68.1%	71.2%	73.4%	72.6%	70.7%	74.9%	70.7%	70.2%	66.8%
Unsecured & Subordinated Debt	19.4%	17.2%	16.0%	16.3%	18.6%	13.4%	15.8%	14.0%	11.7%
Preferred & Common Equity & Warrants	12.5%	11.5%	10.6%	11.1%	10.7%	11.8%	13.5%	15.8%	21.5%

Please see Notes to the Investor Presentation on page 23

Select Historical Financial Information

Financial History

	Three Months Ending									Full Year		
	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	12/31/10	12/31/11	12/31/12
<i>\$ in thousands, except per share data</i>												
Net Investment Income	\$ 25,739	\$ 20,965	\$ 11,298	\$ 19,024	\$ 22,383	\$ 23,938	\$ 8,316	\$ 12,964	\$ 21,220	\$ 59,851	\$ 72,879	\$ 73,662
Net Investment Income per share ⁽³⁾	\$ 0.35	\$ 0.29	\$ 0.15	\$ 0.26	\$ 0.30	\$ 0.32	\$ 0.11	\$ 0.18	\$ 0.29	\$ 0.96	\$ 1.00	\$ 1.00
Net Investment Income - Pre-Incentive Fee ⁽⁷⁾	\$ 25,739	\$ 20,965	\$ 23,176	\$ 21,238	\$ 22,383	\$ 26,902	\$ 25,630	\$ 18,228	\$ 23,289	\$ 74,959	\$ 84,757	\$ 96,153
Net Investment Income - Pre-Incentive Fee per share ⁽⁷⁾	\$ 0.35	\$ 0.29	\$ 0.32	\$ 0.29	\$ 0.30	\$ 0.37	\$ 0.35	\$ 0.25	\$ 0.31	\$ 1.20	\$ 1.16	\$ 1.31
Net Investment Income, as adjusted ⁽⁷⁾	\$ 20,897	\$ 18,008	\$ 19,369	\$ 18,649	\$ 18,560	\$ 21,889	\$ 20,059	\$ 16,130	\$ 19,111	\$ 61,278	\$ 72,880	\$ 79,156
Adjusted Net Investment Income per share ⁽³⁾	\$ 0.29	\$ 0.25	\$ 0.26	\$ 0.25	\$ 0.25	\$ 0.30	\$ 0.27	\$ 0.22	\$ 0.26	\$ 0.98	\$ 1.00	\$ 1.08
Net Realized / Unrealized Gains (Losses)	\$ 13,179	\$ (8,027)	\$ (4,249)	\$ 1,274	\$ (1,401)	\$ (9,609)	\$ (6,574)	\$ 16,833	\$ (9,196)	\$ 11,699	\$ 4,042	\$ (16,310)
Net Realized / Unrealized Gains (Losses) per share ⁽³⁾	\$ 0.18	\$ (0.11)	\$ (0.06)	\$ 0.02	\$ (0.02)	\$ (0.13)	\$ (0.09)	\$ 0.23	\$ (0.12)	\$ 0.19	\$ 0.06	\$ (0.22)
Net Income	\$ 38,918	\$ 12,937	\$ 7,050	\$ 20,298	\$ 20,982	\$ 14,329	\$ 1,742	\$ 29,797	\$ 12,023	\$ 71,550	\$ 76,921	\$ 57,351
Net Income per share ⁽³⁾	\$ 0.53	\$ 0.18	\$ 0.10	\$ 0.28	\$ 0.29	\$ 0.19	\$ 0.02	\$ 0.40	\$ 0.16	\$ 1.14	\$ 1.05	\$ 0.78
Dividends Declared	\$ 18,983	\$ 18,984	\$ 19,041	\$ 19,090	\$ 19,125	\$ 19,161	\$ 19,196	\$ 19,230	\$ 19,265	\$ 80,456	\$ 80,362	\$ 76,572
Dividends Declared per share ⁽³⁾	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 1.28	\$ 1.10	\$ 1.04
Total Net Assets	\$ 717,617	\$ 711,784	\$ 701,009	\$ 703,952	\$ 707,059	\$ 703,534	\$ 687,380	\$ 700,434	\$ 694,451	\$ 698,480	\$ 701,009	\$ 687,380
Net Asset Value per share ⁽⁴⁾	\$ 9.83	\$ 9.75	\$ 9.58	\$ 9.59	\$ 9.61	\$ 9.55	\$ 9.31	\$ 9.47	\$ 9.37	\$ 9.62	\$ 9.58	\$ 9.31
Book Debt / Book Equity Ratio	0.38x	0.45x	0.49x	0.54x	0.64x	0.55x	0.50x	0.44x	0.45x	0.24x	0.49x	0.50x
Book Debt / Book Equity Ratio, Net of Available Cash ⁽⁸⁾	0.32x	0.40x	0.48x	0.53x	0.62x	0.54x	0.49x	0.44x	0.39x	0.24x	0.48x	0.49x

Please see Notes to the Investor Presentation on page 23

Select Historical Portfolio Information

Portfolio History

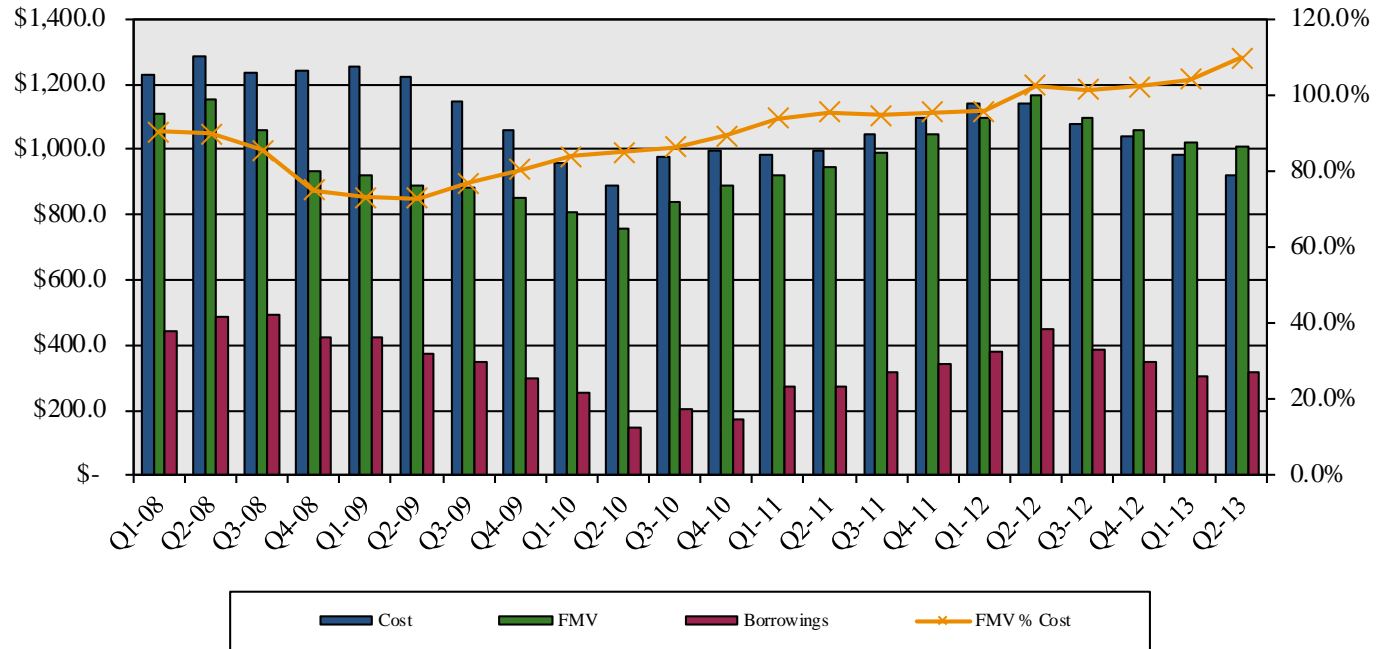
*\$ in thousands, except per share data
As of and for the Three Months Ending,*

	6/30/11	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13
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Fair Value % Cost	95.4%	94.6%	95.5%	95.8%	102.4%	101.3%	102.3%	104.1%	109.7%
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Average Investment Size at Cost	\$ 18,066	\$ 19,420	\$ 20,331	\$ 20,781	\$ 21,480	\$ 21,596	\$ 22,071	\$ 22,325	\$ 22,429
Weighted Average Yield on Invested Capital at Cost	11.5%	11.9%	11.9%	11.6%	12.4%	12.2%	12.2%	12.4%	12.1%
Weighted Average Yield on Senior Secured Loans at Cost	11.1%	11.7%	12.0%	11.5%	11.7%	11.6%	11.4%	11.5%	11.5%
Weighted Average Yield on Other Debt Securities at Cost	11.9%	12.1%	11.4%	11.9%	13.8%	13.5%	13.5%	13.6%	13.2%
Total Investment Portfolio at Fair Value⁽⁶⁾									
Senior Secured Loans & Notes	68.1%	71.2%	73.4%	72.6%	70.7%	74.9%	70.7%	70.2%	66.8%
Unsecured & Subordinated Debt	19.4%	17.2%	16.0%	16.3%	18.6%	13.4%	15.8%	14.0%	11.7%
Preferred & Common Equity & Warrants	12.5%	11.5%	10.6%	11.1%	10.7%	11.8%	13.5%	15.8%	21.5%
New Investments at Cost	\$ 81,575	\$ 139,402	\$ 141,002	\$ 73,446	\$ 148,243	\$ 16,789	\$ 78,621	\$ 46,027	\$ 185,815
Sales, Repayments, Other Exits at Cost	(71,375)	(87,592)	(86,126)	(40,739)	(80,497)	(82,256)	(111,264)	(104,213)	(199,117)
Net New Investments at Cost	\$ 10,200	\$ 51,810	\$ 54,875	\$ 32,707	\$ 67,745	\$ (65,467)	\$ (32,643)	\$ (58,186)	\$ (13,302)
Number of New Portfolio Company Investments	4	3	3	2	2	-	2	1	2
Number of Portfolio Company Exits	1	4	3	1	4	3	5	4	5

Please see Notes to the Investor Presentation on page 23

Portfolio Evolution

Quarterly Cost / FMV / Borrowings^(5,9)



	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Cost	\$1,228.1	\$1,286.4	\$1,235.1	\$1,241.1	\$1,256.2	\$1,220.8	\$1,149.2	\$1,058.7	\$960.0	\$889.8	\$974.1	\$995.1	\$980.5	\$993.6	\$1,048.7	\$1,097.9	\$1,143.0	\$1,138.4	\$1,079.8	\$1,037.3	\$982.3	\$919.6
FMV	1,109.0	1,155.8	1,057.1	932.1	917.9	889.5	884.9	850.7	806.0	756.8	841.1	889.5	921.2	947.7	992.3	1,049.0	1,095.4	1,165.5	1,094.0	1,061.6	1,022.8	1,009.2
Borrowings	444.9	484.0	491.0	426.0	421.5	376.0	347.5	296.0	253.5	145.0	205.5	170.0	275.0	275.0	317.5	343.0	378.9	449.9	384.6	346.9	305.8	314.9
FMV % Cost	90.3%	89.8%	85.6%	75.1%	73.1%	72.9%	77.0%	80.3%	84.0%	85.0%	86.3%	89.4%	94.0%	95.4%	94.6%	95.5%	95.8%	102.4%	101.3%	102.3%	104.1%	109.7%
Borrowings % FMV	40.1%	41.9%	46.4%	45.7%	45.9%	42.3%	39.3%	34.8%	31.5%	19.2%	24.4%	19.1%	29.9%	29.0%	32.0%	32.7%	34.6%	38.6%	35.2%	32.7%	29.9%	31.2%
NAV/Share	\$ 12.60	\$ 12.31	\$ 11.52	\$ 9.23	\$ 9.04	\$ 9.24	\$ 9.59	\$ 9.55	\$ 9.77	\$ 9.83	\$ 9.76	\$ 9.62	\$ 9.56	\$ 9.83	\$ 9.75	\$ 9.58	\$ 9.59	\$ 9.61	\$ 9.55	\$ 9.31	\$ 9.47	\$ 9.37
Share Price	\$ 11.94	\$ 9.46	\$ 11.53	\$ 9.86	\$ 4.19	\$ 6.23	\$ 7.42	\$ 8.52	\$ 9.96	\$ 9.87	\$ 11.50	\$ 11.06	\$ 10.12	\$ 8.97	\$ 7.30	\$ 8.16	\$ 9.82	\$ 9.76	\$ 9.72	\$ 10.06	\$ 10.00	\$ 9.36
% of NAV/share	94.8%	76.8%	100.1%	106.8%	46.3%	67.4%	77.4%	89.2%	101.9%	100.4%	117.8%	115.0%	105.9%	91.3%	74.9%	85.2%	102.9%	101.5%	101.8%	108.1%	105.6%	99.9%

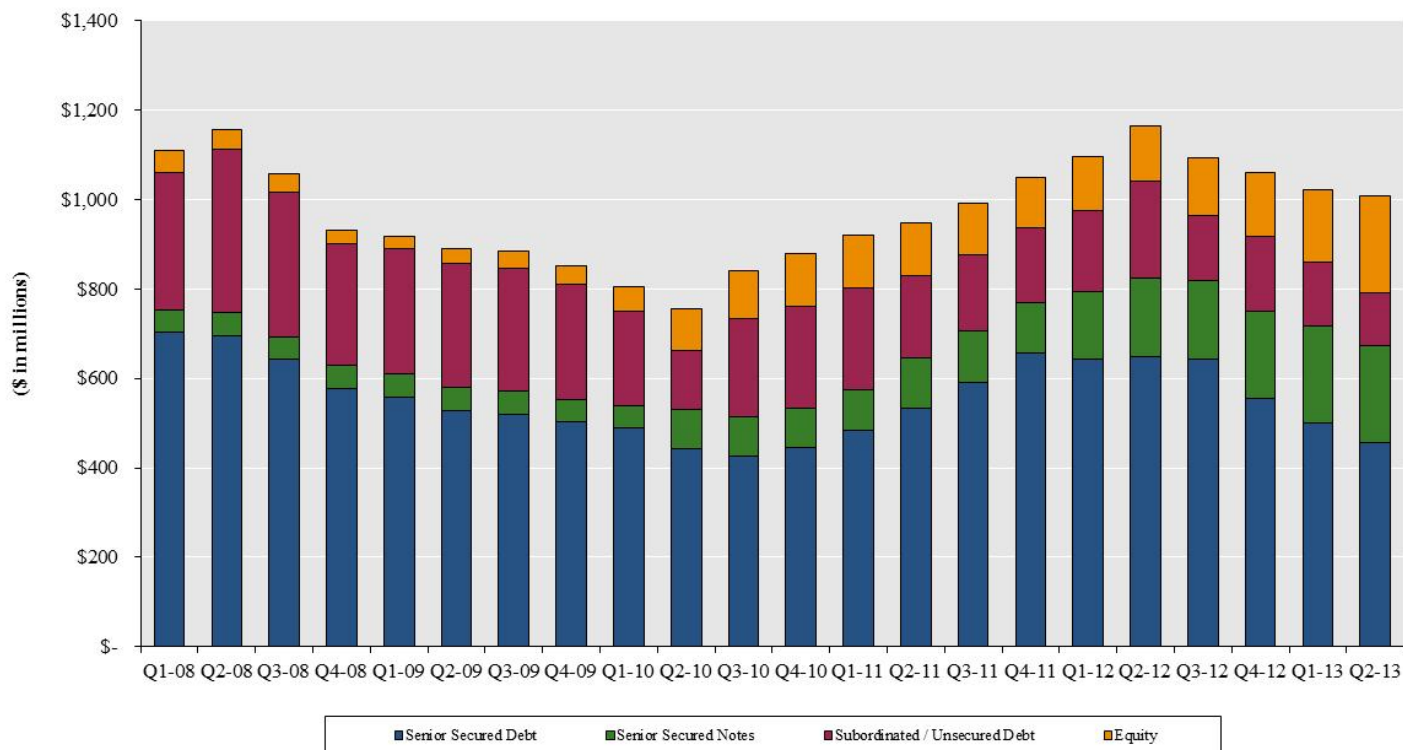
Please see Notes to the Investor Presentation on page 23

Defensive Portfolio Composition

BKCC's secured debt focus and conservative investment composition have contributed to its portfolio performance

- As of June 30, 2013, senior debt comprised 66.8% of the total portfolio at fair market value

Portfolio Composition by Investment Type⁽⁶⁾



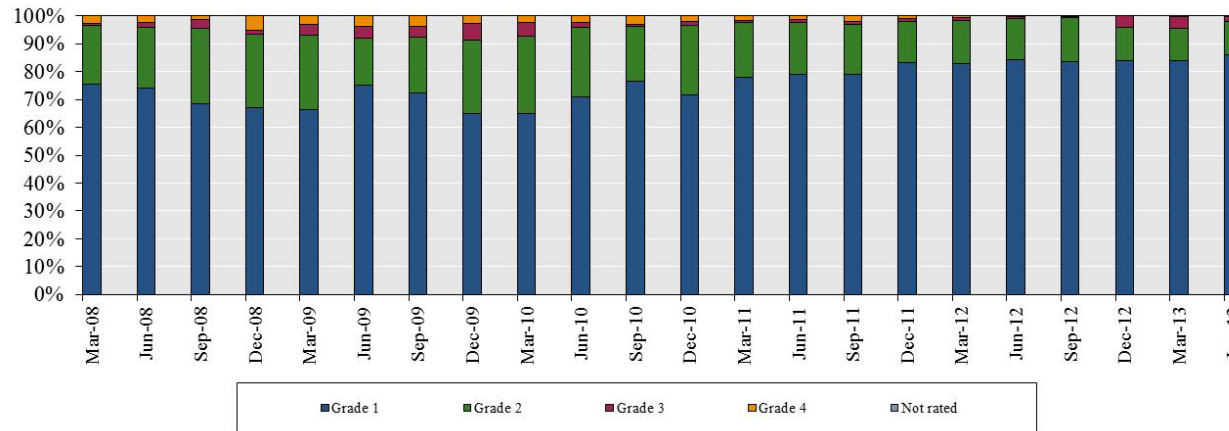
<i>\$ in millions</i>	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Senior Secured Debt	\$ 702.9	\$ 695.4	\$ 642.3	\$ 576.0	\$ 558.2	\$ 528.1	\$ 520.1	\$ 503.2	\$ 489.8	\$ 443.4	\$ 427.6	\$ 444.8	\$ 485.2	\$ 532.6	\$ 592.1	\$ 655.6	\$ 642.2	\$ 649.4	\$ 644.2	\$ 556.5	\$ 499.4	\$ 455.8
Senior Secured Notes	51.4	52.5	51.5	52.3	51.3	52.3	51.7	48.4	48.3	86.9	86.5	88.3	88.1	112.6	114.6	113.9	153.3	174.8	174.7	193.9	218.8	218.1
Subordinated / Unsecured Deb	306.9	363.9	324.0	271.7	280.1	276.6	275.7	260.2	211.6	132.0	221.0	228.3	230.4	184.1	171.1	168.0	178.8	216.4	146.5	167.6	143.2	117.8
Equity	47.8	44.0	39.3	32.1	28.4	32.4	37.5	38.9	56.4	94.5	106.0	118.7	117.5	118.4	114.5	111.4	121.1	125.0	128.6	143.6	161.5	217.4
Total⁽⁵⁾	\$1,109.0	\$1,155.8	\$1,057.1	\$ 932.1	\$ 917.9	\$ 889.5	\$ 884.9	\$ 850.7	\$ 806.0	\$ 756.8	\$ 841.1	\$ 880.1	\$ 921.2	\$ 947.7	\$ 992.3	\$1,049.0	\$1,095.4	\$1,165.5	\$1,094.0	\$1,061.6	\$1,022.8	\$1,009.2
	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
% Senior Debt	68.0%	64.7%	65.6%	67.4%	66.4%	65.3%	64.6%	64.8%	66.8%	70.1%	61.1%	60.6%	62.2%	68.1%	71.2%	73.4%	72.6%	70.7%	74.9%	70.7%	70.2%	66.8%
% Sub Debt	27.7%	31.5%	30.6%	29.1%	30.5%	31.1%	31.1%	30.6%	26.3%	17.4%	26.3%	25.9%	25.0%	19.4%	17.2%	16.0%	16.3%	18.6%	13.4%	15.8%	14.0%	11.7%
% Equity	4.3%	3.8%	3.7%	3.4%	3.1%	3.6%	4.2%	4.6%	7.0%	12.5%	12.6%	13.5%	12.8%	12.5%	11.5%	10.6%	11.1%	10.7%	11.8%	13.5%	15.8%	21.5%

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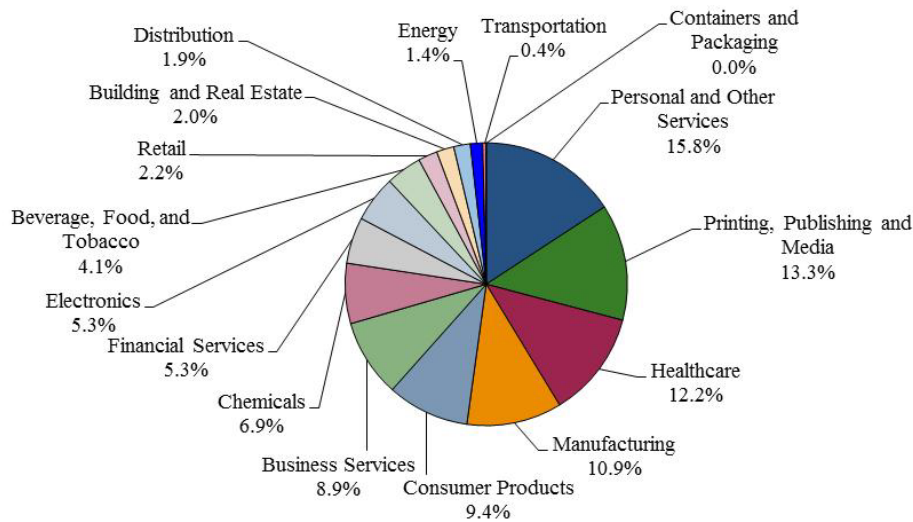
Conservatively Positioned Portfolio

Portfolio Composition by Investment Rating at Fair Market Value⁽¹⁾

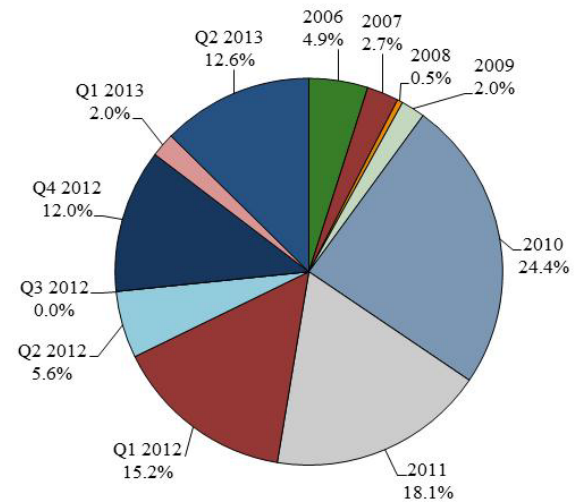
Portfolio Ratings by Market Value Over Time



Portfolio Composition by Industry at Fair Market Value⁽¹⁾



Portfolio Composition by Vintage^(1,10)



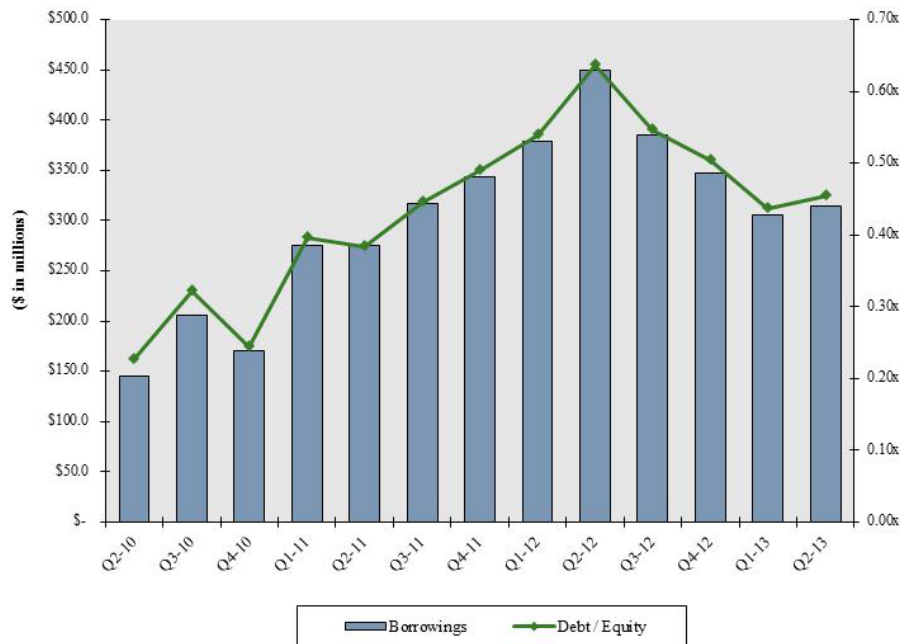
Please see Notes to the Investor Presentation on page 23

Increased Liquidity and Investment Capacity

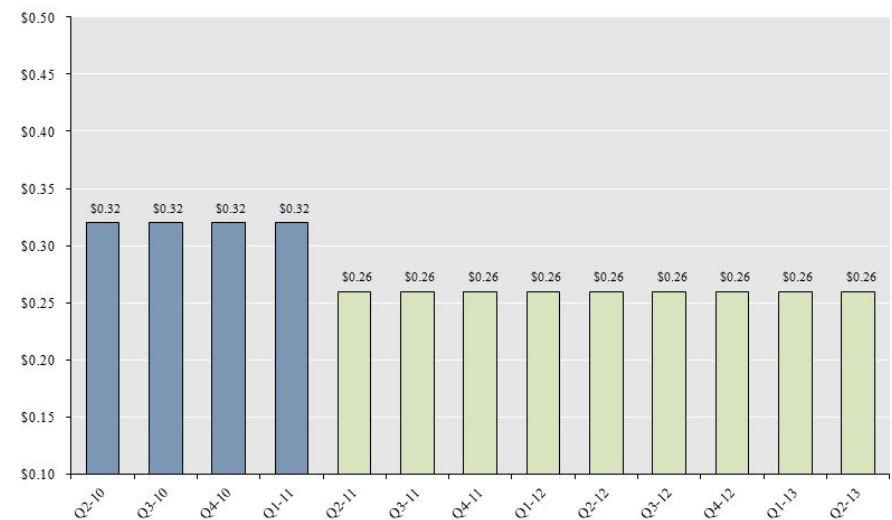
BKCC continues to pursue a conservative strategy of capital preservation

- Conservative dividend distribution policy
- \$371.8 million in excess asset coverage (1:1 test) and subject to compliance with applicable covenants and borrowing base limitations, the amount currently available under the Company's credit facility was \$334.0 million as of June 30, 2013⁽¹¹⁾

Quarterly Borrowings



Quarterly Dividends (\$ Per Share)



BKCC has significant capacity to take advantage of new investment opportunities in today's market

Portfolio Summary

\$ in millions

For the quarters ending,

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13
New Investments at Cost	\$ 8.6	\$ 16.4	\$ 127.8	\$ 177.4	\$ 84.2	\$ 39.6	\$ 81.5	\$ 139.4	\$ 141.0	\$ 73.4	\$ 148.2	\$ 16.8	\$ 78.6	\$ 46.0	\$ 185.8
Senior Secured Loans	503.2	489.8	443.4	427.6	450.3	485.2	532.6	592.1	655.6	642.2	649.4	644.2	556.5	499.4	455.8
Senior Secured Notes	48.4	48.3	86.9	86.5	88.3	88.1	112.6	114.6	113.9	153.3	174.8	174.7	193.9	218.8	218.1
Subordinated / Unsecured Debt	260.2	211.6	132.0	221.0	232.1	230.4	184.1	171.1	168.0	178.8	216.4	146.5	167.6	143.2	117.8
Equity Warrants	1.0	3.8	4.6	5.2	5.6	4.6	4.5	5.0	6.3	8.3	9.7	11.3	16.3	17.9	22.5
Preferred Equity	5.9	6.1	5.3	5.4	6.6	6.2	6.1	7.7	-	-	-	1.1	5.8	6.9	32.6
Common Equity	18.9	24.5	62.7	71.7	83.2	81.1	78.2	71.5	66.0	71.8	70.9	72.4	72.3	78.7	100.7
LP/LLC Interests	13.1	21.9	21.9	23.7	23.4	25.6	29.5	30.2	39.2	41.0	44.4	43.8	49.0	58.0	61.6
Total Invested Assets at FMV	\$ 850.7	\$ 806.0	\$ 756.8	\$ 841.1	\$ 889.5	\$ 921.2	\$ 947.6	\$ 992.3	\$ 1,049.0	\$ 1,095.4	\$ 1,165.5	\$ 1,094.0	\$ 1,061.6	\$ 1,022.8	\$ 1,009.2
Weighted Average Yield ⁽¹²⁾	11.2%	11.6%	10.5%	10.5%	10.9%	11.4%	11.5%	11.9%	11.9%	11.6%	12.4%	12.2%	12.2%	12.4%	12.1%
3-Month LIBOR	0.2%	0.3%	0.5%	0.3%	0.3%	0.3%	0.2%	0.4%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%	0.3%
Spread	11.0%	11.3%	10.0%	10.2%	10.6%	11.1%	11.3%	11.5%	11.3%	11.1%	12.0%	11.9%	11.9%	12.1%	11.8%
Total Net Assets	\$ 539.6	\$ 553.0	\$ 642.4	\$ 639.1	\$ 698.5	\$ 695.4	\$ 717.6	\$ 711.8	\$ 701.0	\$ 704.0	\$ 707.1	\$ 703.5	\$ 687.4	\$ 700.4	\$ 694.5
Total Net Assets and Liabilities	879.5	838.5	812.4	917.5	915.6	1,009.4	1,032.5	1,060.5	1,091.2	1,127.9	1,202.3	1,125.0	1,090.0	1,065.2	1,094.5
Borrowings⁽⁹⁾	296.0	253.5	145.0	205.5	170.0	275.0	275.0	317.5	343.0	378.9	449.9	384.6	346.9	305.8	314.9
Investment Income	\$ 30.3	\$ 27.8	\$ 28.2	\$ 24.8	\$ 25.0	\$ 25.2	\$ 37.1	\$ 33.2	\$ 36.0	\$ 33.2	\$ 35.5	\$ 40.7	\$ 37.9	\$ 31.1	\$ 36.1
Interest Expense	1.4	1.1	1.7	1.7	1.7	3.6	4.1	4.2	4.7	4.7	5.0	5.2	4.7	4.8	4.9
Other Expenses	2.5	1.6	1.9	2.2	2.1	2.2	2.4	3.0	2.9	1.9	2.5	2.7	2.0	2.8	2.7
Management Fee	4.6	4.3	4.2	4.0	4.4	4.5	5.0	5.1	5.3	5.4	5.5	6.0	5.6	5.3	5.2
Incentive Fee	16.8	0.5	-	-	14.6	-	-	-	11.9	2.2	-	3.0	17.3	5.3	2.1
Net Investment Income	\$ 5.0	\$ 20.3	\$ 20.4	\$ 16.8	\$ 2.4	\$ 14.9	\$ 25.7	\$ 21.0	\$ 11.3	\$ 19.0	\$ 22.4	\$ 23.9	\$ 8.3	\$ 13.0	\$ 21.2
Net Investment Income per share ⁽³⁾	\$ 0.09	\$ 0.36	\$ 0.36	\$ 0.26	\$ 0.03	\$ 0.20	\$ 0.35	\$ 0.29	\$ 0.15	\$ 0.26	\$ 0.30	\$ 0.32	\$ 0.11	\$ 0.18	\$ 0.29
Net Investment Income per share Pre-Incentive Fee ⁽⁷⁾	\$ 0.39	\$ 0.37	\$ 0.36	\$ 0.26	\$ 0.24	\$ 0.20	\$ 0.35	\$ 0.29	\$ 0.32	\$ 0.29	\$ 0.30	\$ 0.37	\$ 0.35	\$ 0.25	\$ 0.31
Net Investment Income per share, as adjusted ⁽⁷⁾	\$ 0.31	\$ 0.30	\$ 0.28	\$ 0.20	\$ 0.21	\$ 0.20	\$ 0.29	\$ 0.25	\$ 0.26	\$ 0.25	\$ 0.25	\$ 0.30	\$ 0.27	\$ 0.22	\$ 0.26
Earnings per share ⁽³⁾	\$ 0.29	\$ 0.54	\$ 0.39	\$ 0.25	\$ 0.03	\$ 0.25	\$ 0.53	\$ 0.18	\$ 0.10	\$ 0.28	\$ 0.29	\$ 0.19	\$ 0.02	\$ 0.40	\$ 0.16
Dividends per share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Net Asset Value per share	\$ 9.55	\$ 9.77	\$ 9.83	\$ 9.76	\$ 9.62	\$ 9.56	\$ 9.83	\$ 9.75	\$ 9.58	\$ 9.59	\$ 9.61	\$ 9.55	\$ 9.31	\$ 9.47	\$ 9.37

Please see Notes to the Investor Presentation on page 23

Summary Review of Financial Results

	Q2 2012		Q3 2012		Q4 2012		FY 2012		Q1 2013		Q2 2013	
	\$'s	per share	\$'s	per share	\$'s	per share	\$'s	per share	\$'s	per share	\$'s	per share
Total Investment Income	\$ 35,466,277	\$ 0.48	\$ 40,720,102	\$ 0.55	\$ 37,897,552	\$ 0.51	\$ 147,290,596	\$ 2.00	\$ 31,129,502	\$ 0.42	\$ 36,136,223	\$ 0.49
Net Investment Income, GAAP	22,383,237	0.30	23,938,272	0.32	8,315,811	0.11	73,661,532	1.00	12,964,078	0.18	21,219,854	0.29
Addback: GAAP Incentive Management Fee Expense Based on Gains	-	-	2,963,803	0.04	2,530,932	0.03	5,494,735	0.07	3,720,726	0.05	1,695,021	0.02
Addback: GAAP Incentive Management Fee Expense Based on Income	-	-	-	-	14,783,195	0.20	16,997,054	0.23	1,543,384	0.02	374,584	0.01
Net Investment Income, Pre-Incentive Fee ⁽⁷⁾	22,383,237	0.30	26,902,075	0.37	25,629,938	0.35	96,153,321	1.31	18,228,188	0.25	23,289,459	0.31
Less: Incremental Incentive Management Fee Expense Based on Income	(3,822,955)	(0.05)	(5,013,423)	(0.07)	(5,571,252)	(0.08)	(16,997,054)	(0.23)	(2,098,240)	(0.03)	(4,178,233)	(0.06)
Net Investment Income, as Adjusted ⁽⁷⁾	18,560,282	0.25	21,888,652	0.30	20,058,686	0.27	79,156,267	1.08	16,129,948	0.22	19,111,226	0.26
Investment Gain (Loss)	(75,506,101)	(1.03)	2,437,334	0.03	(14,716,829)	(0.20)	(87,932,990)	(1.19)	52,183	0.00	(59,000,134)	(0.80)
F/X Gain (Loss)	(409,137)	(0.01)	362,009	0.00	(967,726)	(0.01)	(1,185,429)	(0.02)	161,159	0.00	605,768	0.01
Investment Appreciation (Depreciation)	73,734,512	1.00	(11,262,047)	(0.15)	7,969,653	0.11	71,335,341	0.97	16,369,689	0.22	49,833,772	0.67
F/X Translation	779,629	0.01	(1,146,461)	(0.02)	1,140,833	0.02	1,472,779	0.02	250,030	0.00	(635,863)	(0.01)
Net Increase in Net Assets, GAAP	20,982,140	0.29	14,329,107	0.19	1,741,742	0.02	57,351,233	0.78	29,797,139	0.40	12,023,397	0.16
Net Increase in Net Assets, Pre Incentive Fee ⁽⁷⁾	20,982,140	0.29	17,292,910	0.23	19,055,869	0.26	79,843,022	1.08	35,061,249	0.47	14,093,002	0.19
Net Increase in Net Assets, as Adjusted ⁽⁷⁾	17,159,185	0.23	12,279,487	0.17	13,484,617	0.18	62,845,968	0.85	32,963,009	0.45	9,914,769	0.13

Please see Notes to the Investor Presentation on page 23

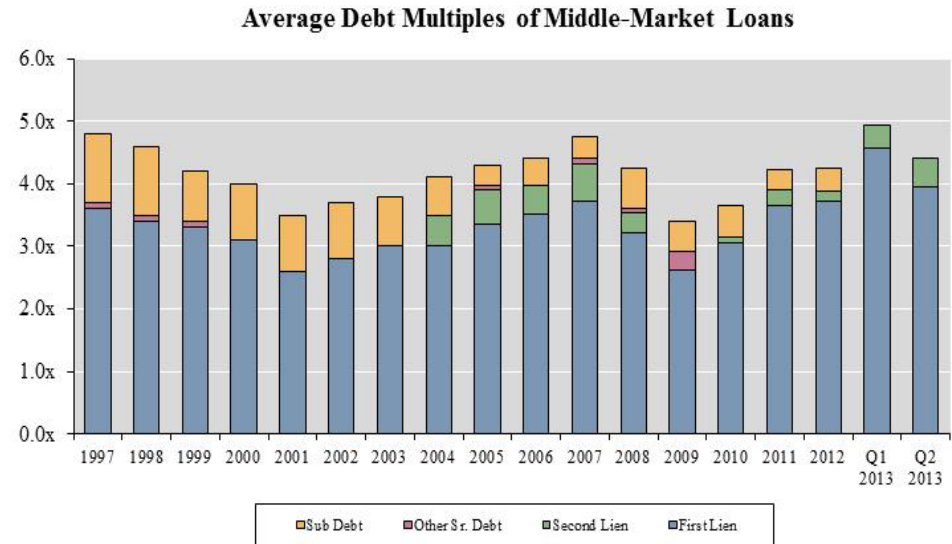


III. Current Market Environment

Leveraged Loan Investing Continues to Strengthen

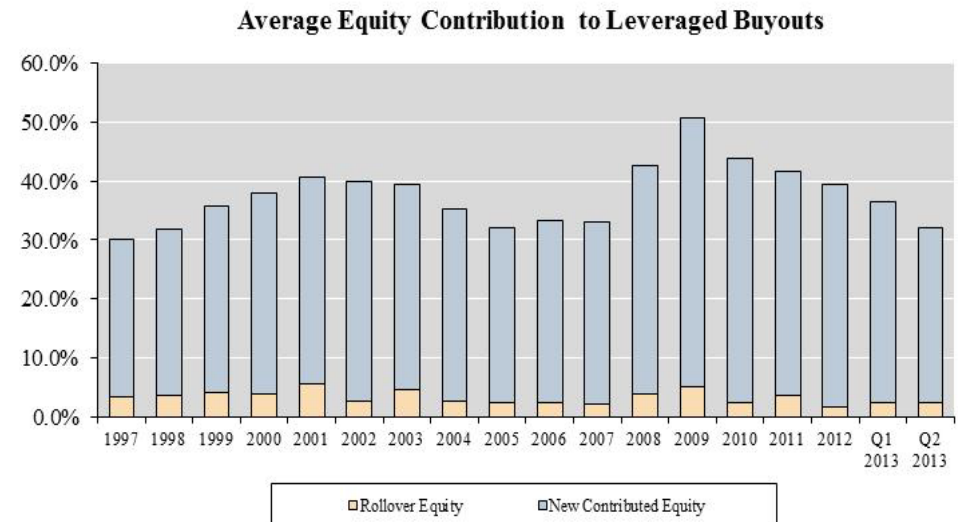
Average debt multiples for middle-market loans have rebounded since 2009 to the highs seen during the pre-1999 and 2005-2007 time periods

- Total leverage for new transactions was 4.4x in Q2 2013, a significant increase from the 3.4x average in 2009 and 4.3x average in 2012, and slightly below the 4.8x average in 2007
- At 4.4x, senior lending leverage (first lien, second lien, and other senior debt) in Q2 2013 has returned to the previous peak level seen in 2007 (4.4x), and an average of 3.4x from 2001 – 2009 and 3.9x in 2012



Equity contribution percentages to leveraged buyouts remained above pre-crisis levels in Q2 2013, but have declined significantly from their peak in 2009

- Total contributed equity to new LBO transactions in Q2 2013 represented 32.0% of capital
 - Total contributed equity to LBO transactions peaked in 2009 at 50.8% of capital
- Equity contribution levels in Q2 2013 were approximately 3.2% lower than those required during the 2005-2007 period (32.8%)

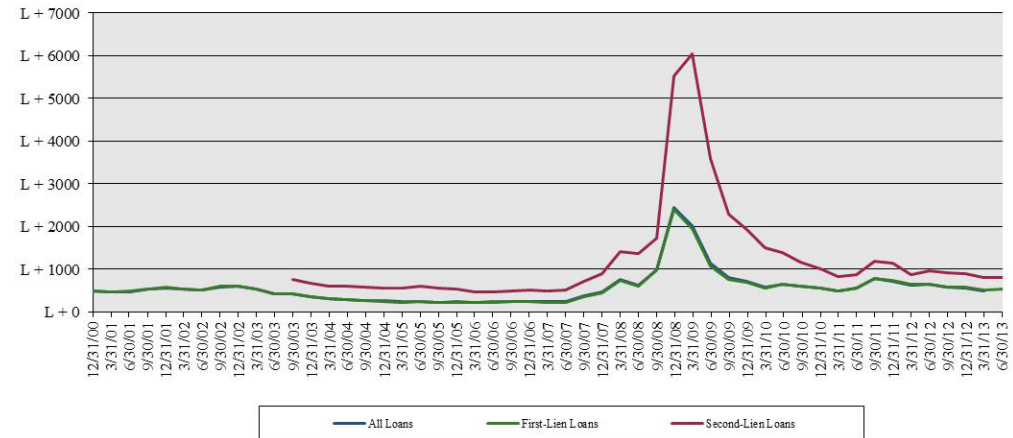


Pricing on Leveraged Loans Has Stabilized

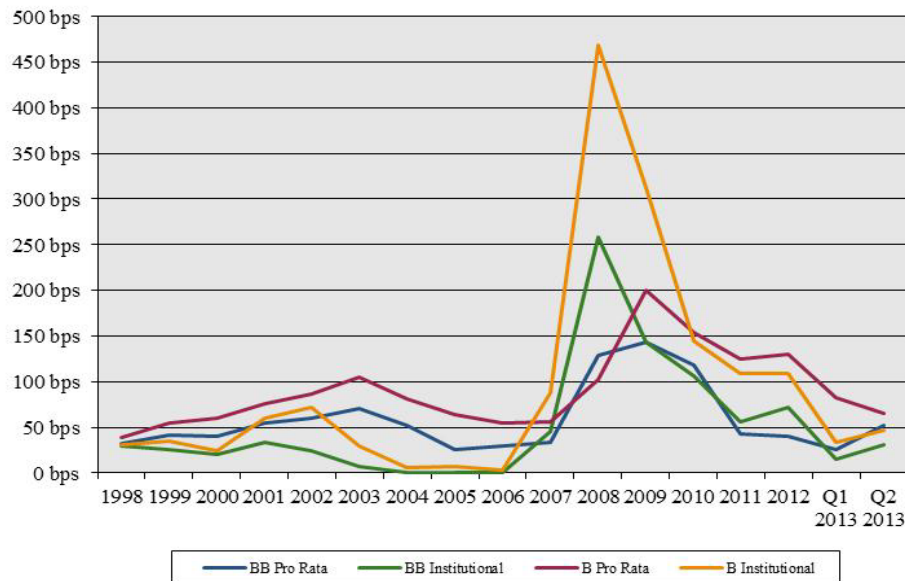
Pricing on leveraged loans across the capital structure has narrowed since March 2009, but remains higher than historical levels

- Leveraged loan spreads and average upfront fees have settled at levels greater than their 2005 – 2007 averages
- Current pricing remains robust at approximately 1.3x the 1997 – 2007 average

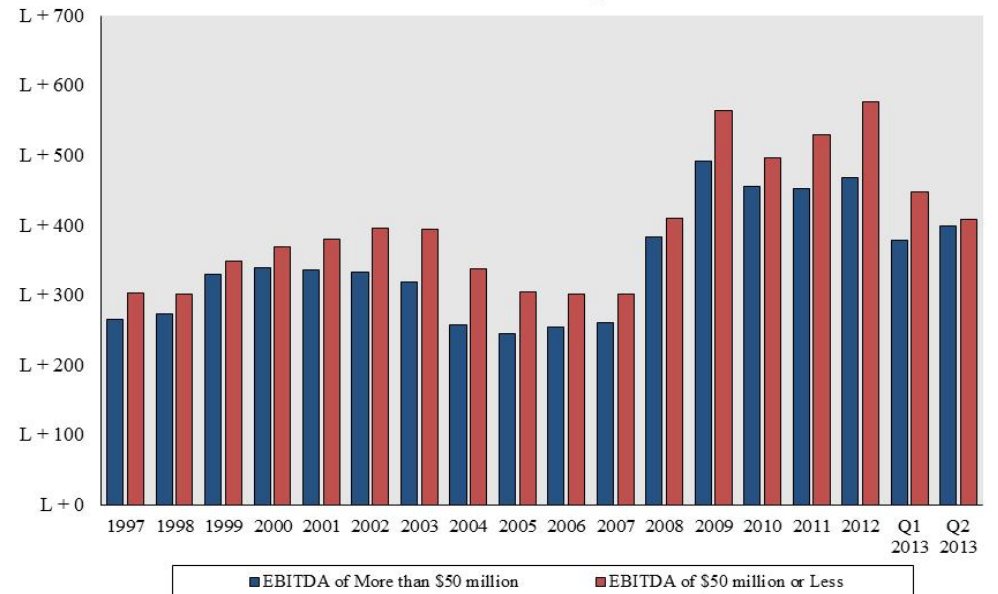
Average Discounted Spread of Leveraged Loans



Average Upfront Fees on New Issue Leveraged Loans by Rating ⁽¹³⁾



Institutional Loan Spreads



Sources: Standard & Poor's LCD Leveraged Lending Review Q2 2013 and LCD High End Middle Market Lending Review Q2 2013

Please see Notes to the Investor Presentation on page 23

The Middle Market Offers More Attractive Opportunities for Investors

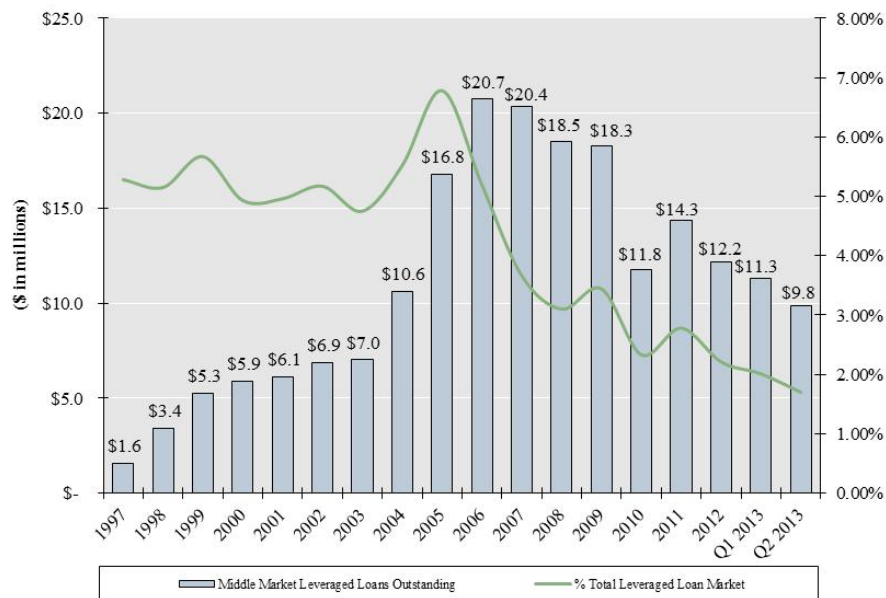
General Characteristics

- ✓ Typically \$50 million to \$1 billion in revenues
- ✓ Fundamental credit analysis comparatively more important
- ✓ If rated, rating agencies likely assign lower rating
- ✓ Middle-market investments typically include inherent structural and credit protections
- ✓ High level of acquisition activity (realization opportunities)

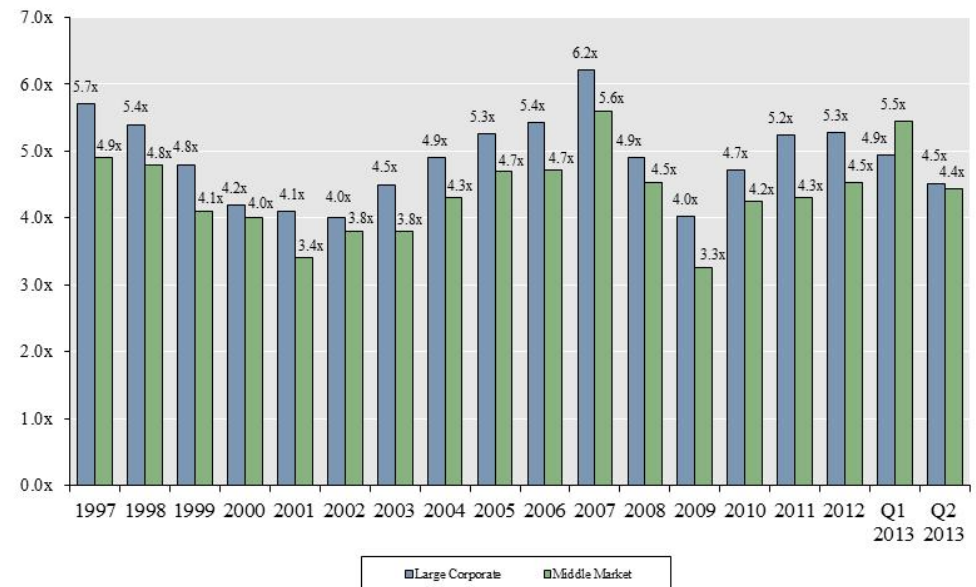
Benefits

- ✓ Attractive yields
- ✓ Conservative capital structures
- ✓ Strong recovery rates
- ✓ Smaller investor groups and active lender involvement
- ✓ Involvement of equity sponsors
- ✓ Issuer diversification

Middle Market Leveraged Loans Outstanding



Average Debt Multiples of LBO Loans



Source: Standard & Poor's LCD High End Middle Market Lending Review Q2 2013



IV. Notes to the Investor Presentation

Notes to the Investor Presentation

⁽¹⁾ As of June 30, 2013.

⁽²⁾ Dividend amount includes Q3 2013 dividend of \$0.26 declared on July 31, 2013 and paid on October 3, 2013.

⁽³⁾ Income statement data per share excludes the impact of diluted weighted average shares outstanding.

⁽⁴⁾ Balance sheet per share data utilizes total shares outstanding at end of period.

⁽⁵⁾ Calculations for periods prior to Q1 2011 are net of unearned income, as represented in public filings.

⁽⁶⁾ Total investment portfolio excludes cash and cash equivalents and is gross of unearned income for periods prior to Q1 2011.

⁽⁷⁾ As Adjusted: Amounts are adjusted to remove the incentive management fee expense based on Gains, as required by GAAP, and to include only the incremental incentive management fee expense based on Income. The incremental incentive management fee is based on the formula the Company utilizes for each trailing four-fiscal quarter period, with the formula applied to the current quarter's incremental earnings, and without any reduction for incentive management fees paid during the prior three quarters. Amounts reflect the Company's ongoing operating results and are the most effective indicator of the Company's financial performance over time.

Pre-Incentive Fee: Amounts are adjusted to remove all incentive management fees. Such fees are calculated but not necessarily due and payable at this time.

⁽⁸⁾ Book debt adjusted for cash and cash equivalents.

⁽⁹⁾ Borrowings consists of debt, as listed in public filings.

⁽¹⁰⁾ Represents date of original investment or date of subsequent amendment if amendment resulted in a re-pricing of the original investment terms.

⁽¹¹⁾ Asset coverage ratio was 315% as of June 30, 2013.

⁽¹²⁾ Yield on invested capital for all debt or income-producing securities on a cost basis.

⁽¹³⁾ Original issue discounts are included in upfront fees, beginning in 2011.

Note: Schedules may diverge from public financials due to rounding.