

FIDUS INVESTMENT Corp
Form 10-Q
August 04, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2016

OR

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

For the transition period from to

Commission file number 814-00861

Fidus Investment Corporation

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction of

27-5017321
(I.R.S. Employer

Incorporation or Organization)

Identification No.)

1603 Orrington Avenue, Suite 1005

Evanston, Illinois
(Address of Principal Executive Offices)

60201
(Zip Code)

(847) 859-3940

(Registrant's telephone number, including area code)

n/a

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 1, 2016, the Registrant had outstanding 19,200,085 shares of common stock, \$0.001 par value.

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FIDUS INVESTMENT CORPORATION

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****FIDUS INVESTMENT CORPORATION****Consolidated Statements of Assets and Liabilities****(in thousands, except shares and per share data)**

	June 30, 2016	December 31,
	(unaudited)	2015
ASSETS		
Investments, at fair value		
Control investments (cost: \$12,042 and \$12,042, respectively)	\$	\$ 618
Affiliate investments (cost: \$95,463 and \$105,930, respectively)	107,540	111,846
Non-control/non-affiliate investments (cost: \$342,049 and \$330,366, respectively)	345,198	330,805
Total investments, at fair value (cost: \$449,554 and \$448,338, respectively)	452,738	443,269
Cash and cash equivalents	59,143	31,657
Interest receivable	5,095	4,520
Prepaid expenses and other assets	1,060	1,222
Total assets	\$ 518,036	\$ 480,668
LIABILITIES		
SBA debentures, net of deferred financing costs (Note 6)	\$ 210,253	\$ 209,394
Borrowings under credit facility, net of deferred financing costs (Note 6)	(636)	14,734
Accrued interest and fees payable	3,037	2,840
Due to affiliates	7,032	5,762
Taxes payable	205	400
Accounts payable and other liabilities	100	176
Total liabilities	219,991	233,306
Commitments and contingencies (Note 7)		
NET ASSETS		
Common stock, \$0.001 par value (100,000,000 shares authorized, 19,200,085 and 16,300,732 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively)	19	16
Additional paid-in capital	290,348	246,307
Undistributed net investment income	12,218	13,887
Accumulated net realized (loss) gain on investments, net of taxes and distributions	(6,319)	(6,145)
Accumulated net unrealized (depreciation) appreciation on investments	1,779	(6,703)

Total net assets	298,045	247,362
Total liabilities and net assets	\$ 518,036	\$ 480,668
Net asset value per common share	\$ 15.52	\$ 15.17

See Notes to Consolidated Financial Statements (unaudited).

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Investment Income:				
Interest income				
Control investments	\$	\$ 92	\$	\$ 220
Affiliate investments	2,763	2,496	5,607	4,841
Non-control/non-affiliate investments	10,034	9,528	20,637	18,978
Total interest income	12,797	12,116	26,244	24,039
Dividend income				
Affiliate investments	494	44	656	74
Non-control/non-affiliate investments	254	114	335	221
Total dividend income	748	158	991	295
Fee income				
Control investments		10		10
Affiliate investments	6	158	13	158
Non-control/non-affiliate investments	244	338	1,212	1,102
Total fee income	250	506	1,225	1,270
Interest on idle funds and other income	37	19	63	33
Total investment income	13,832	12,799	28,523	25,637
Expenses:				
Interest and financing expenses	2,654	2,303	5,254	4,433
Base management fee	2,005	1,864	3,988	3,655
Incentive fee	3,190	1,557	5,070	3,156
Administrative service expenses	367	347	688	715
Professional fees	253	220	735	659
Other general and administrative expenses	399	463	717	756
Total expenses	8,868	6,754	16,452	13,374
Net investment income before income taxes	4,964	6,045	12,071	12,263
Income tax provision (benefit)	21	6	46	(5)
Net investment income	4,943	6,039	12,025	12,268

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Net realized and unrealized gains (losses) on investments:				
Net realized gains on affiliates investments	458		458	
Net realized gains (losses) on non-control/non-affiliate investments	112	5,277	(198)	5,277
Net change in unrealized appreciation (depreciation) on investments	7,485	(5,070)	8,253	(4,890)
Income tax provision from realized gains on investments	(205)		(205)	
Net gain on investments	7,850	207	8,308	387
Net increase in net assets resulting from operations	\$ 12,793	\$ 6,246	\$ 20,333	\$ 12,655
Per common share data:				
Net investment income per share-basic and diluted	\$ 0.29	\$ 0.37	\$ 0.72	\$ 0.76
Net increase in net assets resulting from operation per share basic and diluted	\$ 0.74	\$ 0.39	\$ 1.21	\$ 0.78
Dividends declared per share	\$ 0.39	\$ 0.40	\$ 0.78	\$ 0.78
Weighted average number of shares outstanding basic and diluted	17,329,685	16,186,688	16,815,592	16,123,722

See Notes to Consolidated Financial Statements (unaudited).

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Statements of Changes in Net Assets (unaudited)**

(in thousands, except shares)

	Common Stock			Accumulated net realized (loss) on investments, (depreciation) and appreciation on investments			Total net assets
	Number of shares	Par value	Additional paid in capital	Undistributed net investment income	net of taxes and distributions	net unrealized investments	
Balances at December 31, 2014	16,051,037	\$ 16	\$ 243,008	\$ 12,433	\$ (15,999)	\$ 3,805	\$ 243,263
Public offerings of common stock, net of expenses	190,623		3,174				3,174
Shares issued under dividend reinvestment plan	26,483		430				430
Net increase in net assets resulting from operations				12,268	5,411	(5,024)	12,655
Dividends declared				(12,600)			(12,600)
Balances at June 30, 2015	16,268,143	\$ 16	\$ 246,612	\$ 12,101	\$ (10,588)	\$ (1,219)	\$ 246,922
Balances at December 31, 2015	16,300,732	\$ 16	\$ 246,307	\$ 13,887	\$ (6,145)	\$ (6,703)	\$ 247,362
Public offerings of common stock, net of expenses (Note 8)	2,875,000	3	43,667				43,670
Shares issued under dividend reinvestment plan	24,353		374				374
Net increase in net assets resulting from operations				12,025	(174)	8,482	20,333
Dividends declared				(13,694)			(13,694)
Balances at June 30, 2016	19,200,085	\$ 19	\$ 290,348	\$ 12,218	\$ (6,319)	\$ 1,779	\$ 298,045

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See Notes to Consolidated Financial Statements (unaudited).

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

	Six Months Ended June 30,	
	2016	2015
Cash Flows from Operating Activities:		
Net increase in net assets resulting from operations	\$ 20,333	\$ 12,655
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities:		
Net change in unrealized (appreciation) depreciation on investments	(8,253)	4,890
Net realized (gain) on investments	(260)	(5,277)
Interest and dividend income paid-in-kind	(2,201)	(2,630)
Accretion of original issue discount	(120)	(300)
Accretion of loan origination fees	(528)	(324)
Purchase of investments	(44,422)	(67,903)
Proceeds from sales and repayments of investments	46,034	47,388
Proceeds from loan origination fees	281	377
Amortization of deferred financing costs	547	486
Changes in operating assets and liabilities:		
Interest receivable	(575)	(565)
Prepaid expenses and other assets	162	(383)
Accrued interest and fees payable	197	253
Due to affiliates	1,270	(135)
Taxes payable	(195)	(328)
Accounts payable and other liabilities	(76)	311
Net cash provided by (used for) operating activities	12,194	(11,485)
Cash Flows from Financing Activities:		
Proceeds from stock offerings, net of expenses	43,670	3,174
Proceeds received from SBA debentures	500	6,200
Net (repayments of) proceeds received from borrowings under credit facility	(15,500)	500
Payment of deferred financing costs	(58)	(995)
Dividends paid to stockholders, including expenses	(13,320)	(12,170)
Net cash provided by (used for) financing activities	15,292	(3,291)
Net increase (decrease) in cash and cash equivalents	27,486	(14,776)
Cash and cash equivalents:		
Beginning of period	31,657	29,318
End of period	\$ 59,143	\$ 14,542

Supplemental disclosure of cash flow information:

Cash payments for interest	\$ 4,510	\$ 3,694
Cash payments for taxes, net of tax refunds received	\$ 446	\$ 323

Non-cash financing activities:

Shares issued under dividend reinvestment plan	\$ 374	\$ 432
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See Notes to Consolidated Financial Statements (unaudited).

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments (unaudited)****June 30, 2016****(In thousands, except shares)**

Industry	Portfolio Company (a)(b)	Rate (d)	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Investment Type (c)		Cash/PIK					
Aerospace & Defense Manufacturing							
<i>FDS Avionics Corp.</i>							
<i>(dba Flight Display Systems)</i>							
	Subordinated Note	12.3%/0.0%	4/1/2020	\$ 5,200	\$ 5,182	\$ 4,472	
	Common Equity (200 units) ⁽ⁱ⁾				2,000	648	
					7,182	5,120	2%
<i>Lightning Diversion Systems, LLC</i>							
	Senior Secured Loan	9.5%/0.0%	12/20/2018	7,198	7,171	7,198	
	Revolving Loan (\$1,000 commitment) ^(h)	9.5%/0.0%	12/20/2018		(1)	(1)	
	Common Equity (600,000 units)					3,595	
					7,170	10,792	4%
<i>Malabar International (k)</i>							
	Subordinated Note ^(j)	11.3%/2.0%	11/13/2021	7,540	7,529	7,539	
	Preferred Equity (1,494 shares) ^(f)	6.0%/0.0%	5/12/2022		1,996	5,049	
					9,525	12,588	4%
<i>Simplex Manufacturing Co.</i>							
	Subordinated Note	14.0%/0.0%	12/9/2016	4,050	4,050	4,050	
	Warrant (26 shares)				816	2,750	
					4,866	6,800	2%
<i>Steward Holding LLC (k)</i>							
<i>(dba Steward Advanced Materials)</i>							
	Subordinated Note	12.0%/2.3%	5/12/2021	7,101	7,070	7,101	
	Common Equity (1,000,000 units)				1,000	1,038	
					8,070	8,139	3%
Apparel Distribution							
<i>Jacob Ash Holdings, Inc.</i>							
	Subordinated Note ^(j)	13.0%/4.0%	6/30/2018	4,000	3,996	4,000	

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Subordinated Note	13.0%/0.0%	6/30/2018	778	772	726	
Preferred Equity (66,138 shares) ^(f)	0.0%/15.0%	6/30/2018		992	738	
Warrant (63,492 shares)				67		
				5,827	5,464	2%
Building Products Manufacturing						
<i>The Wolf Organization, LLC</i>						
Common Equity (175 shares)				1,750	3,575	1%
<i>US GreenFiber, LLC</i>						
Subordinated Note ⁽ⁱ⁾	12.5%/0.0%	1/2/2019	14,000	13,959	14,000	
Common Equity (1,667 units) ^{(g)(i)}				500	910	
				14,459	14,910	5%
Business Services						
<i>Inflexion, Inc. ^(k)</i>						
Senior Secured Loan	7.0%/6.0%	12/16/2019	4,071	4,054	2,980	
Revolving Loan (\$500 commitment) ⁽ⁱ⁾	7.0%/6.0%	12/16/2019	155	151	113	
Preferred Equity (252,046 units)				252		
Preferred Equity (308,987 units)				309		
Preferred Equity (1,400 units)				1,400		
				6,166	3,093	1%

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments (unaudited) (continued)****June 30, 2016****(In thousands, except shares)****Industry**

Portfolio Company ^{(a)(b)}	Rate ^(d)	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Investment Type ^(c)	Cash/PIK					
Plymouth Rock Energy, LLC						
Senior Secured Loan	11.8%/0.0%	5/14/2017	\$ 6,000	\$ 5,990	\$ 6,000	2%
Vanguard Dealer Services, L.L.C.						
Subordinated Note (\$9,850 commitment) ^(j)	12.3%/0.0%	1/30/2021	7,350	7,314	7,350	
Common Equity (6,000 shares)				600	783	
				7,914	8,133	3%
Capital Equipment Manufacturing						
Thermoforming Technology Group LLC						
Subordinated Note	12.5%/0.0%	9/14/2021	13,500	13,436	13,436	
Common Equity (3,500 units) ^{(g)(i)}				350	350	
				13,786	13,786	5%
Commercial Cleaning						
Premium Franchise Brands, LLC						
Preferred Equity (1,054,619 shares)				832	986	0%
Component Manufacturing						
Channel Technologies Group, LLC						
Preferred Equity (612 units) ^{(g)(i)}				875		
Common Equity (612,432 units) ^{(g)(i)}						
				875		0%
Toledo Molding & Die, Inc.						
Subordinated Note ⁽ⁱ⁾	10.5%/0.0%	12/18/2018	10,000	9,907	10,000	3%
Consumer Products						
Grindmaster Corporation						
Subordinated Note	11.5%/0.0%	10/31/2019	10,500	10,469	10,500	4%

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World Wide Packaging, LLC ^(k)

Subordinated Note ⁽ⁱ⁾	12.0%/1.0%	10/26/2018	10,316	10,296	10,316	
Common Equity (1,517,573 units) ^{(g)(i)}				1,518	2,965	
				11,814	13,281	4%

Electronic Components Supplier

Apex Microtechnology, Inc. ^(k)

Warrant (2,293 shares)				220	387	
Common Equity (11,690 shares)				1,169	1,960	
				1,389	2,347	1%

Financial Services

National Truck Protection Co., Inc.

Senior Secured Loan	13.5%/2.0%	9/13/2018	11,089	11,050	11,089	
Common Equity (1,109 shares)				758	2,042	
				11,808	13,131	4%

Healthcare Products

Allied 100 Group, Inc.

Subordinated Note ^(j)	11.5%/0.0%	5/26/2020	13,000	12,953	13,000	
Common Equity (1,250,000 units) ⁽ⁱ⁾				1,250	1,337	
				14,203	14,337	5%

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments (unaudited) (continued)****June 30, 2016****(In thousands, except shares)****Industry**

Portfolio Company ^{(a)(b)}	Rate ^(d)	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Investment Type ^(c)	Cash/PIK					
<i>Anatrace Products, LLC</i>						
Subordinated Note	13.0%/1.3%	6/23/2021	\$ 6,500	\$ 6,482	\$ 6,500	
Common Equity (360,000 shares) ⁽ⁱ⁾					244	
				6,482	6,744	2%
<i>MedPlast, LLC</i>						
Subordinated Note ⁽ⁱ⁾	11.0%/1.5%	3/31/2019	10,416	10,378	10,416	
Preferred Equity (188 shares) ^{(f)(i)}	0.0%/8.0%	3/31/2019		231	232	
Common Equity (3,728 shares) ⁽ⁱ⁾				62	189	
				10,671	10,837	4%
<i>OMC Investors, LLC</i> <i>(dba Ohio Medical Corporation)</i>						
Subordinated Note	12.0%/0.0%	7/15/2021	10,000	9,908	9,908	
Common Equity (5,000 shares) ^(f)	0.0%/8.0%			519	519	
				10,427	10,427	3%
<i>Pfanstiehl, Inc.</i> ^(k)						
Subordinated Note	10.5%/0.0%	9/29/2018	6,208	6,184	6,208	
Common Equity (8,500 units) ⁽ⁱ⁾				850	8,589	
				7,034	14,797	5%
<i>Six Month Smiles Holdings, Inc.</i>						
Subordinated Note ⁽ⁱ⁾	12.0%/1.8%	7/31/2020	8,178	8,152	7,810	3%
Healthcare Services						
<i>Medsurant Holdings, LLC</i> ^(k)						
Subordinated Note	12.3%/0.0%	6/18/2021	6,267	6,216	6,267	
Preferred Equity (126,662 units) ^(g)				1,346	1,617	
Warrant (505,176 units) ^(g)				4,516	5,610	

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				12,078	13,494	5%
<i>Microbiology Research Associates, Inc.</i>						
<i>(k)</i>						
Senior Secured Loan	6.0%/0.0%	5/13/2020	3,750	3,735	3,750	
Revolving Loan (\$500 commitment) ^{(h)(i)}	6.0%/0.0%	5/13/2020		(2)		
Subordinated Note	12.5%/0.0%	11/13/2020	6,250	6,225	6,250	
Common Equity (1,000,000 units) ⁽ⁱ⁾				1,000	1,593	
				10,958	11,593	4%
<i>Oaktree Medical Centre, P.C.</i>						
<i>(dba Pain Management Associates)</i>						
Senior Secured Loan ⁽ⁱ⁾	11.5%/0.0%	1/1/2018	571	598	626	
Senior Secured Loan ⁽ⁱ⁾	7.0%/12.0%	1/1/2018	5,724	5,926	4,928	
Revolving Loan (\$2,500 commitment) ⁽ⁱ⁾	11.5%/0.0%	1/1/2018	2,500	2,511	2,540	
				9,035	8,094	3%
<i>United Biologics, LLC</i>						
Subordinated Note	12.0%/2.0%	3/5/2017	8,609	8,513	8,609	
Preferred Equity (98,377 units) ^{(g)(i)}				1,069	54	
Warrant (57,469 units)				566	27	
				10,148	8,690	3%
Industrial Cleaning & Coatings						
<i>K2 Industrial Services, Inc.</i>						
Subordinated Note	11.8%/2.8%	5/23/2017	17,368	17,348	17,069	
Preferred Equity - Series A (1,200 shares)				1,200	546	
Preferred Equity - Series B (74 shares)				68	104	
				18,616	17,719	6%

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments (unaudited) (continued)****June 30, 2016****(In thousands, except shares)****Industry**

Portfolio Company ^{(a)(b)}	Rate ^(d)	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Investment Type ^(c)	Cash/PIK					
Information Technology Services						
<i>FTH Acquisition Corp. VII</i>						
Subordinated Note	13.0%/0.0%	3/9/2017	\$ 8,265	\$ 8,265	\$ 8,142	
Preferred Equity (887,122 shares)				887	278	
				9,152	8,420	3%
<i>inthinc Technology Solutions, Inc.</i>						
Subordinate Note (\$5,000 commitment)	12.5%/0.0%	4/24/2020	4,000	3,982	3,739	
Subordinated Note	0.0%/12.5%	4/24/2020	1,106	947	828	
Royalty Rights		4/24/2020		185	241	
				5,114	4,808	2%
Laundry Services						
<i>Caldwell & Gregory, LLC</i>						
Subordinated Note	11.5%/1.0%	11/30/2018	1,547	1,534	1,547	
Subordinated Note	0.0%/12.0%	5/31/2019	4,320	4,170	4,320	
Common Equity (500,000 units) ^(g)				500	589	
Warrant (242,121 units) ^(g)				242	285	
				6,446	6,741	2%
Oil & Gas Services						
<i>IOS Acquisitions, Inc.</i> ⁽ⁿ⁾						
Common Equity (2,152 units) ⁽ⁱ⁾				109	21	0%
<i>Pinnergy, Ltd.</i>						
Subordinated Note ^{(j)(m)}	10.5%/1.8%	1/24/2020	20,089	20,037	12,095	4%
Printing Services						
<i>Brook & Whittle Limited</i>						

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Subordinated Note	12.0%/4.8%	12/31/2016	7,841	7,841	7,988	
Subordinated Note	12.0%/2.0%	12/31/2016	2,319	2,319	2,263	
Warrant (1,161 shares)				285	22	
Common Equity - Series A (148 shares)				110	3	
Common Equity - Series D (527 shares)				53	109	
				10,608	10,385	3%
Promotional Products						
<i>Hub Acquisition Sub, LLC</i>						
<i>(dba Hub Pen)</i>						
Subordinated Note ^(j)	12.3%/0.0%	9/23/2021	11,350	11,296	11,296	
Common Equity (7,500 units)				750	750	
				12,046	12,046	4%
Restaurants						
<i>ACFP Management, Inc. ⁽ⁿ⁾</i>						
Common Equity (1,000,000 units) ⁽ⁱ⁾						0%
<i>Cardboard Box LLC</i>						
<i>(dba Anthony's Coal Fired Pizza)</i>						
Common Equity (521,021 units) ⁽ⁱ⁾				521	474	0%
<i>Restaurant Finance Co, LLC</i>						
Senior Secured Loan ^(j)	12.0%/4.0%	7/31/2020	8,970	8,938	8,970	3%

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments (unaudited) (continued)****June 30, 2016****(In thousands, except shares)****Industry**

Portfolio Company ^{(a)(b)}	Rate ^(d)	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Investment Type ^(c)	Cash/PIK					
Retail						
<i>EBL, LLC (EbLens)</i>						
Common Equity (750,000 units) ^{(g)(i)}				\$ 750	\$ 1,848	1%
Retail Cleaning						
<i>Paramount Building Solutions, LLC</i> ^(l)						
Subordinated Note ^(m)	0.0%/18.0%	12/31/2017	\$ 625	625		
Subordinated Note ^(m)	0.0%/15.0%	12/31/2017	275	275		
Subordinated Note ^(m)	7.0%/3.0%	12/31/2017	1,376	1,376		
Subordinated Note ^(m)	7.0%/7.0%	12/31/2017	2,927	2,927		
Warrant (1,086,035 units) ^(g)						
Preferred Equity (5,000,000 units) ^(g)				5,339		
Common Equity (107,143 units) ^(g)				1,500		
				12,042		0%
Safety Products Manufacturing						
<i>Safety Products Group, LLC</i> ^{(k)(n)}						
Preferred Equity (749 units) ^{(g)(i)}					22	
Common Equity (676 units) (\$2,852 commitment) ^{(g)(i)}						
					22	0%
Specialty Chemicals						
<i>FAR Research Inc.</i> ^(k)						
Senior Secured Loan ⁽ⁱ⁾	11.8%/1.0%	3/31/2019	7,234	7,214	7,234	
Revolving Loan (\$1,750 commitment) ⁽ⁱ⁾	11.8%/1.0%	3/31/2019	137	132	136	
Common Equity (10 units)				1,000	393	
				8,346	7,763	3%

Specialty Cracker Manufacturing*Westminster Cracker Company, Inc.*

<i>(k)(n)</i>						
Common Equity (1,307,262 units)					191	0%

Specialty Distribution*Carlson Systems Holdings, Inc.*

Subordinated Note ⁽ⁱ⁾	12.0%/0.0%	5/20/2020	21,000	20,921	21,260	
Common Equity (15,000 units) ⁽ⁱ⁾				1,500	5,779	
				22,421	27,039	9%

Virginia Tile Company, LLC

Subordinated Note ⁽ⁱ⁾	12.3%/0.0%	5/19/2020	12,000	11,957	12,000	
Common Equity (20 shares)				250	825	
				12,207	12,825	4%

Transportation Services*Cavallo Bus Lines Holdings, LLC*

Subordinated Note	12.0%/3.0%	4/26/2021	8,250	8,214	8,250	3%
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US Pack Logistics LLC

Subordinated Note	12.0%/1.8%	9/27/2020	10,390	10,351	10,390	
Common Equity (5,357 units) ^{(g)(i)}				583	546	
				10,934	10,936	4%

Worldwide Express Operations, LLC

Subordinated Note	11.5%/1.0%	8/1/2020	17,381	17,267	17,382	
Common Equity (2,500,000 units) ^{(g)(i)}				2,500	4,824	
				19,767	22,206	7%

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments (unaudited) (continued)****June 30, 2016****(In thousands, except shares)****Industry****Portfolio Company (a)(b)**

Investment Type (c)	Rate (d) Cash/PIK	Maturity	Principal Amount	Cost	Fair Value	Percent of Net Assets
Utility Equipment Manufacturing						
<i>Mirage Trailers LLC (k)</i>						
Senior Secured Loan (i)(e)	12.5%/0.0%	11/25/2020	\$ 8,510	\$ 8,431	\$ 8,510	
Common Equity (2,500,000 shares)				2,478	2,618	
				10,909	11,128	4%
<i>Trantech Radiator Products, Inc. (k)</i>						
Subordinated Note (i)	12.0%/1.8%	5/4/2017	8,494	8,486	8,494	
Common Equity (6,875 shares) (i)				688	610	
				9,174	9,104	3%
Vending Equipment Manufacturing						
<i>Ice House America, LLC</i>						
Subordinated Note (i)	12.0%/3.5%	1/1/2020	4,171	4,000	4,171	
Warrant (1,957,895 units) (g)(i)				216	108	
				4,216	4,279	1%
Total Investments				\$ 449,554	\$ 452,738	152%

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

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

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

(d) Rate includes the cash interest or dividend rate and paid-in-kind interest or dividend rate, if any, as of June 30, 2016. Generally, payment-in-kind interest can be paid-in-kind or all in cash.

(e)

The investment bears interest at a variable rate that is determined by reference to one-month LIBOR, which is reset monthly. The interest rate is set as one-month LIBOR + 11.5% and is subject to a 12.5% interest rate floor. The Company has provided the interest rate in effect as of June 30, 2016.

- (f) Income producing. Maturity date, if any, represents mandatory redemption date.
- (g) Investment is held by a wholly-owned subsidiary of the Company.
- (h) The entire commitment was unfunded at June 30, 2016. As such, no interest is being earned on this investment.
- (i) Investment pledged as collateral for the Credit Facility and, as a result, is not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Credit Facility (see Note 6 to the consolidated financial statements).
- (j) The portion of the investment not held by the Funds is pledged as collateral for the Credit Facility and, as a result, is not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Credit Facility (see Note 6 to the consolidated financial statements).
- (k) As defined in the 1940 Act, the Company is deemed to be an Affiliated Person of this portfolio company because it owns 5% or more of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company. Transactions in which the issuer was an Affiliated Person are detailed in Note 3 to the consolidated financial statements.
- (l) As defined in the 1940 Act, the Company is deemed to be both an Affiliated Person of and Control this portfolio company because it owns 25% or more of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company. Transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control are detailed in Note 3 to the consolidated financial statements.
- (m) Investment was on non-accrual status as of June 30, 2016, meaning the Company has ceased recognizing interest income on the investment.
- (n) Investment in portfolio company that has sold its operations and is in the process of winding down.

See Notes to Consolidated Financial Statements (unaudited).

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments****December 31, 2015****(In thousands, except shares)****Industry**

Portfolio Company ^{(a)(b)}	Rate ^(d)		Principal Amount	Cost	Fair Value	Percent of Net Assets
	Cash/PIK	Maturity				
Investment Type ^(c)						
Aerospace & Defense Manufacturing						
<i>FDS Avionics Corp.</i>						
<i>(dba Flight Display Systems)</i>						
Subordinated Note	12.3%/0.0%	4/1/2020	\$ 5,200	\$ 5,180	\$ 5,200	
Common Equity (200 units) ⁽ⁱ⁾				2,000	1,468	
				7,180	6,668	3%
<i>Lightning Diversion Systems, LLC</i>						
Senior Secured Loan	9.5%/0.0%	12/20/2018	9,198	9,165	9,198	
Revolving Loan (\$1,000 commitment) ^(h)	9.5%/0.0%	12/20/2018		(1)	(1)	
Common Equity (600,000 units)					2,429	
				9,164	11,626	5%
<i>Malabar International ^(k)</i>						
Subordinated Note ^(j)	12.5%/2.5%	5/21/2017	7,450	7,436	7,450	
Preferred Equity (1,494 shares) ^(f)	6.0%/0.0%	11/21/2017		1,994	4,808	
				9,430	12,258	5%
<i>Simplex Manufacturing Co.</i>						
Subordinated Note	14.0%/0.0%	5/1/2016	4,550	4,550	4,550	
Warrant (24 shares)				710	3,359	
				5,260	7,909	3%
<i>Steward Holding LLC ^(k)</i>						
<i>(dba Steward Advanced Materials)</i>						
Subordinated Note	12.0%/2.3%	5/12/2021	7,022	6,987	6,987	
Common Equity (1,000,000 units)				1,000	1,000	
				7,987	7,987	3%

Apparel Distribution

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<i>Jacob Ash Holdings, Inc.</i>						
Subordinated Note ^(j)	13.0%/4.0%	6/30/2018	4,000	3,994	4,000	
Subordinated Note	13.0%/0.0%	6/30/2018	963	956	963	
Preferred Equity (66,138 shares) ^(f)	0.0%/15.0%	6/30/2018		924	926	
Warrant (63,492 shares)				67		
				5,941	5,889	2%
Building Products Manufacturing						
<i>The Wolf Organization, LLC</i>						
Common Equity (175 shares)				1,750	2,514	1%
<i>US GreenFiber, LLC</i>						
Subordinated Note ^(j)	12.5%/0.0%	1/2/2019	14,000	13,952	14,000	
Common Equity (1,667 units) ^{(g)(i)}				500	1,170	
				14,452	15,170	6%
Business Services						
<i>Inflexion, Inc. ^(k)</i>						
Senior Secured Loan	12.5%/0.0%	12/16/2019	3,950	3,931	3,470	
Revolving Loan (\$1,000 commitment) ⁽ⁱ⁾	12.5%/0.0%	12/16/2019	150	146	132	
Preferred Equity (1,400 units)				1,400		
				5,477	3,602	1%
<i>Plymouth Rock Energy, LLC</i>						
Senior Secured Loan	11.8%/0.0%	5/14/2017	6,000	5,984	6,000	2%

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments (continued)****December 31, 2015****(In thousands, except shares)****Industry**

Portfolio Company ^{(a)(b)}	Rate ^(d)		Principal Amount	Cost	Fair Value	Percent of Net Assets
	Cash/PIK	Maturity				
Investment Type ^(c)						
<i>Stagnito Partners, LLC</i> <i>(dba Stagnito Business Information)</i> Senior Secured Loan ⁽ⁱ⁾	12.0%/0.0%	6/30/2018	\$ 6,361	\$ 6,290	\$ 6,361	3%
<i>Vanguard Dealer Services, L.L.C.</i> Subordinated Note (\$9,850 commitment) ^(j)	12.3%/0.0%	1/30/2021	7,350	7,310	7,310	
Common Equity (6,000 shares)				600	600	
				7,910	7,910	3%
Commercial Cleaning						
<i>Premium Franchise Brands, LLC</i> Preferred Equity (1,054,619 shares)				832	717	0%
Component Manufacturing						
<i>Channel Technologies Group, LLC</i> Subordinated Note	11.0%/1.8%	4/10/2019	7,000	6,963	6,253	
Preferred Equity (612 units) ^{(g)(i)}				1,139	548	
Common Equity (612,432 units) ^{(g)(i)}						
				8,102	6,801	3%
<i>Toledo Molding & Die, Inc.</i> Subordinated Note ⁽ⁱ⁾	10.5%/0.0%	12/18/2018	10,000	9,889	10,000	4%
Consumer Products						
<i>Grindmaster Corporation</i> Subordinated Note	11.5%/0.0%	10/31/2019	10,500	10,465	10,500	4%
<i>World Wide Packaging, LLC</i> ^(k) Subordinated Note ⁽ⁱ⁾	12.0%/1.0%	10/26/2018	10,265	10,239	10,277	
Common Equity (1,517,573 units) ^{(g)(i)}				1,518	2,043	

				11,757	12,320	5%
Electronic Components Supplier						
<i>Apex Microtechnology, Inc. (k)</i>						
Warrant (2,293 shares)				220	274	
Common Equity (11,690 shares)				1,169	1,425	
				1,389	1,699	1%
Financial Services						
<i>National Truck Protection Co., Inc.</i>						
Senior Secured Loan	13.5%/2.0%	9/13/2018	11,989	11,944	11,989	
Common Equity (1,109 shares)				758	1,705	
				12,702	13,694	6%
Healthcare Products						
<i>Allied 100 Group, Inc.</i>						
Subordinated Note ⁽ⁱ⁾	11.5%/0.0%	5/26/2020	13,000	12,948	13,000	
Common Equity (1,250,000 units) ⁽ⁱ⁾				1,250	1,223	
				14,198	14,223	6%
<i>Anatrace Products, LLC</i>						
Subordinated Note	13.0%/1.3%	6/23/2021	6,500	6,480	6,480	
Common Equity (360,000 shares) ⁽ⁱ⁾					148	
				6,480	6,628	3%

Table of Contents**FIDUS INVESTMENT CORPORATION****Consolidated Schedule of Investments (continued)****December 31, 2015****(In thousands, except shares)****Industry**

Portfolio Company ^{(a)(b)}	Rate ^(d)		Principal Amount	Cost	Fair Value	Percent of Net Assets
	Cash/PIK	Maturity				
Investment Type ^(c)						
<i>MedPlast, LLC</i>						
Subordinated Note ⁽ⁱ⁾	11.0%/1.5%	3/31/2019	\$ 10,338	\$ 10,294	\$ 10,338	
Preferred Equity (188 shares) ^{(f)(i)}	0.0%/8.0%	3/31/2019		223	223	
Common Equity (3,728 shares) ⁽ⁱ⁾				62	103	
				10,579	10,664	4%
<i>Pfanstiehl, Inc. (k)</i>						
Subordinated Note	12.0%/2.0%	9/29/2018	6,208	6,178	6,208	
Common Equity (8,500 units) ⁽ⁱ⁾				850	4,280	
				7,028	10,488	4%
<i>Six Month Smiles Holdings, Inc.</i>						
Subordinated Note ⁽ⁱ⁾	12.0%/1.8%	7/31/2020	8,106	8,077	8,106	3%
Healthcare Services						
<i>Continental Anesthesia Management, LLC</i>						
Senior Secured Loan	10.0%/4.0%	4/15/2016	10,676	10,676	10,676	
Warrant (263 shares)				276		
				10,952	10,676	4%
<i>Medsurant Holdings, LLC (k)</i>						
Subordinated Note	12.3%/0.0%	6/18/2021	6,267	6,211	6,211	
Preferred Equity (126,662 units) ^(g)				1,346	1,515	
Warrant (505,176 units) ^(g)				4,516	5,237	
				12,073	12,963	5%
<i>Microbiology Research Associates, Inc. (k)</i>						
Senior Secured Loan	6.0%/0.0%	5/13/2020	3,750	3,734	3,750	
Revolving Loan (\$500 commitment) ^{(h)(i)}	6.0%/0.0%	5/13/2020		(2)		

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Subordinated Note	12.5%/0.0%	11/13/2020	6,250	6,222	6,250	
Common Equity (1,000,000 units) ⁽ⁱ⁾				1,000	1,444	
				10,954	11,444	5%
<i>Oaktree Medical Centre, P.C.</i>						
<i>(dba Pain Management Associates)</i>						
Senior Secured Loan ⁽ⁱ⁾	8.5%/0.0%	1/1/2018	560	570	589	
Senior Secured Loan ⁽ⁱ⁾	16.0%/0.0%	1/1/2018	5,379	5,458	5,454	
Revolving Loan (\$500 commitment) ⁽ⁱ⁾	8.5%/0.0%	1/1/2018	250	257	263	
				6,285	6,306	3%
<i>United Biologics, LLC</i>						
Subordinated Note	12.0%/2.0%	3/5/2017	8,523	8,360	7,932	
Preferred Equity (98,377 units) ^{(g)(i)}				1,069		
Warrant (57,469 units)				566		