

BDC Industry Review: First Quarter 2014



Business Development Corporation of America

Total Assets.....	\$1,122.0 Million
Investments.....	\$949.7 Million
Cash & Equivalents.....	\$56.6 Million
Other.....	\$115.8 Million

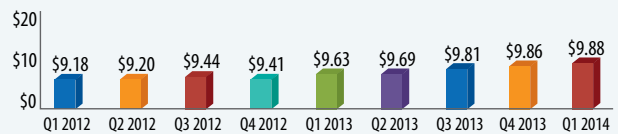


Public Offering Price:	\$11.20
Current Distribution Rate:	7.75%
Reinvestment Price Per Share:	90% POP
Effective Date:	January 25, 2011
Number of Months Effective:	41

*Current distribution rate based on public offering price

Cash & Equivalents to Total Assets Ratio:.....	0.5%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	77
Sponsor/Advisor:	AR Capital - BDCA Adviser
Sub-Advisor:	Not Applicable
Use of Total Return Swap (TRS):	Yes
Assets of TRS:	\$309.2 Million

Historical Price (Net Asset Value)



Investment Strategy

Strategy:

To invest largely in senior secured and second lien debt securities and mezzanine debt securities issued by middle market companies.

Company Size:

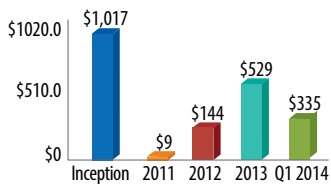
\$10 million to \$1 billion in revenue

Management

Investments are sourced, underwritten and managed by a single advisor and management team. BDCA Adviser is a wholly owned affiliate of AR Capital. The management team has experience in banking, loan origination, private equity investing & management, as well as real estate credit underwriting and investing.

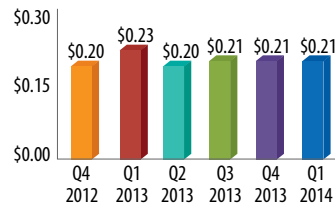
AR Capital – An alternative investment firm that invests in real estate and private company securities. AR Capital manages \$15 billion in alternative investments.

Gross Offering Proceeds



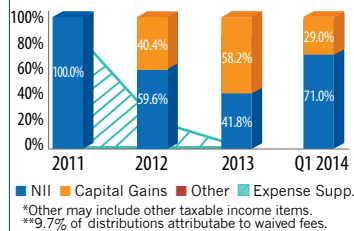
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



*Does not include special distributions

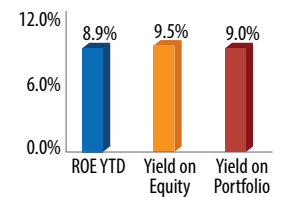
Sources of Distributions



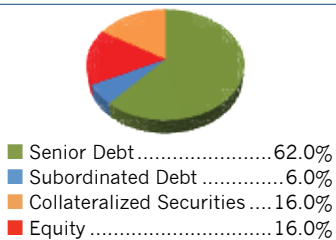
*Other may include other taxable income items.

**9.7% of distributions attributable to waived fees.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

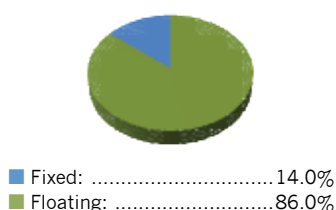
Industry	2014	2013
Diversified Investment Vehicles	27%	24%
Health Care Providers & Services	7%	7%
Food Products	7%	5%
Food Products	6%	8%
Publishing	6%	NA

Performance Returns

	2014	2013	2012
Business Development Corporation of America	2.37%	14.10%	5.20%
S&P/LSTA Leveraged Loan Index	1.20%	5.25%	9.70%
BofA Merrill Lynch High Yield Master II	3.00%	7.42%	15.60%

* YTD returns are not annualized

Floating vs. Fixed Rate Investments



Key Statistics

Fund Operating Expense Ratio.....	3.4%
Interest Coverage Ratio.....	17.1x
Weighted Average Interest Rate	3.6%
Leverage Ratio.....	27.0%
Taxable Income Payout Ratio*.....	84.0%
Net Change in Assets Payout Ratio	97.0%
Expense Support % of Distribution	0.0%

*BDCA only reports adjusted net investment income quarterly, may differ from taxable income

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* See additional notes on page 18.

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Additional BDC Notes

Business Development Corporation of America

- Raised over \$330 million in equity in the first quarter, which is 63% of its entire year equity raise in 2013
- Nearly 27% of the portfolio is invested in other investment funds and vehicles

CIION Investment Corp.

- 100% floating rate investments
- TRS income and TRS capital gains provided for 89.5% of distribution
- Focus is on somewhat smaller middle market companies compared to industry; average portfolio company EBITDA of \$50.7 million

Corporate Capital Trust

- Total return leader for the quarter at 3.10% YTD
- Received a BBB- credit rating from Standard & Poor's
- Drew back on TRS leverage to just under \$40 million

FS Energy and Power Fund

- Net Investment Income covered 100% of distributions

FS Investment Corp. II

- Total assets reached \$3.7 billion in the quarter
- Over \$500 million in net new originations
- Closed to new investors on March 5, 2014
- Received a BBB- rating from Standard & Poor's, announced April 1, 2014

HMS Income Fund

- Portfolio is 100% invested in senior debt, 93% floating rate
- Continued focus on investing in lower middle market (LMM) companies
- Fee waivers (\$632,000 for the quarter) still being used to cover distributions

Sierra Income Corp.

- Fee waivers (\$632,000 for the quarter) still being used to cover distributions
- Over 13% in Oil and Gas sector
- Surpassed \$250 million in total assets