



*Investing in America's Growth*

SHAREHOLDER COMMUNICATION ONLY - NOT FOR USE AS SALES MATERIAL





Dear Fellow Shareholders,

As previously communicated, an affiliate of Benefit Street Partners L.L.C. (“BSP”, “we”, or “our”) has been appointed as the new external adviser of Business Development Corporation of America (“BDCA” or the “Company”), effective November 1, 2016. We are very excited to begin our work with BDCA and appreciate the confidence you and the independent Board have placed in our capabilities.

BSP brings a high-quality institutional credit platform to BDCA. For those of you who are unfamiliar with us, BSP is a leading credit-focused alternative asset management firm with over \$17 billion in assets under management. We manage assets across a broad range of complementary credit strategies, including private debt, high yield, levered loans, liquid credit, structured credit and commercial real estate debt. In total, we have approximately 140 employees, including over 80 investment professionals. Additionally, BSP is in partnership with Providence Equity Partners L.L.C., a leading global private equity firm with a combined \$50 billion in assets under management.

BSP has a proprietary sourcing network along with a large and experienced credit team. We have a proven track record, delivering strong investment performance at our three flagship private debt funds and have deployed over \$12 billion in our private debt strategy over our eight-year history. We expect BDCA to benefit from our ability to be a one-stop lending solution to middle-market companies.

Under BSP, BDCA’s new originations will primarily focus on senior secured loans (including first-lien, unitranche and second-lien loans) and to a lesser extent, mezzanine loans, unsecured loans and equity. In addition, nearly all of the previous adviser’s employees will join BSP, and they will be integrated into the BSP platform. We believe that the combination of these platforms will further accelerate our pipeline of attractive investment opportunities.

BDCA finished the third quarter of 2016 with \$2.5 billion in assets under management. At quarter-end, the Company had exposure to 124 portfolio companies across 35 different industries, and the portfolio remains focused on senior secured loans to middle market companies. Overall, the portfolio continues to perform well, with 2.6% of investments on non-accrual status based on fair value. We believe that by investing the cash on the balance sheet and utilizing unused credit lines provides BDCA with a path to grow earnings over the next year.

We are confident that our experienced management team, institutional relationships, and infrastructure will enhance BDCA’s already strong platform. We look forward to working with you and delivering meaningful shareholder value.

Sincerely,

Richard Byrne  
*Chief Executive Officer and President*

## Fact Sheet

## Investment Objective

Generate current income and, to a lesser extent, long-term capital appreciation through debt and equity investments.

## Investment Strategy

We invest primarily in first and second lien senior secured loans and mezzanine debt issued by middle market companies in the United States. We define middle market companies as those with annual revenues between \$10 million and \$1 billion. We expect that individual investments will generally range between 0.5% and 3.0% of our total assets.

## Key criteria for investments include:

- Strong management and operating teams
- Leading, defensive business model and market position
- Stable and consistent cash flow generation

## Dividend Information

Current Annualized Yield<sup>3</sup>  
(as of September 30, 2016):  
**10.1%**

Distribution Frequency:  
**Monthly**

Tax Reporting:  
**Form 1099**

## Key Facts (as of September 30, 2016)

Inception Date:  
**January 2011**

Total Assets Under Management:  
**\$2,460.7 million**

Number of Portfolio Companies:  
**124**

Dividend Reinvestment Price:  
**\$8.84**

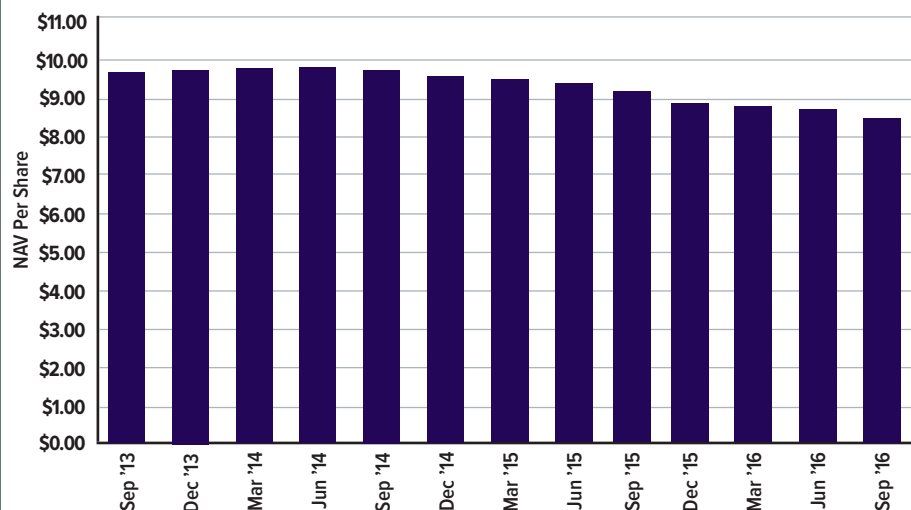
## Performance Highlights

Portfolio Return<sup>1</sup>

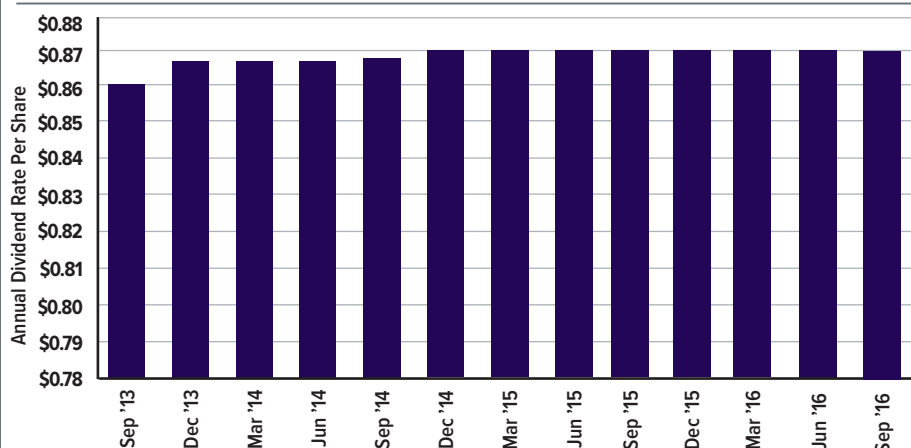
1 Year: 2.34%

2 Years: 4.53%

3 Years: 14.27%

Net Asset Value<sup>2</sup>

## Dividend History

Portfolio Highlights (as of September 30, 2016)<sup>4</sup>

Asset Type	% of Portfolio
Senior Secured First Lien Debt	64.8%
Senior Secured Second Lien Debt	12.4%
Subordinated Debt	3.7%
Collateralized Securities	10.9%
Equity/Other	8.2%

There is no guarantee that any of the investment strategies, criteria or objectives described in this summary will be achieved. This Fact Sheet does not constitute an offer to sell or the solicitation of an offer to buy any securities of BDCA.

Note: Effective June 27, 2014, BDCA terminated its amended and restated total return swap arrangement with Citibank N.A. All data represented herein prior to June 27, 2014 was inclusive of exposure to loans under our total return swap arrangement. Past performance is no guarantee of future results.

<sup>1</sup> Portfolio Return is calculated assuming a purchase of shares of common stock at the current net asset value on the first day that is held through the last day of the periods reported. Investments are subject to sales charges, which if included in the total return calculation would lower total returns. Distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the distribution reinvestment plan.

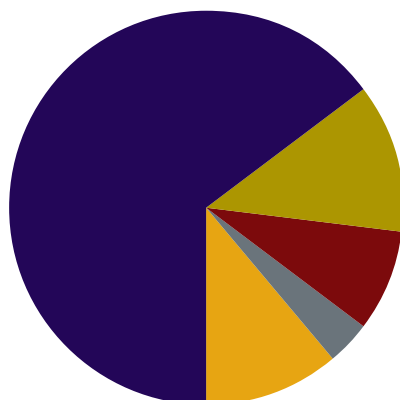
<sup>2</sup> Net Asset Value or NAV for BDCA is calculated quarterly using the total market value of BDCA's assets (which may be their fair value, as determined by the Board), and subtracting the Fund's liabilities. NAV per share is determined by taking BDCA's NAV and dividing it by the number of shares outstanding on that date.

<sup>3</sup> Annualized Distribution Yield is calculated based upon the dividend of \$0.87 per share as of 9/30/16 divided by the most recent NAV per share of \$8.58.

<sup>4</sup> At fair market value.

## Portfolio Summary (as of September 30, 2016)

## Holdings by Investment Type



**64.8%** Senior Secured First Lien Debt

**12.4%** Senior Secured Second Lien Debt

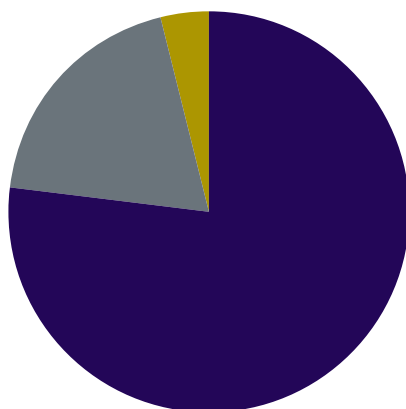
**3.7%** Subordinated Debt

**10.9%** Collateralized Securities

**8.2%** Equity/Other

- BDCA remains focused on originating first lien senior secured loans with 64.8% of our investments holding the highest priority lien on the collateral of the borrower.
- 77.2% of our assets are senior secured corporate loans with either a first or second lien on the borrower's assets.
- First and second lien secured loans generally are senior debt investments that rank ahead of subordinated debt and equity in bankruptcy priority and are generally secured by liens on the operating assets of a borrower which may include inventory, receivables, plant, property and equipment.
- BDCA also invests in the equity and junior debt tranches of collateralized loan obligation investment vehicles ("Collateralized Securities"). Structurally, Collateralized Securities are vehicles that are formed to manage a portfolio of senior secured loans made to companies whose debt is rated below investment grade or, in limited circumstances, unrated.

## Middle Market Loans



**77.1%** Middle Market Loans

**19.1%** Other

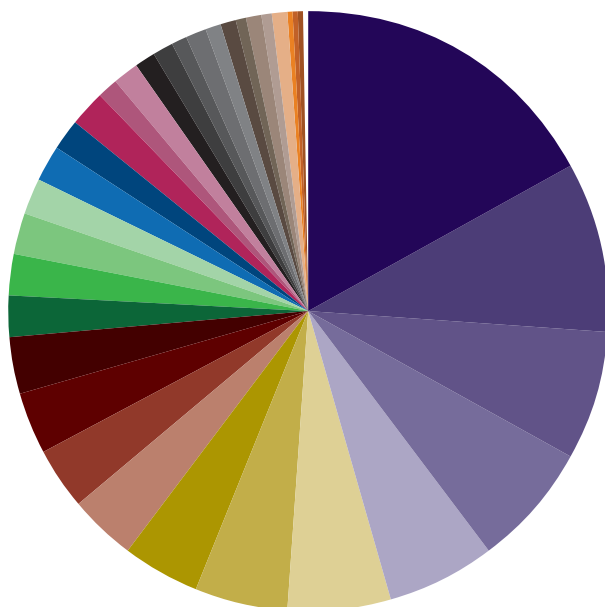
**3.8%** Large Corporate Loans

- BDCA invests predominantly in loans to middle market companies in the United States. At quarter-end, 77.1% of our loans were to middle market borrowers.
- We define middle market companies as those with annual revenues between \$10 million and \$1 billion.
- Large corporate companies have annual revenues in excess of \$1 billion.



## Fact Sheet

## Industry Concentration



**BDCA is committed to maintaining a broadly diversified portfolio with the objective to not concentrate in any particular industry.**

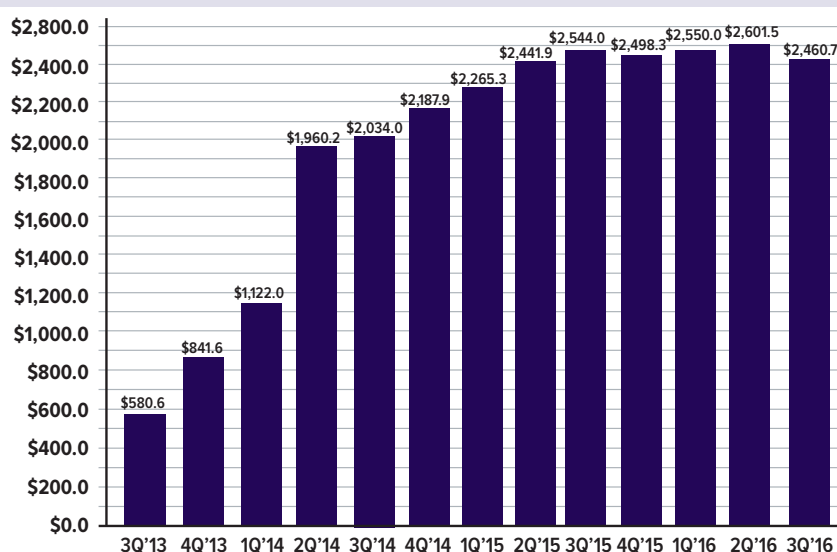
Diversified Investment Vehicles	17.2%
Aerospace & Defense	9.0%
Health Care Providers & Services	7.1%
Diversified Consumer Services	6.7%
Hotels, Restaurants & Leisure	5.8%
Media	5.5%
Internet Software & Services	5.0%
Commercial Services & Supplies	4.0%

Real Estate Management & Development	3.6%
Software	3.5%
Food Products	3.2%
IT Services	3.2%
Professional Services	2.3%
Business Services	2.2%
Auto Components	2.0%
Specialty Retail	2.0%
Diversified Telecommunication Services	1.9%
Machinery	1.9%
Consumer Finance	1.7%
Transportation Infrastructure	1.3%
Electronic Equipment, Instruments & Components	1.2%
Diversified Financial Services	1.2%
Chemicals	1.0%
Building Products	1.0%
Communications Equipment	1.0%
Metals & Mining	0.9%
Life Sciences Tools & Services	0.8%
Insurance Broker	0.7%
Household Durables	0.7%
Distributors	0.7%
Health Care	0.6%
Health Care Technology	0.5%
Textiles, Apparel & Luxury Goods	0.3%
Capital Markets	0.3%
Oil, Gas & Consumable Fuels	0.0%

Assets Under Management<sup>1</sup>

**BDCA finished the third quarter of 2016 at \$2.5 billion in assets under management.**

At quarter-end, we had exposure to 124 portfolio companies, down from 125 at the end of 2015. These investments span 35 different industries.



Note: Effective June 27, 2014, BDCA terminated its amended and restated total return swap arrangement with Citibank N.A. All data represented herein prior to June 27, 2014 was inclusive of exposure to loans under our total return swap arrangement. Past performance is no guarantee of future results.

<sup>1</sup> Total assets under management include deferred financing costs for all periods prior to second quarter of 2016.

## Executive Management Team

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**Richard J. Byrne**

*Chief Executive Officer and President*

- President of Benefit Street Partners
- Several prior executive leadership positions at Deutsche Bank and Merrill Lynch

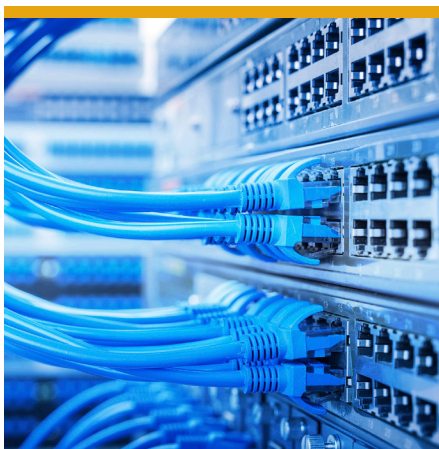


**Corinne Pankovcin**

*Chief Financial Officer and Treasurer*

- Chief Financial Officer and Treasurer of BlackRock Capital Investment Corporation
  - Previously served as a senior member of Finance & Accounting of Alternative Investments and served as Chief Financial Officer for the Emerging Markets products group at PineBridge Investments
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### **Investor Inquiries**

For more information on BDCA, please visit the company website listed below or call our Investor Services department at 866-902-0063.

**[www.BDCA.com](http://www.BDCA.com)**

The financial statements included herein should be read in connection with your review of the Company's Quarterly Report on Form 10-Q as of and for the three and nine months ended September 30, 2016, as filed with the U.S. Securities and Exchange Commission on November 10, 2016.

### **Forward-Looking Statement Disclosure**

The statements in this report that are not historical facts may be forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause the outcome to be materially different. In addition, words such as "will," "should," "may," "anticipate," "believe," "expect" and "intend" indicate a forward-looking statement, although not all forward-looking statements include these words. Actual results may differ materially from those contemplated by such forward-looking statements due to certain factors, including those set forth in the Risk Factors section of BDCA's Annual Report on Form 10-K filed on March 9, 2016 and any subsequent Quarterly Reports on Form 10-Q, which are available at the SEC's website at [www.sec.gov](http://www.sec.gov). Further, forward-looking statements speak only as of the date they are made, and BDCA undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.