

Saratoga Investment Corp.

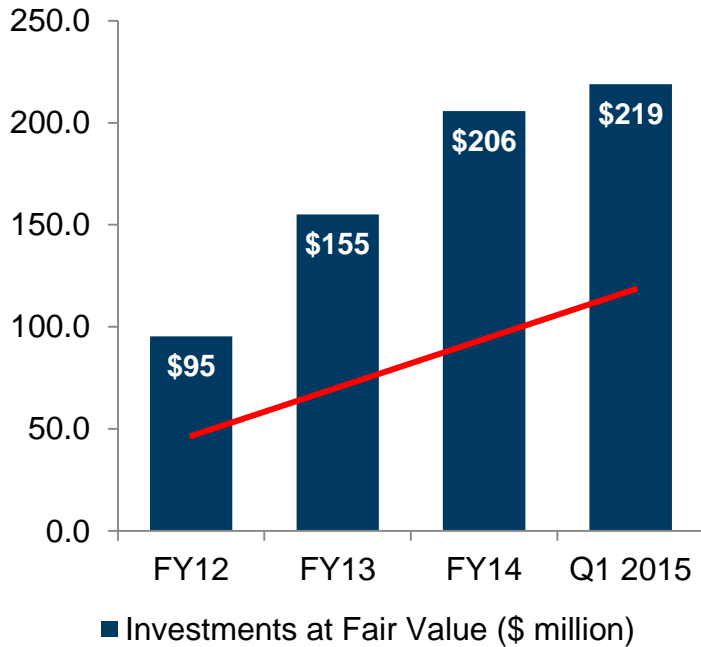
Fiscal Q1 2015 Shareholder Presentation

July 15, 2014



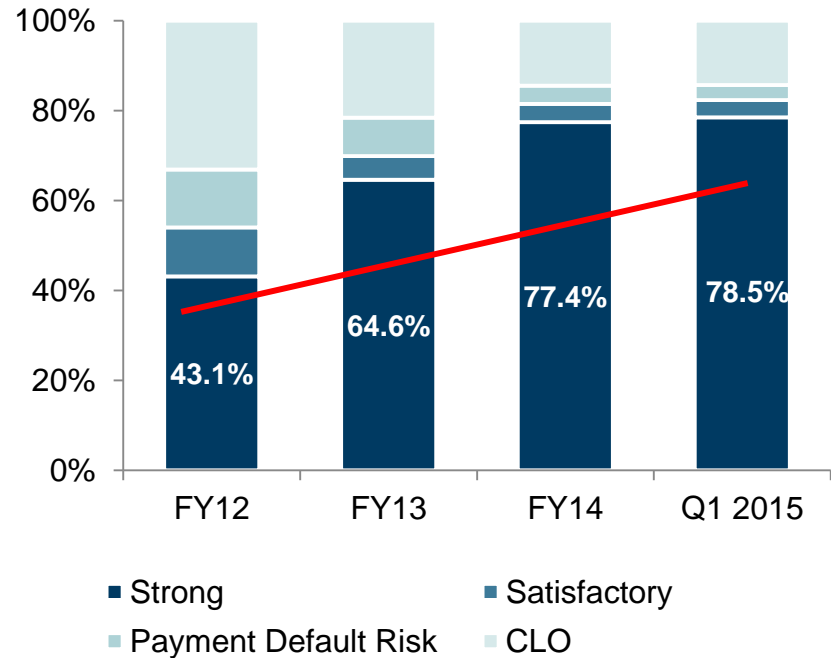
Increased Portfolio Growth and Quality

Committed to Asset Base Expansion



Fair value of AUM increased more than 6% since last quarter

Overall Credit Quality Continues to Improve



Over 78% of SAR investments hold our highest internal rating*

* Excluding our investment in CLO, more than 85% of SAR investments hold our highest internal rating.

Financial Foundation Continues to Strengthen

Key Performance Metrics

For the quarter ended and as of (\$ in millions except per share)	May 31, 2013	Feb 28, 2014	May 31, 2014
Net investment income	\$2,469	\$1,482	\$2,060
Net investment income per share	\$0.52	\$0.28	\$0.38
Adjusted net investment income per share*	\$0.56	\$0.36	\$0.40
Net investment income yield	8.9%	5.2%	7.1%
Adjusted net investment income yield*	9.5%	6.9%	7.4%
Fair value of investment portfolio	\$164.8	\$205.8	\$218.7
Total net assets	\$112.5	\$114.9	\$116.7
Investments in new/existing portfolio companies	\$32.9	\$11.0	\$21.9
Investment held in "strong" credit ratings	63.5%	77.4%	78.5%



* Adjusted for accrued capital gains incentive fee expense, reconciliation to net investment income included in our fiscal first quarter 2015 earnings release.

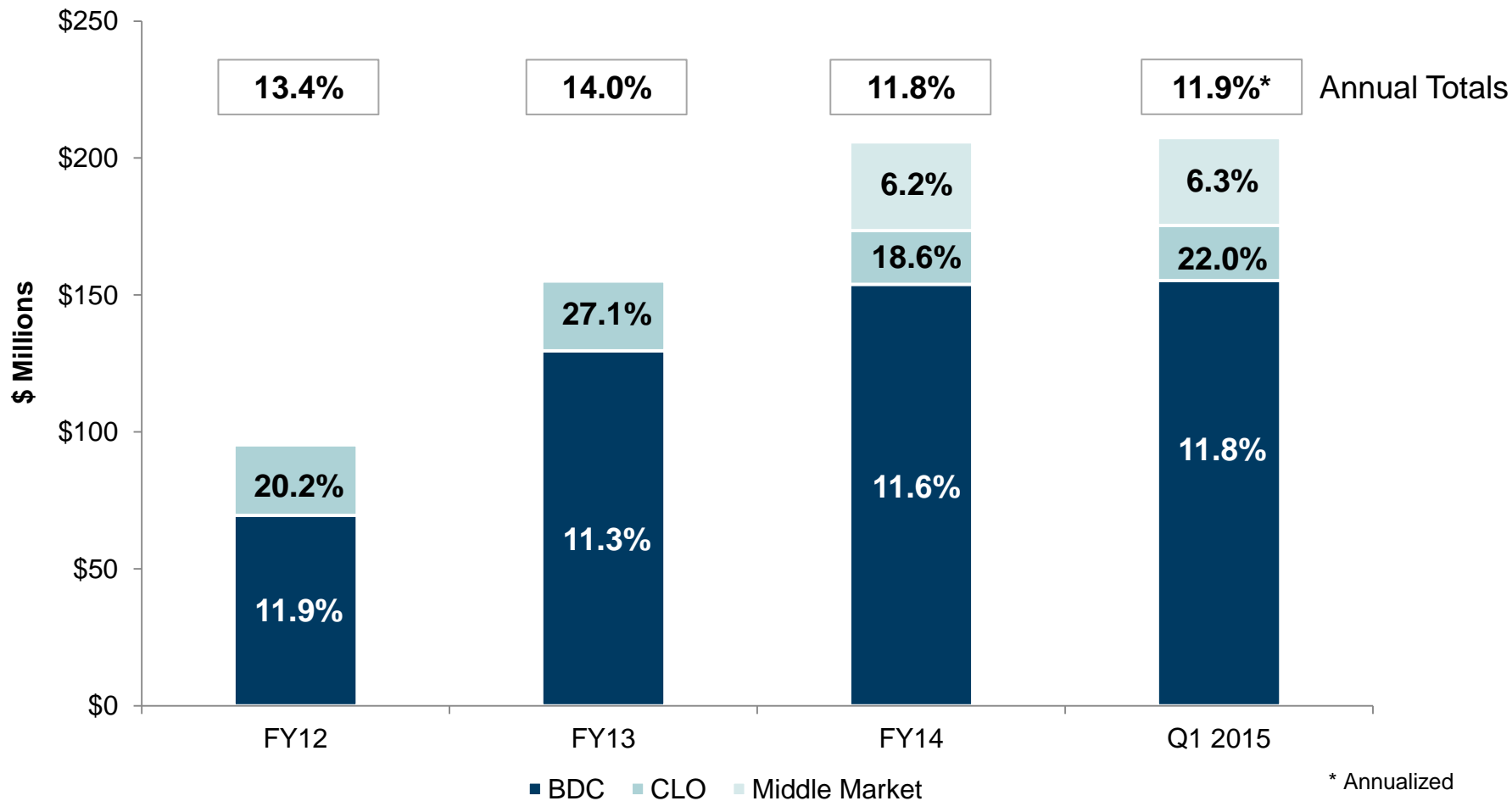
Significant Dry Powder Available

	Total Borrowing Capacity (As of May 31, 2014)	Outstanding (as of May 31, 2014)	Available Liquidity (as of May 31, 2014)
Secured Revolving Credit Facility	\$45 million	\$4.7 million	\$40.3 million
SBA Debentures	\$150 million	\$64 million	\$86 million
Publicly-Traded Notes (at fair value)	\$49.0 million	\$49.0 million	\$0
Cash and Cash Equivalents	\$12.7 million	\$0	\$12.7 million
Total Available Liquidity:			\$139 million*

* Ability to grow AUM by 64% without any external financing

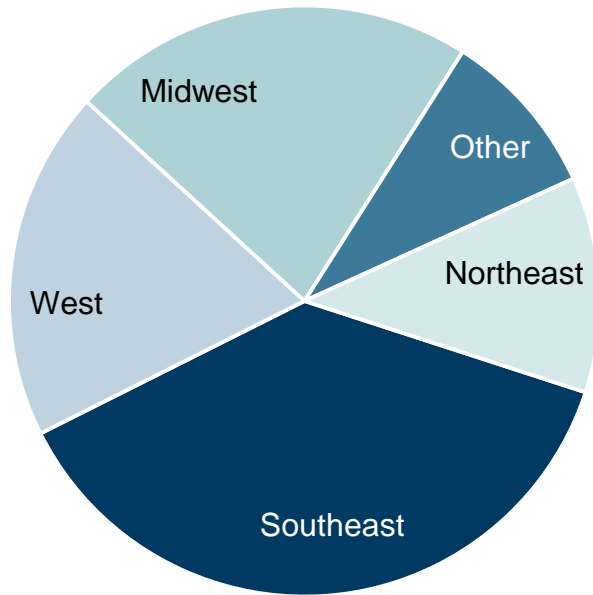
Yield of BDC Remains Stable

Weighted Average Current Yields

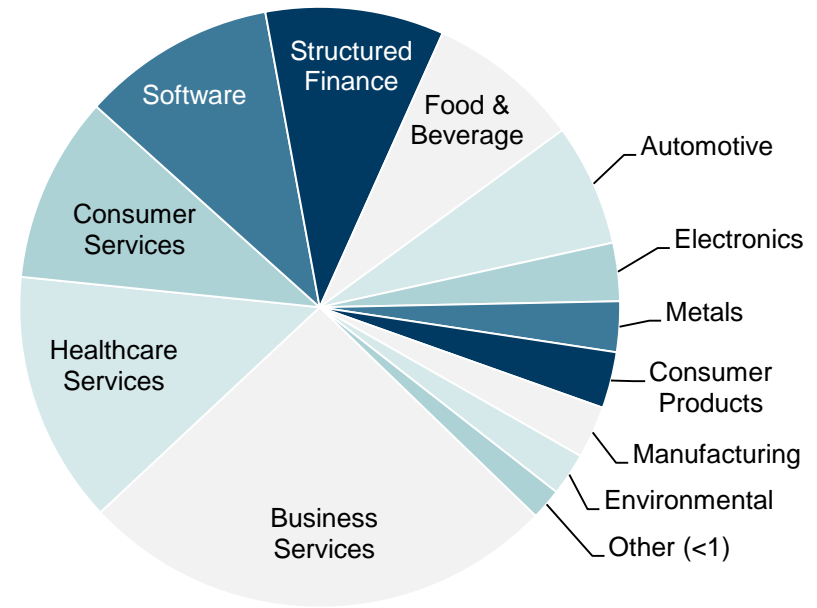


Diversified Across Industry and Geography

Investments diversified across the U.S.

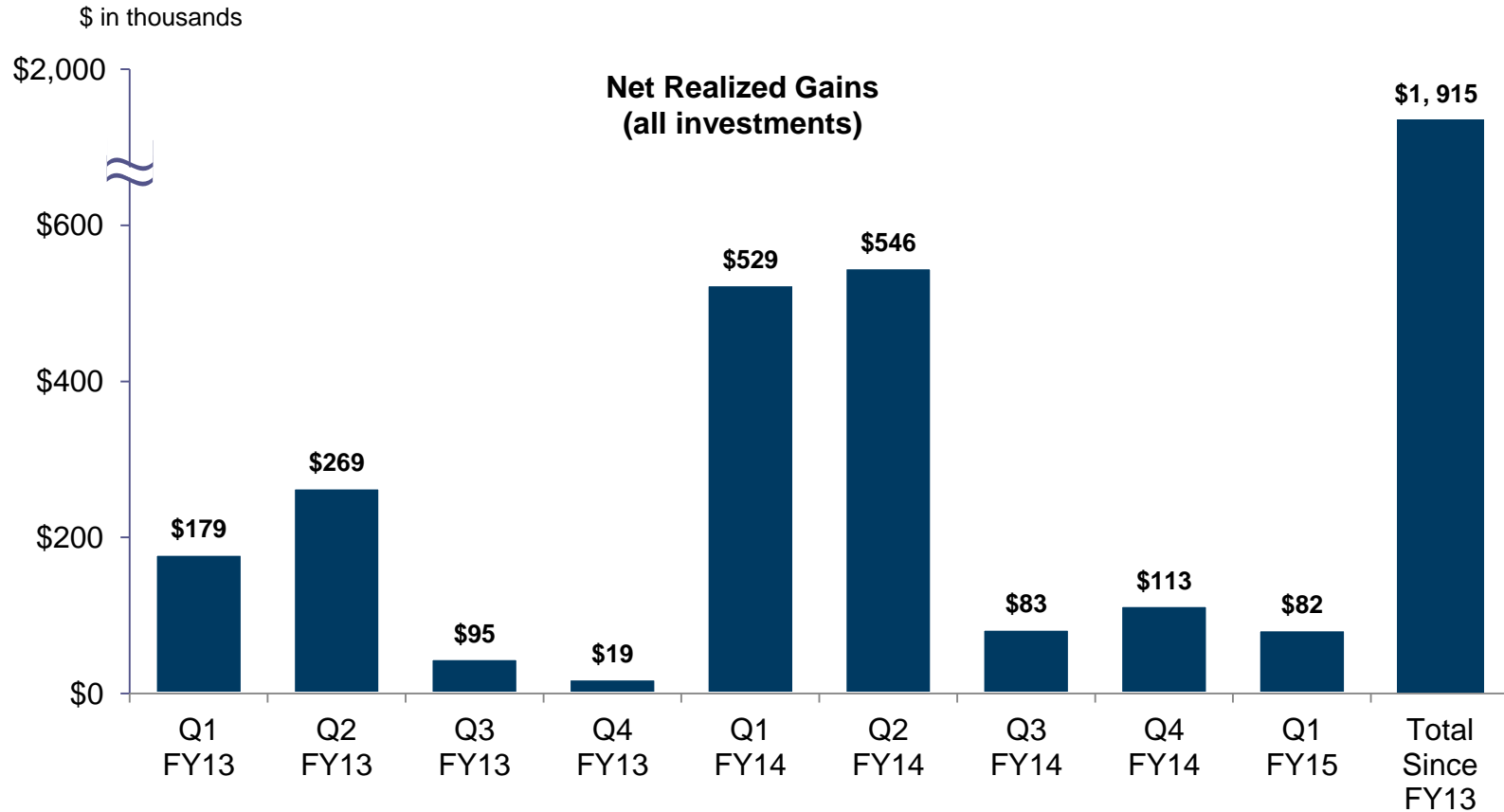


Investments across 18 distinct industries



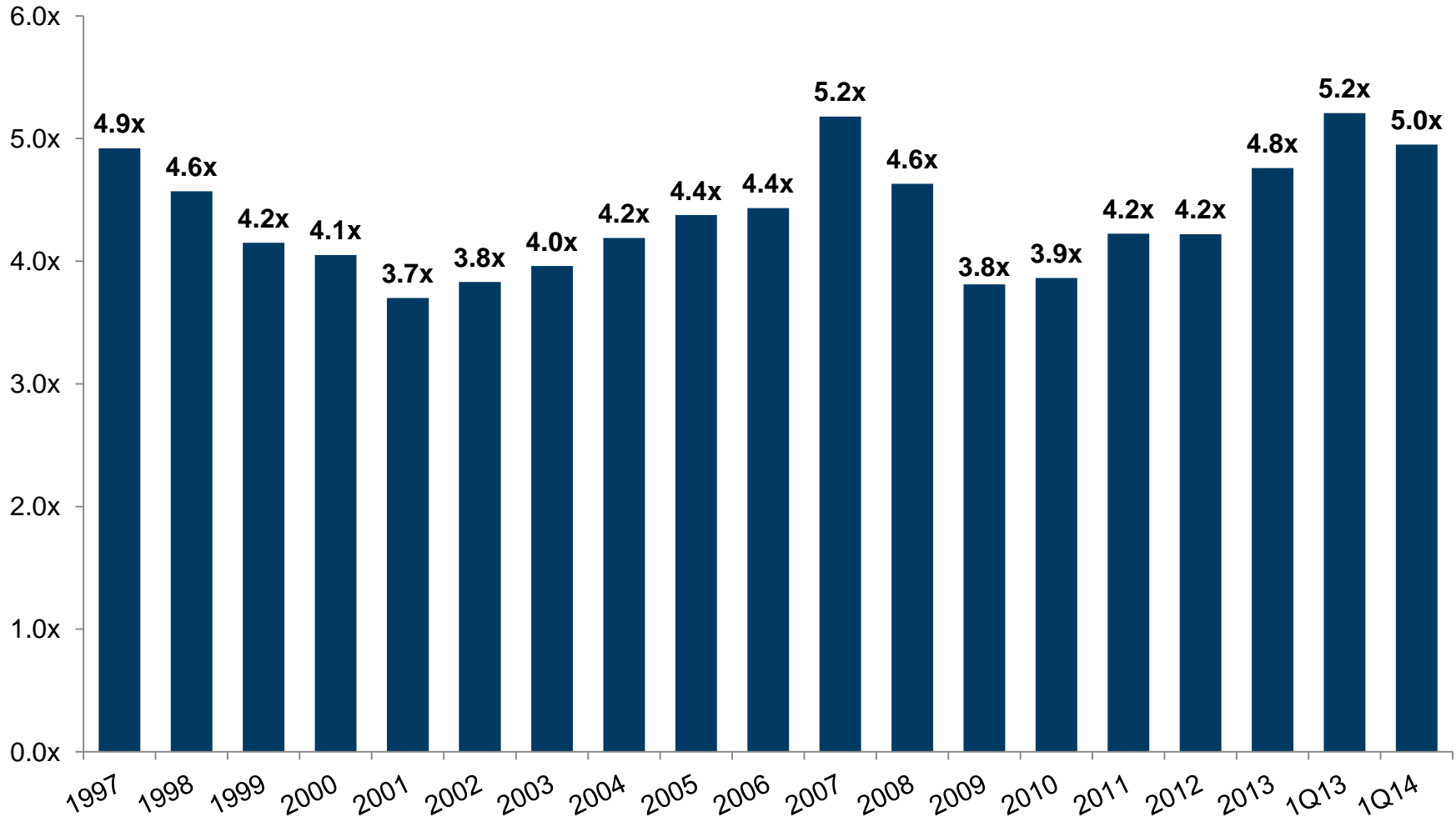
Net Realized Gains Help Protect Shareholder Capital

Consistent net realized gains reflect portfolio credit quality



Middle-Market Leverage Multiples Equal Pre-Crisis Levels

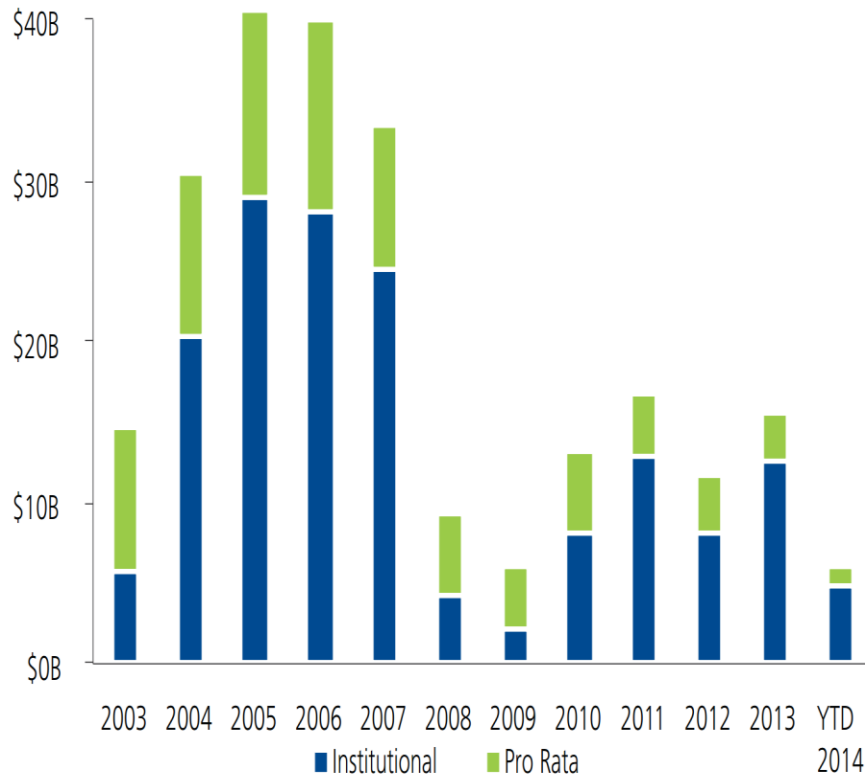
(Defined as Issuers with EBITDA of \$50 Million or Less)



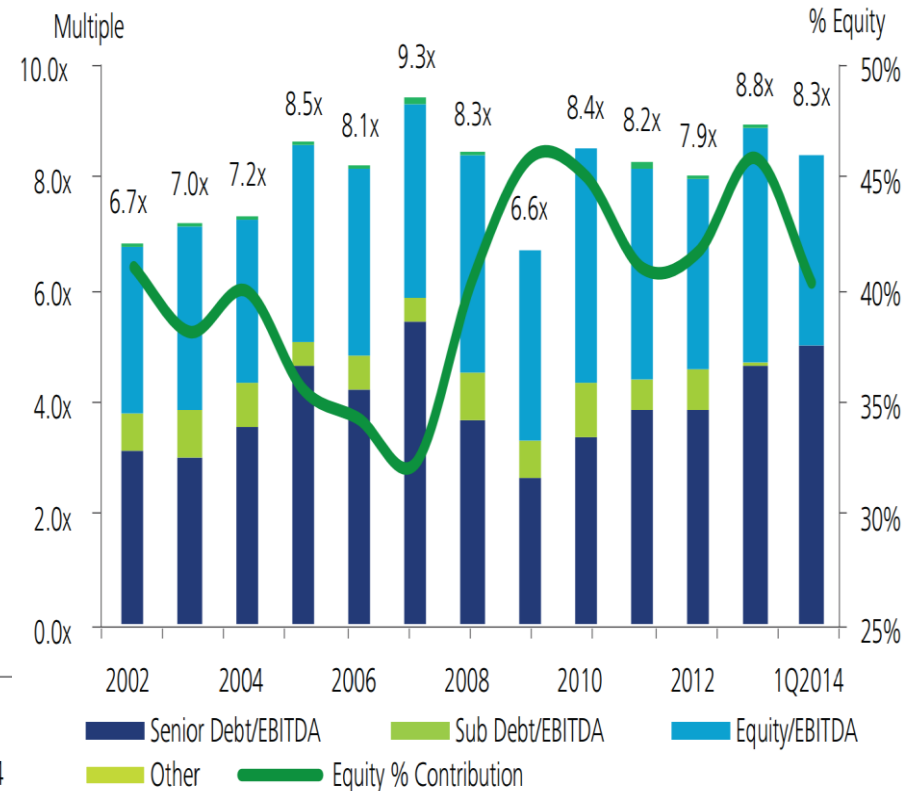
Source: Standard & Poor's Leveraged Commentary and Data

Market Overview (1Q 2014)

New Issue Middle Market Loan Volume



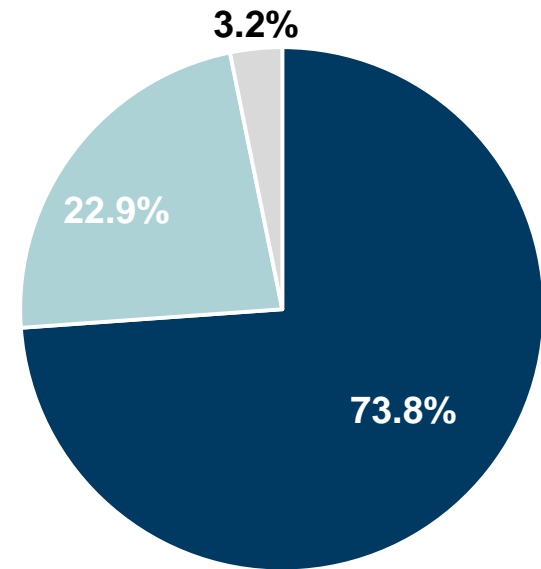
Purchase Price Multiple and Equity Contribution of Middle Market LBOs



SBIC Portfolio Primarily Senior Debt

- SBIC portfolio consists of 28 investments across a range of industries. Compared to the broader loan market tracked by S&P and Thomson Reuters, SAR's leverage levels are lower.
- The weighted average leverage for all SBIC debt investments is 3.6x.
 - 73.8% of the SBIC portfolio consists of senior debt
 - 22.9% of the SBIC portfolio consists of subordinated debt

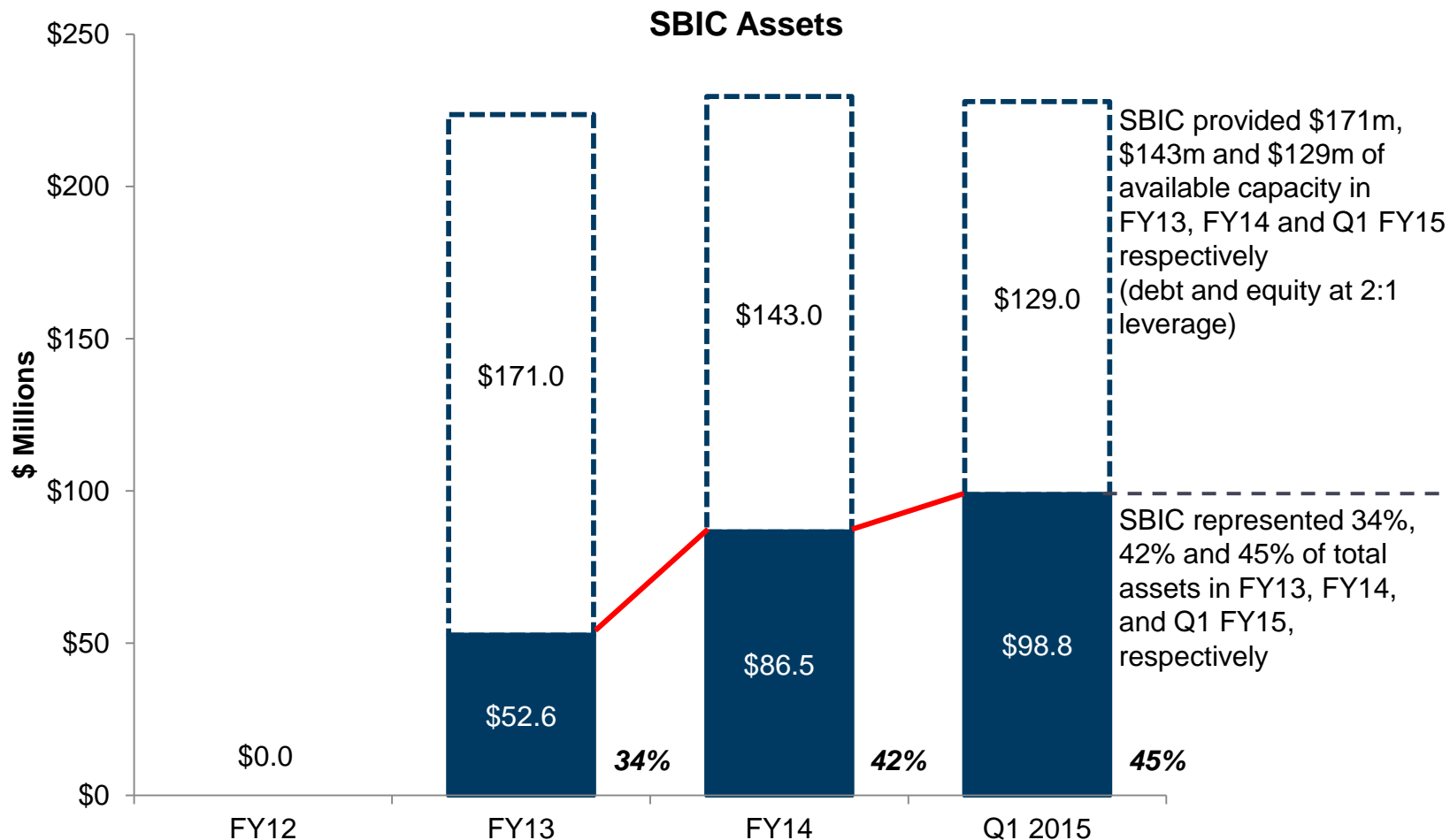
Composition of SBIC Portfolio ¹



- Senior Debt
- Subordinated Debt
- Equity/Warrants

¹ Based on market value as of May 31, 2014

SBIC Assets Continue to Grow



Objectives for the Year Ahead

- Expand our asset base without sacrificing credit quality while benefitting from scale
- Increase our capacity to source, analyze, close and manage our investments by adding to our management team
- Utilize benefits of fully deploying SBIC financing to build scale and increase our AUM and net investment income/yield, enabling us to:
 - Achieve growth in our net asset and stock values
 - Best position ourselves to begin paying regular quarterly cash dividends

Questions?



SARATOGA
INVESTMENT CORP.