

Saratoga Investment Corp. Announces Fiscal Second Quarter 2017 Financial Results

Increases Quarterly Dividend to \$0.44 from \$0.43 per share

NEW YORK, Oct. 12, 2016 /PRNewswire/ -- Saratoga Investment Corp. (NYSE:SAR) ("Saratoga Investment" or "the Company"), a business development company, today announced financial results for its 2017 fiscal second quarter.

Summary Financial Information

For the quarter ended August 31, 2016, Saratoga Investment's assets under management ("AUM") was \$272.8 million, an increase of 3.2% from \$264.4 million as of May 31, 2016, and a decrease of 3.9% from \$284.0 million as of February 29, 2016. These changes include \$55.7 million in acquisitions this quarter, one of our largest origination quarters, offset by redemptions of \$50.3 million during the second fiscal quarter of 2017, with total redemptions for this fiscal year increasing to \$70.9 million. Saratoga Investment's portfolio has grown this quarter and remains strong, with no investments on non-accrual status as of quarter-end and a continued high level of investment quality in loan investments - at 99.9% for this quarter, this is the highest quality rating since the inception of this rating system.

The quarter ended August 31, 2016 benefitted from higher investment income as compared to previous quarters - investment income increased to \$8.4 million for the quarter ended August 31, 2016, up from \$7.8 million for the quarter ended August 31, 2015.

Net Asset Value ("NAV") increased \$3.4 million from \$125.1 million as of February 29, 2016 to \$128.6 million as of August 31, 2016, and return on equity for the quarter ended August 31, 2016 was 16.5% annualized.

The Company's summarized financial information is as follows:

	<u>For the quarter ended Aug 31,</u> <u>2016</u>	<u>For the quarter ended May 31,</u> <u>2016</u>	<u>For the quarter ended Aug 31,</u> <u>2015</u>
	(\$ in thousands except per share)		
AUM	272,804	264,427	252,185
NAV	128,563	127,129	125,258
Investment Income	8,448	7,908	7,758
Net Investment Income per share	\$0.45	\$0.44	\$0.66
Adjusted Net Investment Income per share	0.53	0.46	0.52
Earnings per share	0.92	0.57	0.22
Return on equity - annualized quarter	16.5%	10.4%	4.0%
- last twelve months	9.1%	3.4%	12.1%

- | NAV was \$128.6 million as of August 31, 2016, a \$3.4 million increase from an NAV of \$125.1 million as of February 29, 2016, and a \$3.3 million increase from an NAV of \$125.3 million as of August 31, 2015.
 - | For the six months ended August 31, 2016, \$6.0 million of dividends were declared, while \$8.5 million was earned (\$5.1 million of net investment income and \$3.4 million of net realized and unrealized gains). There were also \$2.7 million of stock dividend distributions made through the Company's dividend reinvestment plan ("DRIP"), representing two quarter's dividend payments and one special dividend; these issuances were partially offset by \$1.9 million of share repurchases.
- | NAV per share increased to \$22.39 as of August 31, 2016 from \$22.06 as of February 29, 2016 and \$22.11 as of May 31, 2016.
- | Net investment income on a weighted average per share basis was \$0.45 and \$0.66 for the quarters ended August 31, 2016 and 2015, respectively. Adjusted for the incentive fee accrual related to net unrealized capital gains, the net investment income on a weighted average per share basis was \$0.53 and \$0.52, respectively.
- | Net investment income was \$2.6 million for the quarter ended August 31, 2016. Adjusted for the incentive fee accrual related to net unrealized capital gains, the net investment income was \$3.0 million - this is an increase of \$0.2 million, or 5.4% from the quarter ended August 31, 2015.
- | Earnings per share for the quarter ended August 31, 2016 was \$0.92 per share (including \$2.7 million of net gains on investments) compared to \$0.22 per share (including \$2.4 million of net losses on investments) for the quarter ended August 31, 2015.
- | Net investment income yield as percentage of average net asset value ("Net Investment Income Yield") was 8.1% for the quarter ended August 31, 2016. Adjusted for the incentive fee accrual related to net unrealized capital gains, the Net Investment Income Yield was 9.5%.
- | Return on equity for the quarters ended August 31, 2016 and 2015 was 16.5% and 4.0%, respectively when

annualized, and 9.1% and 12.1%, respectively for the last twelve months.

Investment portfolio activity for the quarter ended August 31, 2016:

- Cost of investments made during the period: \$55.7 million
- Principal repayments during the period: \$50.3 million

Operating Results

For the quarter ended August 31, 2016, Saratoga Investment reported net investment income of \$2.6 million, or \$0.45 on a weighted average per share basis, and a net gain on investments of \$2.7 million, or \$0.46 on a weighted average per share basis, resulting in a net increase in net assets from operations of \$5.3 million, or \$0.92 on a weighted average per share basis. The \$2.7 million net gain on investments was comprised largely of \$5.9 million in net realized gain on investments, offset by \$3.3 million in net unrealized depreciation on investments. This compared to the quarter ended August 31, 2015 with net investment income of \$3.7 million, or \$0.66 on a weighted average per share basis, and a net loss on investments of \$2.4 million, or \$0.43 on a weighted average per share basis, resulting in a net increase in net assets from operations of \$1.2 million, or \$0.22 on a weighted average per share basis. The \$2.4 million net loss on investments consisted of \$3.7 million in net realized gains on investments and \$6.1 million of unrealized depreciation.

Adjusted for the incentive fee accrual related to net unrealized capital gains, the net investment income was \$3.0 million - this is an increase of approximately \$0.2 million, or 5.4% from the quarter ended August 31, 2015.

The quarter ended August 31, 2016 benefitted from higher investment income as compared to the quarter ended August 31, 2015 - investment income increased to \$8.4 million for the quarter ended August 31, 2016 from \$7.8 million for the quarter ended August 31, 2015. This steady increase in investment income was generated from an investment base that increased by 8.2% since the quarter ended August 31, 2015. In addition, total investment income benefitted from an increase of \$0.2 million in other income this quarter compared to last year, as the high levels of originations and redemptions this quarter led to increased advisory fees and prepayment penalties. The investment income increase was offset by (i) increased debt and financing expenses from higher outstanding Notes payable and SBA debentures this year reflective of the growing average investment and asset base, (ii) slightly increased base management fees generated from the management of this larger pool of investments, and (iii) increased total expenses, excluding interest and debt financing expenses, base management fees and incentive fees, reflecting primarily higher administrator and general and administrative expenses.

Total expenses, excluding interest and debt financing expenses, base management fees and incentive management fees, increased from \$0.8 million for the quarter ended August 31, 2015 to \$1.1 million for the quarter ended August 31, 2016, but remained unchanged at 1.4% of average total assets for both quarters when adjusting last quarter's expenses for the excise tax credit that is non-recurring in nature.

Net Investment Income Yield was 8.1% for the quarter ended August 31, 2016. Adjusted for the incentive fee accrual related to net unrealized capital gains, the Net Investment Income Yield was 9.5% for the quarter ended August 31, 2016. Net Investment Income Yield was 11.8% for the quarter ended August 31, 2015. Adjusted for the incentive fee accrual related to net unrealized capital gains, the Net Investment Income Yield was 9.3% for the quarter ended August 31, 2015.

Return on Equity was 16.5% for the quarter ended August 31, 2016.

NAV was \$128.6 million as of August 31, 2016, a \$3.4 million increase from an NAV of \$125.1 million as of February 29, 2016. During the six months ended August 31, 2016, \$6.0 million of dividends were declared, while \$5.1 million of net investment income and \$3.4 million of net realized and unrealized gains were earned. There were also \$2.7 million of stock dividend distributions made, representing two quarter's dividend payments and one special dividend, offset by \$1.9 million of share repurchases.

NAV per share increased to \$22.39 as of August 31, 2016 from \$22.06 as of February 29, 2016 and \$22.11 as of May 31, 2016. During this six-month period, NAV per share increased by \$0.33 per share, primarily reflecting the \$3.4 million, or \$0.60 per share increase in net assets (net of the \$1.04 per share dividend paid during the six month period), offset by the dilutive impact of the net 68,583 shares issued during the six month period (1.2% of shares outstanding). These shares consisted of 181,660 shares issued pursuant to the dividend reinvestment plan representing two quarter's dividend payments and a special dividend, offset by 113,077 shares that were repurchased.

"Despite continued market volatility, Saratoga Investment has remained consistent in our ability to deliver solid performance based on our relentless commitment to our strategy of AUM growth and credit quality," said Christian L. Oberbeck, Chairman and Chief Executive Officer of Saratoga Investment. "During this quarter, we have demonstrated our ability to reap strong returns amongst high levels of redemptions while also leveraging our robust pipeline to redeploy that capital and maintaining consistent overall portfolio credit quality - which has never been higher while we continue to have no investments on non-accrual. We feel that our disciplined long-term investment approach has been rewarded with an impressive quarterly return on equity of 16.5% annualized and 9.1% for the last twelve months."

Michael J. Grisius, President and Chief Investment Officer, added, "Our demonstrated ability to overcome difficult sourcing conditions by growing our business development capabilities internally underscores the value of the investments we've made in our origination capabilities over the past few years. During this quarter, we were able to successfully increase the size and improve the quality of our portfolio. Despite heavy redemptions and a market environment that remains competitive, we had one of our largest origination quarters by investing in nine new or existing portfolio companies. Over 99% of our debt portfolio bears our highest credit quality rating. Smaller deals, especially those of high quality, are being done at increasingly higher multiples, yet our portfolio remains under the average multiple for those deals executed in the market. For these disciplined reasons, we remain at the top of the BDC space in terms of overall performance."

Portfolio and Investment Activity

As of August 31, 2016, the fair value of Saratoga Investment's portfolio was \$272.8 million (excluding \$22.9 million in cash and cash equivalents), principally invested in 29 portfolio companies and one collateralized loan obligation fund ("CLO"). The overall portfolio composition consisted of 56.2% of first lien term loans, 31.9% of second lien term loans, 4.4% of subordinated notes in a CLO, 3.5% of syndicated loans, and 4.0% of common equity.

For the quarter ended August 31, 2016, Saratoga Investment invested \$55.7 million in nine new or existing portfolio companies and had \$50.3 million in aggregate amount of exits and repayments, resulting in a net increase in investments of \$5.4 million for the quarter.

As of August 31, 2016, the weighted average current yield on Saratoga Investment's portfolio was 11.0%, which was comprised of a weighted average current yield of 10.5% on first lien term loans, 11.5% on second lien term loans, 19.4% on CLO subordinated notes, and 5.3% on syndicated loans.

Liquidity and Capital Resources

As of August 31, 2016, Saratoga Investment had no outstanding borrowings under its \$45 million senior secured revolving credit facility with Madison Capital Funding LLC. At the same time, Saratoga Investment had \$103.7 million outstanding of SBA debentures, \$61.8 million of Baby Bonds (fair value of \$63.3 million) and an aggregate of \$22.9 million in cash and cash equivalents.

With the \$45.0 million credit facility and the \$46.3 million additional borrowing capacity at the SBIC subsidiary, as well as the \$22.9 million of cash and cash equivalents, Saratoga Investment has a total of \$114.2 million of undrawn borrowing capacity and cash and cash equivalents available as of August 31, 2016. The proceeds from the DRIP totaled \$0.95 million of equity investments in the second quarter 2017. Saratoga Investment also has the ability to issue additional Baby Bonds through the At-the-Market program outlined below.

On May 29, 2015, the Company entered into a Debt Distribution Agreement with Ladenburg Thalmann & Co. through which the Company may offer for sale, from time to time, up to \$20.0 million in aggregate principal amount of the Notes through an At-the-Market ("ATM") offering. As of August 31, 2016, the Company sold 539,725 bonds with a principal of \$13,493,125 at an average price of \$25.31 for aggregate net proceeds of \$13,385,766 (net of transaction costs).

Share Repurchase Plan

In fiscal year 2015, the Company announced the approval of an open market share repurchase plan that allows it to repurchase up to 200,000 shares of its common stock at prices below its NAV as reported in its then most recently published financial statements, which was subsequently increased to 400,000 shares of our common stock. On October 5, 2016, the Company extended its existing share repurchase plan for another year, and increased it to 600,000 shares through October 15, 2017. As of October 11, 2016, Saratoga Investment has repurchased 199,797 shares at a weighted average price of \$16.73 per share under this plan.

Dividend

During fiscal year 2016, Saratoga Investment declared and paid dividends of \$2.36 per share, composed of \$0.27 for the quarter ended February 28, 2015, \$0.33 per share for the quarter ended May 31, 2015, \$0.36 per share for the quarter ended August 31, 2015, \$0.40 per share for the quarter ended November 30, 2015, and a special dividend of \$1.00 per share in the first quarter of fiscal year 2016. During the quarter ended May 31, 2016, Saratoga Investment declared and paid a dividend of \$0.41 per share for the quarter ended February 29, 2016.

During the quarter ended August 31, 2016, Saratoga Investment declared and paid a dividend of \$0.43 per share for the quarter ended May 31, 2016. In addition, Saratoga Investment paid a special dividend of \$0.20 per share on September 5, 2016.

On October 5, 2016, Saratoga Investment's Board of Directors declared a dividend of \$0.44 per share for the fiscal quarter ended August 31, 2016, to be paid on November 9, 2016 to all stockholders of record at the close of business on October 31, 2016. This brings total dividends of \$1.07 per share for the current fiscal period ending February 28, 2017, representing two quarter's dividends and one special dividend.

Shareholders have the option to receive payment of the dividend in cash, or receive shares of common stock pursuant to the Company's DRIP, which Saratoga Investment adopted in conjunction with the new dividend policy, and provides for the reinvestment of dividends on behalf of its stockholders.

Saratoga Investment shareholders who hold their shares with a broker must affirmatively instruct their brokers prior to the record date if they prefer to receive this dividend and future dividends in common stock. The number of shares of Common Stock to be delivered shall be determined by dividing the total dollar amount by 95% of the average of the market prices per share at the close of trading on the ten (10) trading days immediately preceding (and including) the payment date.

Subsequent Events

On April 2, 2015, the SBA issued a "green light" letter inviting the Company to continue the application process to obtain a license to form and operate its second SBIC subsidiary. On September 27, 2016, the SBA informed us that as part of their continued review of our application for a second license, and in order to ensure that they were reviewing the most current information available, we would need to update all previously submitted materials and invited us to reapply. As a result of this request, the existing "green light" letter that the SBA issued to us will expire. If approved in the future, a second SBIC license would provide us an incremental source of long-term capital by permitting us to issue up to \$150.0 million of additional SBA-guaranteed debentures in addition to the \$150.0 million already approved under the first license.

On October 5, 2016, the Company's Board of Directors determined to increase the cap on the payment or reimbursement of expenses by the Company under the Administration Agreement, from \$1.3 million to \$1.5 million, effective November 1, 2016.

2017 Fiscal Second Quarter Conference Call/Webcast Information

When: Thursday, October 13, 2016
10:00 a.m. Eastern Time (ET)

Call: Interested parties may participate by dialing (877) 312-9208 (U.S. and Canada) or (678) 224-7872 (outside U.S. and Canada).

A replay of the call will be available from 1:00 p.m. ET on Thursday, October 13, 2016 through 11:59 p.m. ET on Thursday, October 20, 2016 by dialing (855) 859-2056 (U.S. and Canada) or (404) 537-3406 (outside U.S. and Canada), passcode for both replay numbers: 85022494.

Webcast: Interested parties may access a simultaneous webcast of the call and find the Q2 2017 presentation by going to the "Events & Presentations" section of Saratoga Investment Corp.'s investor relations website, <http://www.saratogainvestmentcorp.com/investor.html>

About Saratoga Investment Corp.

Saratoga Investment Corp. is a specialty finance company that provides customized financing solutions to U.S. middle-market businesses. The Company invests primarily in senior and unitranche leveraged loans, mezzanine debt, and, to a lesser extent, equity to provide financing for change of ownership transactions, strategic acquisitions, recapitalizations and growth initiatives in partnership with business owners, management teams and financial sponsors. Saratoga Investment Corp.'s objective is to create attractive risk-adjusted returns by generating current income and long-term capital appreciation from its debt and equity investments. Saratoga Investment Corp. has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940 and is externally-managed by Saratoga Investment Advisors, LLC, an SEC-registered investment advisor focusing on credit-driven strategies. Saratoga Investment Corp. owns an SBIC-licensed subsidiary and manages a \$300 million Collateralized Loan Obligation (CLO) fund. It also owns 100% of the subordinated notes of the CLO. These diverse funding sources, combined with a permanent capital base, enable Saratoga Investment Corp. to provide a broad range of financing solutions.

Forward Looking Statements

This press release contains certain forward-looking statements. These forward-looking statements are subject to risks and uncertainties and other factors enumerated in this press release and the filings Saratoga Investment Corp. makes with the SEC. Saratoga Investment Corp. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Financials

Saratoga Investment Corp.

Consolidated Statements of Assets and Liabilities

	As of	
	August 31, 2016 (unaudited)	February 29, 2016
ASSETS		
Investments at fair value		
Non-control/Non-affiliate investments (amortized cost of \$267,658,535 and \$268,145,090, respectively)	\$ 260,887,373	\$ 271,168,186
Control investments (cost of \$10,948,369 and \$13,030,751, respectively)	11,917,076	12,827,980
Total investments at fair value (amortized cost of \$278,606,904 and \$281,175,841, respectively)	272,804,449	283,996,166
Cash and cash equivalents	12,707,273	2,440,277
Cash and cash equivalents, reserve accounts	10,173,549	4,594,506
Interest receivable (net of reserve of \$0 and \$728,519, respectively)	3,393,927	3,195,919
Management fee receivable	170,897	170,016
Other assets	312,184	350,368
Receivable from unsettled trades	284,903	300,000
Total assets	\$ 299,847,182	\$ 295,047,252
LIABILITIES		
Revolving credit facility	\$ -	\$ -
Deferred debt financing costs, revolving credit facility	(476,221)	(515,906)
SBA debentures payable	103,660,000	103,660,000
Deferred debt financing costs, SBA debentures payable	(2,527,859)	(2,493,303)
Notes payable	61,793,125	61,793,125
Deferred debt financing costs, notes payable	(1,484,265)	(1,694,586)
Dividend payable	1,151,061	875,599
Base management and incentive fees payable	6,283,519	5,593,956
Accounts payable and accrued expenses	631,840	855,873
Interest and debt fees payable	1,873,508	1,552,069
Payable for repurchases of common stock	-	20,957
Directors fees payable	45,000	31,500
Due to manager	333,852	218,093
Total liabilities	\$ 171,283,560	\$ 169,897,377
NET ASSETS		
Common stock, par value \$.001, 100,000,000 common shares authorized, 5,740,810 and 5,672,227 common shares issued and outstanding, respectively	\$ 5,741	\$ 5,672
Capital in excess of par value	189,532,044	188,714,329
Distribution in excess of net investment income	(27,038,814)	(26,217,902)
Accumulated net realized loss from investments and derivatives	(28,132,894)	(40,172,549)
Accumulated net unrealized appreciation (depreciation) on investments and derivatives	(5,802,455)	2,820,325
Total net assets	128,563,622	125,149,875
Total liabilities and net assets	\$ 299,847,182	\$ 295,047,252
NET ASSET VALUE PER SHARE	\$ 22.39	\$ 22.06
Asset Coverage Ratio	308.1%	302.5%

Saratoga Investment Corp.

**Consolidated Statements of Operations
(unaudited)**

**For the three months ended
August 31**

	<u>2016</u>	<u>2015</u>
INVESTMENT INCOME		
Interest from investments		
Non-control/Non-affiliate investments	\$ 6,561,838	\$ 5,877,682
Payment-in-kind interest income from Non-control/Non-affiliate investments	184,265	262,991
Control investments	<u>557,200</u>	<u>678,706</u>
Total interest income	7,303,303	6,819,379
Interest from cash and cash equivalents	6,401	731
Management fee income	374,657	373,152
Other income	<u>763,633</u>	<u>565,055</u>
Total investment income	<u>8,447,994</u>	<u>7,758,317</u>
EXPENSES		
Interest and debt financing expenses	2,369,705	2,147,976
Base management fees	1,202,794	1,151,236
Professional fees	302,227	349,533
Administrator expenses	325,000	275,000
Incentive management fees	1,208,452	(41,279)
Insurance	70,658	87,316
Directors fees and expenses	60,422	51,000
General & administrative	304,955	203,449
Excise tax expense (credit)	-	(123,338)
Other expense	-	-
Total expenses	<u>5,844,213</u>	<u>4,100,893</u>
NET INVESTMENT INCOME	<u>2,603,781</u>	<u>3,657,424</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain from investments	5,936,750	3,709,947
Net unrealized depreciation on investments	<u>(3,268,913)</u>	<u>(6,124,708)</u>
Net gain (loss) on investments	<u>2,667,837</u>	<u>(2,414,761)</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 5,271,618</u>	<u>\$ 1,242,663</u>
WEIGHTED AVERAGE - BASIC AND DILUTED EARNINGS PER COMMON SHARE	\$ 0.92	\$ 0.22
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - BASIC AND DILUTED	5,740,816	5,583,795

Saratoga Investment Corp.

**Consolidated Statements of Operations
(unaudited)**

	For the six months ended August 31	
	<u>2016</u>	<u>2015</u>
INVESTMENT INCOME		
Interest from investments		
Non-control/Non-affiliate investments	\$ 13,181,951	\$ 11,526,661
Payment-in-kind interest income from Non-control/Non-affiliate investments	313,355	954,143
Control investments	<u>1,089,326</u>	<u>1,269,696</u>
Total interest income	14,584,632	13,750,500
Interest from cash and cash equivalents	10,187	1,467
Management fee income	748,341	751,898
Other income	<u>1,013,229</u>	<u>815,619</u>
Total investment income	<u>16,356,389</u>	<u>15,319,484</u>
EXPENSES		
Interest and debt financing expenses	4,737,761	4,111,841
Base management fees	2,429,951	2,275,334
Professional fees	661,526	682,977

Administrator expenses	650,000	525,000
Incentive management fees	1,936,732	1,756,554
Insurance	141,316	174,633
Directors fees and expenses	126,422	102,000
General & administrative	517,164	386,369
Excise tax expense (credit)	-	(123,338)
Other expense	13,187	-
Total expenses	11,214,059	9,891,370
NET INVESTMENT INCOME	5,142,330	5,428,114
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain from investments	12,039,655	3,783,193
Net unrealized depreciation on investments	(8,622,780)	(583,739)
Net gain (loss) on investments	3,416,875	3,199,454
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 8,559,205	\$ 8,627,568
WEIGHTED AVERAGE - BASIC AND DILUTED EARNINGS PER COMMON SHARE	\$ 1.49	\$ 1.57
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - BASIC AND DILUTED	5,739,157	5,492,491

Supplemental Information Regarding Adjusted Net Investment Income and Adjusted Net Investment Income Yield

On a supplemental basis, we provide information relating to adjusted net investment income and adjusted net investment income yield, which are non-GAAP measures. These measures are provided in addition to, but not as a substitute for, net investment income and net investment income yield. Adjusted net investment income represents net investment income excluding any capital gains incentive fee expense or reversal attributable to unrealized gains. The management agreement with our advisor provides that a capital gains incentive fee is determined and paid annually with respect to cumulative realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized losses for such year. In addition, we accrue, but do not pay, a capital gains incentive fee in connection with any unrealized capital appreciation, as appropriate. As such, we believe that adjusted net investment income and adjusted net investment income yield is a useful indicator of operations exclusive of any capital gains incentive fee expense or reversal attributable to unrealized gains. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. The following table provides a reconciliation of net investment income to adjusted net investment income, net investment income yield to adjusted net investment income yield and net investment income per share to adjusted net investment income per share for the three and six months ended August 31, 2016 and August 31, 2015.

	For the three months ended August 31		For the six months ended August 31	
	2016	2015	2016	2015
Net Investment Income	\$ 2,603,781	\$ 3,657,424	\$ 5,142,330	\$ 5,428,114
Changes in accrued capital gains incentive fee expense/reversal	445,752	(764,755)	520,415	319,128
Adjusted net investment income	3,049,533	2,892,669	5,662,745	5,747,242
Net investment income yield	8.1%	11.8%	8.1%	8.8%
Changes in accrued capital gains incentive fee expense/reversal	1.4%	(2.5%)	0.8%	0.5%
Adjusted net investment income yield ⁽¹⁾	9.5%	9.3%	8.9%	9.3%
Net investment income per share	\$ 0.45	\$ 0.66	\$ 0.90	\$ 0.99
Changes in accrued capital gains incentive fee expense/reversal	\$ 0.08	\$ (0.14)	\$ 0.09	\$ 0.06

Adjusted net investment income per share ⁽²⁾	\$ 0.53	\$ 0.52	\$ 0.99	\$ 1.05
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(1) Adjusted net investment income yield is calculated as adjusted net investment income divided by average net asset value.

(2) Adjusted net investment income per share is calculated as adjusted net investment income divided by weighted average common shares outstanding.

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/saratoga-investment-corp-announces-fiscal-second-quarter-2017-financial-results-300343799.html>

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