

FIDUS INVESTMENT Corp
Form 497
June 22, 2011
PROSPECTUS

Filed Pursuant to Rule 497

Registration Statement Nos. 333-172550 and 333-175051
4,670,000 Shares
FIDUS INVESTMENT CORPORATION
Common Stock

We provide customized mezzanine debt and equity financing solutions to lower middle-market companies located throughout the United States. Upon completion of this offering, we will be an externally managed, closed-end, non-diversified management investment company that will elect to be regulated as a business development company under the Investment Company Act of 1940, as amended. Our investment objective is to provide attractive risk-adjusted returns by generating both current income from our debt investments and capital appreciation from our equity related investments. Our strategy includes partnering with business owners, management teams and financial sponsors by providing customized financing for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion and other growth initiatives.

This is an initial public offering of our shares of common stock. All of the shares of common stock offered by this prospectus are being sold by us. Our common stock has been approved for quotation on The Nasdaq Global Market under the symbol FDUS.

Our shares of common stock have no history of public trading. Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. If our shares trade at a discount to our net asset value, the risk of loss for purchasers in this offering will likely increase. Based on the initial public offering price of \$15.00 per share, purchasers in this offering will experience immediate dilution of approximately \$0.54 per share. See Dilution for more information.

In the formation transactions described in this prospectus, we will acquire 100.0% of the limited partnership interests of Fidus Mezzanine Capital, L.P., a Delaware limited partnership licensed as a small business investment company by the United States Small Business Administration. We will also acquire 100.0% of the membership interests in Fidus Mezzanine Capital, GP, LLC, the general partner of Fidus Mezzanine Capital, L.P. See Summary Formation Transactions for more information.

Fidus Investment Advisors, LLC will serve as our investment advisor and as our administrator.

Investing in our common stock involves a high degree of risk. Before buying any shares, you should read the discussion of the material risks of investing in our common stock, including the risk of leverage, in Risk Factors beginning on page 19 of this prospectus.

This prospectus contains important information you should know before investing in our common stock. Please read it before you invest and keep it for future reference. Upon completion of this offering, we will file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission (the SEC). This information will be available free of charge by contacting us at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, Attention: Investor Relations, by accessing our website at <http://www.fidus.com> or by calling us at (847) 859-3940. The SEC also maintains a website at <http://www.sec.gov> that contains such information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$ 15.00	\$ 70,050,000
Sales load (underwriting discounts and commissions) on 4,262,236 shares sold directly to the public	\$ 1.05	\$ 4,475,348
Sales load (underwriting discounts and commissions) on 151,098 directed shares ⁽¹⁾	\$ 0.375	\$ 56,662
Proceeds to us, before expenses ⁽²⁾	\$ 14.03	\$ 65,517,990

(1) No underwriting discount or commission will be paid on 256,666 directed shares sold to our directors and certain members of our management. A sales load (underwriting discount and commission) of \$0.375 per share will be paid on 151,098 directed shares sold to certain members of our management and other parties affiliated with us.

(2) We estimate that we will incur offering expenses of approximately \$1,650,000, or approximately \$0.35 per share, in connection with this offering. All of these offering expenses will be borne indirectly by investors in this offering and will immediately reduce the net asset value of each investor's shares. We estimate that the net proceeds to us after expenses will be approximately \$63.9 million, or approximately \$13.68 per share.

In addition, the underwriters may purchase up to an additional 700,500 shares of our common stock at the public offering price, less the sales load payable by us, to cover over-allotments, if any, within 30 days from the date of this prospectus. If the underwriters exercise this option in full, the total sales load will be \$5,267,535, and total proceeds, before expenses, will be \$75,289,965.

The underwriters reserved up to 10.0% of the common stock being offered in this offering for sale, directly or indirectly, to our directors and members of our management, and to certain other parties affiliated with us.

The underwriters are offering the common stock as set forth in Underwriting. Delivery of the shares will be made on or about June 24, 2011.

Morgan Keegan

Baird

**BB&T Capital Markets
A Division of Scott & Stringfellow, LLC**

Oppenheimer & Co.

The date of this prospectus is June 20, 2011

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. We will update these documents to reflect material changes only as required by law.

SUMMARY

This summary highlights some of the information in this prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read this entire prospectus carefully, including, in particular, the more detailed information set forth under Risk Factors, the consolidated financial statements and the related notes of Fidus Mezzanine Capital, L.P. included elsewhere in this prospectus.

As used in this prospectus, except as otherwise indicated, the terms we, us and our refer to Fidus Mezzanine Capital, L.P., a Delaware limited partnership, for the periods prior to consummation of the formation transactions (described below) and this offering, and refer to Fidus Investment Corporation, a Maryland corporation, and its consolidated subsidiaries, including Fidus Mezzanine Capital, L.P., for the periods after the consummation of the formation transactions and this offering. As used in this prospectus the term our investment advisor refers to Fidus Capital, LLC prior to the consummation of our formation transactions and Fidus Investment Advisors, LLC after the consummation of our formation transactions. The investment professionals of Fidus Capital, LLC will be the investment professionals of Fidus Investment Advisors, LLC.

In conjunction with the pricing of this offering, in what we sometimes refer to in this prospectus as the formation transactions, Fidus Investment Corporation will acquire Fidus Mezzanine Capital, L.P. through the merger of Fidus Mezzanine Capital, L.P. with a wholly-owned subsidiary of Fidus Investment Corporation and a merger of Fidus Mezzanine Capital GP, LLC with and into a wholly-owned subsidiary of Fidus Investment Corporation. For a detailed discussion of such transactions, see Formation Transactions; Business Development Company and Regulated Investment Company Elections. In addition, upon consummation of the formation transactions, Fidus Mezzanine Capital, L.P. will terminate its management services agreement with Fidus Capital, LLC, and we will enter into an investment advisory and management agreement with Fidus Investment Advisors, LLC. In addition, Fidus Investment Advisors, LLC will serve as our administrator pursuant to a separate administration agreement.

When reading this prospectus, it is important to note that the historical financial statements and other historical financial information included herein are those of Fidus Mezzanine Capital, L.P. Prior to the consummation of the formation transactions and this offering, Fidus Mezzanine Capital, L.P. was not regulated as a business development company under the Investment Company Act of 1940, as amended (the 1940 Act), and therefore was not subject to certain restrictions imposed by the 1940 Act on business development companies; and, if Fidus Mezzanine Capital, L.P. had been regulated as a business development company under the 1940 Act, Fidus Mezzanine Capital, L.P.'s performance may have been adversely affected. Upon consummation of this offering and the formation transactions, we will be an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the 1940 Act. In addition, for U.S. federal income tax purposes we intend to elect to be treated as a regulated investment company (RIC) under the Internal Revenue Code of 1986, as amended (the Code).

Unless indicated otherwise or the context requires, all information in this prospectus assumes no exercise of the underwriters over-allotment option to purchase additional shares of our common stock and an initial public offering price of \$15.00 per share.

Fidus Investment Corporation

We provide customized mezzanine debt and equity financing solutions to lower middle-market companies, which we define as U.S. based companies having revenues between \$10.0 million and \$150.0 million. Our investment objective is to provide attractive risk-adjusted returns by generating both current income from our debt investments and capital

appreciation from our equity related investments. We were formed to continue and expand the business of Fidus Mezzanine Capital, L.P., a fund formed in February 2007 that is licensed by the United States Small Business Administration (the SBA) as a small business investment company (an SBIC) and to make investments in portfolio companies directly at the parent level. Upon consummation of this offering and the formation transactions, we will acquire Fidus Mezzanine Capital,

L.P. as our wholly-owned SBIC subsidiary. Our investment strategy includes partnering with business owners, management teams and financial sponsors by providing customized financing for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion and other growth initiatives. We seek to maintain a diversified portfolio of investments in order to help mitigate the potential effects of adverse economic events related to particular companies, regions or industries. Since commencing operations in 2007, we have invested an aggregate of \$170.4 million in 21 portfolio companies.

We invest in companies that possess some or all of the following attributes: predictable revenues; positive cash flows; defensible and/or leading market positions; diversified customer and supplier bases; and proven management teams with strong operating discipline. We target companies in the lower middle-market with annual earnings, before interest, taxes, depreciation and amortization, or EBITDA, between \$3.0 million and \$20.0 million; however, we may from time to time opportunistically make investments in larger or smaller companies. We expect that our investments will typically range between \$5.0 million and \$15.0 million per portfolio company.

As of March 31, 2011, we had debt and equity investments in 16 portfolio companies with an aggregate fair value of \$143.7 million. The weighted average yield on all of our debt investments as of March 31, 2011 was 14.9%. Yields are computed using the effective interest rates as of March 31, 2011, including accretion of original issue discount, divided by the weighted average cost of debt investments. There can be no assurance that the weighted average yield will remain at its current level.

Market Opportunity

We believe that the limited amount of capital available to lower middle-market companies, coupled with the desire of these companies for flexible and partnership-oriented sources of capital, creates an attractive investment environment for us. We believe the following factors will continue to provide us with opportunities to grow and deliver attractive returns to stockholders.

The lower middle-market represents a large, underserved market. According to Dun & Bradstreet, as of January 31, 2011, there were approximately 105,000 companies in the lower middle-market, defined as companies with revenues between \$10.0 million and \$150.0 million. We believe that lower middle-market companies, most of which are privately-held, are relatively underserved by traditional capital providers such as commercial banks, finance companies, hedge funds and collateralized loan obligation funds. Further, we believe that companies of this size generally are less leveraged relative to their enterprise value, as compared to larger companies with more financing options.

Recent credit market dislocation for lower middle-market companies has created an opportunity for attractive risk-adjusted returns. We believe the credit crisis that began in 2007 and the subsequent exit from lower middle-market lending of traditional capital sources, such as commercial banks, finance companies, hedge funds and collateralized loan obligation funds, has resulted in an increase in opportunities for alternative funding sources. In addition, we believe that there continues to be less competition in our market and an increased opportunity for attractive risk-adjusted returns. The remaining lenders and investors in the current environment are requiring lower amounts of senior and total leverage, increased equity commitments and more comprehensive covenant packages than was customary in the years leading up to the credit crisis.

Large pools of uninvested private equity capital should drive future transaction velocity. According to Pitchbook, as of June 30, 2010, there was approximately \$42 billion of uninvested capital raised by private equity funds under \$500.0 million in fund size with vintage years from 2005 to 2010. As a result, we expect that private equity firms will remain active investors in lower middle-market companies. Private equity funds generally seek to leverage their investments by combining their equity capital with senior secured loans and/or mezzanine debt provided by other

sources, and we believe that our investment strategy positions us well to partner with such private equity investors.

Future refinancing activity is expected to create additional investment opportunities. A high volume of debt financings completed between the years 2005 and 2008 is expected to mature in the coming years. Based on Standard & Poor's LCD middle-market statistics, an aggregate of \$113.9 billion middle-market loans were

issued from 2004 to 2007 and are expected to mature in five to seven years. We believe this supply of opportunities coupled with limited financing providers will continue to produce for us investment opportunities with attractive risk-adjusted returns.

Business Strategy

We intend to accomplish our goal of becoming the premier provider of capital to and value-added partner of lower middle-market companies by:

Leveraging the Experience of Our Investment Advisor. Our investment advisor's investment professionals have an average of over 20 years of experience investing in, lending to and advising companies across changing market cycles. These professionals have diverse backgrounds with prior experience in senior management positions at investment banks, specialty finance companies, commercial banks and privately and publicly held companies and have extensive experience investing across all levels of the capital structure of middle-market companies. The members of our investment advisor have invested more than \$750 million in mezzanine debt, senior secured debt (including unitranche debt) and equity securities of primarily lower middle-market companies. We believe this experience provides our investment advisor with an in-depth understanding of the strategic, financial and operational challenges and opportunities of lower middle-market companies. Further, we believe this understanding positions our investment advisor to effectively identify, assess, structure and monitor our investments.

Capitalizing on Our Strong Transaction Sourcing Network. Our investment advisor's investment professionals possess an extensive network of long-standing relationships with private equity firms, middle-market senior lenders, junior-capital partners, financial intermediaries and management teams of privately owned businesses. We believe that the combination of these relationships and our reputation as a reliable, responsive and value-added financing partner helps generate a steady stream of new investment opportunities and proprietary deal flow. Further, we anticipate that we will obtain leads from our greater visibility as a publicly-traded business development company. Since commencing operations in 2007, the investment professionals of our investment advisor have reviewed over 850 investment opportunities primarily in lower middle-market companies through March 31, 2011.

Serving as a Value-Added Partner with Customized Financing Solutions. We follow a partnership-oriented approach in our investments and focus on opportunities where we believe we can add value to a portfolio company. We primarily concentrate on industries or market niches in which the investment professionals of our investment advisor have prior experience. The investment professionals of our investment advisor also have expertise in structuring securities at all levels of the capital structure, which we believe positions us well to meet the needs of our portfolio companies. We will invest in mezzanine debt securities, typically coupled with an equity interest; however, on a selective basis we may invest in senior secured or unitranche loans. Further, as a publicly-traded business development company, we will have a longer investment horizon without the capital return requirements of traditional private investment vehicles. We believe this flexibility will enable us to generate attractive risk-adjusted returns on invested capital and enable us to be a better long-term partner for our portfolio companies. We believe that by leveraging the industry and structuring expertise of our investment advisor coupled with our long-term investment horizon, we are well positioned to be a value-added partner for our portfolio companies.

Employing Rigorous Due Diligence and Underwriting Processes Focused on Capital Preservation. Our investment advisor follows a disciplined and credit-oriented approach to evaluating and investing in companies. We focus on companies with proven business models, significant free cash flow, defensible market positions and significant enterprise value cushion for our debt investments. In making investment decisions, we seek to minimize the risk of capital loss without foregoing the opportunity for capital appreciation. Our investment advisor's investment professionals have developed extensive due diligence and underwriting processes designed to assess a portfolio company's prospects and to determine the appropriate investment structure. Our investment advisor thoroughly

analyzes each potential portfolio company's competitive position, financial performance, management team, growth potential and industry attractiveness. As part of this process, our investment advisor also participates in meetings with management, tours of facilities, discussions with

industry professionals and third-party reviews. We believe this approach enables us to build and maintain an attractive investment portfolio that meets our return and value criteria over the long term.

Actively Managing our Portfolio. We believe that our investment advisor's initial and ongoing portfolio review process allows us to effectively monitor the performance and prospects of our portfolio companies. We seek to obtain board observation rights or board seats with respect to our portfolio companies, and we conduct monthly financial reviews and regular discussions with portfolio company management. We structure our investments with a comprehensive set of financial maintenance, affirmative and negative covenants. We believe that active monitoring of our portfolio companies' covenant compliance provides us with an early warning of any financial difficulty and enhances our ability to protect our invested capital.

Maintaining Portfolio Diversification. We seek to maintain a portfolio of investments that is diversified among companies, industries and geographic regions. We have made investments in portfolio companies in the following industries: business services, industrial products and services, value-added distribution, healthcare products and services, consumer products and services (including retail, food and beverage), defense and aerospace, transportation and logistics, government information technology services and niche manufacturing. We believe that maintaining a diversified portfolio helps mitigate the potential effects of negative economic events for particular companies, regions and industries.

Benefiting from Lower Cost of Capital. Fidus Mezzanine Capital, L.P.'s SBIC license allows us to issue debt securities that are guaranteed by the SBA, which we refer to as SBA debentures. These SBA debentures carry long-term fixed rates that are generally lower than rates on comparable bank and public debt. Because lower-cost SBA leverage is, and will continue to be, a significant part of our funding strategy, our relative cost of debt capital should be lower than many of our competitors. We may also apply for a second SBIC license through which we may issue more SBA debentures to fund additional investments; however, we can make no assurances that, if we do apply, the SBA will approve such application. The SBA regulations currently limit the amount that is available to be borrowed by Fidus Mezzanine Capital, L.P. to \$150.0 million. If we apply and are approved by the SBA for a second SBIC license, the maximum amount of outstanding SBA debentures for two or more SBICs under common control cannot exceed \$225.0 million.

Investment Criteria/Guidelines

We use the following criteria and guidelines in evaluating investment opportunities and constructing our portfolio. However, not all of these criteria and guidelines have been, or will be, met in connection with each of our investments.

Value Orientation / Positive Cash Flow. Our investment advisor places a premium on analysis of business fundamentals from an investor's perspective and has a distinct value orientation. We focus on companies with proven business models in which we can invest at relatively low multiples of operating cash flow. We also typically invest in companies with a history of profitability and minimum trailing twelve month EBITDA of \$3.0 million. We do not invest in start-up companies, turn-around situations or companies that we believe have unproven business plans.

Experienced Management Teams with Meaningful Equity Ownership. We target portfolio companies that have management teams with significant experience and/or relevant industry experience coupled with meaningful equity ownership. We believe management teams with these attributes are more likely to manage the companies in a manner that protects our debt investment and enhances the value of our equity investment.

Niche Market Leaders with Defensible Market Positions. We invest in companies that have developed defensible and/or leading positions within their respective markets or market niches and are well positioned to capitalize on

growth opportunities. We favor companies that demonstrate significant competitive advantages, which we believe helps to protect their market position and profitability.

Diversified Customer and Supplier Base. We prefer to invest in companies that have a diversified customer and supplier base. Companies with a diversified customer and supplier base are generally better able to endure economic downturns, industry consolidation and shifting customer preferences.

Significant Invested Capital. We believe the existence of significant underlying equity value provides important support to our debt investments. With respect to our debt investments, we look for portfolio companies where we believe aggregate enterprise value significantly exceeds aggregate indebtedness, after consideration of our investment.

Viable Exit Strategy. We invest in companies that we believe will provide a steady stream of cash flow to repay our loans and reinvest in their respective businesses. In addition, we also seek to invest in companies whose business models and expected future cash flows offer attractive exit possibilities for our equity investments. We expect to exit our investments typically through one of three scenarios: (a) the sale of the company resulting in repayment of all outstanding debt and equity; (b) the recapitalization of the company through which our investments are replaced with debt or equity from a third party or parties; or (c) the repayment of the initial or remaining principal amount of our debt investment from cash flow generated by the company. In some investments, there may be scheduled amortization of some portion of our debt investment which would result in a partial exit of our investment prior to the maturity of the debt investment.

Portfolio Companies

As of March 31, 2011, 76.4% of our investments were mezzanine debt, 14.1% were senior secured debt and 9.5% were equity securities based on cost. Based upon information provided to us by our portfolio companies (which we have not independently verified), our portfolio had a total net debt to EBITDA ratio of approximately 3.5 to 1.0 and an EBITDA to interest expense ratio of 3.0 to 1.0. In calculating these ratios, we included all portfolio company debt, EBITDA and interest expense as of December 31, 2010, including debt junior to our debt investments. If we excluded debt junior to our debt investments in calculating these ratios, the ratios would be 3.4 to 1.0 and 3.1 to 1.0, respectively. At March 31, 2011, we had an equity ownership in 81.3% of our portfolio companies and the average fully diluted equity ownership in such portfolio companies was 9.2%.

The following table sets forth the cost and fair value of our investments by portfolio company as of March 31, 2011.

Company	Nature of Principal Business	Type	Cost of Investment (Dollars in thousands)	Fair Value of Investment
Avrio Technology Group, LLC	Provider of electronic components and software	Debt/Equity	\$ 9,185	\$ 9,185
Brook & Whittle Limited	Specialty label printer	Debt/Equity	8,298	8,581
Caldwell & Gregory, LLC	Laundry room operator	Debt/Equity	9,257	9,753
Casino Signs & Graphics, LLC	Sign manufacturer	Debt	4,500	934
Connect-Air International, Inc.	Distributor of wire and cable assemblies	Debt/Equity	9,106	9,106
Fairchild Industrial Products Company	Manufacturer of pneumatic and mechanical process controls	Debt	9,150	9,150
Goodrich Quality Theaters, Inc.	Movie theater operator	Debt/Equity	12,647	14,265
Interactive Technology Solutions, LLC	Government information technology services	Debt/Equity	5,565	5,465
Jan-Pro International, LLC	Franchisor of commercial cleaning services	Debt/Equity	8,136	7,995
K2 Industrial Services, Inc.	Industrial cleaning and coatings	Debt	8,000	8,240
Paramount Building Solutions, LLC	Janitorial services provider	Debt/Equity	7,553	9,361
Simplex Manufacturing Co.	Provider of helicopter tank systems	Debt/Equity	4,924	4,393
TBG Anesthesia Management, LLC	Physician management company	Debt/Equity	11,076	11,456
Tulsa Inspection Resources, Inc.	Pipeline inspection services	Debt/Equity	4,728	4,432
Westminster Cracker Company, Inc.	Specialty cracker manufacturer	Debt/Equity	7,863	7,863
Worldwide Express Operations, LLC	Franchisor of shipping and logistics services	Debt/Equity	18,680	23,473

Total: \$ 138,668 \$ 143,652

Recent Developments

On April 6, 2011, we invested \$8.1 million of subordinated debt and equity securities in Nobles Manufacturing, Inc., a leading manufacturer of ammunition feed systems and components and centrifugal dryers.

On April 12, 2011, we invested \$4.8 million of subordinated debt and equity securities in Medsurant Holdings, LLC, a provider of intraoperative monitoring technology and services.

In April 2011, Fidus Mezzanine Capital, L.P. made a \$1.5 million distribution to its general and limited partners.

About Our Advisor

The investment activities of Fidus Mezzanine Capital, L.P. are currently managed by Fidus Capital, LLC. Upon consummation of the formation transactions and this offering, Fidus Mezzanine Capital, L.P. will terminate the current management services agreement with Fidus Capital, LLC, and we will enter into an investment advisory and management agreement (the "Investment Advisory Agreement") with Fidus Investment Advisors, LLC, as our investment advisor. The investment professionals of Fidus Capital, LLC, who are also the investment professionals of Fidus Investment Advisors, LLC, are responsible for sourcing potential investments, conducting research and diligence on potential investments and equity sponsors, analyzing investment opportunities, structuring our investments and monitoring our investments and portfolio companies on an ongoing basis. Fidus Investment Advisors, LLC is a newly formed Delaware limited liability company that is a registered investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). In addition, Fidus Investment Advisors, LLC will serve as our administrator pursuant to an administration agreement (the "Administration Agreement"). Our investment advisor has no prior experience managing or administering any business development company.

Our relationship with our investment advisor will be governed by and dependent on the Investment Advisory Agreement and may be subject to conflicts of interest. See "Related-Party Transactions and Certain Relationships Conflicts of Interest." Pursuant to the terms of the Investment Advisory Agreement, our investment advisor will provide us with advisory services in exchange for a base management fee and incentive fee. See "Management and Other Agreements Investment Advisory Agreement" for a discussion of the base management fee and incentive fee payable by us to our investment advisor. These fees are based on our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts); therefore, our investment advisor will benefit when we incur debt or use leverage. See "Risk Factors" Our incentive fee structure may create incentives for our investment advisor that are not fully aligned with the interests of our stockholders. Our board of directors is charged with protecting our interests by monitoring how our investment advisor addresses these and other conflicts of interest associated with its management services and compensation. While our board of directors is not expected to review or approve each borrowing or incurrence of leverage, our independent directors will periodically review our investment advisor's services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors will consider whether the fees and expenses (including those related to leverage) that we pay to our investment advisor remain appropriate.

Formation Transactions

Fidus Investment Corporation is a newly organized Maryland corporation formed on February 14, 2011, for the purpose of raising capital in this offering, acquiring 100.0% of the equity interests in Fidus Mezzanine Capital, L.P. and Fidus Mezzanine Capital GP, LLC, and thereafter operating as an externally managed, closed-end, non-diversified management investment company that elects to be regulated as a business development company under the 1940 Act. Immediately prior to our election to be treated as a business

development company under the 1940 Act and the pricing of this offering, we will consummate the following formation transactions:

We will acquire 100.0% of the limited partnership interests in Fidus Mezzanine Capital, L.P. through the merger of Fidus Mezzanine Capital, L.P. with a limited partnership that is our wholly-owned subsidiary. As a result of this merger, Fidus Mezzanine Capital, L.P. will be the surviving entity and will become our wholly-owned subsidiary, retain its SBIC license, continue to hold its existing investments and make new investments with a portion of the net proceeds of this offering. Fidus Mezzanine Capital, L.P. will also elect to be regulated as a business development company under the 1940 Act. The limited partners hold 91.3% of the partnership interests of Fidus Mezzanine Capital, L.P. In exchange for their partnership interests, we will issue 3,702,778 shares of common stock, at the initial offering price of \$15.00 per share, to the limited partners of Fidus Mezzanine Capital, L.P. having an aggregate value of \$55.5 million (which represents the limited partners' share of the net asset value of Fidus Mezzanine Capital, L.P. as of the most recent quarter end for which financial statements have been included in this prospectus, plus any additional cash contributions to Fidus Mezzanine Capital, L.P. by the limited partners following such quarter end but prior to the closing of the merger, less any cash distributions to the limited partners following such quarter end but prior to the closing of the merger).

We will acquire 100.0% of the equity interests in Fidus Mezzanine Capital GP, LLC, the general partner of Fidus Mezzanine Capital, L.P., from the members of Fidus Mezzanine Capital GP, LLC through the merger of Fidus Mezzanine Capital GP, LLC with and into Fidus Investment GP, LLC, our wholly-owned subsidiary. Fidus Investment GP, LLC will be the surviving entity and, as a result, we will acquire 100.0% of the general partnership interest in Fidus Mezzanine Capital, L.P. Fidus Mezzanine Capital GP, LLC holds 8.7% of the partnership interests in Fidus Mezzanine Capital, L.P. and no other interests or assets. The members of Fidus Mezzanine Capital GP, LLC will not receive any consideration in exchange for their carried interest in Fidus Mezzanine Capital, L.P. In exchange for its partnership interests in Fidus Mezzanine Capital, L.P., we will issue 353,743 shares of common stock, at the initial offering price of \$15.00 per share, to Fidus Mezzanine Capital GP, LLC having an aggregate value of \$5.3 million (which consideration has been calculated on the same basis as the consideration paid to the limited partners of Fidus Mezzanine Capital, L.P. described above). Such shares will be distributed to the members of Fidus Mezzanine Capital GP, LLC in exchange for their equity interest in Fidus Mezzanine Capital GP, LLC.

Fidus Mezzanine Capital GP, LLC and the limited partners of Fidus Mezzanine Capital, L.P. have each approved the formation transactions. Prior to consummation of the formation transactions, we must also receive the approval of the SBA.

Upon consummation of the formation transactions, Fidus Mezzanine Capital, L.P. will terminate its management services agreement with Fidus Capital, LLC, and we will enter into the Investment Advisory Agreement with Fidus Investment Advisors, LLC, our investment advisor. The investment professionals of Fidus Capital, LLC are also the investment professionals of Fidus Investment Advisors, LLC.

The following diagram depicts our organizational structure upon completion of this offering (assuming the underwriters do not exercise their over-allotment option) and the formation transactions described elsewhere in this prospectus:

Operating and Regulatory Structure

Our investment activities will be managed by our investment advisor under the direction of our board of directors and the board of directors of Fidus Mezzanine Capital, L.P., a majority of whom are independent of us, Fidus Mezzanine Capital, L.P., our investment advisor and our and their respective affiliates. We have no prior history of operating as a business development company, and our investment advisor has no prior experience managing or administering any business development company.

As business development companies, we and Fidus Mezzanine Capital, L.P., will be required to comply with certain regulatory requirements. For example, while we are permitted to finance investments using leverage, which may include the issuance of shares of preferred stock, or notes and other borrowings, our ability to use leverage is limited in significant respects. See Regulation. Any decision on our part to use leverage will depend upon our assessment of the attractiveness of available investment opportunities in relation to the costs and perceived risks of such leverage. The use of leverage to finance investments creates certain risks and potential conflicts of interest. See Risk Factors Risks Relating to our Business and Structure Regulations governing our operation as a business development company will affect our ability to raise, and the way in which we raise, additional capital which may have a negative effect on our growth and Risk Factors Risks Relating to our Business and Structure Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.

We intend to elect to be treated for federal income tax purposes as a RIC under the Code. In order to be treated as a RIC, we must satisfy certain source of income, asset diversification and distribution requirements. See Material U.S. Federal Income Tax Considerations.

Risk Factors

The value of our assets, as well as the market price of our shares, will fluctuate. Our investments may be risky, and you may lose part of or all of your investment in us. Investing in our common stock involves other risks, including the following:

our inexperience operating a business development company;

our dependence on key personnel of our investment advisor and our executive officers;

our ability to maintain or develop referral relationships;

our ability to manage our business effectively;

our use of leverage;

uncertain valuations of our portfolio investments;

competition for investment opportunities;

potential divergent interests of our investment advisor and our stockholders arising from our incentive fee structure;

actual and potential conflicts of interest with our investment advisor;

constraint on investment due to access to material nonpublic information;

other potential conflicts of interest;

SBA regulations affecting our wholly-owned SBIC subsidiary;

changes in interest rates;

the impact of a protracted decline in the liquidity of credit markets on our business and portfolio investments;

fluctuations in our quarterly operating results;

our ability to qualify and maintain our qualification as a RIC and as a business development company;

risks associated with the timing, form and amount of any dividends or distributions;
changes in laws or regulations applicable to us;
our ability to obtain exemptive relief from the SEC;
possible resignation of our investment advisor;
the general economy and its impact on the industries in which we invest;
risks associated with investing in lower middle-market companies;
our ability to invest in qualifying assets; and
our ability to identify and timely close on investment opportunities.

See Risk Factors beginning on page 19 and the other information included in this prospectus for additional discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

Corporate Information

Our principal executive offices are located at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, and our telephone number is (847) 859-3940. Our corporate website is located at <http://www.fdus.com>. Information on our website is not incorporated into or a part of this prospectus.

The Offering

Common stock offered by us	4,670,000 shares (or 5,370,500 shares if the underwriters exercise their over-allotment option in full).
Common stock issued in formation transactions	4,056,521 shares
Common stock to be outstanding after this offering	8,726,521 shares (or 9,427,021 shares if the underwriters exercise their over-allotment option in full).
Use of proceeds	<p>Our net proceeds from this offering will be approximately \$63.9 million, or approximately \$73.6 million if the underwriters exercise their over-allotment option in full.</p> <p>We intend to use the net proceeds of this offering to invest in portfolio companies through Fidus Mezzanine Capital, L.P. or directly in accordance with our investment objective and the strategies described in this prospectus, to make distributions to our stockholders and for general corporate purposes, which may include the establishment of a second SBIC, through which we would make additional investments. We will also pay operating expenses, including management and administrative fees, and may pay other expenses from the net proceeds of this offering. Pending such investments, we intend to invest the net proceeds of this offering primarily in cash, cash equivalents, U.S. Government securities and high-quality debt investments that mature in one year or less from the date of investment. These temporary investments may have lower yields than our other investments and, accordingly, may result in lower distributions, if any, during such period. See Use of Proceeds.</p>
The Nasdaq Global Market Symbol	FDUS
Investment advisory fee	<p>We will pay our investment advisor a fee for its services under the Investment Advisory Agreement consisting of two components a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1.75% of the average value of our total assets (other than cash or cash equivalents but including assets purchased with borrowed amounts). The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20.0% of our pre-incentive fee net investment income for the immediately preceding quarter, subject to a 2.0% preferred return, or hurdle, and a catch up feature. The second part is determined and payable in arrears as of the end of each fiscal year in an amount equal to 20.0% of our realized capital gains, on a cumulative basis from inception through the end of the year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. See Management and Other Agreements Investment Advisory Agreement.</p>

Distributions

Subsequent to the completion of this offering, and to the extent we have income and cash available, we intend to distribute quarterly dividends to our stockholders, beginning with the first full calendar

quarter after the completion of this offering. Our quarterly dividends, if any, will be determined by our board of directors. Any dividends to our stockholders will be declared out of assets legally available for distribution.

Dividend reinvestment plan

We have adopted a dividend reinvestment plan for our stockholders, which is an opt out dividend reinvestment plan. Under this plan, if we declare a cash dividend or other distribution, our stockholders who have not opted out of our dividend reinvestment plan will have their cash distribution automatically reinvested in additional shares of our common stock, rather than receiving the cash distribution. If a stockholder opts out, that stockholder will receive cash dividends or other distributions. Stockholders who receive dividends and other distributions in the form of shares of common stock generally are subject to the same U.S. federal tax consequences as stockholders who elect to receive their distributions in cash; however, since their cash dividends will be reinvested, such stockholders will not receive cash with which to pay any applicable taxes on reinvested dividends. See Dividend Reinvestment Plan.

Taxation

We intend to elect to be treated, and intend to qualify thereafter, as a RIC under the Code, beginning with our first taxable year ending December 31, 2011. As a RIC, we generally will not have to pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders. To obtain and maintain RIC tax treatment, we must distribute at least 90.0% of our net ordinary income and net short-term capital gains in excess of our net long-term capital losses, if any. See Distributions and Material U.S. Federal Income Tax Considerations.

Risk factors

An investment in our common stock is subject to risks. See Risk Factors beginning on page 19 of this prospectus to read about factors you should consider before deciding to invest in shares of our common stock.

Effective trading at a discount

Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. We are not generally able to issue and sell our common stock at a price below our net asset value per share unless we have stockholder approval. The risk that our shares may trade at a discount to our net asset value is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our shares will trade above, at or below net asset value. See Risk Factors.

Available information

We have filed with the SEC a registration statement on Form N-2, of which this prospectus is a part, under the Securities Act of 1933, as amended (the Securities Act). This registration statement contains additional information about us and the shares of our common stock being offered by this prospectus. After the completion of this offering, we will be required to file periodic reports, current reports, proxy statements and other information with the SEC. This information will be available at the

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public reference room at 100 F. Street, N.E., Washington, D.C. 20549 and on the SEC's website at <http://www.sec.gov>. Information on the operation of the SEC's public reference room may be obtained by calling the SEC at 1-800-SEC-0330.

We maintain a website at <http://www.fidus.com> and intend to make all of our periodic and current reports, proxy statements and other information available, free of charge, on or through our website. Information on our website is not incorporated into or part of this prospectus. You may also obtain such information free of charge by contacting us in writing at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.

Selected Consolidated Financial and Other Data