



Investor Presentation Covering Q2 2019
June 2019

MVC | CAPITAL

Forward Looking Statement

This presentation contains “forward-looking statements.” These statements include the plans and objectives of management for future operations, the performance of portfolio companies, financial results and performance of the Company, transitioning to a yield portfolio, making yielding investments, monetizing the equity portfolio, accessing additional leverage, identifying loan investments with terms indicated herein, continuing to make and grow distributions, loan portfolio growth, and availability of funds. Information in this presentation is not an update or reaffirmation of previously disclosed information. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results to differ materially are included in the “Risk Factors” section of the Company’s periodic filings with the SEC, and include uncertainties of economic, competitive and market conditions, uncertainties in the Company’s ability to deliver value to all shareholders and execute its yield investment strategy, the performance of the Company’s investments, the level of dividends or other distributions to be made, and future business decisions, all of which are difficult or impossible to predict accurately, and many of which are beyond the control of the Company. Although the Company believes that the assumptions underlying the forward-looking statements included herein are reasonable, any of the assumptions could be inaccurate and therefore there can be no assurance that the forward-looking statements included herein will prove to be accurate. Therefore, the inclusion of such information should not be regarded as a representation by the Company for any other person that the objectives and plans of the Company will be achieved. This presentation should be read in conjunction with the Company’s recent SEC filings.

Overview of MVC Capital

Evolution of MVC

1999 – MVC Capital, Inc. (“MVC” or the “Company”) formed as an externally-managed Business Development Company (“BDC”)

2003 – Michael Tokarz assumed roles of Chairman and Portfolio Manager

2006 – The Tokarz Group Advisers, LLC (“TTGA”) became MVC’s external investment advisor

Fiscal 2014 – David Williams who led Fifth Third Bank’s mezzanine finance group was hired to lead the Company’s transition to yield

Transition to Yield

- Early focus was on realizing capital loss carry forwards through equity investing
- Current focus on monetizing equity and redeployment into yield
- \$331.8 million investment portfolio of primarily yielding securities in small and medium-sized businesses
 - Transition to yield-focused BDC continues: 70% yielding (including Crius units) at Fiscal Q2 2019 in comparison to 29% yielding at the beginning of fiscal 2015

Consistent Distributions to Shareholders

- Over \$275 million distributed to shareholders through April 30, 2019 (including buy backs and tender offers)
- NOI for the quarter ending July 31, 2019 is expected to meet or exceed the current dividend level of \$0.15 per share*

Equity / Notes Ticker	MVC / MVCD
Exchange	NYSE
Current Stock Price ¹	\$9.35
NAV per share ²	\$12.99
Price / NAV per share	0.72x
TTM Dividend Yield ¹	6.4%
Market Capitalization ¹	\$165.7 Million

Company Highlights

Focus on Yielding Investments

Combined equity monetizations and yielding investments demonstrate the Company's multi-year transition to a yield-focused BDC.

Significant Access to Capital

Access to potential significant investment capital for future debt investments through cash, potential increased leverage capacity, and realizing potential equity monetizations.

Robust Market Opportunity

With banks reducing the types of loans they make to the Lower Middle Market ("LMM") due to increased regulations, MVC is poised to fill the void.

Unique Deal Flow

Well-established, nationwide Commercial Bank Partners ("CBP") network provides unique LMM deal flow and attractive risk-adjusted returns.

Co-Investment Opportunities

Expected to help enhance deal flow, accessing larger deals, while improving diversification and granularization across the portfolio (smaller investment sizes). Top tier BDC investment partner provides extra verification on all co-investment opportunities.

Experienced Management Team

Experienced leadership team comprised of lower middle market specialists with strong credit quality expertise and a proven record having generated solid historical realized returns over many credit cycles.

Consistent Distributions

MVC has paid uninterrupted quarterly dividends to shareholders that have grown over time. A total of \$7.59 per share distributed since instituting the dividend policy in 2005 through April 30, 2019.

Commitment to and Alignment with Shareholders

Since October 2017:

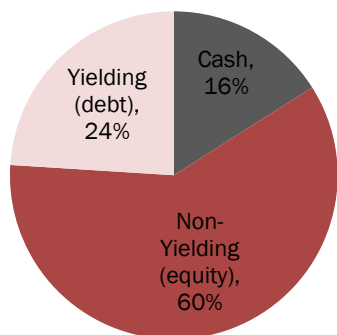
- **Completed meaningful steps towards yield-focused BDC pivot with 70% of the portfolio now yielding as of April 30, 2019**
 - In fiscal 2018, yielding deal activity of \$61.5 million at an average yield of 12.1%; average portfolio yield of 13.5% across \$162M of investments
 - Sold Plymouth Rock Energy, a portfolio company of the MVC Private Equity Fund L.P. for an approximate 3.4X return³ and Centile, a European asset for an approximate 2X return, despite currency headwinds over the holding period.
 - Definitive agreement signed between Crius Energy/US Gas & Electric, Inc. and Vistra Energy. Closing anticipated for Q319.
 - On April 30, 2019 Custom Alloy Corporation redeemed its series A, B and C preferred shares and consolidated its second lien loans in exchange for two second lien loans totaling approximately \$38.0 million and \$595,000 invested with interest rates of 15%. The new second lien loans place MVC in a secured position, higher up in the capital structure and provides a stronger overall yield.
- **Revised management fee structure to further align interests of management and MVC shareholders and added new board talent to help steer the Company**
 - If P/NAV discount >20%, management fee reduced to 1.25%; between 10-20% = 1.50%; <10% or eliminated, management fee would not exceed 1.75%
 - Independent Board directors have agreed to reduce their compensation by 36% until P/NAV discount <10%
- **Increased quarterly common equity dividend by 11% to \$0.15 per share starting in FQ4 2017**
 - No dividend cut since quarterly dividend policy inception; 2nd largest % dividend increase in BDC industry since 2015
 - NOI for the quarter ending July 31, 2019 is expected to meet or exceed the current dividend level of \$0.15 per share by July 31, 2019**
- **Completed nearly \$50 million of tender offers and share repurchases (estimated total accretion of \$0.66 per share) as of April 30, 2019**
- **Refinanced 7.25% Senior Notes for 6.25% Senior Notes, saving shareholders \$1.9 million (net of offering costs over the life of the Notes)**
- **Replaced Santander Bank N.A credit facility with new facility from People's United Bank, National Association, improving rate and terms**

All actions are consistent with MVC's stated commitment to enhancing shareholder value while continuing the transition to a yield-focused BDC

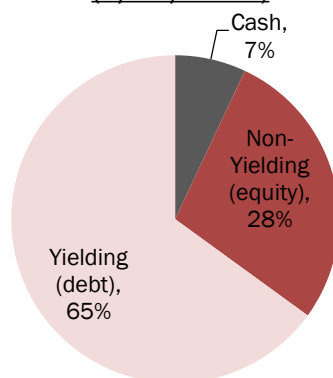
*\$1.9 million in savings is calculated as the differential in interest expense between the 6.25% Senior Notes and the 7.25% Senior Notes over the five-year term of the Notes, net of the estimated offering fees and expenses. **NOI expectations for the quarter ending Q319 assumes no major repayments in the portfolio and no impairments or unforeseen events.

Investment Thesis: Transition to Yield

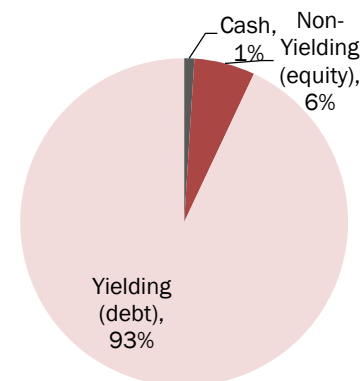
FYE 2013



Current
(4/30/2019)



Target Portfolio Post-Pivot {~12 mo}^{4, 5}



Yield-focused actions we have already taken

**October 2014 /
Start of FY2015**
Hired Fifth Third
Mezzanine
Finance Team

July 2017
Sold largest
equity position,
U.S. Gas, for
\$127mm

July 2017
Rolled \$66mm
of proceeds to
yielding assets
in surviving
entity

**FQ4 2014 to FQ2
2016**
Deployed
~\$100mm into
second lien loans

June 10, 2019
\$104mm of
yielding
investments in
FY2018
through Q219

Next phase of transformation

- Look to deploy current cash balance into yielding assets (currently, targeting 10-13% yields)
- Orderly equity liquidations and redeployment into yielding assets

Possible Next Step: Leverage the balance sheet more to move closer to industry norms⁵

- Current debt/equity approx. 56%⁶
- Industry average approx. 80%⁷
- If levered more, fully implies possible \$56mm of additional yielding investment potential

Top Line Growth Potential^{5,9}

Potential equity monetizations combined with existing cash and credit line accessibility provide significant potential dry powder for transitioning more fully to a yield-focused BDC without raising incremental equity capital.^{5,9}

Potential Non-Debt Liquidity Sources	Potential Liquidity (\$mm)
Estimated Cash Available as of April 30, 2019 Excluding Restricted Cash	\$18
<u>Equity Investments Sought to be Monetized⁹</u>	<u>\$75</u>
Total Non-Debt Liquidity Sources	\$93
Potential Leverage Normalization	Potential Liquidity (\$mm)
<u>Potential Increase in Debt/Equity Ratio from 56%⁶ to above 80%^{5,9,10}</u>	<u>\$56</u>
Total Potential Dry Powder	\$149

Significant potential earnings power without the need for external equity financing and without stretching on loan structure or credit quality^{5,13}

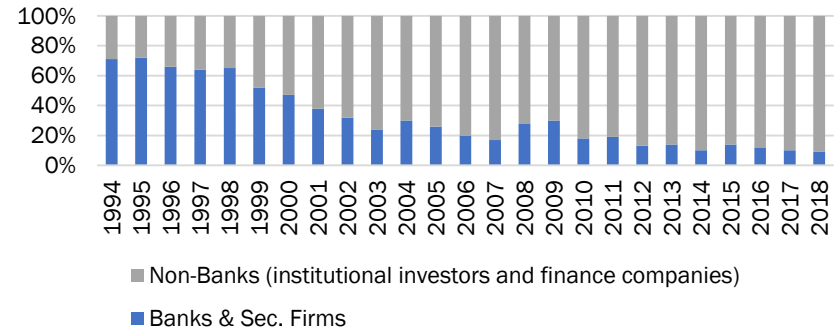
Capturing the Lower Middle Market Opportunity

Underbanked Behind Sr. Secured Debt

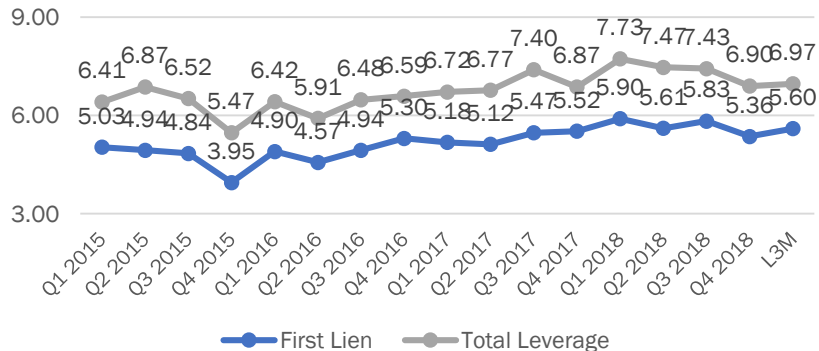
- Regulations have caused traditional banks to exit the market. Despite recent loosening of regulations, banks reluctant to lend to sub \$15mm EBITDA borrowers
- Large capital providers like GE Capital exited the market after the financial crisis
- Many private credit funds and larger BDCs have moved upstream in both loan size and loan seniority, creating opportunity for small second lien/mezzanine loans

Banks' share of loans down; <9% of overall market¹¹

Primary Investor Market: Banks vs Non-Banks



Avg. Unadjusted Leverage for M&A Driven Loans¹²

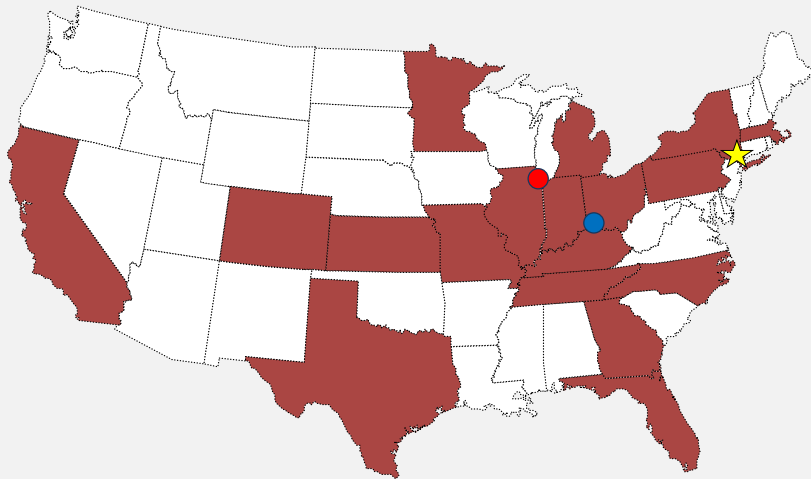


MVC's Differentiated Market Approach

- Beginning of Q219 market data from The Lead Left shows Total Debt/EBITDA of 3x-4x (Micro Cap) and 4X-5.25X (Small Cap)
- The Lending team has focused on underwriting to companies through MVC's tranche at 4.5X leverage or less
- Average senior leverage and total leverage at underwriting of 2.01X and 3.04X, respectively on all deals at MVC done by the Lending team since fiscal 2015
- Weighted average yield on all Lending team deals at MVC of 13.5%
- Maintaining discipline despite broader market conditions positions us for better risk adjusted returns

Unique Deal Sourcing Overview

Nationwide Deal Network



- ★ **MVC Headquarters** (Purchase, NY)
- **Lending team** (Cincinnati, OH)
- **Mid-West Office** (Chicago, IL)
- **Commercial Bank Partner states**

MVC's unique network of trusted relationship managers of CBPs often provides 'first look', non-auction opportunities for 2nd lien debt investments

Unique Sourcing, Unique Structure

- MVC hired Fifth Third Bank's mezzanine finance group (led by David Williams) in October 2014
- **The lending team has built its network of CBPs through its 40+ years of commercial banking experience**
- CBPs streamline execution and lower costs for borrowers by providing 'unitranche-like' structure
 - Expedites time to closing via coordinated diligence, approval, and documentation process
 - Reduces financial reporting and compliance processes over life of loan
 - 'Pre-baked'/coordinated inter-creditor agreements
- Additional sources of deal flow include:
 - **Private Equity** – 70+ PEG relationships; top 20 have provided repeat opportunities
 - **Midwest Focus** – Debt team's Cincinnati, OH office and local network provides opportunities not available to big market (NYC, etc.) managers; drives attractive risk-adjusted pricing for MVC
 - **Tokarz and TTGA Factor** – Mike Tokarz and TTGA platform open doors and create more traditional sourcing opportunities

Investment Strategy

Criteria¹³

- Target investment size and TTM EBITDA of \$3 – \$25 million
 - Specialization in EBITDA between \$2 – \$10 million
 - Focus on EBITDA Margins: 10%+
- Focus on LMM companies with <4.5x Debt/EBITDA through MVC tranche (< 3.1X on MVC investments)¹⁰
- Typically 2nd lien or investments with Commercial Bank Partners (CBP) supplying senior facility to complete “unitranche-like” structure
- Current coupon targets: 10-13%

Terms

- Maturity: Up to 6 years
- Structure: Bullet with cash flow recapture
- Targeted Cash Coupon: 10% - 13%
- Upfront fees
- As appropriate, Equity kickers and Co-investments
- PIK (1-3% typically)

Uses

- Growth Capital
- Bridge Financing
- Management Buy-ins/Buy-outs
- Leveraged Dividends
- Recapitalizations
- Restructurings
- Private Equity LBOs

Experienced Management Team

MVC Leadership

Michael Tokarz

40+ Years' Experience

- Chairman & Portfolio Manager of MVC Capital and The Tokarz Group Advisers, LLC
- Buyout pioneer and former General Partner of KKR for 17 years. Investment experience includes: Safeway, Beatrice, Walter
- Over 12 years of lending experience at Continental Illinois

MVC Debt Leadership

David Williams

35+ Years' Experience

- Joined MVC in 2014, as Sr. Managing Director
- Responsible for managing MVC Capital's Mezzanine Finance Group (the "Lending Team") and its investments
- Founder of Fifth Third Bank's Mezzanine Finance Group. 31+ years in commercial banking
- At Fifth Third, led or co-led more than 150 mezzanine transactions, representing over \$800 million in volume

Scott Schuenke

17+ Years' Experience

- Chief Financial Officer of MVC Capital, responsible for overseeing the financial operations of MVC Capital, its wholly-owned subsidiaries and TTGA
- Was MVC's corporate controller from June 2004 until he became CFO in 2013. Was also CCO from October 2004 through January 2015
- Additionally provides financial expertise and monitoring to various portfolio companies, including serving on certain boards

Harrison Mullin

20+ Years' Experience

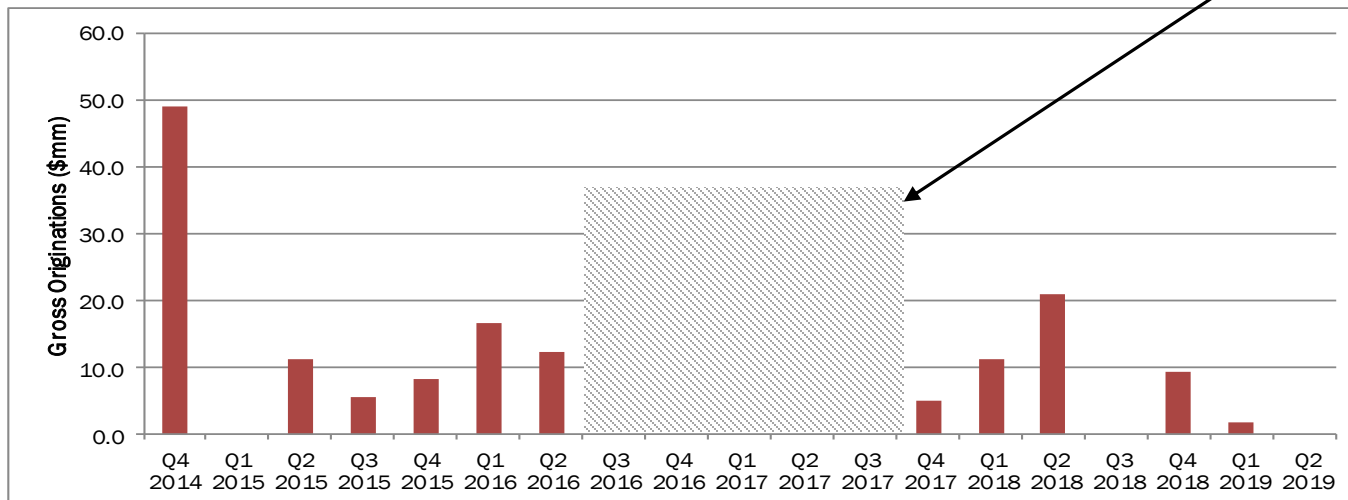
- Joined MVC Capital in October 2014, as Managing Director, to help manage the company's junior debt strategy - led 10 yielding investments representing over \$60 million at MVC Capital
- Spent 12 years at Fifth Third where he led 55 mezzanine deals, representing over \$350 million of junior capital investment
- Co-managed east coast operations at NetRoadshow, and was lead associate at Dillon & Read Co.'s equity capital markets desk

Strong Lending Team Track Record¹⁴

MVC's lending team has a track record across various industries and through multiple cycles. Patience and prudence are a priority.

- Lending team has a 15+ year track record originating LMM loans – experienced multiple recessions
- Over \$1 Billion originated since 2001 across 175 investments, primarily second lien loans through May 10, 2019
 - Average senior and total leverage at underwriting of 2.01X and 3.04X, respectively on deals at MVC
 - Weighted average yield on all Lending team deals at MVC of 13.5%

Lending Team Gross Originations by Quarter



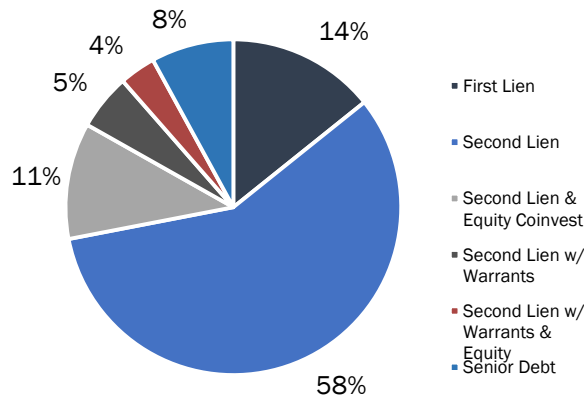
Halted new investments to build cash position

Yielding Portfolio Snapshot¹⁴

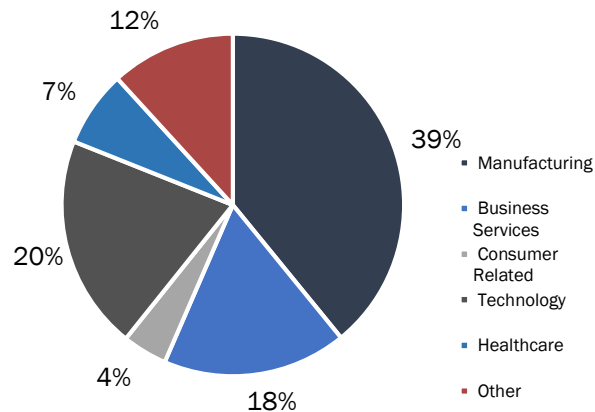
MVC Lending Team Deal Statistics

	MVC (2014-2019)
Capital Deployed	\$162,490,922
# Investments	23
Avg Investment Size	\$7,064,823
Avg FD/EBITDA+	3.04x
Avg Fixed Charge Coverage Ratio+	1.93x
Avg Life (Fully Repaid)	540 Days (1.5 Years)

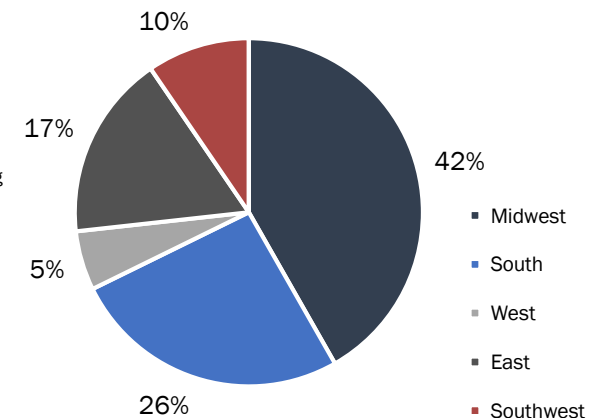
Investment by Security Type*



Investment by Industry*



Investment by Region*



*Covers \$162.5 million in capital deployed (i.e. the yielding portion) through June 10, 2019

Case Studies – Yielding

MVC's Yield Team has the experience, flexibility and creativity to deploy capital into a wide variety of lower middle market investments

- Debt structuring (current interest vs. PIK, amortizing vs. non-amortizing) is managed in conjunction with bank partners to find the appropriate balance for a given situation
- Comfortable co-investing in the equity and/or using structured equity, although yield is primary focus
- Depending on the transaction, can leverage its experience and network of relationships to add value as an advisor as well as a capital provider

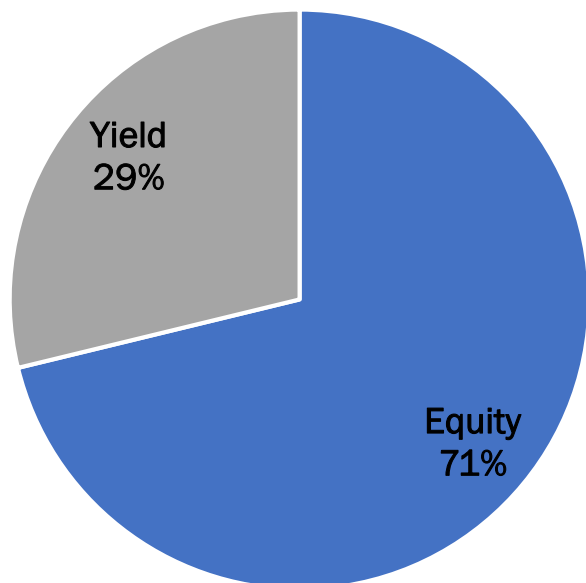


	Tuf Tug Products	US Technologies	Quantum Plastics
Transaction Description	Provided acquisition capital to an unfunded private equity sponsor	Refinanced debt & supported an add-on acquisition	Refinanced debt & supported an add-on acquisition
MVC Investment	\$4.9mm Second Lien Note & \$750K minority equity investment	\$5.5mm First Lien Note	\$10mm Second Lien Note
Note Pricing	1.0% Original Issue Discount (OID), 11.0% Current Interest, 2.0% PIK	2.0% OID, 10.5% Current Interest	1.0% OID, 12.0% current pay, Warrant
Deal Source	Relationship with the local boutique investment bank	Private equity sponsor with whom the lending team has a 10+ year relationship	Relationships with the MVC Capital external manager

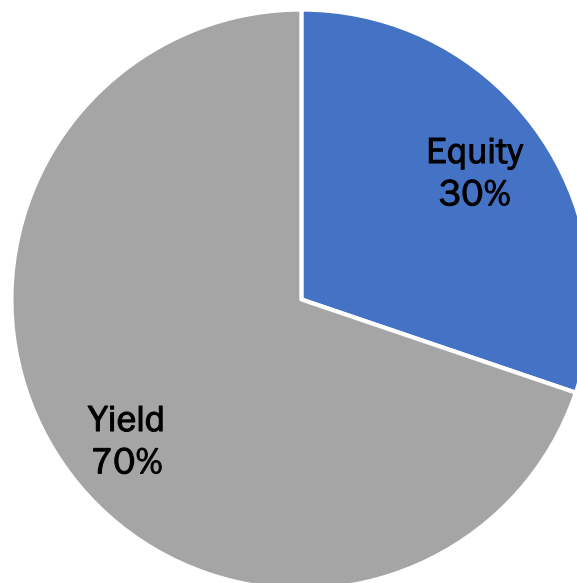
*Select case studies for illustrative purposes only.

Evolution of Yield – Yield Team In Action

October 31, 2014



April 30, 2019

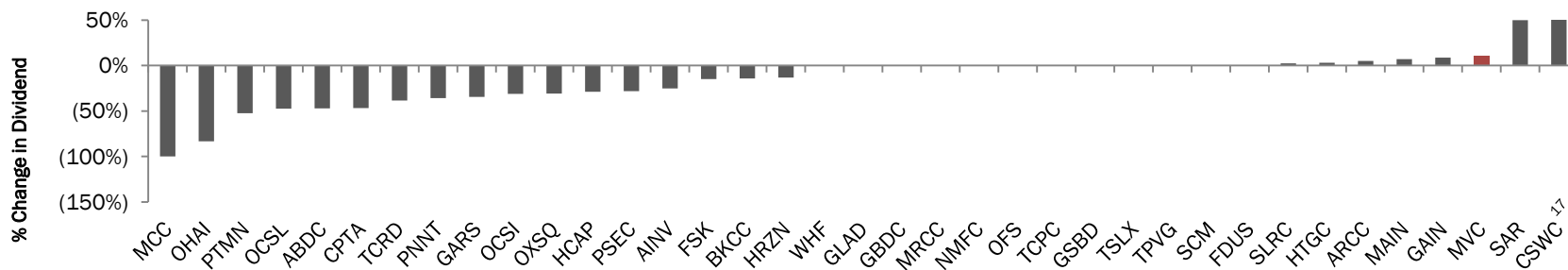


- Average senior and total leverage at underwriting of 2.01X and 3.04X, respectively on all deals at MVC since fiscal 2015
- Weighted average yield on all Lending team deals at MVC of 13.5%

MVC's Distributions To Shareholders^{15,16}

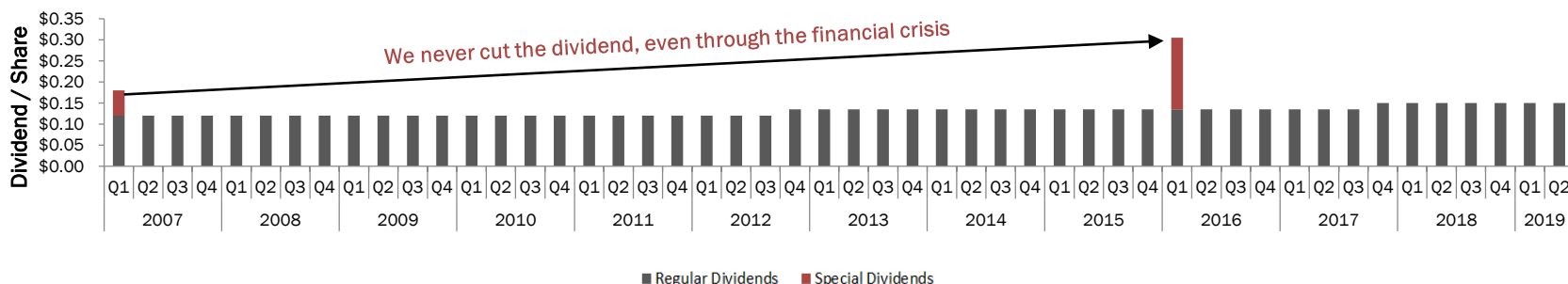
MVC is one of the top performers in terms of consistent dividend payments to shareholders which have grown

One of eight BDCs to Grow its Dividend Since 2015



Paid Dividends for Every Quarter for the Last 56 Quarters through April 2019

- MVC has consistently paid quarterly dividends, and on two occasions supplemented with special cash dividends
- Cumulative dividends per share of \$7.59 since fiscal 2004 through April 30, 2019



Summary

Portfolio Focused on Yield

- Continued focus on monetizing remaining equity investments as MVC shifts to a more yield-focused portfolio, which is intended to help drive increases in book value and dividends
- Capitalizing on the experience of the yield team's long-term track record of managing large volumes of loans throughout various credit cycles
- Solid investment pipeline at MVC

Lower Middle Market Focus

- Due to inter agency guidelines on leveraged lending, middle market companies are increasingly being underserved by traditional financing sources, such as banks
- BDCs and other alternative financing sources are filling the gap, providing needed capital to companies with strong fundamentals

Unique Deal Flow

- MVC's investment team sources opportunities through its extensive network of contacts
- Unique network of trusted relationship managers of CBPs provides 'first look', non-auction opportunities for 2nd lien debt investments
- Companies are attracted to working with MVC because of its reputation of providing both excellent operating and financial support, evidenced by repeat customers

MVC Opportunity

- Experienced investment professionals
- Significant shareholder alignment¹⁸
- Consistent historical dividend with potential to expand with more yielding investments and possible equity monetizations providing added capacity for yield investing

APPENDIX

Selected Financial Data – Balance Sheet^{19,20}

For the Year Ended October 31,

(\$ in thousands, except per share amounts)

Assets

	2016	2017	2018	Q2 2019
Cash & Cash Equivalents	\$ 10,214	\$ 101,374	\$ 10,587	\$ 17,702
Restricted Cash & Cash Equivalents	\$ 10,801	\$ 5,300	\$ 5,301	\$ 5,000
Yielding Investments	\$ 141,892	\$ 174,295	\$ 191,527	\$ 231,559
Short-term Investments	\$ 34,992	\$ -	\$ -	\$ 25,046
Equity Investments	\$ 218,227	\$ 118,230	\$ 132,980	\$ 100,257
Total Investments	\$ 395,111	\$ 292,525	\$ 324,507	\$ 356,862

Other Assets	\$ 16,240	\$ 4,210	\$ 6,683	\$ 7,382
Total Assets	\$ 432,366	\$ 403,409	\$ 347,078	\$ 386,946

Liabilities

Senior Notes II	\$ -	\$ -	\$ 111,959	\$ 112,331
Senior Notes	\$ 112,284	\$ 112,626	\$ -	\$ -
Revolving Credit Facility II	\$ 35,000	\$ -	\$ -	\$ 25,000
Revolving Credit Facility IV	\$ -	\$ -	\$ -	\$ 13,000
Provision & Payable for Incentive Comp	\$ 1,947	\$ 6,448	\$ 2,503	\$ 2,503
Other Liabilities	\$ 3,577	\$ 4,846	\$ 5,893	\$ 3,886
Total Liabilities	\$ 152,808	\$ 123,920	\$ 120,355	\$ 156,720

Total Shareholders' Equity	\$ 279,558	\$ 279,489	\$ 226,723	\$ 230,226
Total Liabilities and Shareholders' Equity	\$ 432,366	\$ 403,409	\$ 347,078	\$ 386,946

Net Asset Value Per Share	\$ 12.39	\$ 13.24	\$ 12.46	\$12.99
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Selected Financial Data – Income Statement^{19,20}

(Unaudited; \$ in thousands, except per share amount)	For the year ended			For the quarter ended				
				Apr 30, 2018	July 31, 2018	Oct 31, 2018	Jan 31, 2019	Apr 30, 2019
	2016	2017	2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Dividend Income	13,207	702	2,126	535	526	526	805	2,027
Interest Income	19,490	16,571	19,395	4,614	5,327	5,138	5,375	6,361
Fee income & other income	4,669	2,831	1,364	352	358	302	261	206
Total operating income (see note below)	37,366	20,104	22,885	5,501	6,211	5,966	6,441	8,594
Operating expenses net of waiver	18,037	25,701	19,125	3,937	3,231	4,261	4,994	4,373
Net Operating Income / (loss) before taxes	19,329	(5,597)	3,760	1,564	2,980	1,705	1,447	4,221
Tax expense	2	2	2	1	0	1	0	1
Net operating income (loss)	19,327	(5,599)	3,758	1,563	2,980	1,704	1,447	4,220
Adjusted Items:								
Incentive Compensation ²¹	(2,030)	5,598	(2,061)	(1,011)	(1,316)	-	-	-
Interest and other borrowing costs (including extinguishment of debt)	10,212	10,288	12,522	2,981	2,403	2,238	2,484	2,283
Net operating income after taxes and before adjusted items	27,509	10,287	14,219	3,533	4,067	3,942	3,931	6,503
Net realized gain / (loss) on investments and foreign currency	(45,157)	89,896	203	(2,903)	3,102	2	5,226	3,273
Net change in unrealized appreciation (depreciation) on investments	28,628	(56,973)	12,522	(2,053)	(11,952)	(3,927)	(9,726)	8,471
Net increase / (decrease) in net assets resulting from operations	2,798	27,324	14,219	(3,393)	(5,870)	(2,221)	(3,053)	15,964
Net increase / (decrease) in net assets resulting from operations	0.12	1.22	(0.55)	(0.18)	(0.32)	(0.10)	(0.17)	0.90
Dividends declared per share	0.710	0.555	0.600	0.150	0.150	0.150	0.150	0.150

Portfolio Company Summary – Equity Investments 4/30/19

Security	Fair Value (\$)	% of Portfolio
Security Holdings B.V.	34,961,000	10.5%
MVC Automotive Group GmbH	19,531,000	5.9%
MVC Private Equity Fund LP	12,398,395	3.7%
Equus Total Return, Inc.	8,000,359	2.4%
Advantage Insurance, Inc.	7,917,096	2.4%
FOLIOfn, Inc.	5,394,000	1.6%
JSC Tekers Holdings	4,113,000	1.2%
RuMe Inc.	3,607,681	1.1%
U.S. Spray Drying Holding Company	2,300,000	0.7%
Black Diamond Equipment Rentals, LLC	938,000	0.3%
Tuf-Tug Inc.	750,000	0.2%
GTM Intermediate Holdings, Inc.	346,000	0.1%
Total Equity Investments	\$100,256,531	30.2%

Portfolio Company Summary – Yielding Investments 4/30/19

Security	Fair Value (\$)	% of Portfolio
U.S. Gas & Electric, Inc.	39,034,216	11.8%
Custom Alloy Corporation	38,095,640	11.5%
Crius Energy Trust	21,277,527	6.4%
Morey's Seafood International, LLC	16,195,788	4.9%
Apex Industrial Technologies, LLC	15,000,000	4.5%
Legal Solutions Holdings, Inc.	11,998,863	3.6%
Security Holdings B.V.	10,221,212	3.1%
HTI Technologies and Industries, Inc.	10,176,551	3.1%
Turf Products, LLC	8,542,672	2.6%
Black Diamond Equipment Rentals, LLC	7,575,000	2.3%
MVC Automotive Group GmbH	7,149,166	2.2%
Array Information Technology, Inc.	6,308,989	1.9%
United States Technologies, Inc.	5,500,000	1.7%
RuMe Inc.	5,217,671	1.6%
Highpoint Global LLC	5,200,241	1.6%
Tuf-Tug Inc.	4,934,900	1.5%
Dukane IAS, LLC	4,486,328	1.4%
Tin Roof Software, LLC	3,816,475	1.2%
Essner Manufacturing, LP	3,666,700	1.1%
U.S. Spray Drying Holding Company	3,000,000	0.9%
Initials, Inc.	2,268,988	0.7%
GTM Intermediate Holdings, Inc.	1,544,922	0.5%
Trientis GmbH	347,439	0.1%
Total Yielding Investments	\$231,559,288	69.8%

Footnotes

1. As of June 13, 2019
2. NAV as of April 30, 2019
3. The return of 3.4X is based on the equity investments made since November 2011 and assumes the full receipt of the escrow proceeds that are anticipated to be released at various dates ranging from 120 days from closing through one year following the closing, receipt of potential tax refunds, and expenses to be paid.
4. \$40 million used for tender offers and approximately \$10 million used for share repurchases from September 2018 through April 30, 2019.
5. The indicated target is for illustration purposes only and is based on current views based on current market circumstances. There can be no assurance that MVC will access leverage to the levels indicated, or that additional leverage will be accessed at all. There also can be no assurance that equity portfolio monetizations occur and that they occur at the current fair values. Thus, there can be NO assurance that the targeted portfolio composition will be achieved.
6. Excludes the BB&T line which is repaid after the quarter-end
7. 10Q & 10K and financial filings of BDC peer group used in illustration. Several BDCs have sought Board/shareholder approval to take advantage of increased leverage made available through new regulations (see footnote 9 below).
8. Includes the conversion of Custom Alloy on April 30, 2019.
9. Assumes monetizations at current fair values.
10. New BDC legislation allows for increased leverage with Board approval / shareholder approval and making certain disclosures. MVC has not asked for this additional flexibility as of the date of this presentation.
11. State of the Capital Markets: Fourth Quarter 2018 Review and First Quarter 2019 Outlook; The Lead Left and Churchill Asset Management
12. Covenant Trends – 2/18/2019, The Lead Left, February 20, 2019
13. Structure criteria are based on current interest rate and market circumstances, among other factors. These criteria are subject to change without notice at any time.
14. These investments represent all investments made by the Lending Team for MVC since joining in October 2014. Past performance is no guarantee of future results. These examples are provided for illustration purposes only. See most recent public filings for MVC's full financial results. No assurance can be given that any investment opportunity will be profitable or that results similar to historic results will be achieved in the future. Financial data is unaudited.
15. Past performance is no guarantee of future results
16. Relative dividend growth based on Q4 2015
17. CSWC did not pay a consistent quarterly dividend until 2016, resulting in a '15 to '18 dividend growth rate of 708%. Only special dividends that have been consistently paid since 2015 are included for the purposes of this chart. KCAP changed its ticker to PTMN and MCC discontinued STET dividend payments.
18. For these purposes, "shareholder alignment" refers to material MVC stock ownership by Mr. Tokarz and MVC Board of Directors, management fee waivers and management compensation tied to level of NAV discount.
19. Financial data for the periods shown is from MVC's Form 10-K and Form 10-Q filings with the SEC during such periods. The numbers shown for selected Financial Data are rounded and unaudited.
20. Reflects reductions of approximately \$2.0 million as of January 31, 2018 related to the reclassification of the unamortized debt issuance costs
21. Incentive compensation is a non-cash item that is accrued

Important Disclosures

There can be no assurance that the Company will achieve its investment objective. Past performance does not guarantee future results. Our share value may fluctuate. Investors should consider the investment objectives, risks and expenses carefully before investing. The latest Company Form 10-K and subsequent quarterly reports filed on Form 10-Q contain more detailed information about the Company.

Our Company is subject to certain significant risks relating to our business and investment objective, including, for example, the potential volatility of our common stock price, the illiquidity of our investments in portfolio companies and significant credit risk associated with our debt/loan investments in portfolio companies such that these portfolio companies may not pay interest and/or principal and the entire investment may be lost. For a detailed description of the risk factors impacting the Company, please read the “Risk Factors” section of our recent SEC filings. In addition to the risk factors of MVC, the PE Fund is subject to additional risks – see the Company’s Form 10-K. Past performance is no guarantee of future results.

Under no circumstance should the performance of the Lending Team/Yield Team prior to its tenure at MVC Capital, Inc. be viewed as a substitute for the performance of MVC Capital, Inc. The Yield Team’s performance prior to joining MVC Capital, Inc. was attributable to a team that included employees who are not a part of MVC Capital, Inc. or its Yield Team. The Yield Team’s prior performance was also not subject to certain investment limitations, requirements and other restrictions, which if applicable, may have adversely affected the performance results. Further, any investment on MVC Capital, Inc.’s behalf is subject to approval by MVC Capital’s Portfolio Manager, Michael Tokarz.

There also can be no assurance that future dividend payments will match or exceed historic ones, or that they will be made at all. This presentation is for informational purposes only. Some data/information contained in this Presentation is provided as of certain date (s). Such data/information is subject to change at any time. MVC does not undertake any obligation to update or revise the data/information within this Presentation.

See also Forward Looking Statement Disclosures on Page 2.