



Investor Presentation Covering Q1 2019  
March 2019

**MVC** | CAPITAL

# Forward Looking Statement

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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 2015** – 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
- \$316.2 million investment portfolio of primarily yielding securities in small and medium-sized businesses
  - Transition to yield-focused BDC is underway: 60% yielding (including Crius units) at Fiscal Q1 2019 in comparison to 29% yielding at the beginning of fiscal 2015

## Consistent Distribution to Shareholders

- Over \$272 million distributed to shareholders through January 31, 2019 (including buy backs and tender offers)

Equity / Notes Ticker	MVC / MVCD
Exchange	NYSE
Current Stock Price <sup>1</sup>	\$9.28
NAV per share <sup>2</sup>	\$12.24
Price / NAV per share	0.76x
TTM Dividend Yield <sup>1</sup>	6.5%
Market Capitalization <sup>1</sup>	\$164.5 Million

# Company Highlights

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## 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 \$7.44 distributed since instituting the dividend policy in 2005 through January 31, 2019

# Commitment to and Alignment with Shareholders

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## Since October 2017:

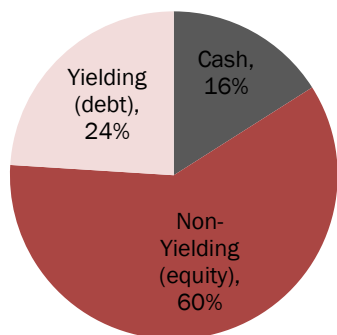
- **Completed meaningful steps towards yield-focused BDC pivot with 60% of the portfolio now yielding as of January 31, 2019**
  - In fiscal 2018, yielding deal activity of \$61.5 million at an average yield of 12.1%; first quarter of fiscal 2019, yielding deal activity of \$3.5 million at an average yield of 11%.
    - All yielding investments made by our debt team were at under 3.1X leverage at the time of underwriting
  - Sold Plymouth Rock Energy, a portfolio company of the MVC Private Equity Fund L.P. for an approximate 3.4X return<sup>3</sup>
  - Sold equity investment in Centile, an European asset, for approximately 2X return on our initial investment, despite currency headwinds over the holding period
- **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 25% compensation reduction 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
- **Completed nearly \$50 million of tender offers and share repurchases (estimated total accretion of \$0.66 per share) as of January 31, 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**

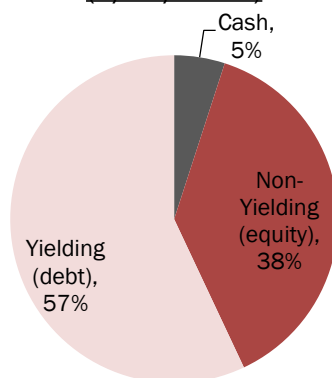
\*\$1.9 million in savings is calculated as the differential in interest expense between the 6.25% Senior Notes and the 7.25% Senior Notes over the five year term of the Notes, net of the estimated offering fees and expenses.

# Investment Thesis: Transition to Yield

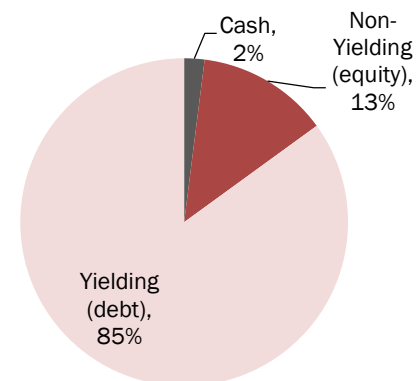
FYE 2013



Current (1/31/2019)



Target Portfolio Post-Pivot {~24 mo}<sup>4, 5</sup>



## Yield-focused actions we have already taken

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

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

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

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

**January 2019**  
\$65mm of yielding investments in FY2018 and Q119

## 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 norms<sup>5</sup>**

- Current debt/equity approx. 55%<sup>6</sup>
- Industry average approx. 80%<sup>7</sup>
- If levered more, fully implies possible \$55mm of additional yielding investment potential

# Top Line Growth Potential<sup>5,8</sup>

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.<sup>5,8</sup>

Potential Non-Debt Liquidity Sources	Potential Liquidity (\$mm)
Estimated Cash Available as of January 31, 2019	\$16
<u>Equity Investments Sought to be Monetized<sup>8</sup></u>	<u>\$75</u>
<b>Total Non-Debt Liquidity Sources</b>	<b>\$91</b>

Potential Leverage Normalization	Potential Liquidity (\$mm)
<u>Potential Increase in Debt/Equity Ratio from 55% to above 80%<sup>5,8,9</sup></u>	<u>\$55</u>
<b>Total Potential Dry Powder</b>	<b>\$146</b>

**Significant potential earnings power without the need for external equity financing and without stretching on loan structure or credit quality<sup>5,12</sup>**

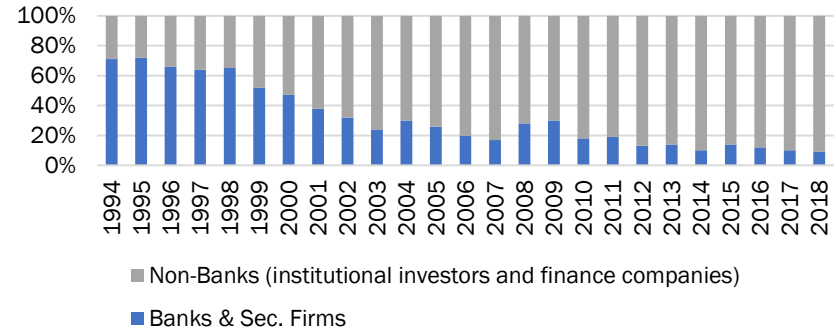
# Capturing the Lower Middle Market Opportunity

## Underbanked Behind Sr. Secured Debt

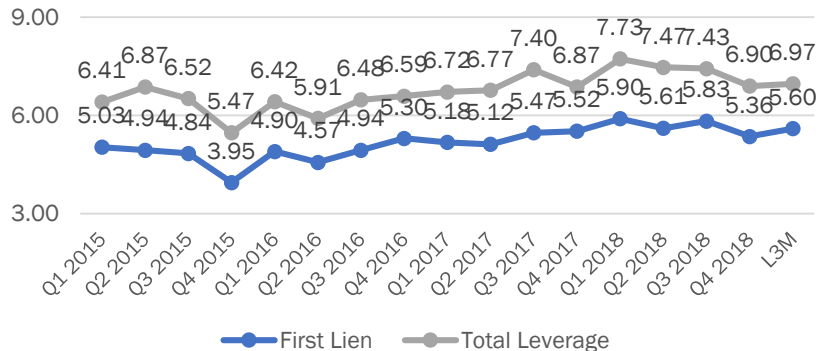
- Regulations have caused traditional banks to exit the market. Despite recent loosening of regulations, banks reluctant to lend to sub \$15mm EBITDA borrowers
- Large capital providers like GE Capital exited the market after the financial crisis
- Many private credit funds and larger BDCs have moved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

## Banks' share of loans down; <9% of overall market<sup>10</sup>

### Primary Investor Market: Banks vs Non-Banks



## Avg. Unadjusted Leverage for M&A Driven Loans<sup>11</sup>



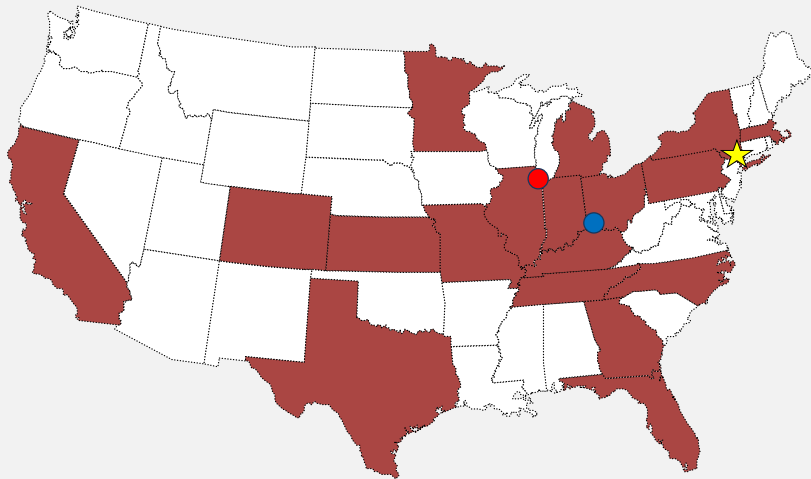
## MVC's Differentiated Market Approach

- Feb 2019 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 1.91X and 3.03X, 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 13.62%
- 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 2<sup>nd</sup> 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

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## Criteria<sup>12</sup>

- 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)<sup>10</sup>
- Typically 2<sup>nd</sup> 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

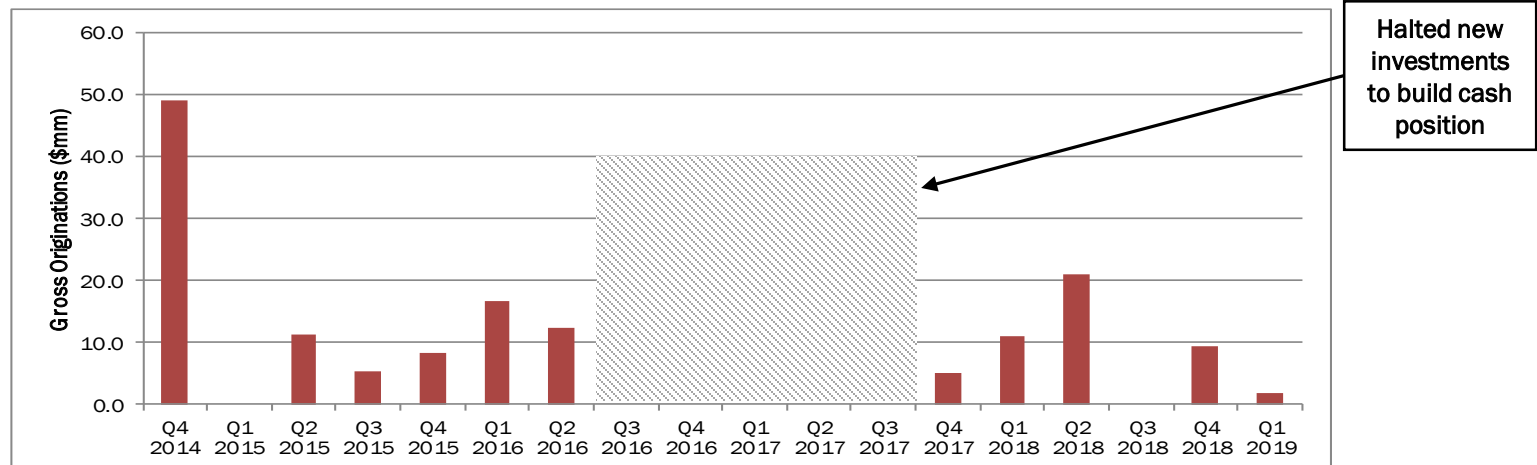
- Joined MVC Capital in October 2014, as Managing Director, to help manage the company's junior debt strategy - led 10 yielding investments representing over \$60 million at MVC Capital
- Spent 12 years at Fifth Third where he led 55 mezzanine deals, representing over \$350 million of junior capital 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 Record<sup>13</sup>

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 173 investments, primarily second lien loans through January 2019
  - Average senior and total leverage at underwriting of 1.91X and 3.03X, respectively on deals at MVC
  - Weighted average yield on all Lending team deals at MVC of 13.62%

Lending Team Gross Originations by Quarter

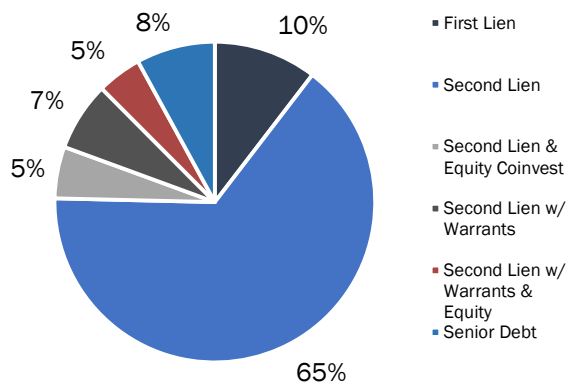


# Yielding Portfolio Snapshot<sup>13</sup>

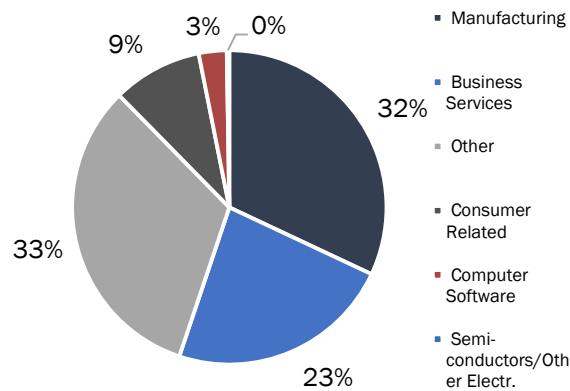
## MVC Lending Team Deal Statistics

	MVC (2014-2018)
Capital Deployed	\$144,070,800
# Investments	21
Avg Investment Size	\$6,860,514
Avg Life (Fully Repaid)	540 Days (1.5 Years)
MOIC (Fully Realized)	1.30x
Realized Loss Rate	0.00%

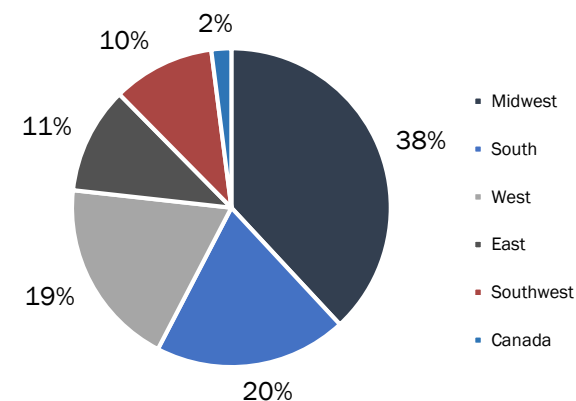
**Investment by Security Type\***



**Investment by Industry\***



**Investment by Region\***



\*Covers \$144.1 million in capital deployed (i.e. the yielding portion) through January 31, 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



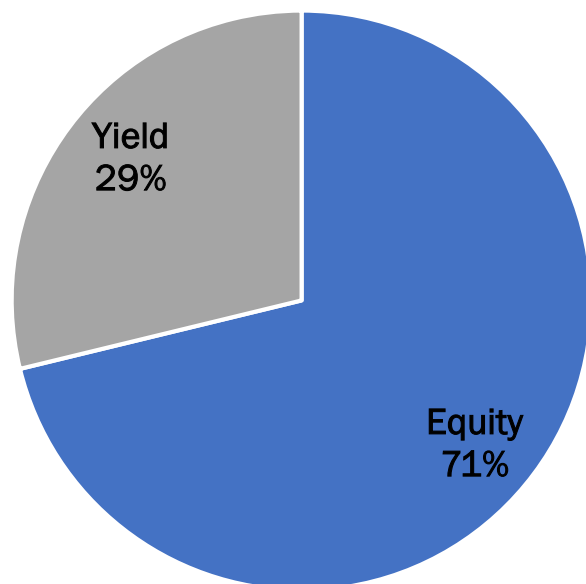
	Tuf Tug Products	US Technologies	Quantum Plastics
<b>Transaction Description</b>	Provided acquisition capital to an unfunded private equity sponsor	Refinanced debt & supported an add-on acquisition	Refinanced debt & supported an add-on acquisition
<b>MVC Investment</b>	\$4.9mm Second Lien Note & \$750K minority equity investment	\$5.5mm First Lien Note	\$10mm Second Lien Note
<b>Note Pricing</b>	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
<b>Deal Source</b>	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.

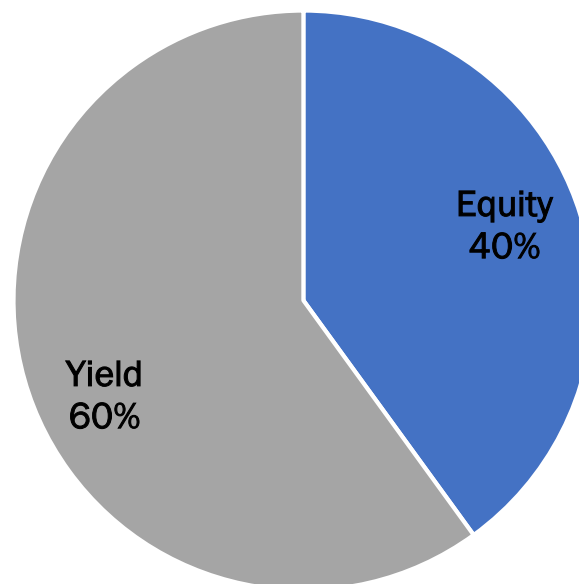
# Evolution of Yield– Yield Team In Action

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October 31, 2014



January 31, 2019

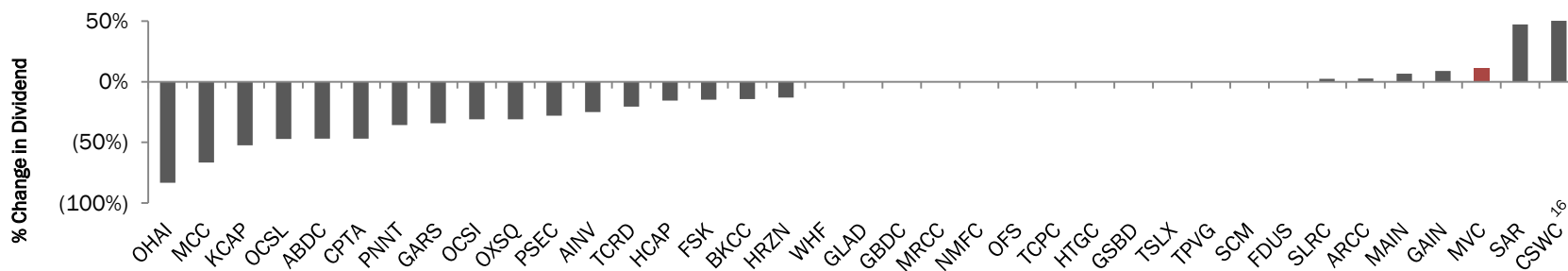


- **Average senior and total leverage** at underwriting of **1.91X** and **3.03X**, respectively on deals at MVC since fiscal 2015
- **Weighted average yield** on all Lending team deals at MVC of **13.62%**

# MVC's Distributions To Shareholders<sup>14,15</sup>

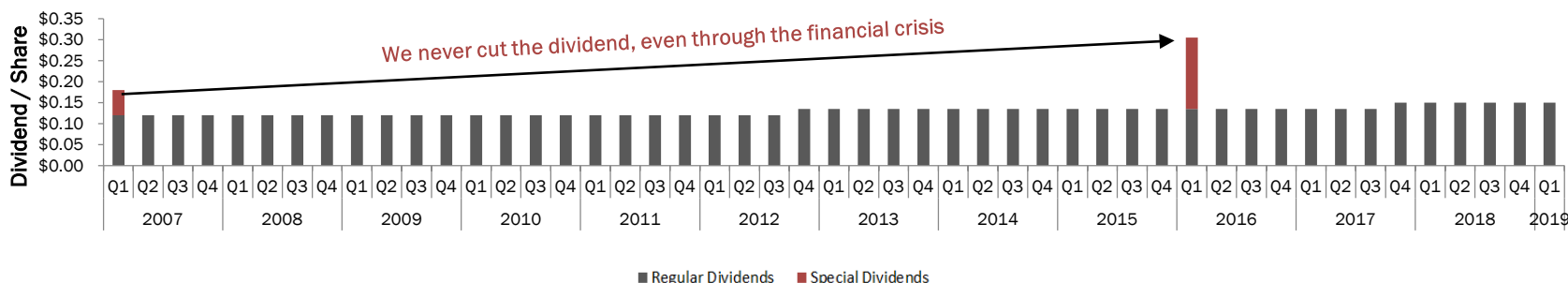
MVC is one of the top performers in terms of consistent dividend payments to shareholders which have grown

## One of seven BDCs to Grow its Dividend Since 2015



## Paid Dividends for Every Quarter for the Last 55 Quarters through January 2019

- MVC has consistently paid quarterly dividends, and on two occasions supplemented with special cash dividends
- Cumulative dividends per share of \$7.44 since fiscal 2004 through January 31, 2019





# Summary

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## 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 2<sup>nd</sup> 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 alignment<sup>17</sup>
- Consistent historical dividend with potential to expand with more yielding investments and possible equity monetizations providing added capacity for yield investing

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# APPENDIX

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# Selected Financial Data – Balance Sheet<sup>18,19</sup>

For the Year Ended October 31,

(\$ in thousands, except per share amounts)

	2016	2017	2018	Q1 2019
<b>Assets</b>				
Cash & Cash Equivalents	\$ 10,214	\$ 101,374	\$ 10,587	\$ 4,267
Restricted Cash & Cash Equivalents	\$ 10,801	\$ 5,300	\$ 5,301	\$ 11,965
Yielding Investments	\$ 141,892	\$ 174,295	\$ 191,527	\$ 189,671
Short-term Investments	\$ 34,992	\$ -	\$ -	\$ 25,043
Equity Investments	\$ 218,227	\$ 118,230	\$ 132,980	\$ 126,481
Total Investments	\$ 395,111	\$ 292,525	\$ 324,507	\$ 341,195
Other Assets	\$ 16,240	\$ 4,210	\$ 6,683	\$ 6,919
<b>Total Assets</b>	<b>\$ 432,366</b>	<b>\$ 403,409</b>	<b>\$ 347,078</b>	<b>\$ 364,346</b>
<b>Liabilities</b>				
Senior Notes II	\$ -	\$ -	\$ 111,959	\$ 112,145
Senior Notes	\$ 112,284	\$ 112,626	\$ -	\$ -
Revolving Credit Facility II	\$ 35,000	\$ -	\$ -	\$ 25,000
Revolving Credit Facility IV	\$ -	\$ -	\$ -	\$ 4,000
Provision & Payable for Incentive Comp	\$ 1,947	\$ 6,448	\$ 2,503	\$ 2,503
Other Liabilities	\$ 3,577	\$ 4,846	\$ 5,893	\$ 3,778
<b>Total Liabilities</b>	<b>\$ 152,808</b>	<b>\$ 123,920</b>	<b>\$ 120,355</b>	<b>\$ 147,426</b>
<b>Total Shareholders' Equity</b>	<b>\$ 279,558</b>	<b>\$ 279,489</b>	<b>\$ 226,723</b>	<b>\$ 216,921</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 432,366</b>	<b>\$ 403,409</b>	<b>\$ 347,078</b>	<b>\$ 364,347</b>
<b>Net Asset Value Per Share</b>	<b>\$ 12.39</b>	<b>\$ 13.24</b>	<b>\$ 12.46</b>	<b>\$12.24</b>

# Selected Financial Data – Income Statement<sup>18,19</sup>

	For the year ended			For the quarter ended				
	2016	2017	2018	Jan 31, 2018	Apr 30, 2018	July 31, 2018	Oct 31, 2018	Jan 31, 2019
				Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
(Unaudited; \$ in thousands, except per share amount)								
Dividend Income	13,207	702	2,126	539	535	526	526	805
Interest Income	19,490	16,571	19,395	4,316	4,614	5,327	5,138	5,375
Fee income & other income	4,669	2,831	1,364	352	352	358	302	261
<b>Total operating income (see note below)</b>	<b>37,366</b>	<b>20,104</b>	<b>22,885</b>	<b>5,207</b>	<b>5,501</b>	<b>6,211</b>	<b>5,966</b>	<b>6,441</b>
Operating expenses net of waiver	18,037	25,701	19,125	7,696	3,937	3,231	4,261	4,994
<b>Net Operations Income/ (loss) before taxes</b>	<b>19,329</b>	<b>(5,597)</b>	<b>3,760</b>	<b>(2,489)</b>	<b>1,564</b>	<b>2,980</b>	<b>1,705</b>	<b>1,447</b>
Tax expense	2	2	2	0	1	0	1	0
<b>Net operating income (loss)</b>	<b>19,327</b>	<b>(5,599)</b>	<b>3,758</b>	<b>(2,489)</b>	<b>1,563</b>	<b>2,980</b>	<b>1,704</b>	<b>1,447</b>
<b>Adjusted Items:</b>								
Incentive Compensation <sup>20</sup>	(2,030)	5,598	(2,061)	266	(1,011)	(1,316)	0	0
Interest and other borrowing costs (including extinguishment of debt)	10,212	10,288	12,522	4,900	2,981	2,403	2,238	2,484
Net operating income after taxes and before adjusted items	27,509	10,287	14,219	2,676	3,533	4,067	3,942	3,931
Net realized gain / (loss) on investments and foreign currency	(45,157)	89,896	203	2	(2,903)	3,102	2	5,226
Net change in unrealized appreciation (depreciation) on investments	28,628	(56,973)	12,522	3,438	(2,053)	(11,952)	(3,927)	(9,726)
<b>Net increase / (decrease) in net assets resulting from operations</b>	<b>2,798</b>	<b>27,324</b>	<b>14,219</b>	<b>951</b>	<b>(3,393)</b>	<b>(5,870)</b>	<b>(2,221)</b>	<b>(3,053)</b>
<b>Net increase / (decrease) in net assets resulting from operations</b>	<b>0.12</b>	<b>1.22</b>	<b>(0.55)</b>	<b>0.05</b>	<b>(0.18)</b>	<b>(0.32)</b>	<b>(0.10)</b>	<b>(0.17)</b>
<b>Dividends declared per share</b>	<b>0.710</b>	<b>0.555</b>	<b>0.600</b>	<b>0.150</b>	<b>0.150</b>	<b>0.150</b>	<b>0.150</b>	<b>0.150</b>

# Portfolio Company Summary – Equity Investments 1/31/19

Security	Fair Value (\$)	% of Portfolio
Security Holdings B.V.	31,262,000	9.9%
Custom Alloy Corporation	26,342,392	8.3%
MVC Automotive Group GmbH	18,784,000	5.9%
MVC Private Equity Fund LP	11,565,194	3.7%
Equus Total Return, Inc.	8,711,502	2.8%
Advantage Insurance, Inc.	8,590,882	2.7%
U.S. Spray Drying Holding Company	5,400,000	1.7%
FOLIOfn, Inc.	5,025,000	1.6%
RuMe Inc.	4,753,136	1.5%
JSC Tekers Holdings	4,161,000	1.3%
Black Diamond Equipment Rentals, LLC	790,000	0.2%
Tuf-Tug Inc.	750,000	0.2%
GTM Intermediate Holdings, Inc.	346,000	0.1%
<b>Total Equity Investments</b>	<b>\$126,481,106</b>	<b>40.0%</b>

# Portfolio Company Summary – Yielding Investments 1/31/19

Security	Fair Value (\$)	% of Portfolio
U.S. Gas & Electric, Inc.	38,676,906	12.2%
Morey's Seafood International, LLC	16,618,259	5.3%
Apex Industrial Technologies, LLC	15,000,000	4.7%
Crius Energy Trust	13,176,280	4.2%
Legal Solutions Holdings, Inc.	11,900,121	3.8%
Security Holdings B.V.	10,061,712	3.2%
HTI Technologies and Industries, Inc.	10,022,766	3.2%
Turf Products, LLC	8,448,677	2.7%
Black Diamond Equipment Rentals, LLC	7,575,000	2.4%
MVC Automotive Group GmbH	7,149,166	2.3%
Array Information Technology, Inc.	6,184,473	2.0%
United States Technologies, Inc.	5,476,569	1.7%
Custom Alloy Corporation	5,459,164	1.7%
Highpoint Global LLC	5,174,361	1.6%
Tuf-Tug Inc.	4,910,307	1.6%
RuMe Inc.	4,846,243	1.5%
Dukane IAS, LLC	4,449,193	1.4%
Tin Roof Software, LLC	3,783,275	1.2%
Essner Manufacturing, LP	3,646,044	1.2%
U.S. Spray Drying Holding Company	3,000,000	0.9%
Initials, Inc.	2,263,837	0.7%
GTM Intermediate Holdings, Inc.	1,541,070	0.5%
Trientis GmbH	307,498	0.1%
<b>Total Yielding Investments</b>	<b>\$189,670,921</b>	<b>60.0%</b>

# Footnotes

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1. As of March 5, 2019
2. NAV as of January 31, 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 January 31, 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. Assumes monetizations at current fair values.
9. 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.
10. State of the Capital Markets: Fourth Quarter 2018 Review and First Quarter 2019 Outlook; The Lead Left and Churchill Asset Management
11. Covenant Trends – 2/18/2019, The Lead Left, February 20, 2019
12. 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.
13. 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.
14. Past performance is no guarantee of future results
15. Relative dividend growth based on Q4 2015
16. 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 .
17. 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.
18. 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.
19. Reflects reductions of approximately \$2.0 million as of January 31, 2018 related to the reclassification of the unamortized debt issuance costs
20. Incentive compensation is a non-cash item that is accrued

# Important Disclosures

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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.