



Investor Presentation Covering Q3 2018  
September 2018

**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

## Company Snapshot

- MVC Capital, Inc. (“MVC” or the “Company”) is an externally-managed Business Development Company (“BDC”) formed in 1999
- Michael Tokarz (Chairman and Portfolio Manager) assumed his current roles in 2003 with The Tokarz Group Advisers (“TTGA”) becoming MVC’s external manager in 2006
  - Early focus was on realizing capital loss carry forwards through equity investing
  - **Current focus on monetizing equity and redeployment into yield**
- \$318.1 million investment portfolio of primarily yielding securities in small and medium-sized businesses
  - Transition to yield-focused BDC is underway: 58% (including Crius units) at Fiscal Q3 2018 versus 52% at Fiscal Q3 2017
- Over \$258 million distributed to shareholders through July 31, 2018 (including buy backs and tender offers)

## Public Issuer Profile

<b>Equity / Notes Ticker</b>	MVC / MVCD
<b>Exchange</b>	NYSE
<b>External Manager</b>	The Tokarz Group Advisers, LLC
<b>Headquarters</b>	Purchase, NY
<b>Employees at Manager</b>	20
<b>Current Stock Price<sup>1</sup></b>	\$9.34
<b>NAV per share<sup>2</sup></b>	\$12.62
<b>Price / NAV per share</b>	0.74x
<b>TTM Dividend Yield<sup>1</sup></b>	6.4%
<b>Market Capitalization<sup>1</sup></b>	\$175.4 Million

Note: Please see important disclosures (page 22) and footnotes (page 21) at the end of the presentation for additional information.

# Experienced Management Team

## Leadership Team and Experience

<b>Michael Tokarz</b>	<b>40+ Years</b>	<ul style="list-style-type: none"> <li>• Chairman &amp; Portfolio Manager of MVC Capital and The Tokarz Group Advisers, LLC</li> <li>• Buyout pioneer and former General Partner of KKR for 17 years. Investment experience includes: Safeway, Beatrice, Walter</li> <li>• Over 12 years of lending experience at Continental Illinois</li> </ul>
<b>David Williams</b>	<b>34+ Years</b>	<ul style="list-style-type: none"> <li>• Joined MVC in 2014, as Sr. Managing Director</li> <li>• Responsible for managing MVC Capital's Mezzanine Finance Group (the "Lending Team") and its investments</li> <li>• Founder of Fifth Third Bank's Mezzanine Finance Group. 31+ years in commercial banking</li> <li>• At Fifth Third, led or co-led more than 150 mezzanine transactions, representing over \$800 million in volume</li> </ul>
<b>Harrison Mullin</b>	<b>20+ Years</b>	<ul style="list-style-type: none"> <li>• 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 mm at MVC Capital</li> <li>• Spent 12 years at Fifth Third where he led 55 mezzanine deals, representing over \$350mm of junior capital investment</li> <li>• Co-managed east coast operations at NetRoadshow, and was lead associate at Dillon &amp; Read Co.'s equity capital markets desk</li> </ul>
<b>Scott Schuenke</b>	<b>15+ Years</b>	<ul style="list-style-type: none"> <li>• Chief Financial Officer of MVC Capital, responsible for overseeing the financial operations of MVC Capital, its wholly-owned subsidiaries and TTGA</li> <li>• Was MVC's corporate controller from June 2004 until he became CFO in 2013. Was also CCO from October 2004 through January 2015</li> <li>• Additionally provides financial expertise and monitoring to various portfolio companies, including serving on certain boards</li> </ul>

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# Company Highlights

## Focus on Improving Yield

- Recent investment activity and monetizations demonstrate the Company's successful multi-year transition to a yield-focused BDC

## Unique Deal Flow

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

## 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

## Co-Investment Opportunities

- Expected to help enhance deal flow, accessing larger deals, while improving diversification and granularization across the portfolio (smaller investment sizes)

## Robust Market Opportunity

- With banks reducing the types of loans they make to the LMM due to increased regulations, MVC is poised to fill the void

## Consistent Distributions and Return of Capital

- The Lending team has strong credit quality expertise (few defaults) and has generated solid historical realized returns

## Experienced Management Team Enhanced

- Strengthened investment team to spearhead transition to yield

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# Commitment to and Alignment with Shareholders

## Over the past several quarters, MVC has:

- **Completed meaningful steps towards yield-focused BDC pivot**
  - In 2018, yielding deal activity of \$51 million at an average yield of 11.9%.
  - Sold equity investment in Centile, an European asset, for approximately 2X return on our initial investment, despite currency headwinds over the holding period
  - Sold equity investment in U.S. Gas & Electric for total consideration of \$127.4 million (IRR of over 120% including all fees and income earned over the life of the investment)
    - \$50 million cash / \$66.4 million into yielding securities of pro forma company / \$11 million note pay down
  - Increased available capital has allowed lending team to ramp up its origination engine
- **Revised management fee structure to further align interests of management and MVC shareholders**
  - 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% - Will therefore permanently remain lower than contractual, historical rate
  - 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 \$40 million of tender offers and share repurchases (estimated total accretion of \$0.47 per share)**
- **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)\***

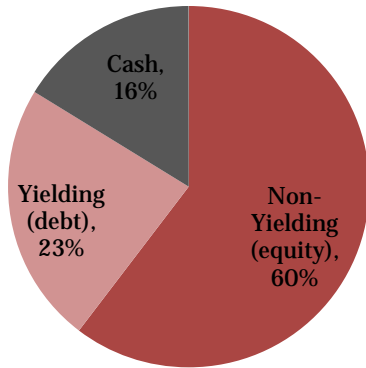
**All actions are consistent with MVC's stated commitment to enhancing shareholder value while continuing the transition to a yield-focused BDC**

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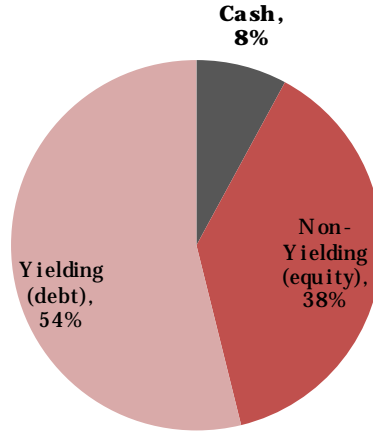
\*\$1.9 million in savings is calculated as the differential in interest expense between the 6.25% Senior Notes and the 7.25% Senior Notes over the five year term of the Notes, net of the estimated offering fees and expenses.

# The Transformation of MVC is Underway

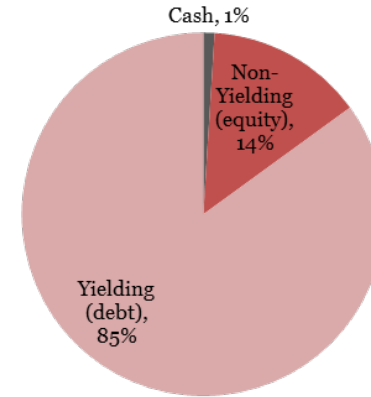
**FYE 2013**



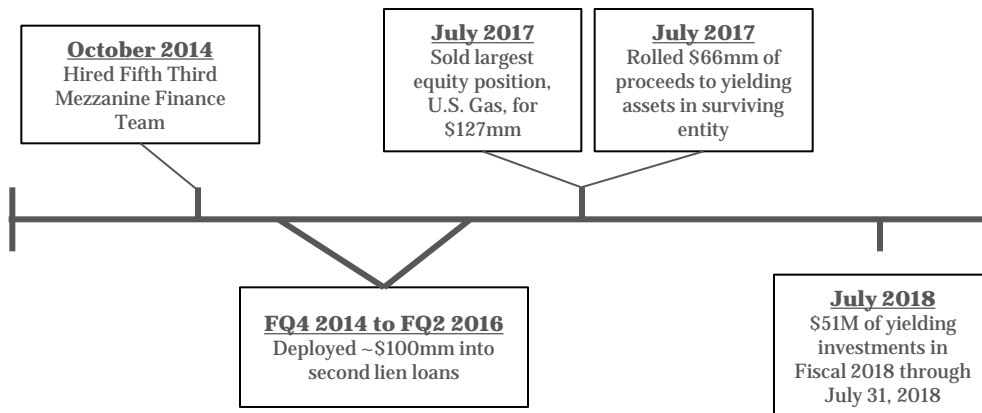
**Current (7/31/2018)**



**Target Portfolio Post-Pivot {~24 mo}<sup>3, 4</sup>**



## Yield-focused actions we have already taken



## 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>4</sup>

- Current debt/equity approx. 48%<sup>5</sup>
- Industry average approx. 80%<sup>6</sup>
- If levered more, fully implies possible \$75 mm of additional yielding investment potential

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# Top Line Growth Potential<sup>4,7</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>4,7</sup>*

Potential Non-Debt Liquidity Sources	Potential Liquidity (\$mm)
Estimated Cash Available as of July 31, 2018	\$27
<u>Equity Investments Sought to be Monetized<sup>7</sup></u>	<u>\$75</u>
<b>Total Non-Debt Liquidity Sources</b>	<b>\$102</b>
Potential Leverage Normalization	Potential Liquidity (\$mm)
<u>Potential Increase in Debt/Equity Ratio from 48% to above 80%<sup>4,7,8</sup></u>	<u>\$75</u>
<b>Total Potential Dry Powder</b>	<b>\$177</b>

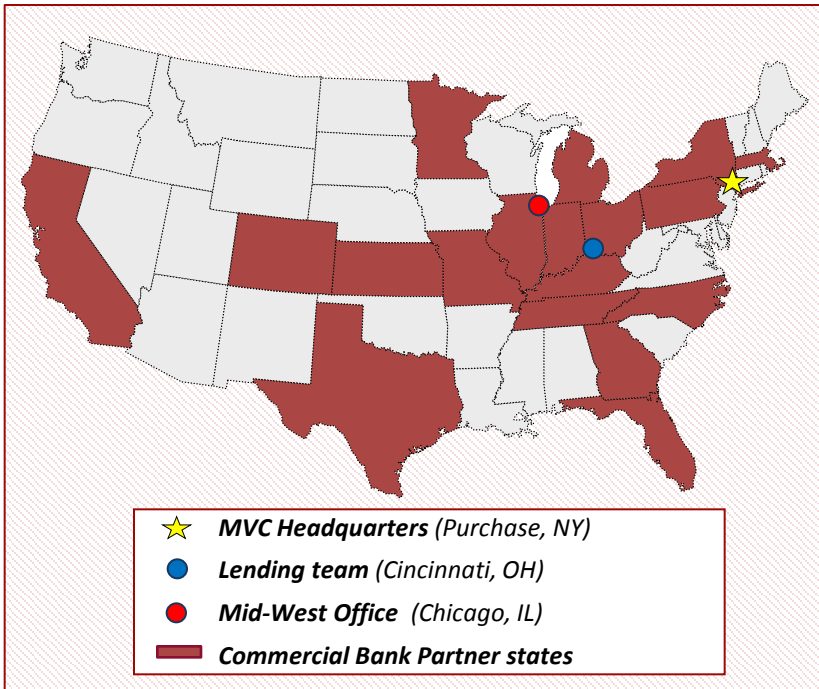
**Significant potential earnings power without the need for external equity financing and without stretching on loan structure or credit quality<sup>4,9</sup>**

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# Unique Deal Sourcing Overview

## Nationwide Deal Network



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

## Unique Sourcing, Unique Structure

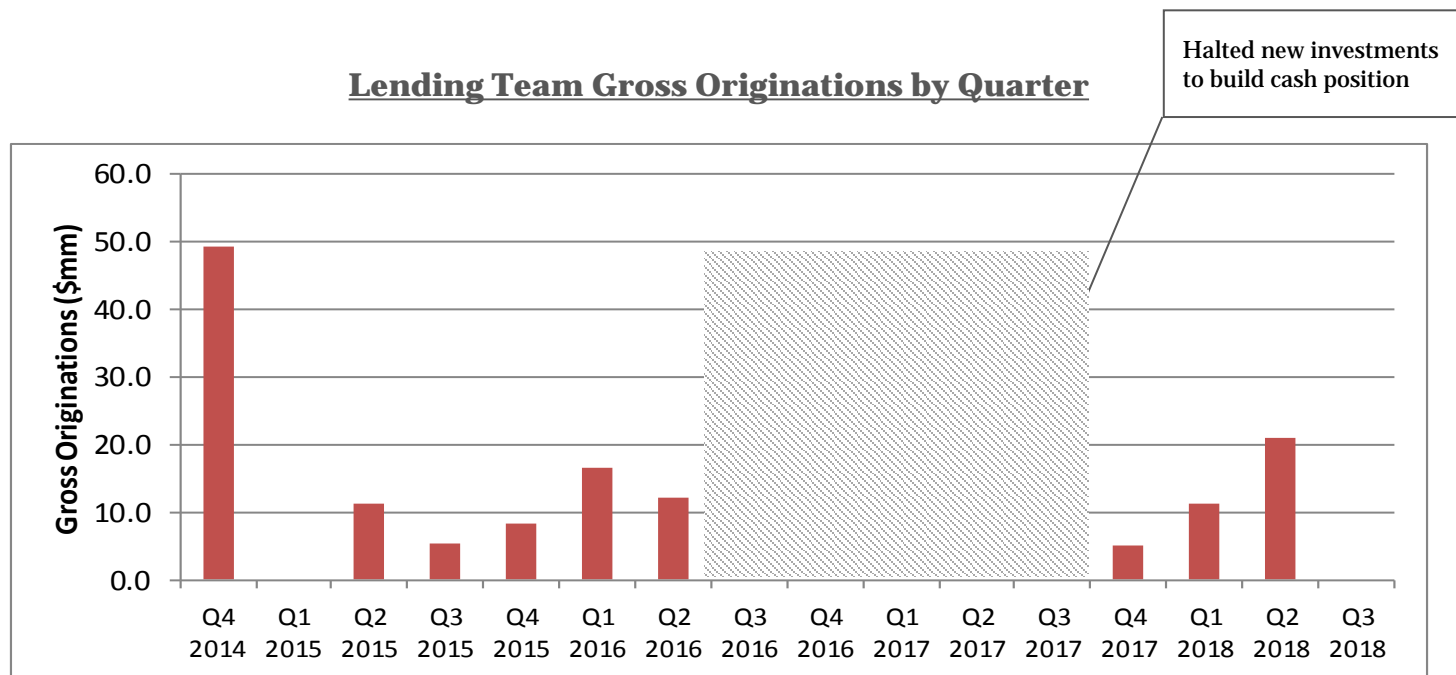
- MVC hired Fifth Third Bank's mezzanine finance group (led by David Williams) in October 2014
- The lending team has built its network of CBPs through its 40+ years of commercial banking experience
- CBPs streamline execution and lower costs for borrowers by providing 'unitranche-like' structure
  - 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

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# Strong Lending Team Track Record<sup>10</sup>

*MVC's lending team has a track record across various industries and through multiple cycles*

- Lending team has a 15+ year track record originating LMM loans – experienced multiple recessions
- \$980.1 million originated since 2001 across 171 investments, primarily second lien loans through August 2018
  - Weighted average senior and total leverage of 1.81x and 3.04x, respectively on deals at MVC
- Five new yielding investments totaling approximately \$37.0 million originated in fiscal 2018 through August 31, 2018 and \$750,000 in common stock invested



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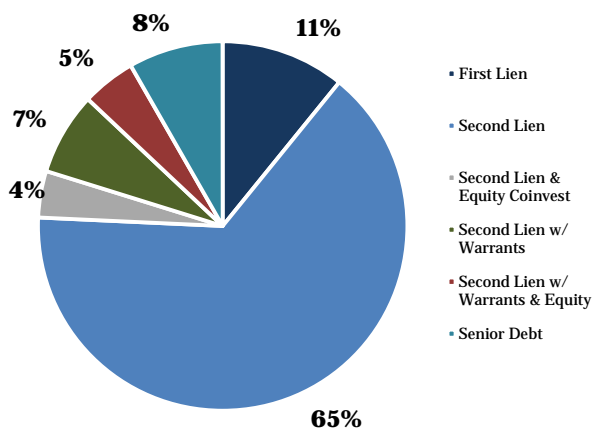
# Yielding Portfolio Snapshot<sup>10</sup>

## MVC Lending Team Deal Statistics

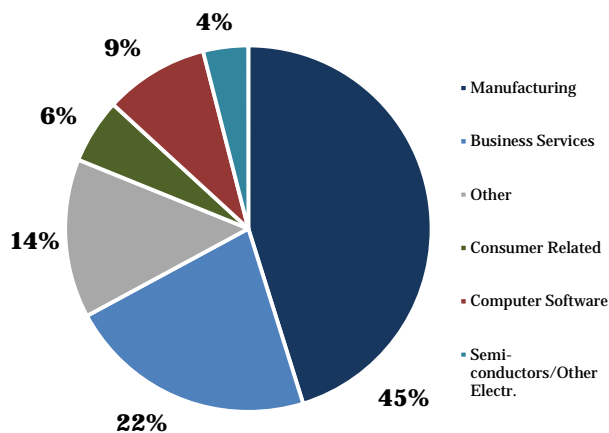
@ MVC (2014-2018 YTD)

Capital Deployed	\$138,434,800
# Investments	19
Avg Investment Size	\$7,286,042
Avg Life (Fully Repaid)	540 Days (1.5 Years)
MOIC (Fully Realized)	1.30x
Realized Loss Rate	0.00%

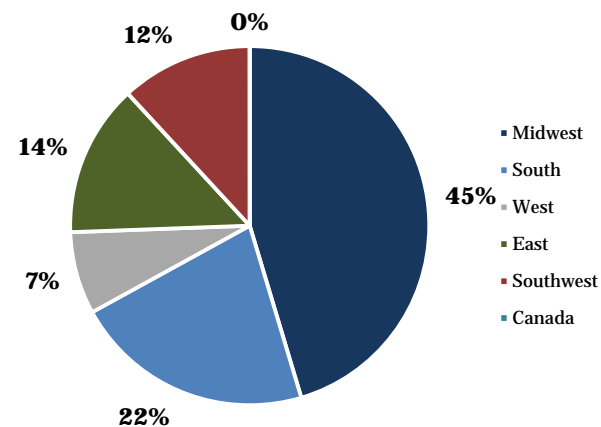
### Investment by Security Type\*



### Investment by Industry\*



### Investment by Region\*



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\*Covers \$138.4 million in capital deployed (i.e. the yielding portion) as of August 31, 2018

# Target Investment Structures

Criteria <sup>9</sup>	Terms	Uses
<ul style="list-style-type: none"> <li>• Target investment size and TTM EBITDA of \$3 – \$25 million               <ul style="list-style-type: none"> <li>• Specialization in EBITDA between \$3 – \$15 million</li> <li>• Focus on EBITDA Margins: 10%+</li> </ul> </li> <li>• Focus on LMM companies with &lt;4.5x Debt/EBITDA through MVC tranche (avg. of ~3.0x currently)</li> <li>• Typically 2<sup>nd</sup> lien or investments with Commercial Bank Partners (CBP) supplying senior facility to complete “unitranche-like” structure</li> <li>• Current coupon targets: 10-13%</li> </ul>	<ul style="list-style-type: none"> <li>• Maturity: Up to 6 years</li> <li>• Structure: Bullet with cash flow recapture</li> <li>• Targeted Cash Coupon: 10% - 13%</li> <li>• Upfront fees</li> <li>• As appropriate, Equity kickers and Co-investments</li> <li>• PIK (1-3% typically)</li> </ul>	<ul style="list-style-type: none"> <li>• Growth Capital</li> <li>• Bridge Financing</li> <li>• Management Buy-ins/Buy-outs</li> <li>• Leveraged Dividends</li> <li>• Recapitalizations</li> <li>• Restructurings</li> <li>• Private Equity LBOs</li> </ul>

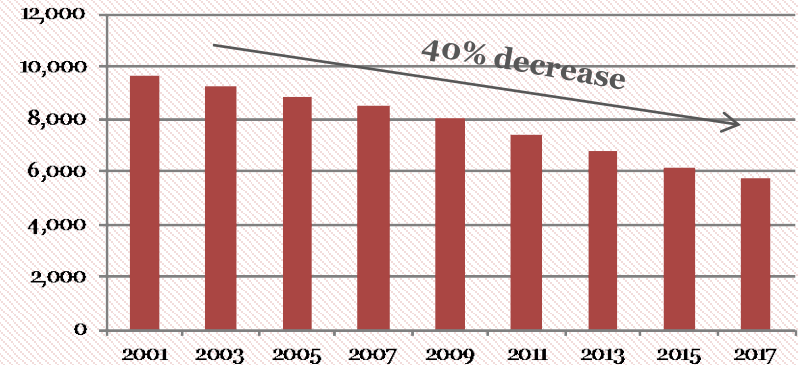
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# Capturing the Lower Middle Market Opportunity

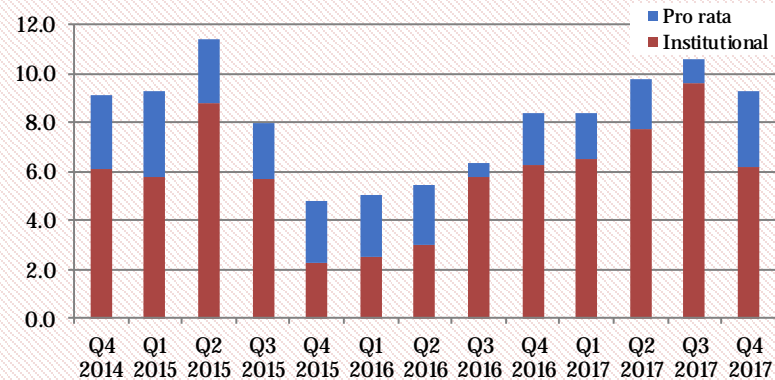
## Underbanked Behind Sr. Secured Debt

- Regulations have caused traditional banks to exit the market. Despite recent loosening of regulations, banks reluctant to lend to sub \$15m 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

## Declining Number of U.S. Banks<sup>11</sup>



## Loan Volumes<sup>12</sup>



## Unique Partnerships

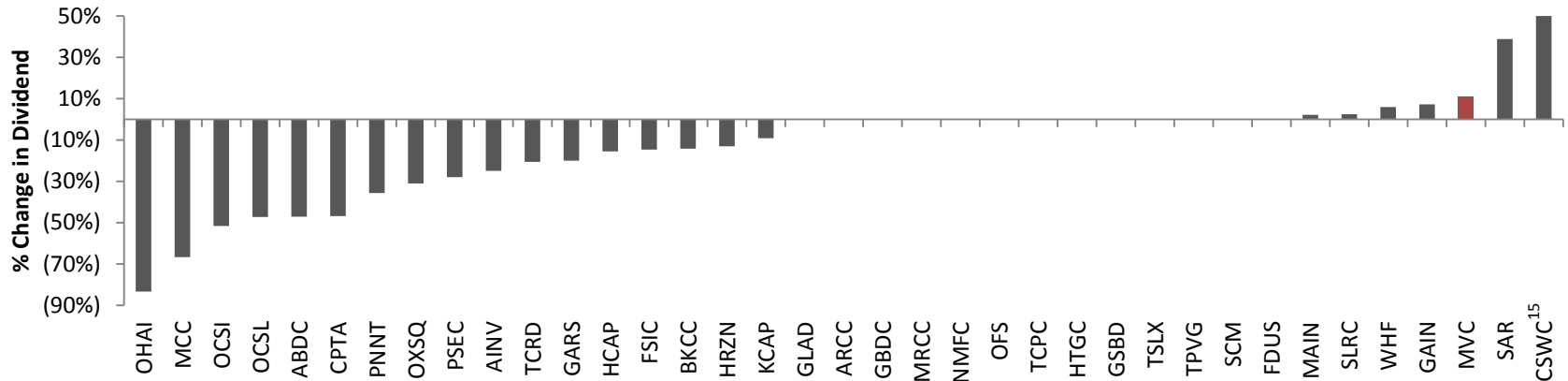
- Commercial banks need junior capital partners to compete against non-bank lenders for a unitranche-like solution
- Symbiotic structure increases long-term funding for senior lender and deal flow for MVC
- 'First call' for a large network of small sponsors creates annuity-like model

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# MVC's Distributions To Shareholders<sup>13,14,15</sup>

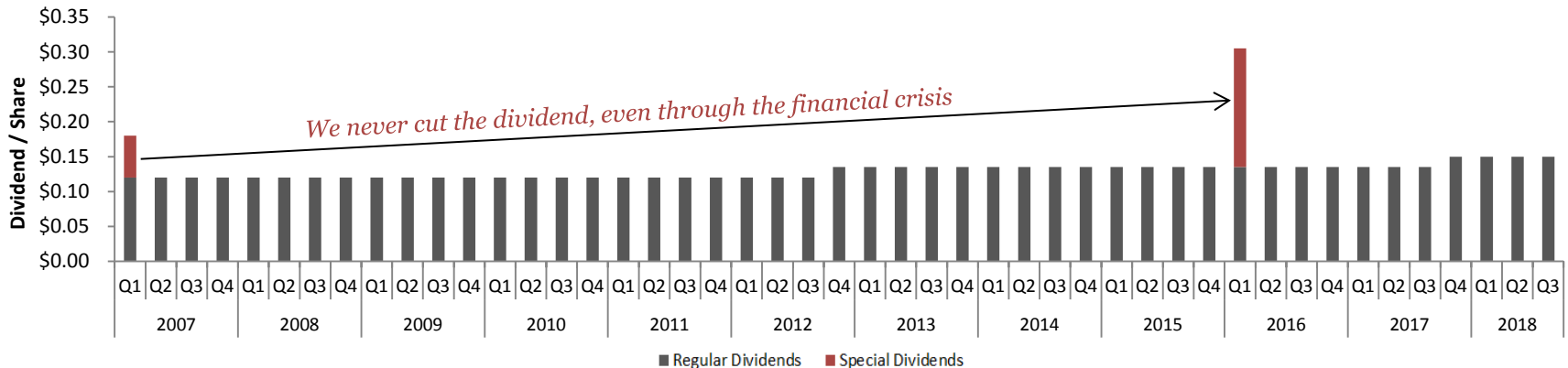
*MVC is one of the top performers in terms of consistent dividend payments to shareholders which have recently grown*

## **One of eight BDCs to Grow its Dividend Since 2015**



## **Paid Dividends for Every Quarter for the Last Ten Years**

- *MVC has consistently paid quarterly dividends, and on two occasions supplemented with special cash dividends*
- *Cumulative dividends per share of \$7.14 since fiscal 2004 through July 31, 2018*



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# Summary

## Portfolio Shift Underway

- MVC is taking steps to accelerate shift from equity-focused portfolio to more yield-focused, which is intended to help drive increases in book value and dividends
- Addition of lending team is accelerating the process
- Lending team has 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>16</sup>
- Consistent historical dividend with potential to expand with more yielding investments and possible equity monetizations providing added capacity for yield

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**Appendix**

**MVC | CAPITAL**



# Selected Financial Data – Balance Sheet<sup>17,18</sup>

(\$ in thousands, except per share amounts)	For the Year Ended October 31,			
	2015	2016	2017	Q3 2018
<b>Assets</b>				
Cash & Cash Equivalents	\$ 10,312	\$ 10,214	\$ 101,374	\$ 21,886
Restricted Cash & Cash Equivalents	\$ 6,503	\$ 10,801	\$ 5,300	\$ 5,301
Yielding Investments	\$ 138,471	\$ 141,892	\$ 174,295	\$ 185,025
Short-term Investments	\$ 89,682	\$ 34,992	\$ -	\$ -
Equity Investments	\$ 262,404	\$ 218,227	\$ 118,230	\$ 133,119
<b>Total Investments</b>	<b>\$ 490,557</b>	<b>\$ 395,111</b>	<b>\$ 292,525</b>	<b>\$ 318,144</b>
Other Assets	\$ 9,470	\$ 16,240	\$ 4,210	\$ 11,690
<b>Total Assets</b>	<b>\$ 516,842</b>	<b>\$ 432,366</b>	<b>\$ 403,409</b>	<b>\$ 357,021</b>
<b>Liabilities</b>				
Senior Notes II	\$ -	\$ -	\$ -	\$ 111,772
Senior Notes	\$ 114,409	\$ 112,284	\$ 112,626	\$ -
Revolving Credit Facility II	\$ 90,000	\$ 35,000	\$ -	\$ -
Bridge Loan	\$ 8,000	\$ -	\$ -	\$ -
Provision & Payable for Incentive Comp	\$ 4,977	\$ 1,947	\$ 6,448	\$ 2,503
Other Liabilities	\$ 5,380	\$ 3,577	\$ 4,846	\$ 5,140
<b>Total Liabilities</b>	<b>\$ 222,766</b>	<b>\$ 152,808</b>	<b>\$ 123,920</b>	<b>\$ 119,415</b>
<b>Total Shareholders' Equity</b>	<b>\$ 294,076</b>	<b>\$ 279,558</b>	<b>\$ 279,489</b>	<b>\$ 237,606</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 516,842</b>	<b>\$ 432,366</b>	<b>\$ 403,409</b>	<b>\$ 357,021</b>
<b>Net Asset Value Per Share</b>	<b>\$ 12.95</b>	<b>\$ 12.39</b>	<b>\$ 13.24</b>	<b>\$ 12.62</b>

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# Selected Financial Data – Income Statement <sup>17,18</sup>

(Unaudited; \$ in thousands, except per share amount)	For the year ended			For the quarter ended				
				July 31, 2017	Oct 31, 2017	Jan 31, 2018	Apr 30, 2018	July 31, 2018
	2015	2016	2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Dividend Income	1,006	13,207	702	0	702	539	535	526
Interest Income	19,396	19,490	16,571	6,024	4,357	4,316	4,614	5,327
Fee income & other income	3,297	4,669	2,831	1,282	431	352	352	358
<b>Total operating income (see note below)</b>	<b>23,699</b>	<b>37,366</b>	<b>20,104</b>	<b>7,306</b>	<b>5,490</b>	<b>5,207</b>	<b>5,501</b>	<b>6,216</b>
Operating expenses net of waiver	14,400	18,037	25,701	9,750	3,432	7,696	3,937	3,231
<b>Net Operations Income/ (loss) before taxes</b>	<b>9,299</b>	<b>19,329</b>	<b>(5,597)</b>	<b>(2,444)</b>	<b>2,058</b>	<b>(2,490)</b>	<b>1,564</b>	<b>2,980</b>
Tax expense	2	2	2	1	0	0	1	0
<b>Net operating income (loss)</b>	<b>9,297</b>	<b>19,327</b>	<b>(5,599)</b>	<b>(2,445)</b>	<b>2,058</b>	<b>(2,490)</b>	<b>1,563</b>	<b>2,980</b>
<b>Adjusted Items:</b>								
Incentive Compensation <sup>19</sup>	(9,757)	(2,030)	5,598	5,077	(1,224)	267	(1,011)	(1,316)
Interest and other borrowing costs	10,230	10,212	10,288	2,649	2,495	4,900	2,981	2,403
<b>Net operating income after taxes and before adjusted items</b>	<b>9,770</b>	<b>27,509</b>	<b>10,287</b>	<b>5,281</b>	<b>3,329</b>	<b>2,677</b>	<b>3,533</b>	<b>4,067</b>
Net realized gain / (loss) on investments and foreign currency	3,700	(45,157)	89,896	114,240	(35,247)	2	(2,903)	3,102
Net change in unrealized appreciation (depreciation) on investments	(50,557)	28,628	(56,973)	(87,889)	29,162	3,438	(2,053)	(11,952)
<b>Net increase / (decrease) in net assets resulting from operations</b>	<b>(37,560)</b>	<b>2,798</b>	<b>27,324</b>	<b>23,906</b>	<b>(4,027)</b>	<b>950</b>	<b>(3,393)</b>	<b>(5,870)</b>
<b>Net increase / (decrease) in net assets resulting from operations</b>	<b>(1.66)</b>	<b>0.12</b>	<b>1.22</b>	<b>1.06</b>	<b>(0.17)</b>	<b>0.05</b>	<b>(0.18)</b>	<b>(0.32)</b>
<b>Dividends declared per share</b>	<b>0.540</b>	<b>0.710</b>	<b>0.555</b>	<b>0.135</b>	<b>0.150</b>	<b>0.150</b>	<b>0.150</b>	<b>0.150</b>

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# Portfolio Company Summary – Equity Investments 7/31/18

<b>Security</b>	<b>Fair Value (\$)</b>	<b>% of Portfolio</b>
Security Holdings B.V.	32,089,000	10.1%
Custom Alloy Corporation	21,915,127	6.9%
MVC Private Equity Fund LP	20,690,629	6.5%
MVC Automotive Group GmbH	19,343,000	6.1%
Equus Total Return, Inc.	9,555,985	3.0%
Advantage Insurance, Inc.	8,835,361	2.8%
RuMe Inc.	5,902,326	1.9%
U.S. Spray Drying Holding Company	5,400,000	1.7%
FOLIOfn, Inc.	4,683,000	1.5%
JSC Tekers Holdings	4,236,000	1.3%
Black Diamond Equipment Rentals, LLC	400,847	0.1%
Trientis GmbH	67,715	0.0%
<b>Total Equity Investments</b>	<b>\$ 133,118,990</b>	<b>41.9%</b>

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# Portfolio Company Summary – Yielding Investments 7/31/18

<b>Security</b>	<b>Fair Value (\$)</b>	<b>% of Portfolio</b>
U.S. Gas & Electric, Inc.	39,652,791	12.5%
Morey's Seafood International, LLC	16,328,092	5.1%
Apex Industrial Technologies, LLC	15,000,000	4.7%
Crius Energy Trust	14,864,170	4.7%
Legal Solutions Holdings, Inc.	11,836,546	3.7%
HTI Technologies and Industries, Inc.	9,980,270	3.1%
Security Holdings B.V.	9,516,370	3.0%
Turf Products, LLC	8,451,697	2.6%
Custom Alloy Corporation	7,381,819	2.3%
Black Diamond Equipment Rentals, LLC	7,151,883	2.2%
MVC Automotive Group GmbH	7,149,166	2.2%
Array Information Technology, Inc.	6,059,529	1.9%
United States Technologies, Inc.	5,500,000	1.7%
Highpoint Global LLC	5,071,167	1.6%
Initials, Inc.	4,912,183	1.5%
Dukane IAS, LLC	4,392,878	1.4%
Essner Manufacturing, LP	3,666,700	1.2%
U.S. Spray Drying Holding Company	3,000,000	0.9%
RuMe Inc.	2,973,530	0.9%
Trientis GmbH	1,233,092	0.4%
MVC Environmental, Inc.	903,380	0.3%
<b>Total Yielding Investments</b>	<b>\$185,025,263</b>	<b>58.1%</b>

Note: Please see important disclosures (page 22) and footnotes (page 21) at the end of the presentation for additional information.

# Footnotes

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1. As of September 4, 2018
2. NAV as of July 31, 2018
3. \$40 million used for tender offers
4. 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.
5. Excludes the BB&T line which was repaid after the quarter end
6. 10Q & 10K and financial filings of BDC peer group used in illustration
7. Assumes monetizations at current fair values.
8. 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.
9. 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.
10. 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.
11. FDIC as of Sept 30, 2017
12. S&P Global Market Intelligence: [http://www.monroecap.com/sites/all/files/monroe/LCD-Middle-Market-Review-4Q-2017-Monroe\\_0.pdf](http://www.monroecap.com/sites/all/files/monroe/LCD-Middle-Market-Review-4Q-2017-Monroe_0.pdf)
13. Past performance is no guarantee of future results
14. Relative dividend growth based on Q4 2015
15. 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 .
16. 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.
17. 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.
18. Reflects reductions of approximately \$2.0 million as of January 31, 2018 related to the reclassification of the unamortized debt issuance costs
19. 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.