



Investor Relations

Second Quarter 2010 IR Presentation

Forward-Looking Statements

Information used in this presentation may include forward-looking statements. 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, 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

Corporate Structure

- Regulated as a business development company (“BDC”) and taxed as a regulated investment company (“RIC”)

Business Strategy

- Debt and equity investments in small and mid-sized companies
- Maximize total return for shareholders through capital appreciation and/or income
- Availability of significant capital loss carryforwards generated by previous management

Corporate Governance

- 4 out of 6 members of Board of Directors are independent
- Sarbanes-Oxley compliant

Management Compensation Structure

- 2.00% base management fee as percent of gross assets, net of cash
- 20% of net realized capital gains less unrealized depreciation on new investments made since November 2003
- 20% incentive fee for income exceeding 8.75%
 - 7.00% hurdle rate with 100% catch-up between 7.00% and 8.75%

Investment Summary

High Caliber Investment Adviser

- Deep, experienced investment team with an average of 15 years experience
 - Michael Tokarz, Chairman of MVC – former General Partner of KKR for 17 years. Track record including: Safeway, Beatrice, Walter Industries, Consec
 - Warren Holtsberg, Co-Head of Portfolio Management of TTGA – previously founded Motorola Ventures, the investment arm of Motorola, Inc.

Value-Added Investment Approach

- Proactively work with portfolio companies to build value
- Emphasis on lead role translates to fees, equity kickers and board seats
 - Add value through deep investment and operating experience in equity and debt markets, industry relationships and active involvement

Robust Investment Activity

- Proprietary deal flow directly originated and structured—avoid auctions
- 26 investments, totaling \$167.1 million in FY 2007; 15 investments, totaling \$126.3 million in FY 2008; six follow-on investments, totaling \$6.3 mm in FY 2009; one new and three follow-on investments totaling \$7.0mm in 2010 YTD.

Superior Returns

	2004 ¹	2005 ²	2006	2007 ³	2008	2009	2010 YTD
NAV Growth Per Share	11%	11%	19%	23%	14%	1%	2%
Net Realized and Unrealized gains (loss) on investments (\$000)	\$11,587	\$20,473	\$43,556	\$63,642	\$60,883	\$9,723	\$ 14,092
Net Realized and Unrealized gains (loss) on investments over beginning of the year equity portfolio	100%	40%	67%	44%	37%	3%	4%
Equity portfolio as a percentage of Total Assets	8%	32%	41%	35%	60%	65%	67%
Dividends Per Share	\$ 0.12	\$ 0.24	\$ 0.48	\$ 0.54	\$ 0.48	\$ 0.48	\$ 0.24

New Opportunities

- Fee-generating asset management opportunities in development

1 NAV growth per share is after a share buy back

2 NAV growth per share includes a rights offering

3 NAV growth per share includes the results from a public offering

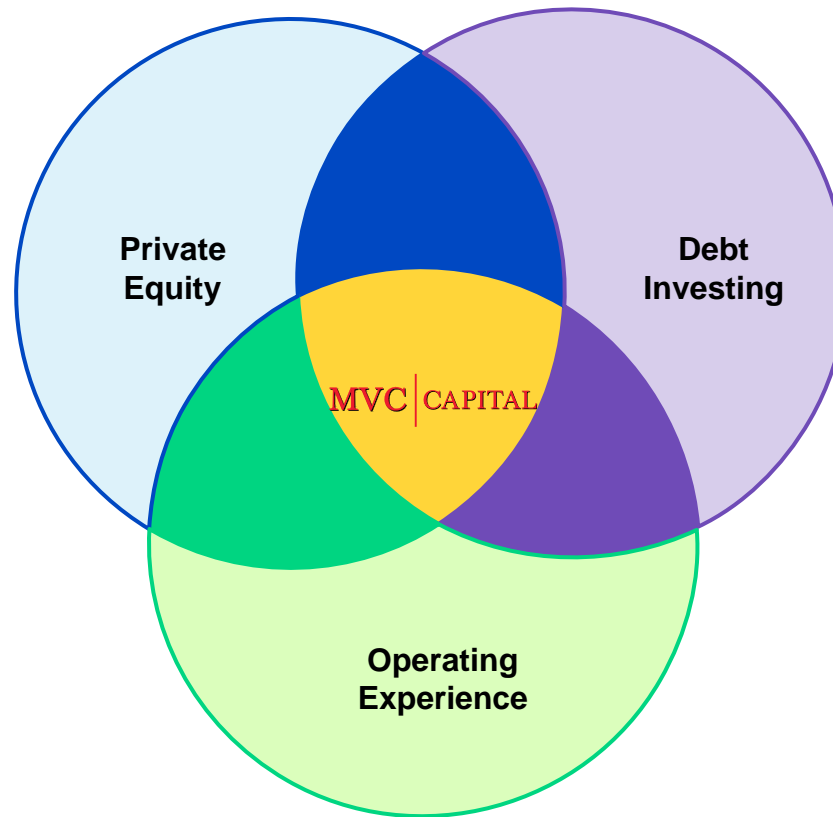
These returns represent historical results and historical results are not necessarily indicative of future results

Financial data above is unaudited

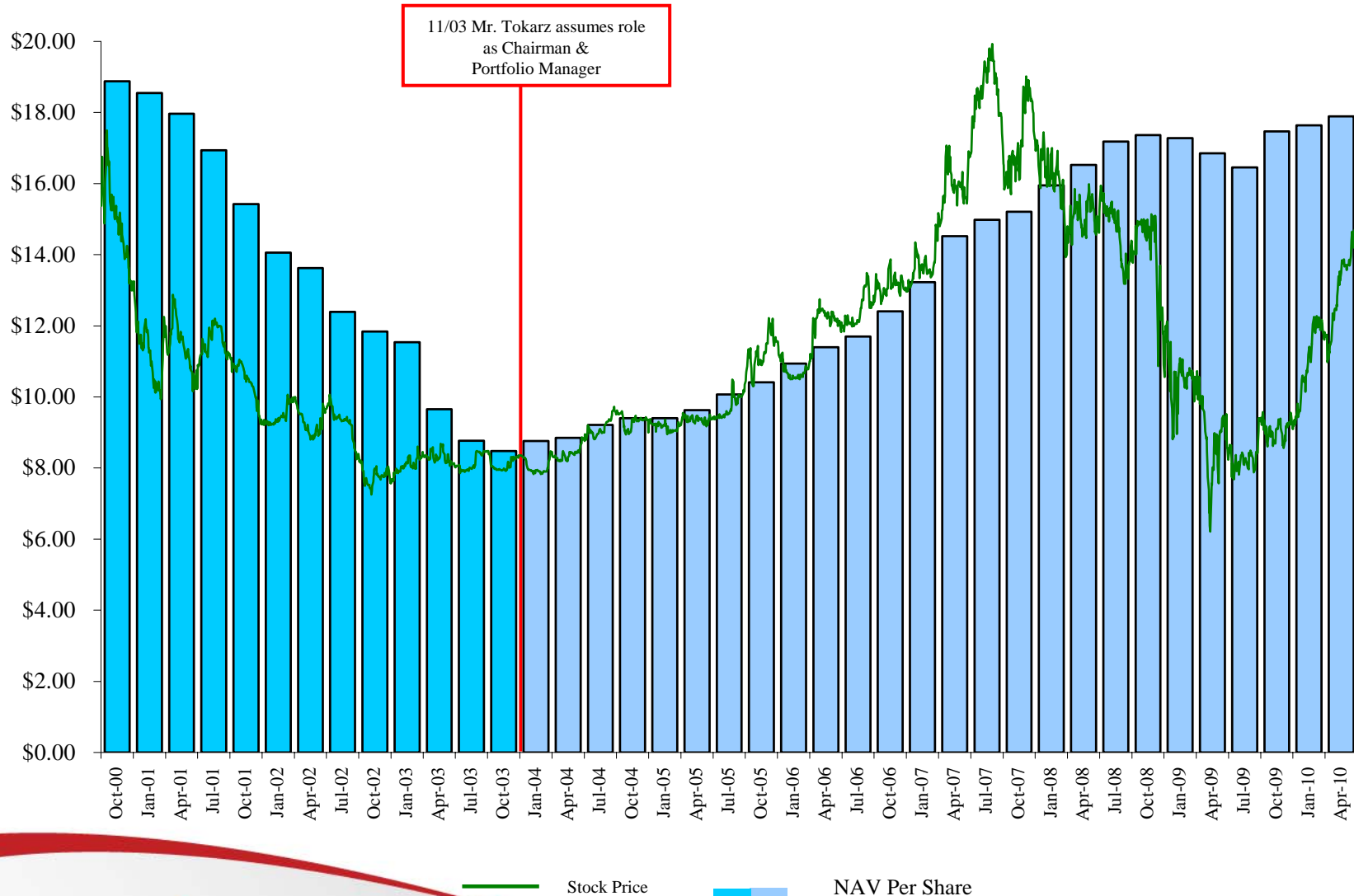
YTD information is as of April 30, 2010

Value-Added Investor

MVC's unique skill set allows us to provide financial as well as strategic advice that enhances portfolio company performance and drives value creation

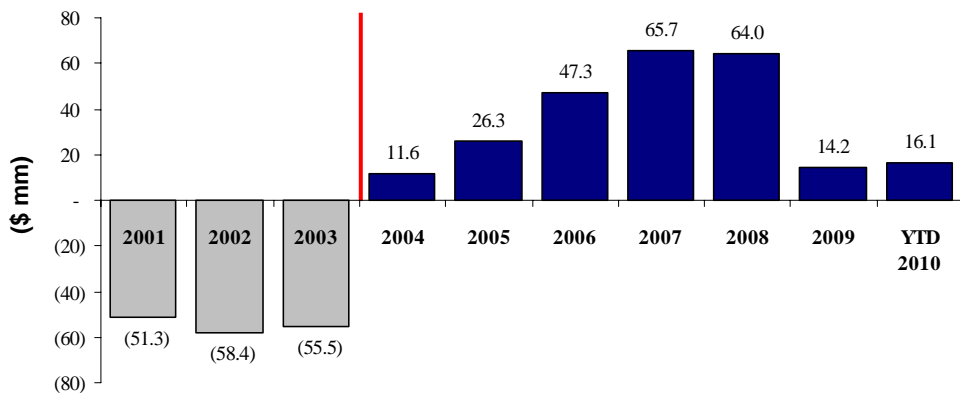


Ratio of MVC Stock Price to NAV per share

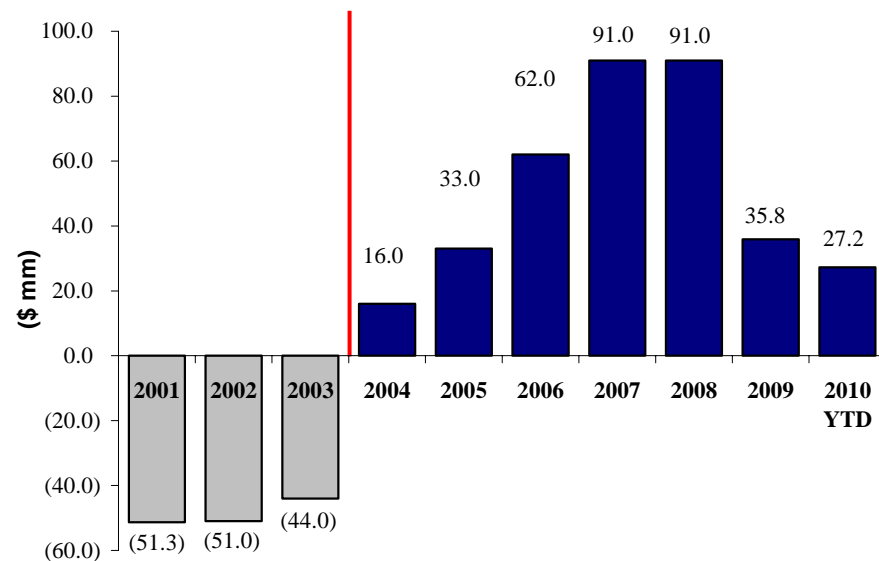


Operating Performance

Net Change in Net Assets Resulting from Operations



Total Operating Income plus Net Realized and Unrealized Gains



■ Prior / Current Management

Note: Financial data above is unaudited

Source: Company Data

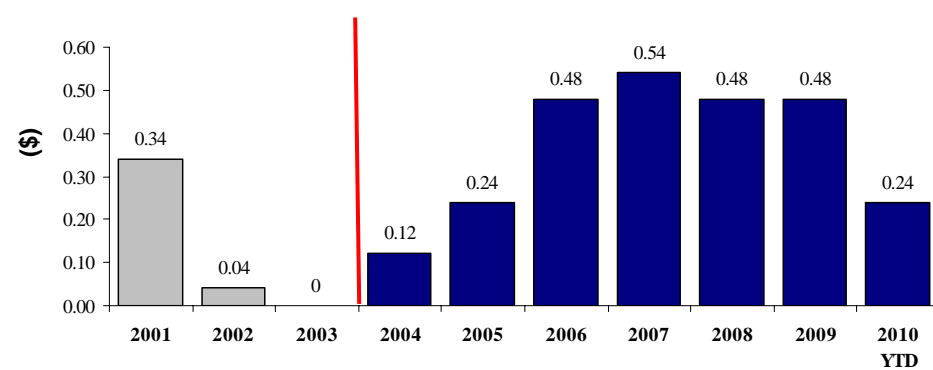
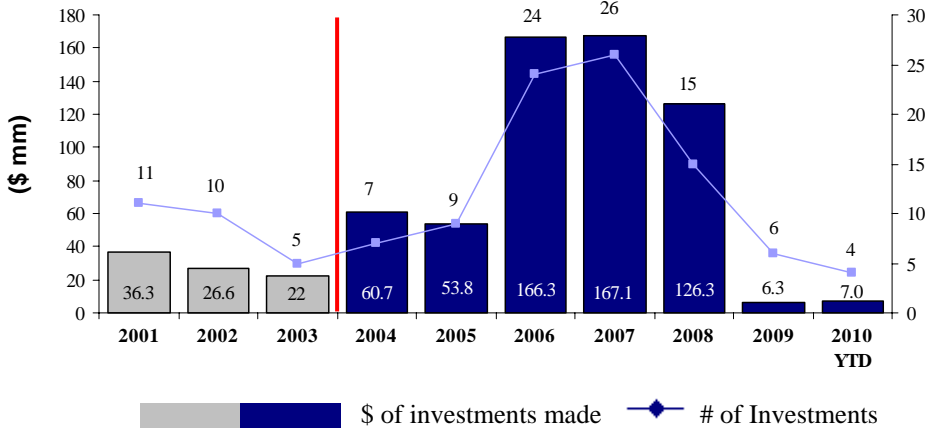
Past performance does not guarantee future results. Our share value may fluctuate.

YTD is through April 30, 2010

Financial Performance Snapshot

Investments Per Fiscal Year (YTD)¹

Dividends Per Share²



Note: Although the company commenced trading on June 26, 2000 the data shown begins from the first full fiscal year ended October 31, 2001

1 Data based on fiscal year end of October 31 unless otherwise noted

2 Dividends declared and paid through April 30, 2010

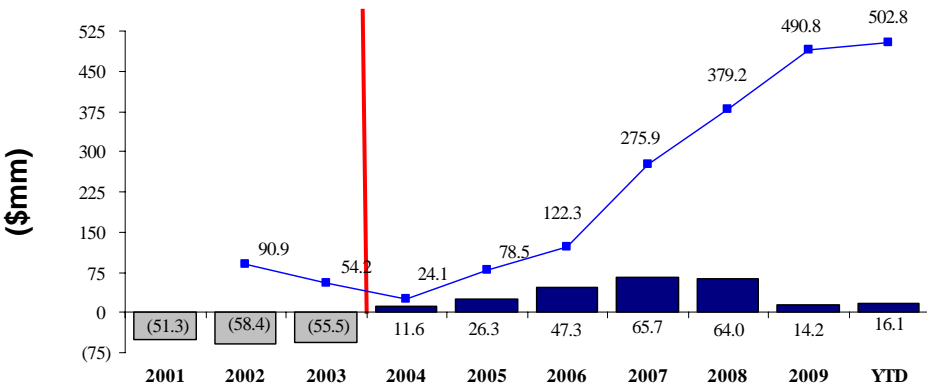
These returns represent historical results and historical results are not necessarily indicative of future results

YTD is through April 30, 2010

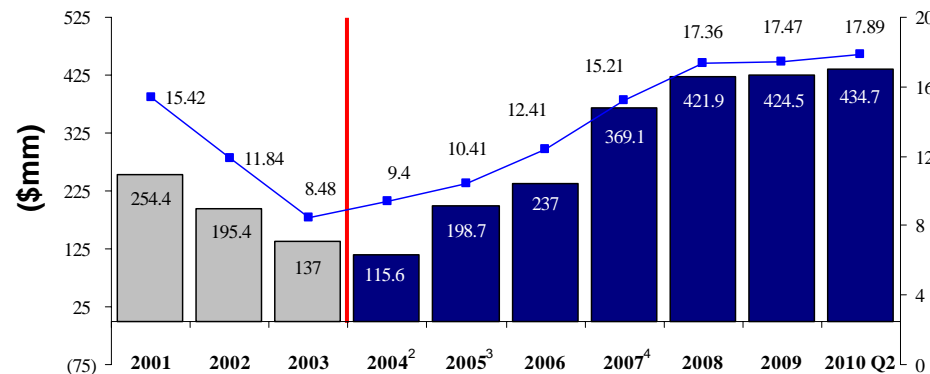
Interim information is unaudited

Financial Performance Snapshot

Total (Decrease) / Increase Net Assets Resulting from Operations¹



Net Assets¹



(Decrease) / Increase in Net Assets Resulting from Operations

Beginning of Year FMV of Investments

NAV

NAV per Share at end of period

• As of April 30, 2010 the Fund's unaudited NAV per share was \$17.89.

Notes: Data based on fiscal year end of October 31 unless otherwise indicated. Financial data is unaudited

1 Although the company commenced trading on June 26, 2000 data shown begins from first full fiscal year ended October 31, 2001

2 After share buy-back

3 Includes rights offering

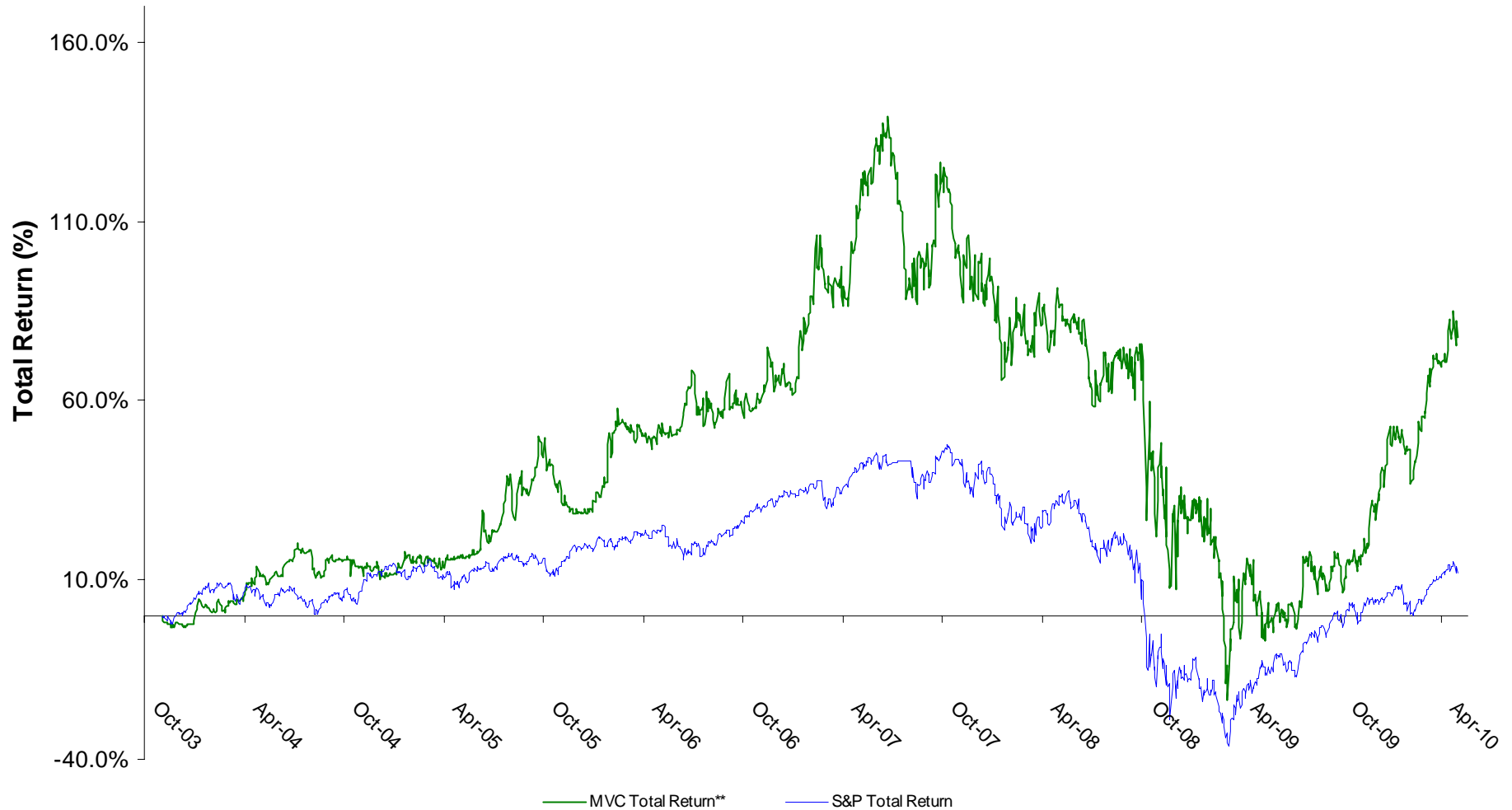
4 Includes public offering that closed on 2/23/07

Past performance does not guarantee future results. Our share value may fluctuate.

YTD as of April 30, 2010

Interim information is unaudited

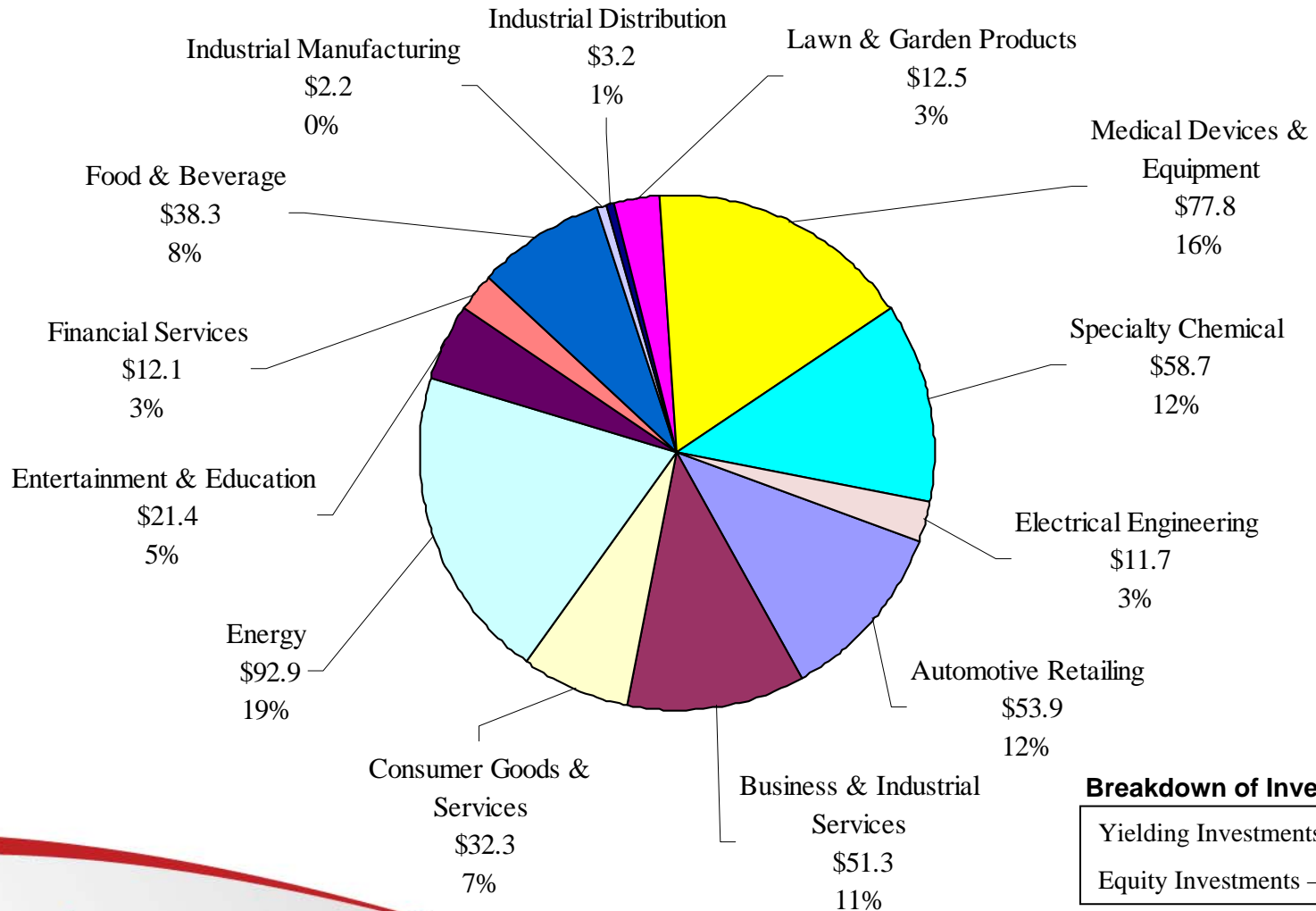
Financial Performance Snapshot (Cont.)



Investment Portfolio

FMV Investments By Industry (\$M)

As of April 30, 2010



Breakdown of Investments
 Yielding Investments – 29.2%
 Equity Investments – 70.8%

Note: Unaudited data as of April 30, 2010
 Note: Chart does not include Legacy Investments

MVC Capital Investment Team's Key Attributes

Greater than 90% of MVC's current investment portfolio, at fair market value, as of April 30, 2010 was comprised of investments where MVC was the lead or sole investor

MVC Capital Investment Team's Key Attributes:

- **Proprietary Deal Insight:** Extensive insight and access to attractive investment opportunities
- **Origination Capabilities:** In-depth knowledge and an extensive network of contacts across a broad range of industries
- **Strong Relationships:** Private equity firms, commercial banks, investment banks, business brokers and other financial institutions which regularly bring unique situations to us
- **Value Creation:** Proactively work with portfolio companies to build value through operating improvements, acquisitions and consolidation
- **Flexible and Creative Structuring:** We can originate and structure investments across the capital structure which provide MVC with closing, management and monitoring fees

Investment Criteria

Target Investments

- Opportunities to revitalize and redirect a company's resources and strategy
- Underperforming companies relative to their potential due to structural impediments
- Businesses with secure market niches, predictable profit margins, and special product or service expertise
- Stable free cash flow
- Presence or availability of highly qualified management teams
- Sustainable competitive advantage and favorable industry dynamics

Target Criteria

- Investment size generally ranging from \$3 to \$25 million
- Companies with revenues of \$10 to \$200 million
- Companies with EBITDA of \$3 to \$25 million

Select Case Studies



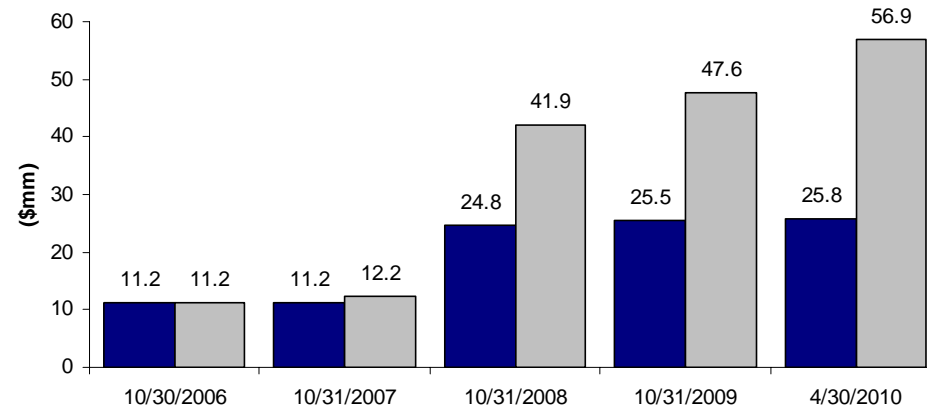
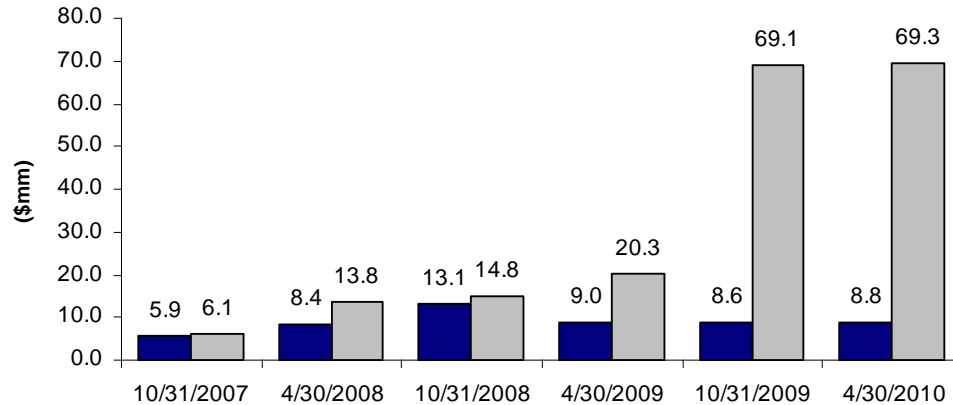
U.S. Gas & Electric, Inc.

- A marketer & distributor of natural gas to small commercial and residential retail customers in the State of New York
- MVC Capital provided a \$18.0M investment commitment to recapitalize the company and provide growth capital, arranged for \$25.0M senior debt financing, and sponsored USG&E's acquisition of Energy Service Providers, Inc. with no further investment capital required
- MVC earned one-time fee income of \$2.2M for sponsoring and providing a limited guarantee and short-term letter of credit and increased its annual management fee to \$650K



Summit Research Labs, Inc.

- A New York based specialty chemical company that manufactures antiperspirant actives
- MVC Capital originally provided \$5.0M of debt financing and \$11.2M of equity financing in August 2006
- In February 2008, MVC sponsored Summit's acquisition of Reheis. MVC developed relationship over 12 months and negotiated terms on behalf of Summit



Cost Fair Value

Note: These case studies are provided for illustration purposes only. Fair values reported as determined by Valuation Committee, which is comprised of three independent Board members. A complete list of our current investments and their unrealized fair values appears in the Appendix.

*These returns represent historical results and historical results are not necessarily indicative of future results
Interim data is unaudited*

Successful Exits



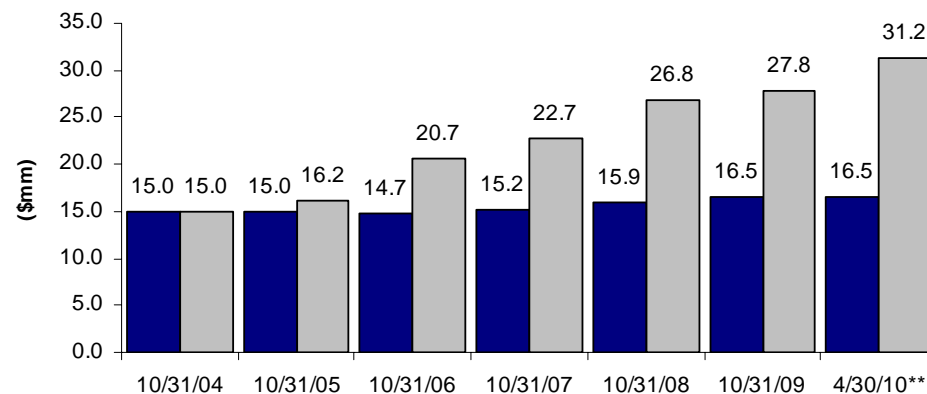
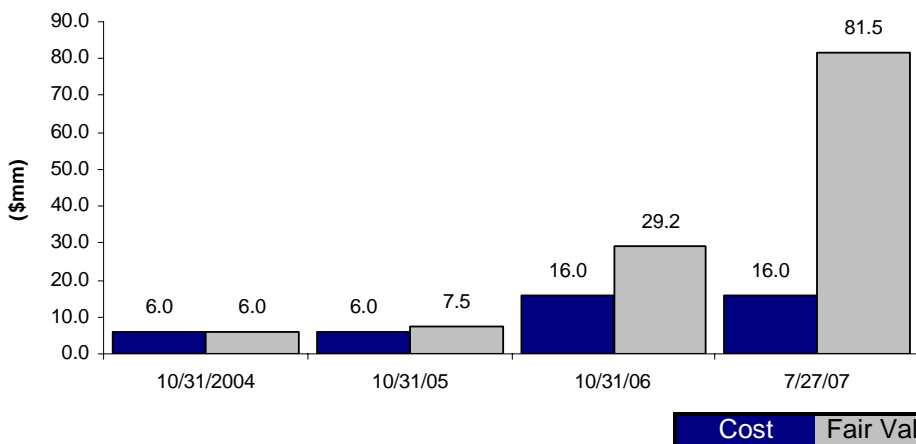
Baltic Motors Ltd. **Baltic Motors Ltd. and BM Auto**



Vitality Food Service, Inc.

- Ford and BMW automotive dealers in the Baltic Region
- Hired local CEO and made key investment in Riga port facility, enabling for faster and more efficient delivery of cars to reduce working capital
- Strong performance led to additional investment opportunities, e.g., Auto MOTOLBENI, SIA Tekers, & MVC Automotive Group
- Sold to Inchcape on 7/27/07: IRR of 115%; combined gain of \$66.5M* on \$16.5M investment

- Third largest manufacturer and distributor of juice and other beverage products to food service industry
- Strengthened current large customer relationships and leveraged national infrastructure to land new national accounts with existing and new products
- Strong organic growth, new product development pipeline and unmatched national infrastructure interested Nestle who was looking to enter the US Food Service Market
- Sold to Nestle on 12/28/09: IRR of 19.5%; combined proceeds of \$31.2M** on \$16.5M*** investment.



Note: These case studies are provided for illustration purposes only. Fair values reported as determined by the Valuation Committee, which is comprised of three independent Board members. A complete list of our current investments and their unrealized fair values appears in the Appendix. Interim data is unaudited.

These returns represent historical results and historical results are not necessarily indicative of future results

*Includes \$1.0M of reserve retained by the fund in fiscal 2007

** Includes cash received as of April 30, 2010, fair value of remaining assets and the full value of the escrow

*** Refers to cost basis of Vitality as of 10/31/09

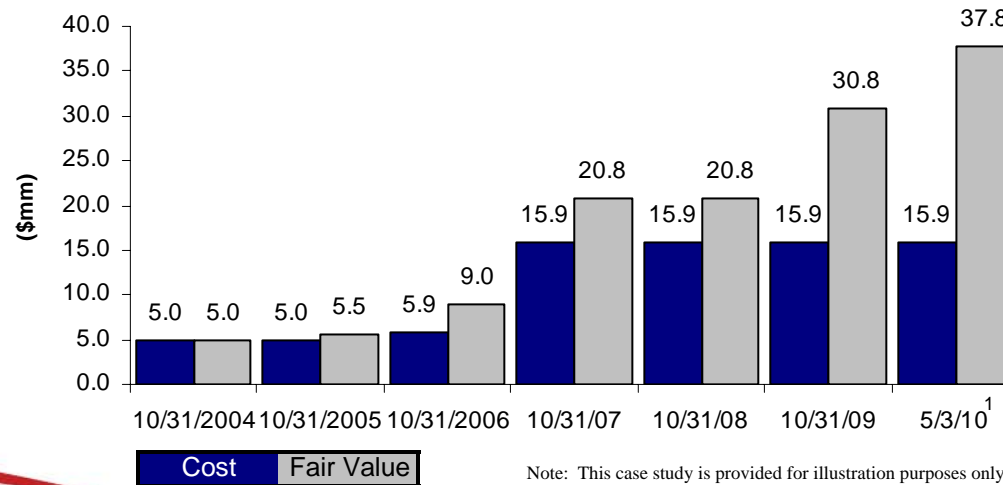
Successful Exits (cont.)



Dakota Growers Pasta Company, Inc.

YOUR SOURCE FOR PREMIUM PASTA™

- Third largest manufacturer and marketer of dry pasta in North America
- Company engaged in exhaustive search for “right investor”
- MVC wins based upon unique capabilities and ability to add value
- Provided \$5M of equity growth capital in 2004 and \$10M in 2007 to facilitate a tender offer. Opportunity existed through organic growth, brand development, and acquisitions
- MVC steers company to take advantage of weaknesses in top two competitors winning market share
- Operating efficiencies and market penetration allowed for doubling sales and quadrupling profitability priming the company for sale
- MVC closed Dakota’s sale to Viterra for \$18.28 per share resulting in an estimated 27.6% IRR (including dividends received and fees earned over the life of the investment)



Note: This case study is provided for illustration purposes only. Fair values reported as determined by Valuation Committee, which is comprised of three independent Board members. A complete list of our current investments and their unrealized fair values as well as realized values for exited investments appears in our 10-Q filings.

These returns represent historical results and historical results are not necessarily indicative of future results

Interim information is unaudited

1. Dakota sale was announced during the quarter but closed on May 3, 2010

Investment and Portfolio Monitoring Process



▪ MVC has an active investment opportunity pipeline

▪ Evaluate specific industries

- Understand growth potential
- Analyze industry structure

▪ Identify opportunities

- Provide financing to financial sponsors / small and mid-sized companies
- Underleveraged assets
- Operational / Financial
- Restructuring
- Strategic repositioning
- Consolidations

▪ Identify cross-industry trends

- Globalization, regulation, etc.

▪ Strategic due diligence

- Product positioning
- Threats & opportunities

▪ Establish equity purchase price / loan pricing

- Sensitivity analysis
- Identify cash flow drivers
- Quantify revenue growth and cost reduction potential
- Design loan covenants

▪ Confirmatory due diligence

- Management capabilities
- Benchmark operations
- Interview customers and suppliers
- Validate business model and projections
- Legal, accounting, tax

▪ Proactive Board of Directors

- Informed and incentivized world class operating and financial executives

▪ Active portfolio compliance monitoring

- Internal Compliance Officer

▪ Increase revenue / decrease costs

- Growth opportunities
- Benchmark competitors

▪ Improve core business

- Sales force
- Supply chain
- Inventory management
- Alter / refine strategies

▪ Management support

- Interview key personnel
- Incentive plans

▪ Exit options

- Public offering
- Sale
- Financial recapitalization
- Maturity of loan

▪ Prepare / market for exit

▪ Identify buyers

- Strategic buyers
- Financial buyers

Management and Investment Team*

MVC Capital, Inc. Board of Directors

Michael T. Tokarz (30+)

Chairman & Portfolio Manager of MVC & TTGA

- Former General Partner of KKR
- Ran East Coast operations of Continental Illinois

Warren E. Holtsberg (30+)

Co-Head Portfolio Manager of TTGA

- Former Corporate Vice President of Equity Investments at Motorola
- Founder & Head of Motorola Ventures
- Member of MVC Capital's Board of Directors

Bruce Shewmaker (35+)

Managing Director of MVC

- Founding Partner of Merrill Lynch Venture Capital
- Extensive knowledge of and experience with BDCs

Peter Seidenberg (15)

Chief Financial Officer of MVC

- Former Principal of Nebraska Heavy Industries
- Former Director of Finance and Business Development at Plumtree Software

Jaclyn Shapiro-Rothchild (10)

VP & Corporate Secretary of MVC

- Former Associate and Business Manager of meVC Draper Fisher Jurvetson
- Former Research Analyst to Gruntal & Co.

Scott Schuenke (9)

Chief Compliance Officer & Controller of MVC

- Former compliance officer with US Bancorp Fund Services, LLC
- Audit and assurance services at PricewaterhouseCoopers

TTGA Investment Team

Mark Kaltenbacher (13)

- Former General Partner of East Fund Management in Austria
- Experience in private equity, investment banking and operations

Stephen Kaplan (1)

- Experience in financial modeling and monitoring of private equity investments through three summers with MVC Capital

John Kelly (3)

- Formerly of the General Industrials Group at Bear, Sterns & Co.
- Responsible for sourcing, executing and monitoring MVC Capital Investments

Shivani Khurana (11)

- Previously with Cadigan Investment Partners, Wachovia and Merrill Lynch
- Serves as a VP of MVC Financial Services, Inc.

James Lynch (13)

- Former Managing Director at FTI Consulting & Financial Advisor at Deloitte & Touche
- Member of the Board of Advisors of Illinois Business Consulting

James O'Connor (15)

- Former Managing Director and Co-Founder of Motorola Ventures
- Previously with A.T. Kearney & U.S. Treasury Department

Puneet Sanan (15)

- Previously with Cadigan Investment Partners, UBS and Legg Mason
- Experience in private equity, leveraged lending and operations

Christopher Sullivan (10)

- Previously with Credit Suisse First Boston Equity Capital Markets
- Former Research Analyst at CIBC World Markets

Note: Numbers in parentheses indicates years of investment and operating experience
 * MVC does not employ any individuals. MVC is externally managed by TTGA.
 All of the individuals identified are employed by TTGA and may devote their time and resources to areas of TTGA's business other than the management of MVC.

Corporate Governance

The Board is comprised of a majority of independent directors that have strong investment backgrounds and provides strong corporate governance

Board of Directors

Name	Note	Age	Background	Ownership (%)
Michael Tokarz		60	Chairman & Portfolio Manager; former General Partner of KKR	2.79%
Emilio Dominianni	1,2,3,5	78	Retired Partner of and former Special Counsel to Coudert Brothers LLP	Under 1%
Gerald Hellerman	1,2,3,4,5	72	Principal of Hellerman Associates, manager-investment advisor for US Department of Justice Settlement Trust	Under 1%
Robert Knapp	1,3,4,5	43	Managing Director of Ironside Partners and former Managing Director of Millennium Partners	1.99%
William Taylor	1,2,5	67	Chairman of Audit & Finance Board Committees of Deloitte & Touche USA	Under 1%
Warren Holtsberg		59	Current Co-Head Portfolio Manager of TTGA. Previously started Motorola Ventures	Under 1%

Notes:

- 1 Independent director
- 2 Member of Audit Committee
- 3 Member of Valuation Committee
- 4 Member of Compensation Committee
- 5 Member of Nominating, Corporate Governance and Strategy Committee

* All Directors & Executive Officers as a group own 7.95% of the Fund as of April 30, 2010

Select Financial Data—Income Statement

(\$ in thousands, except per share amount)	Year ending October 31,					2010 Q1	2010 Q2
	2005	2006	2007	2008	2009		
Dividend income	1,347	222	469	3,505	2,460	2,034	79
Interest income	8,111	13,687	22,357	22,542	19,295	4,823	4,520
Fee income & other income	2,742	4,599	4,124	3,980	4,354	941	738
Total operating income	12,199	18,508	26,950	30,027	26,109	7,798	5,337
Operating expenses net of Waiver	6,505	14,568	25,265	27,895	20,207	4,886	6,227
Net operating income before taxes	5,694	3,940	1,685	2,132	5,902	2,912	(890)
Tax expense / (benefit)	(101)	159	(375)	(936)	1,377	5	2
Net operating income (loss)	5,795	3,781	2,060	3,069	4,525	2,907	(892)
Adjusted items:							
<i>Incentive compensation</i> ¹	1,117	6,055	10,813	10,822	3,717	1,020	2,225
<i>Interest and other borrowing costs</i>	31	1,594	4,859	4,464	3,128	641	647
Net operating income after taxes and adjusted items	6,943	11,430	17,732	18,355	11,369	4,568	1,980
Net realized gain / (loss) on investments	(3,295)	5,221	66,944	1,418	(25,082)	13,320	416
Net change in unrealized appreciation (depreciation) on investments	23,768	38,334	(3,302)	59,465	34,804	(9,088)	9,445
Net increase in net assets resulting from operations	26,268	47,336	65,702	63,952	14,247	7,139	8,969
Net increase in net assets per share resulting from operations	1.45	2.48	2.92	2.63	0.59	0.29	0.37
Dividends declared per share	0.24	0.48	0.54	0.48	0.48	0.12	0.12

Note: Unaudited data as of April 30, 2010. Above numbers are rounded.

1. Incentive compensation is a non cash item that is accrued

Select Financial Data—Balance Sheet

(\$ in thousands, except per share amounts)	For the Year Ended October 31,					
	2005	2006	2007	2008	2009	2010 Q2
Assets						
Cash & Cash Equivalents	\$ 77,324	\$ 66,217	\$ 84,728	\$ 12,764	\$ 1,008	\$ 21,256
Yielding Investments	57,253	132,664	213,551	183,291	169,924	140,523
Equity Investments	65,044	143,228	165,617	307,513	332,879	341,203
Total Investments	122,298	275,892	379,168	490,804	502,803	481,726
Other Assets	1,758	4,938	6,595	7,143	9,036	8,796
Total Assets	\$ 201,380	\$ 347,047	\$ 470,491	\$ 510,711	\$ 512,847	\$ 511,778
Liabilities						
Term Loan	-	50,000	50,000	50,000	50,000	50,000
Revolving Credit Facility	-	50,000	30,000	19,000	12,300	-
Other Liabilities	2,640	10,054	21,394	19,840	24,090	27,046
Total Liabilities	2,640	110,054	101,394	88,840	86,390	77,046
Total Shareholders' Equity	198,739	236,993	369,097	421,871	424,456	434,732
Total Liabilities and Shareholders' Equity	\$ 201,379	\$ 347,047	\$ 470,491	\$ 510,711	\$ 510,846	\$ 511,778
Net Asset Value Per Share	\$ 10.41	\$ 12.41	\$ 15.21	\$ 17.36	\$ 17.47	\$ 17.89

Note: Unaudited data as of April 30, 2010

Important Disclosure

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 and the illiquidity of our investments in portfolio companies. For a detailed description of the risk factors impacting the Company, please read the “Risk Factors” section of our recent SEC filings. Past performance is no guarantee of future results. There can be no assurance that we will achieve our investment objective.

Appendix

Portfolio Companies

Name	Industry	Cost (\$)	Fair Value (\$)
SIA Tekers Invest Common Stock	Automotive Retailing	2,300,000	3,790,000
MVC Automotive Group B.V.	Automotive Retailing	38,380,496	50,143,557
SGDA Europe B.V.	Business & Industrial Services	18,888,551	17,650,001
SGDA Holdings, Inc.	Business & Industrial Services	6,187,350	6,187,350
Total Safety U.S., Inc.	Business & Industrial Services	4,467,500	4,393,058
Custom Alloy Corporation	Business & Industrial Services	22,899,678	23,099,908
BP Clothing, LLC	Consumer Goods & Services	22,998,439	19,781,414
Harmony Pharmacy & Health Center, Inc.	Consumer Goods & Services	13,245,117	11,500,000
Storage Canada, LLC	Consumer Goods & Services	1,057,713	1,055,500
Velocitius B. V.	Energy	11,395,315	23,600,000
U.S. Gas & Electric, Inc.	Energy	8,876,706	69,303,747
Marine Exhibition Corporation	Entertainment & Education	14,340,586	14,414,368
PreVisor	Entertainment & Education	6,000,000	7,000,000
HuaMei Capital Company Inc.	Financial Services	2,000,000	1,525,000
MVC Partners, LLC, Membership Interest	Financial Services	1,350,253	1,133,729
Octagon Credit Investors, LLC	Financial Services	6,417,545	9,394,699
Dakota Growers Pasta Company, Inc.	Food & Beverage	15,879,242	37,811,950
LHD Europe Holding Inc.	Food & Beverage	225,051	450,000
GDC Acquisition, LLC	Industrial Distribution	3,166,116	3,166,116
Amersham	Industrial Manufacturer	6,401,308	-
Vestal Manufacturing Enterprises, Inc.	Industrial Manufacturing	2,450,000	2,200,000
Integrated Packaging Corporation	Industrial Manufacturing	-	-
Turf Products, LLC	Lawn & Garden Products	12,841,498	12,534,159
Ohio Medical Corporation	Medical Devices & Equipment	47,000,000	51,075,279
SP Industries	Medical Devices & Equipment	26,187,301	26,693,437
Summit Research Labs, Inc.	Specialty Chemical	25,838,928	56,940,821
WBS Carbons Acquisitions Corp.	Specialty Chemical	1,759,796	1,759,796
Security Holdings, B.V.	Electrical Engineering	29,885,900	11,731,700
Total investments at fair value		\$352,440,389	\$468,335,589

Note: Unaudited data as of April 30, 2010

Portfolio Companies (Cont.)

Name	Industry	Cost (\$)	Fair Value (\$)
Investments made prior to November 2003			
Actelis Networks, Inc.	Technology	5,000,003	-
DPHI, Inc.	Technology	4,520,355	-
FOLIOfn, Inc.	Technology	15,000,000	10,790,000
Lockorder LTD	Technology	2,007,701	-
MainStream Data	Technology	3,750,000	-
Safestone LTD	Technology	2,007,701	-
Sonexis, Inc.	Technology	10,000,000	-
Vendio Services, Inc.	Technology	6,634,001	2,600,000
Total		\$48,919,761	\$13,390,000
		401,360,150	481,725,589