



Investor Presentation – Covering  
Q1 2017

March 2017

**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 and financial objectives, 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.

# About MVC\*

**MVC Capital, Inc. is a Business Development Company (BDC) that seeks to build shareholder value by making yielding investments in middle-market companies.**

## At A Glance

Ticker	MVC
Exchange	NYSE
External Manager	The Tokarz Group Advisers
Headquarters	Purchase, NY
Employees	20
Stock Price at 3/10/17 <sup>1</sup>	\$8.88
NAV per share <sup>2</sup>	\$12.45
Discount <sup>1</sup>	28.7%
TTM Dividend Yield <sup>1</sup>	6.1%
52 Week Range <sup>1</sup>	\$7.07 – \$8.89
Shares Outstanding	22.6 Million
Market Capitalization <sup>1</sup>	\$200.3 Million

- Note: Please see important disclosures and footnotes the end of the presentation for additional information

# BDC Primer

## What is a BDC?

A Business Development Company (BDC) is a special type of closed-end fund that makes investments in other companies. BDCs must keep 70% of their investments in eligible assets<sup>3</sup> and distribute at least 90% of their net income to shareholders through one or more dividends.

- *MVC is unique: The company's transition to yielding investments from its heritage in equity, should enable an increase in organic yield coupled with the potential for long-term capital gains distributions.*
- *35% of the total income in 2016 came from portfolio company dividends.*

## What do BDCs invest in?

BDCs invest in assets that typically are limited to institutional investors. Many BDCs focus on middle-market companies, making investments with a variety of different structures, including preferred stock, mezzanine loans and senior secured debt.

- *MVC focuses on lower middle-market investments, often partnering with banks and other companies themselves.*

## What do BDCs invest in?

Because BDCs often invest in high yielding debt instruments and must distribute the vast majority of their income, they are structured to offer attractive dividends with investment performance.

- *MVC has a healthy yield of approximately 6.1%<sup>1</sup>*

Note: Please see important disclosures at the end of the presentation for additional information

# Middle Market Primer

## What is the middle market?

The middle market is comprised of companies with revenues between \$10 million and \$1 billion<sup>4</sup>

There are 200,000 plus US – based middle market companies that account for \$10 trillion of the \$30 trillion private sector gross receipts and 30 million jobs<sup>4</sup>

- *MVC typically invests in the lower end of the middle market in companies that earn revenues of between \$10 and \$150 million and EBITDA of between \$3 and \$25 million*

## How is the middle market changing?

There are approx. 200,000 middle market companies in the U.S. <sup>5</sup> As the demand for financing in the middle market continues to grow, the potential for direct lending to expand market share in financing increases.

In the first quarter of 2016, market volatility led to limited optimistic deal flow early in the year. With refinancings and dividend recaps in the latter half of 2016, the window for opportunistic transactions remains open in 2017. <sup>6</sup>

## What portion of the middle market does MVC invest in?

MVC focuses on lower middle-market investments, often partnering with banks given that banks are cutting back on types of middle-market lending due to increased regulations and costs

- *The lower middle market is an attractive niche for MVC shareholders as we believe this segment is:*
  - *Exposed to macroeconomic conditions, but insulated from severe volatility*
  - *Highly fragmented, difficult to access investments without experience and time tested disciplines and relationships*
- *We believe this segment currently offers favorable pricing and structures*

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# Company Highlights

## Focus on Improving Yield

- MVC is focusing on monetizing equity investments and redeploying capital to yielding investments, with the goal of helping the company narrow the current 28.7% discount to NAV.<sup>7</sup>

## Differentiated Product

- MVC's loans are generally pre-payable without penalty and non-dilutive. MVC stays active and involved, often helping portfolio companies beyond financing.

## Proprietary Deal Flow

- MVC's deal team maintains an extensive network that provides a steady stream of referrals for "off-market" opportunities.

## Significant Market Opportunity

- With banks reducing the types of loans they make to the lower middle market due to increasing regulations, MVC is poised to fill the void.

## Regular Distributions

- MVC originally held \$137.9 million in total assets as of the start of fiscal 2004, has returned approximately \$200 million to shareholders since Mike Tokarz became Chairman & Portfolio Manager.<sup>8</sup>
- The NAV as of January 31, 2017 was \$12.45 after \$6.27 per share in cumulative dividends since July 2005 through January 31, 2017.
- Additional cash generation from exits could potentially fuel increased share repurchases.<sup>9</sup>

## Experienced Management Team Enhanced

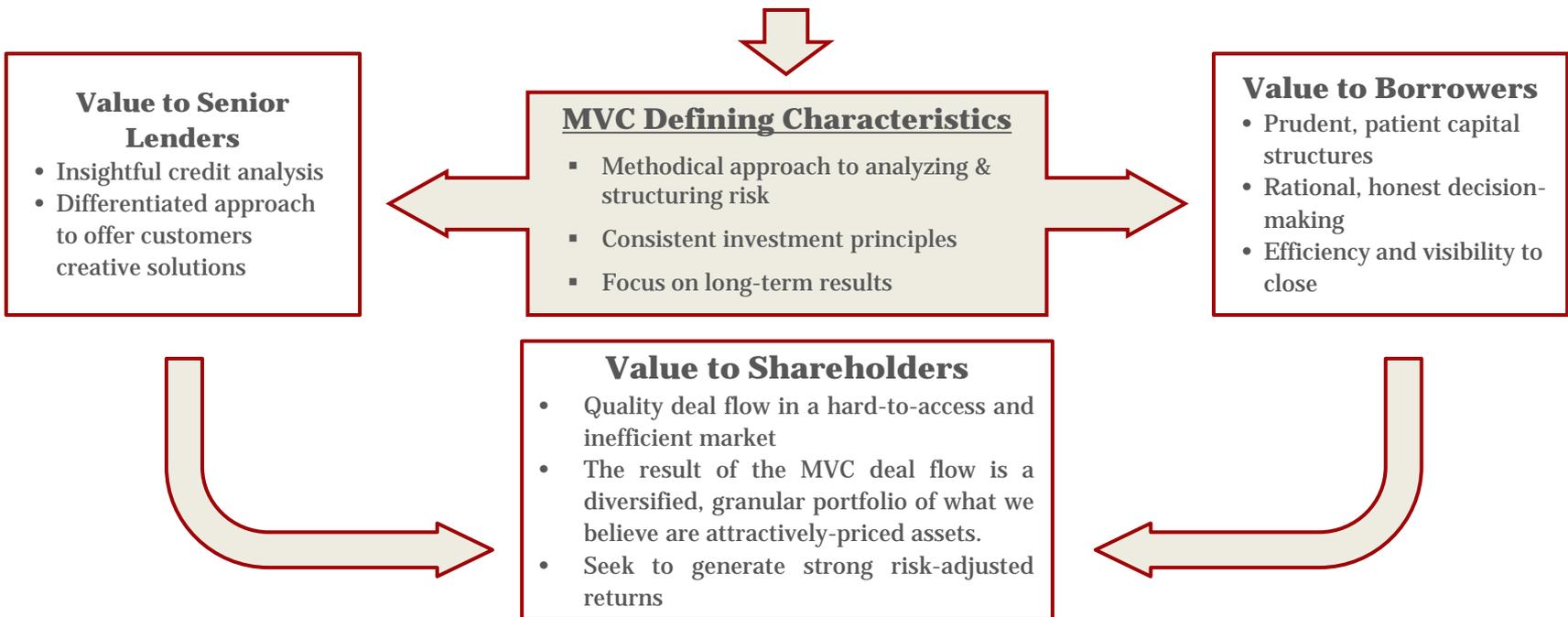
- The lending team, which joined MVC in October 2014 from Fifth Third Bank, has completed over 150 transactions since 2001.
- 8 new transactions in 2015 at MVC
- 6 new transactions in 2016 at MVC
- 3 follow-on investments during the three-month period ended January 31, 2017, of which one was generated by the lending team

Note: Please see important disclosures at the end of the presentation for additional information

# Value System & Deal Flow

MVC is uniquely qualified to generate consistent, high-quality deal flow in the lower middle market by offering attractive value propositions to borrowers, bank partners, and intermediaries.

MVC Yield Team Experience		
<ul style="list-style-type: none"> <li>• 161 transactions</li> <li>• \$906 million of junior capital invested</li> <li>• More than 2,500 transactions reviewed</li> </ul>	<ul style="list-style-type: none"> <li>• Relationships with 70+ private equity firms</li> <li>• Relationships with 100+ Senior Lenders across numerous institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Relationships with 50+ intermediaries</li> <li>• National footprint</li> <li>• Hard-earned reputation</li> </ul>



Note: Please see important disclosures at the end of the presentation for additional information

# Underwriting, Structuring & Portfolio Management

MVC invests in companies and structures that we believe can withstand transitional periods of underperformance brought on by identified risks.

## Disciplined underwriting process (general guidelines)

- Character of management/ownership
- Leverage (deal dependent, but typically 4.5x)
- Fixed-Charge Coverage Ratio (“FCCR”) (>1.20x)
- Debt/EV (<70%)
- No-growth & downside scenario analysis
- Reason to exist with barriers to entry
- Attractive customer base
- Manageable commodity risk
- Ability to weather cyclicity
- Favorable industry dynamics

## Portfolio management disciplines

- Know your borrower
- Proactive monitoring of financial performance
- Active relationship between management and all stakeholders
- Quick and decisive action
- Provide more than money
- Honest, rational, and fair decision making in good times and bad

### Structural Element(s)

Leverage  
Equity composition  
Collateral  
FCCR  
Liquidity



### Risk Factor(s)

High Debt/EV  
Customer concentration  
Industry risk  
Cyclicity or commodity risk  
Mediocre management & sponsor

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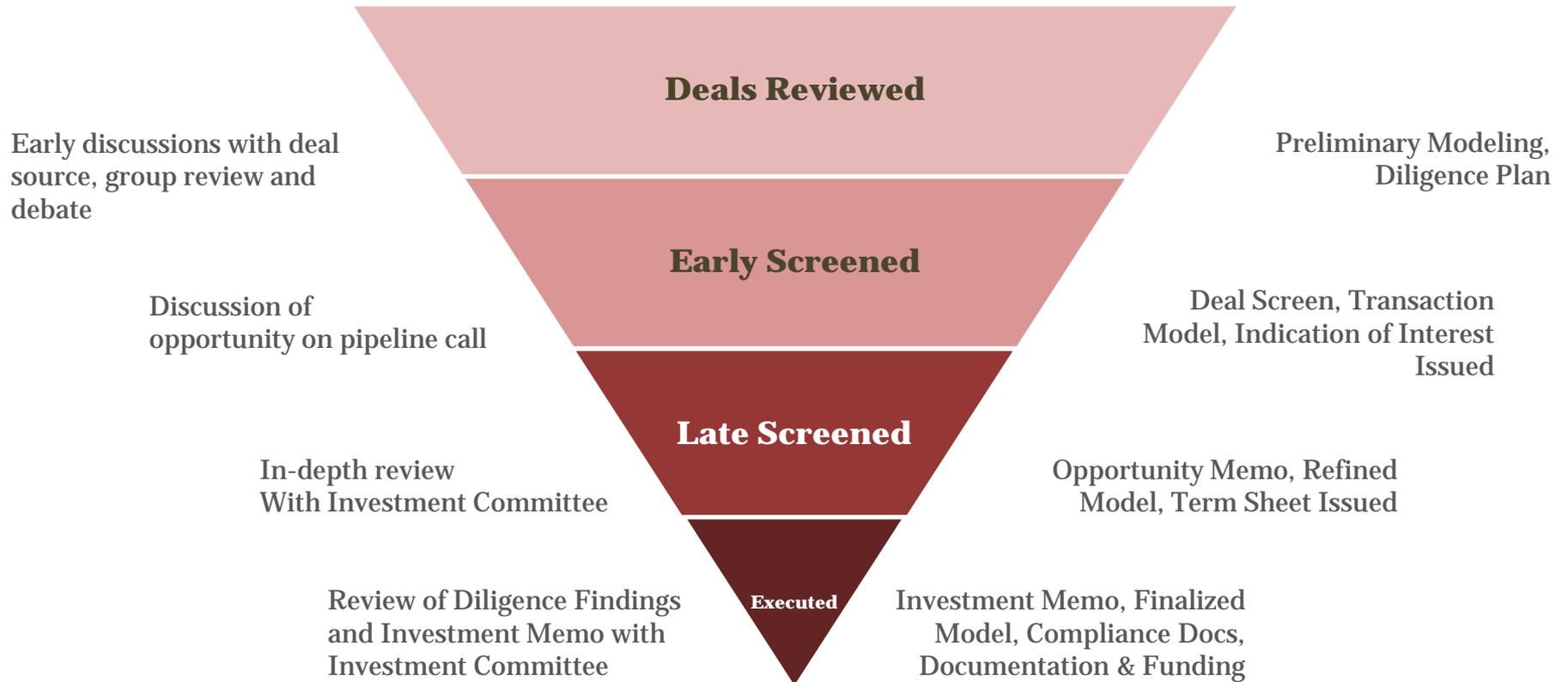
# Typical Investment Structure

Criteria	Terms	Uses
<ul style="list-style-type: none"><li>• Investment Size: \$3-\$25 million</li><li>• TTM EBITDA: specialize in \$3-\$25 million</li><li>• EBITDA Margins: 10%+</li><li>• Debt/EBITDA: &lt; 4.5x</li><li>• Security in Assets: Second lien</li><li>• Target IRR: 15%-18%</li></ul>	<ul style="list-style-type: none"><li>• Maturity: Up to 6 years</li><li>• Structure: Bullet with cash flow recapture</li><li>• Coupon: 11% - 13%</li><li>• Earn upfront fees</li><li>• Equity kickers</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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# Typical Yielding Investment Process

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# MVC's Yielding Investment Advantages

*Due to our lending team's strong relationships with various banks, MVC is uniquely positioned to access deal flow and provide capital to bank clients similar to a unitranche structure, all while maintaining risk adjusted returns to our shareholders*

## Cost

- Acting as a preferred bank partner allows for structures and execution costs more typically found from single-lenders
- MVC shareholders receive preferred access to various bank lending opportunities, allowing for more yield execution
- Borrowers are rewarded with lower cost of capital over time

## Flexibility

- Financing is non-dilutive and non-controlling, allowing borrowers to focus on their business
- Unitranche like structure reduces financial reporting and compliance processes
- No pre-payment penalties
- Reputation for flexibility and partnership leads to additional deal flow sources

## Speed

- Expedited time to close with coordinated diligence, approval processes and documentation
- Lowered execution risk through fewer institutional lenders

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# Experienced Management

## Michael Tokarz

- 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

## David Williams

- Responsible for managing MVC Capital's lending team and its investments
- Founder of Fifth Third Bank's Mezzanine Finance Group
- At Fifth Third, led or co-led more than 150 mezzanine transactions, representing over \$800 million in volume

## Scott Schuenke

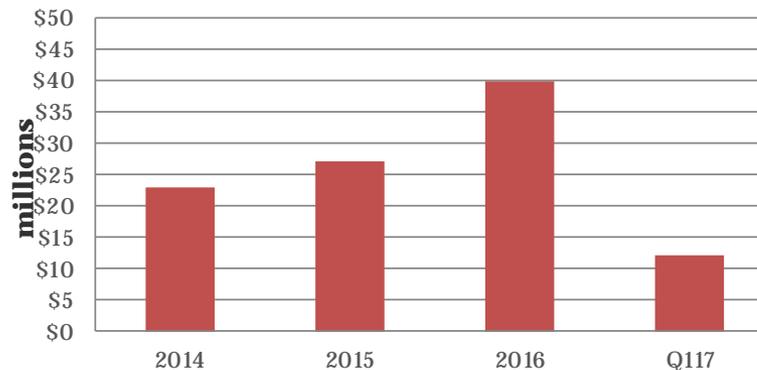
- Responsible for overseeing the financial operations of MVC Capital, its wholly-owned subsidiaries and TTGA.
- Was MVC's corporate controller from June 2004 until he became CFO in 2013. Was also CCO from October 2004 through January 2015.
- Additionally provides financial expertise and monitoring to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

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# Creating Capacity For Capital Allocation

- As of January 31, 2017, MVC turned over \$102.3 million (including all fees and escrows) of equity or 30% of its net assets since October 2014 for redeployment into yielding investments and capital allocations
  - Redeployed \$102.4 million through Q1 2017 in yielding assets over the same period \*
- Favorable credit facility in place for new yielding investments with significant capacity
- Cash preservation underway for capital allocation purposes
- MVC continues to review its portfolio for monetization opportunities
  - MVC received proceeds of approximately \$12.2 million (excluding fees and escrows) from the PE Fund related to the sale of AccuMed Corp. during the three months ended January 31, 2017
- Yield creation can take the form of distributions from equity investments generating strong cash flows or from recapitalizations
  - For example, U.S. Gas distributed \$12.5 million or \$0.55 per share to MVC during the fiscal year ended October 31, 2016<sup>10</sup>

## Turnover in Equity\*



Note: Please see important disclosures at the end of the presentation for additional information

\*Excluding MVC Environmental

Equity turnover by year: Custom Alloy (2014), Vestal and Velocitus (2015), Ohio Medical (2016), AccuMed (2017)

# Case Studies – Yielding<sup>11</sup>



## The Results Company, LLC

- Known investment to MVC's yield team from Fifth Third Bank and sponsor relationship
- Good credit statistics and strong enterprise value to debt, relative to MVC pricing
- At time of investment, Company growing materially, sale anticipated in the near term
- Exited in November 2015 with over 22% IRR and maintain strong relationship with sponsor and company<sup>14</sup>



## Vestal Manufacturing Enterprises, Inc.

- Exited equity in June 2015, realizing an 11x return on equity and 32% IRR over 11 years including fees and cash distributions<sup>12</sup>
- Reinvested \$6.5 million
  - \$6.25 million partially secured loan at 15% interest rate, \$250 thousand equity investment, warrants for 4.6% of equity
- Strong relationship with management team allowed for continued partnership consistent with transition to yield in an investment known well by MVC

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# Portfolio Breakdown (As of 1/31/17)

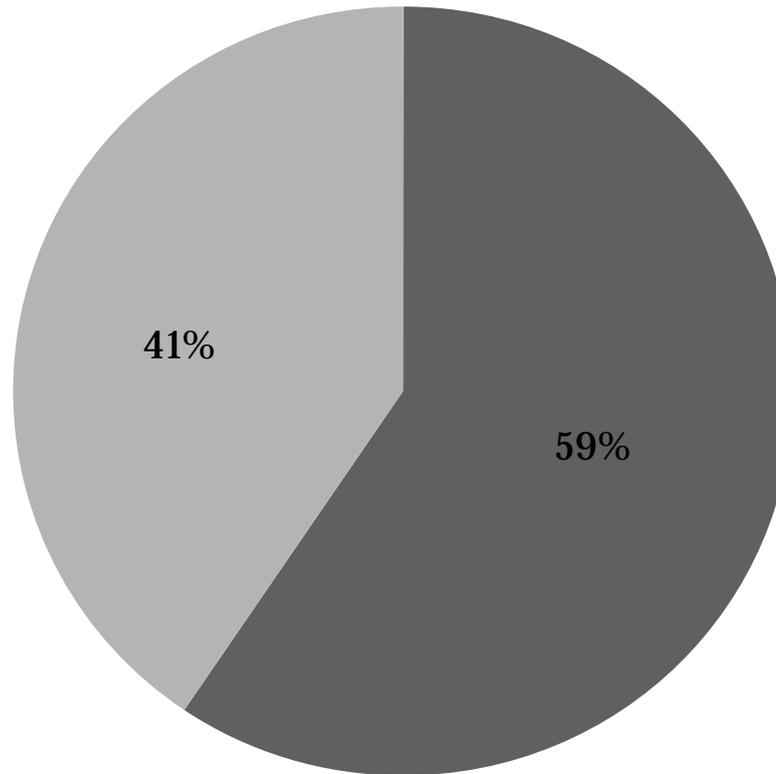
<b>Industry</b>	<b>Fair Value (\$)</b>	<b>% of Portfolio</b>
Energy Services	100,199,888	28.19%
Electrical Engineering	36,350,000	10.23%
Manufacturer of Pipe Fittings	20,546,420	5.78%
Private Equity	16,980,301	4.78%
Automotive Dealerships	15,811,093	4.45%
Food Services	15,631,507	4.40%
Renewable energy	15,145,148	4.26%
Manufacturer of Plastics Parts	11,418,059	3.21%
Business Services	11,123,957	3.13%
Consumer Products	10,026,858	2.82%
Electronics Component Manufacturing	9,729,727	2.74%
Regulated Investment Company	9,333,752	2.63%
Insurance	8,440,595	2.37%
Distributor - Landscaping and Irrigation Equipment	7,754,043	2.18%
Environmental Services	7,742,256	2.18%
Specialty Chemicals	7,565,000	2.13%
Iron Foundries	7,559,976	2.13%
Welding equipment manufacturer	7,191,110	2.02%
Software	5,719,000	1.61%
Technology Investment - Financial Services	5,676,000	1.60%
Electronics Manufacturing and Repair	5,555,000	1.56%
Manufacturer of Equipment Components	5,186,350	1.46%
Consumer Products	4,659,564	1.31%
Real Estate Management	3,687,000	1.04%
Restaurants	3,030,000	0.85%
Software	2,353,156	0.66%
Environmental Services	1,005,395	0.28%
Port Facilities	0	0.00%
Technology Investment	0	0.00%
Manufacturer of Laminate Material and Composites	0	0.00%
Technology Investment	0	0.00%

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# Portfolio Breakdown

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## Portfolio by Asset Class (1/31/17)



■ Equity (non-yielding)

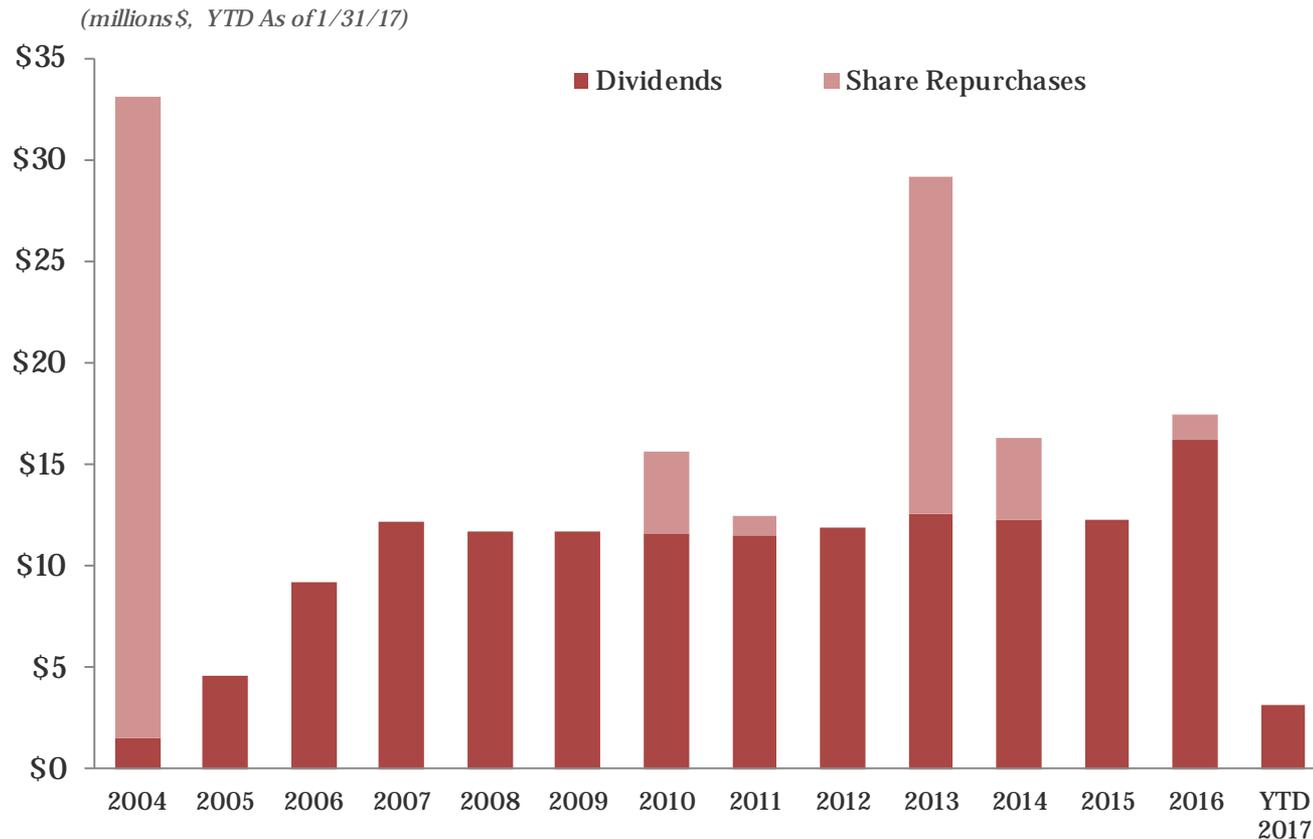
■ Yielding (debt)

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# Consistent Distributions to Shareholders

MVC Capital has returned approximately \$200.3 million to shareholders since Mike Tokarz became Chairman & Portfolio Manager



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# Summary

Middle Market Focus	Proprietary Deal Flow	Portfolio Shift	MVC Opportunity
<ul style="list-style-type: none"><li>• Middle-market companies are increasingly being underserved by traditional financing sources, such as banks.</li><li>• BDCs and other alternative financing sources are filling the gap, providing needed capital to companies with strong fundamentals.</li></ul>	<ul style="list-style-type: none"><li>• MVC's investment team sources ideas through its extensive network of contacts.</li><li>• Companies are attracted to working with MVC because of its reputation of providing both excellent operating and financial support.</li></ul>	<ul style="list-style-type: none"><li>• MVC is taking steps to accelerate shift from equity-focused portfolio to more yield-focused, which should help drive increases in book value and dividends.</li><li>• Addition of lending team is accelerating the process.</li></ul>	<ul style="list-style-type: none"><li>• Experienced investment professionals</li><li>• Significant shareholder alignment</li><li>• Consistent dividend with potential to expand<sup>9</sup></li><li>• Currently trading at a significant discount to book value</li><li>• Share repurchases accretive to book value<sup>9</sup></li></ul>

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**Appendix**

**MVC | CAPITAL**

# Selected Financial Data – Balance Sheet<sup>13</sup>

(\$ in thousands, except per share amounts)	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Q1 2017</b>
<b>Assets</b>				
Cash & Cash Equivalents	\$ 17,172	\$ 10,312	\$ 20,214	\$ 32,980
Restricted Cash & Cash Equivalents	\$ 6,266	\$ 6,503	\$ 801	\$ 801
Yielding Investments	\$ 129,129	\$ 138,471	\$ 141,892	\$ 144,059
Short-term Investments	\$ 99,897	\$ 89,682	\$ 34,992	\$ 25,030
Equity Investments	\$ 318,501	\$ 262,404	\$ 218,227	\$ 211,362
<b>Total Investments</b>	<b>\$ 547,527</b>	<b>\$ 490,557</b>	<b>\$ 395,111</b>	<b>\$ 380,451</b>
Other Assets	\$ 6,748	\$ 9,470	\$ 18,365	\$ 9,154
<b>Total Assets</b>	<b>\$ 577,713</b>	<b>\$ 516,842</b>	<b>\$ 434,491</b>	<b>\$ 423,386</b>
<b>Liabilities</b>				
Senior Notes <sup>14</sup>	\$ 114,409	\$ 114,409	\$ 114,409	\$ 112,369
Revolving Credit Facility II	\$ 100,000	\$ 90,000	\$ 35,000	\$ 25,000
Bridge Loan	\$ -	\$ 8,000	\$ -	\$ -
Provision for Incentive Comp	\$ 14,734	\$ 4,977	\$ 1,947	\$ 1,610
Other Liabilities	\$ 4,667	\$ 5,380	\$ 3,577	\$ 3,517
<b>Total Liabilities</b>	<b>\$ 233,810</b>	<b>\$ 222,766</b>	<b>\$ 154,933</b>	<b>\$ 142,496</b>
<b>Total Shareholders' Equity</b>	<b>\$ 343,903</b>	<b>\$ 294,076</b>	<b>\$ 279,558</b>	<b>\$ 280,890</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 577,713</b>	<b>\$ 516,842</b>	<b>\$ 434,491</b>	<b>\$ 423,386</b>
<b>Net Asset Value Per Share</b>	<b>\$ 15.15</b>	<b>\$ 12.95</b>	<b>\$ 12.39</b>	<b>\$ 12.45</b>

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# Selected Financial Data – Income Statement<sup>13,15</sup>

(Unaudited; \$ in thousands, except per share amount)	For the quarter ended								
	For the year ended			Jan 31,	Apr 30,	July 31,	Oct 31,	Jan 31,	
	2014	2015	2016	2016	2016	2016	2016	2017	
			Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017		
Dividend Income	1,155	1,006	13,207	98	10,000	2,500	609	0	
Interest Income	14,156	19,396	19,490	5,031	5,258	5,027	4,174	2,771	
Fee income & other income	4,505	3,297	4,669	2,961	597	478	633	609	
<b>Total operating income (see note below)</b>	<b>19,816</b>	<b>23,699</b>	<b>37,366</b>	<b>8,090</b>	<b>15,855</b>	<b>8,005</b>	<b>5,416</b>	<b>3,380</b>	
Operating expenses net of waiver	18,235	14,400	18,037	3,092	5,509	3,951	5,345	6,334	
<b>Net Operations Income/ (loss) before taxes</b>	<b>1,581</b>	<b>9,299</b>	<b>19,329</b>	<b>4,998</b>	<b>10,346</b>	<b>4,054</b>	<b>(69)</b>	<b>(2,954)</b>	
Tax expense	2	2	2	1	0	0	1	1	
<b>Net operating income (loss)</b>	<b>1,579</b>	<b>9,297</b>	<b>19,327</b>	<b>4,997</b>	<b>10,346</b>	<b>4,054</b>	<b>(70)</b>	<b>(2,955)</b>	
<b>Adjusted Items:</b>									
Incentive Compensation <sup>16</sup>	(4,750)	(9,757)	(2,030)	(2,230)	1,135	(1,512)	577	760	
Interest and other borrowing costs	9,442	10,230	10,212	2,629	2,497	2,488	2,598	2,538	
<b>Net operating income after taxes and adjusted items</b>	<b>6,271</b>	<b>9,770</b>	<b>27,509</b>	<b>5,396</b>	<b>13,978</b>	<b>5,030</b>	<b>3,105</b>	<b>343</b>	
Net realized gain / (loss) on investments and foreign currency	16,520	3,700	(45,157)	(39,558)	202	(745)	(5,056)	11,025	
Net change in unrealized appreciation (depreciation) on investments	(37,941)	(50,557)	28,628	29,570	(4,502)	(6,845)	16,219	(3,693)	
<b>Net increase / (decrease) in net assets resulting from operations</b>	<b>(19,842)</b>	<b>(37,560)</b>	<b>2,798</b>	<b>(4,991)</b>	<b>6,046</b>	<b>(3,536)</b>	<b>9,909</b>	<b>4,377</b>	
<b>Net increase / (decrease) in net assets resulting from operations</b>	<b>(0.88)</b>	<b>(1.66)</b>	<b>0.12</b>	<b>(0.21)</b>	<b>0.26</b>	<b>(0.16)</b>	<b>0.23</b>	<b>0.19</b>	
<b>Dividends declared per share</b>	<b>0.540</b>	<b>0.540</b>	<b>0.710</b>	<b>0.305</b>	<b>0.135</b>	<b>0.135</b>	<b>0.135</b>	<b>0.135</b>	

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# Portfolio Company Summary (as of January 31, 2017)

Name	Industry	Cost (\$)	Fair Value (\$)	% of Portfolio
U.S. Gas & Electric, Inc. <sup>17</sup>	Energy Services	11,332,281	100,199,888	28.2%
Security Holdings B.V.	Electrical Engineering	51,204,270	36,350,000	10.2%
Custom Alloy Corporation	Manufacturer of Pipe Fittings and Forgings	27,425,294	20,546,420	5.8%
MVC Private Equity Fund LP	Private Equity	11,744,606	16,980,301	4.8%
MVC Automotive Group GmbH	Automotive Dealerships	53,854,381	15,811,093	4.4%
Morey's Seafood International, LLC	Food Services	17,167,669	15,631,507	4.4%
Biogenic Reagents	Renewable Energy	16,492,387	15,145,148	4.3%
Quantum Plastics, LLC	Manufacturer of Plastic Parts	9,987,607	11,418,059	3.2%
Legal Solutions Holdings, Inc.	Business Services	11,148,723	11,123,957	3.1%
RuMe Inc.	Consumer Products	6,553,874	10,026,858	2.8%
HTI Technologies and Industries, Inc.	Electronic Component Manufacturing	9,665,627	9,729,727	2.7%
Equus Total Return, Inc.	Registered Investment Company	10,030,272	9,333,752	2.6%
Advantage Insurance Holdings LTD	Insurance	7,500,000	8,440,595	2.4%
Turf Products, LLC	Distributor - Landscaping and Irrigation Equipment	7,430,956	7,754,043	2.2%
MVC Environmental, Inc.	Environmental Services	9,713,113	7,742,256	2.2%
U.S. Spray Drying Holding Company	Specialty Chemicals	6,988,000	7,565,000	2.1%
Vestal Manufacturing Enterprises, Inc.	Iron Foundries	6,809,976	7,559,976	2.1%
Dukane IAS, LLC	Welding Equipment Manufacturer	7,008,030	7,191,110	2.0%
Centile Holdings B.V.	Software	3,524,376	5,719,000	1.6%
FOLIOfn, Inc.*	Technology Investment - Financial Services	15,000,000	5,676,000	1.6%
United States Technologies, Inc.	Electronics Manufacturing and Repair	5,490,455	5,555,000	1.6%
Pride Engineering, LLC	Manufacturer of Equipment Components	5,053,232	5,186,350	1.5%
Initials, Inc.	Consumer Products	4,818,874	4,659,564	1.3%
JSC Tekers Holdings	Real Estate Management	11,814,688	3,687,000	1.0%
Thunderdome Restaurants, LLC	Restaurants	2,985,147	3,030,000	0.9%
FDS, Inc.	Software	2,353,156	2,353,156	0.7%
SGDA Europe B.V.	Environmental Services	28,544,800	1,005,395	0.3%
Actelis Networks, Inc.*	Technology Investment	5,000,003	0	0.0%
Biovation Acquisition Co.	Manufacturer of Laminate Material and Composites	784,622	0	0.0%
MainStream Data, Inc.*	Technology Investment	3,750,000	0	0.0%
SIA Tekers Invest	Port Facilities	2,327,785	0	0.0%
<b>Total investments at fair value</b>		<b>373,504,204</b>	<b>355,421,155</b>	<b>100.0%</b>

\* Legacy portfolio companies

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# Portfolio Company Summary – Equity Investments 1/31/17

<b>Security</b>	<b>Fair Value (\$)</b>	<b>% of Portfolio</b>
Actelis Networks, Inc.	0	0.0%
Advantage Insurance Holdings LTD	8,440,595	2.4%
Biogenic Reagents	0	0.0%
Biovation Acquisition Co.	0	0.0%
Centile Holdings B.V.	5,719,000	1.6%
Equus Total Return, Inc.	9,333,752	2.6%
FOLIOfn, Inc.	5,676,000	1.6%
JSC Tekers Holdings	3,687,000	1.1%
MainStream Data, Inc.	0	0.0%
MVC Automotive Group GmbH	12,014,000	3.4%
MVC Environmental, Inc.	1,169,518	0.3%
MVC Private Equity Fund LP	16,980,301	4.8%
Quantum Plastics, LLC	1,418,059	0.4%
RuMe Inc.	9,144,361	2.6%
Security Holdings B.V.	36,350,000	10.2%
SGDA Europe B.V.	1,005,395	0.3%
SIA Tekers Invest	0	0.0%
Turf Products, LLC	3,991,794	1.1%
U.S. Gas & Electric, Inc. <sup>17</sup>	89,367,607	25.1%
U.S. Spray Drying Holding Company	6,065,000	1.7%
Vestal Manufacturing Enterprises, Inc.	1,000,000	0.3%
<b>Total equity investments at fair value</b>	<b>\$ 211,362,382</b>	<b>59.5%</b>

Note: Please see important disclosures at the end of the presentation for additional information

# Portfolio Company Summary – Yielding Investments 1/31/17

<b>Security</b>	<b>Fair Value (\$)</b>	<b>% of Portfolio</b>
Biogenic Reagents	15,145,148	4.3%
Custom Alloy Corporation	20,546,420	5.8%
Dukane IAS, LLC	7,191,110	2.0%
FDS, Inc.	2,353,156	0.7%
HTI Technologies and Industries, Inc.	9,729,727	2.7%
Initials, Inc.	4,659,564	1.3%
Legal Solutions Holdings, Inc.	11,123,957	3.1%
Morey's Seafood International, LLC	15,631,507	4.4%
MVC Automotive Group GmbH	3,797,093	1.1%
MVC Environmental, Inc.	6,572,738	1.8%
Pride Engineering, LLC	5,186,350	1.5%
Quantum Plastics, LLC	10,000,000	2.8%
RuMe Inc.	882,497	0.2%
SIA Tekers Invest	0	0.0%
Thunderdome Restaurants, LLC	3,030,000	0.9%
Turf Products, LLC	3,762,249	1.1%
U.S. Gas & Electric, Inc.	10,832,281	3.0%
U.S. Spray Drying Holding Company	1,500,000	0.4%
United States Technologies, Inc.	5,555,000	1.6%
Vestal Manufacturing Enterprises, Inc.	6,559,976	1.8%
<b>Total yielding investments at fair value</b>	<b>\$ 144,058,773</b>	<b>40.5%</b>

Note: Please see important disclosures at the end of the presentation for additional information

# Footnotes

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1. As of March 10, 2017
2. NAV as of January 31, 2017
3. Eligible Assets” are those assets listed under Section 55(a) of the Investment Company Act of 1940, as amended, and include, among other things, (i) securities of an “eligible portfolio company” (any issuer that (a) is organized and has its principal place of business in the United States, (b) is not an investment company other than a small business investment company wholly-owned by the BDC, and (c) does not have any class of publicly-traded securities with respect to which a broker may extend credit) that are purchased from that company in a private transaction, (ii) securities received by the BDC in connection with its ownership of securities of an “eligible portfolio company,” or (iii) cash, cash items, government securities, or high quality debt securities maturing one year or less from the time of investment.
4. Nasdaq middle market definition
5. According to the 3Q 2016 Middle Market Indicator Infographic, National Center for the Middle Market
6. According to Thomson Reuters LPC Middle Market Weekly, September 16, 2016.
7. Discount as of March 10, 2017
8. Shares repurchased and distributions as of January 31, 2017
9. There is no assurance that future dividend payments or share repurchases will match or exceed historical ones, or that they will be made at all.
10. There can be no assurance that future USG&E dividend payments will exceed historic ones or will be made at all. Please see important disclosures on page 2 and page 26.
11. These case studies 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 in MVC portfolio companies will be profitable or that results similar to historic results will be achieved in the future. These returns represent historical results and historical results are not necessarily indicative of future results. See important disclosures on page 2 and page 26. Source: Most recent 10-K and 10-Q filings. Financial data is unaudited.
12. Gross IRR is calculated before giving effect to any taxes, management fees, incentive compensation, transaction expenses and other expenses which may be substantial. Gross IRR includes any cash flows on realized investments and may include management fees, dividend and other cash flows received with respect to a given investment, even if earned after the date of the exit.
13. 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.
14. Reflects reductions of approximately \$2.0 million as of January 31, 2017 related to the reclassification of the unamortized debt issuance costs
15. MVC received \$10 million distribution from USG&E on 3/7/16 and another \$2.5 million distribution on 7/28/16
16. Incentive compensation is a non-cash item that is accrued
17. Original equity investment \$500,000 in USG&E

# Important Disclosure

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Past performance does not guarantee future results. Our share value may fluctuate. For more detailed information on risks and expenses relating to the Fund, see the latest Form 10-K and subsequent quarterly reports filed on Form 10-Q.

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.

There can be no assurance that future dividend payments will match or exceed historic ones, or that they will be made at all. There can be no assurance whether, when and to what extent the Company will repurchase shares, as the share repurchase program does not obligate the Company to acquire any specific number of shares and may be discontinued at any time. Share repurchases may also be subject to appropriate trading windows and are always subject to the ongoing discretion of its portfolio manager. This presentation is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell shares of the Company. There is no assurance that the market price of the Company’s shares either or absolutely or relative to net asset value, will increase as a result of any share repurchases, or that the program will enhance shareholder value over the long-term.