

As filed with the Securities and Exchange Commission on May 15, 2023

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE TO  
Tender Offer Statement under Section 14(d)(1) or 13(e)(1)  
of the Securities Exchange Act of 1934

MSC INCOME FUND, INC.  
(Name of Subject Company (Issuer))

MSC INCOME FUND, INC.  
(Names of filing Persons (Offeror and Issuer))

Common Stock, Par Value \$0.001 per share  
(Title of Class of Securities)

55374X109  
(CUSIP Number of Class of Securities)

Dwayne L. Hyzak  
Chief Executive Officer  
MSC Income Fund, Inc.  
1300 Post Oak Boulevard, 8th Floor  
Houston, Texas 77056  
Telephone: (713) 350-6000  
(Name, address and telephone number of person authorized to receive  
notices and communications on behalf of filing person)

*Copies to:*  
Jason B. Beauvais  
General Counsel and Chief Compliance Officer  
MSC Income Fund, Inc.  
1300 Post Oak Boulevard, 8th Floor  
Houston, Texas 77056

Harry S. Pangas  
Dechert LLP  
1900 K Street, NW  
Washington, DC 20006-1110

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- Third-party tender offer subject to Rule 14d-1.  
 Issuer tender offer subject to Rule 13e-4.  
 Going-private transaction subject to Rule 13e-3.  
 Amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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## SCHEDULE TO

This Tender Offer Statement on Schedule TO relates to the offer (the “Offer”) by MSC Income Fund, Inc. (“MSC Income Fund” or the “Company”), an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, to purchase for cash, for an aggregate purchase price of not more than \$2,000,000, shares of its issued and outstanding common stock, par value \$0.001 per share, at a price specified by the tendering stockholders of not less than \$4.50 per share and not more than \$7.67 per share in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated May 15, 2023 (the “Offer to Purchase”), a copy of which is filed herewith as Exhibit (a)(1)(A), and the related Letter of Transmittal, a copy of which is filed herewith as Exhibit (a)(1)(B). This Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

### Items 1. Summary Term Sheet.

The information under the heading “Summary Term Sheet” included in the Offer to Purchase is incorporated herein by reference.

### Item 2. Subject Company Information.

(a) **Name and Address.** The name of the issuer is MSC Income Fund, Inc. The address and telephone number of the issuer’s principal executive offices are: 1300 Post Oak Boulevard, 8<sup>th</sup> Floor, Houston, TX and (713) 350-6000.

(b) **Securities.** The subject securities are the Company’s shares of common stock, par value \$0.001 per share. As of May 15, 2023, there were 80,456,816 Shares issued and outstanding.

(c) **Trading Market and Price.** Information regarding the trading market and price of the Shares is incorporated herein by reference from the Offer to Purchase under the headings “Section 1—Purchase Price; Number of Shares; Expiration Date,” and “Section 2—Purpose of the Offer; Plans or Proposals of the Company.”

### Item 3. Identity and Background of Filing Person.

(a) **Name and Address.** The filing person and subject company to which this Schedule TO relates is MSC Income Fund, Inc. The address and telephone number of MSC Income Fund is set forth under Item 2(a) above. The names of the directors and executive officers of MSC Income Fund are as set forth in the Offer to Purchase under the heading “Section 9—Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares,” and such information is incorporated herein by reference. The business address and business telephone number of each director and executive officer of MSC Income Fund is c/o MSC Income Fund, Inc., 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056.

### Item 4. Terms of the Transaction.

(a) **Material Terms.** The material terms of the transaction are incorporated herein by reference from the Offer to Purchase under the headings “Summary Term Sheet,” “Section 1—Purchase Price; Number of Shares; Expiration Date,” “Section 2—Purpose of the Offer; Plans or Proposals of the Company,” “Section 3—Certain Conditions of the Offer,” “Section 4—Procedures for Tendering Shares,” “Section 5—Withdrawal Rights,” “Section 6—Payment for Shares,” “Section 7—Source and Amount of Funds,” “Section 8—Conditional Tender of Shares,” “Section 9—Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares,” “Section 10—Certain Effects of the Offer,” “Section 13—Material U.S. Federal Income Tax Consequences” and “Section 14—Amendments; Extension of Tender Period; Termination.” There will be no material differences in the rights of the remaining security holders of the Company as a result of this transaction.

(b) **Purchases.** None of our directors, executive officers or, to our knowledge, any of our affiliates intend to tender any of their Shares in the Offer. Therefore, the Offer will increase the proportional holdings of our directors, executive officers and affiliates. See “Section 10—Certain Effects of the Offer” of the Offer to Purchase.

### Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(c) **Agreements Involving the Subject Company’s Securities.** Information regarding agreements involving the Company’s securities is incorporated herein by reference from the Offer to Purchase under the headings “Section 2—Purpose of the Offer; Plans or Proposals of the Company” and “Section 9—Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares.” Except as set forth therein, the Company does not know of any agreement, arrangement or understanding, whether or not legally enforceable, between the Company and any other person with respect to the Company’s securities.

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**Item 6. Purposes of the Transaction and Plans or Proposals.**

(a) **Purposes.** Information regarding the purpose of the transaction is incorporated herein by reference from the Offer to Purchase under the heading “Section 2—Purpose of the Offer; Plans or Proposals of the Company.”

(b) **Use of Securities Acquired.** Information regarding the treatment of Shares acquired pursuant to the Offer is incorporated herein by reference from the Offer to Purchase under the heading “Section 10—Certain Effects of the Offer.”

(c) **Plans.** Information regarding any plans or proposals is incorporated herein by reference from the Offer to Purchase under the headings “Section 1—Purchase Price; Number of Shares; Expiration Date,” “Section 2—Purpose of the Offer; Plans or Proposals of the Company” and “Section 9—Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares.”

**Item 7. Source and Amount of Funds or Other Consideration.**

(a) **Source of Funds.** Information regarding the source of funds is incorporated herein by reference from the Offer to Purchase under the heading “Section 7—Source and Amount of Funds.”

(b) **Conditions.** There are no material conditions to the financing discussed in paragraph (a) above. In the event the primary financing plans fall through, the Company does not have any alternative financing arrangements or alternative financing plans.

(d) **Borrowed Funds.** The Company does not intend to use any borrowed funds to finance the Offer.

**Item 8. Interest in Securities of the Subject Company.**

(a) **Securities Ownership.** The information under the heading “Section 9—Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares” in the Offer to Purchase is incorporated herein by reference.

(b) **Securities Transactions.** The information under the headings “Section 7—Source and Amount of Funds” and “Section 9—Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares” in the Offer to Purchase is incorporated herein by reference.

**Item 9. Persons/Assets, Retained, Employed, Compensated or Used.**

(a) **Solicitations or Recommendations.** The information under the heading “Summary Term Sheet” in the Offer to Purchase is incorporated herein by reference.

**Item 10. Financial Statements.**

(a) **Financial Information.** Not applicable. The consideration offered to security holders consists solely of cash. The Offer is not subject to any financing condition, and the Company is a public reporting company under Section 13(a) of the Exchange Act that files reports electronically on EDGAR.

(b) **Pro Forma Financial Information.** Not applicable.

**Item 11. Additional Information.**

(a) **Agreements, Regulatory Requirements and Legal Proceedings.**

(1) The information under the heading “Section 9—Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares” in the Offer to Purchase is incorporated herein by reference. The Company will amend this Schedule TO to reflect material changes to information incorporated by reference in the Offer to Purchase to the extent required by Rule 13e-4(d)(2) promulgated under the Exchange Act.

(2) The information under the heading “Section 15—Legal Matters; Regulatory Approvals” in the Offer to Purchase is incorporated herein by reference.

(3) Not applicable.

(4) Not applicable.

(5) None.

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(c) **Other Material Information.** The information set forth in the Offer to Purchase and the Letter of Transmittal, copies of which are filed herewith as Exhibits (a)(1) (A) and (a)(1)(B), respectively, as each may be amended or supplemented from time to time, is incorporated herein by reference. The Company will amend this Schedule TO to include documents that the Company may file with the Securities and Exchange Commission after the date of the Offer to Purchase pursuant to Sections 13(a), 13(c), or 14 of the Exchange Act and prior to the expiration of the Offer to the extent required by Rule 13e-4(d)(2) promulgated under the Exchange Act.

**Item 12. Exhibits.**

**EXHIBIT NO.**

**DESCRIPTION**

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[99\(a\)\(1\)\(A\)](#)

Offer to Repurchase, dated May 15, 2023

[99\(a\)\(1\)\(B\)](#)

Form of Letter of Transmittal

[99\(a\)\(1\)\(C\)](#)

Form of Notice of Withdrawal

[99\(a\)\(1\)\(D\)](#)

Stockholder Letter and Summary Advertisement, dated May 15, 2023

[99\(a\)\(1\)\(E\)](#)

Summary Presentation and Frequently Asked Questions, dated May 15, 2023

[107](#)

Filing Fee Table

**Item 13. Information Required By Schedule 13E-3.**

Not applicable.

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**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: May 15, 2023

MSC INCOME FUND, INC.

By: /s/ Cory E. Gilbert

Name: Cory E. Gilbert

Title: Chief Accounting Officer and Assistant Treasurer

## Calculation of Filing Fee Tables

**SC TO-I/A**  
(Form Type)

**MSC INCOME FUND, INC.**  
(Exact Name of Registrant as Specified in its Charter)

Table 1: Transaction Valuation

	Transaction Valuation	Fee rate	Amount of Filing Fee
Fees to Be Paid	\$2,000,000.00	0.0001102	\$220.40
<b>Total Transaction Valuation</b>	<b>\$2,000,000.00</b>		
<b>Total Fees Due for Filing</b>			<b>\$220.40</b>
<b>Total Fees Previously Paid</b>	—		
<b>Total Fee Offsets</b>			—
<b>Net Fee Due</b>			<b>\$220.40</b>

# MSC

## INCOME FUND

**Offer to Purchase up to \$2,000,000 of Shares of Common Stock for Cash  
at a Purchase Price Not Less Than \$4.50 and Not More Than \$7.67 Per Share**

**THE OFFER WILL EXPIRE AND THE LETTER OF TRANSMITTAL MUST BE RECEIVED BY MSC INCOME FUND, INC. BY 5:00 P.M., CENTRAL TIME,  
ON JUNE 13, 2023, UNLESS THE OFFER IS EXTENDED.**

**IF YOU DO NOT WISH TO TENDER YOUR SHARES, YOU NEED NOT TAKE ANY ACTION.**

To the Stockholders of MSC Income Fund, Inc.:

MSC Income Fund, Inc. (the “*Company*,” “*we*,” or “*us*”), an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the “*1940 Act*”), is offering to purchase (the “*Offer to Purchase*”) up to \$2,000,000 of shares of our common stock, par value \$0.001 per share (the “*Shares*”) for cash at a purchase price not less than \$4.50 and not more than \$7.67 per Share (which was the net asset value (“*NAV*”) per share of our Shares as of May 1, 2023) (the “*Purchase Price*”), less any applicable withholding taxes and without interest. The purpose of the offer is to use the proceeds from the recent sale of our Shares to provide our stockholders (“*Stockholders*”) with an additional near-term liquidity option to supplement our quarterly repurchase program. See Section 2 below.

The offer is made upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal (the “*Letter of Transmittal*”) (which, together with any amendments or supplements thereto, collectively constitute the “*Offer*”). The Offer will expire at 5:00 p.m., Central Time, on June 13, 2023, unless extended by us (the “*Expiration Date*”).

Upon the terms and subject to the conditions of this Offer to Purchase, including the provisions relating to proration and conditional tenders described in this Offer to Purchase, we will determine a single per Share price that we will pay for Shares properly tendered and not properly withdrawn from the Offer, taking into account the total number of Shares tendered and the prices specified by tendering Stockholders. We will select the lowest Purchase Price, not less than \$4.50 and not more than \$7.67 per Share (which was the NAV per share of our Shares as of May 1, 2023), that will allow us to purchase up to \$2,000,000 of Shares. All Shares purchased in the Offer will be purchased at the same Purchase Price regardless of whether any Stockholder tendered at a lower price. However, because of the proration and conditional offer provisions described in this Offer to Purchase, all of the Shares properly tendered and not properly withdrawn at or below the Purchase Price may not be purchased if those Shares have an aggregate purchase price in excess of \$2,000,000.

We will not purchase more than \$2,000,000 of Shares, Shares tendered at prices greater than the Purchase Price or Shares that we do not accept for purchase under the terms of the Tender Offer because of the Tender Offer’s proration and conditional offer provisions. Shares tendered but not purchased in the Tender Offer will be returned to the tendering Stockholders at our expense promptly after the expiration of the Tender Offer. **THE OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 3 BELOW.**

**Neither the Securities and Exchange Commission (the “*SEC*”) nor any state securities commission nor any other regulatory authority has approved or disapproved this transaction or passed upon the merits or fairness of the transaction or determined if the information contained herein is truthful or complete. Any representation to the contrary is a criminal offense.**

**The Date of this Offer to Purchase is May 15, 2023.**

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## IMPORTANT INFORMATION

Stockholders who desire to tender their Shares should either: (i) properly complete and sign the Letter of Transmittal, provide thereon the original of any required signature guarantee(s) and mail or deliver it and any other documents required by the Letter of Transmittal or (ii) request their broker, dealer, commercial bank, trust company or other nominee to effect the transaction on their behalf. Stockholders who desire to tender Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such institution to effect a tender on their behalf. Tendering Stockholders will not be obligated to pay brokerage commissions in connection with their tender of Shares, but they may be charged a fee by such a firm for processing the tender(s). The Company reserves the absolute right to reject tenders determined not to be in appropriate form.

**NEITHER THE COMPANY, ITS BOARD OF DIRECTORS, MSC ADVISER I, LLC (THE “ADVISER”) NOR HINES SECURITIES, INC. MAKES ANY RECOMMENDATION TO STOCKHOLDERS AS TO WHETHER THEY SHOULD TENDER OR REFRAIN FROM TENDERING SHARES OR AT A WHAT PRICE TO TENDER SHARES. EACH STOCKHOLDER MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER THEIR SHARES AND, IF SO, HOW MANY AND AT WHAT PRICE TO TENDER. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSE AND EFFECTS OF THE OFFER.**

**NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY, THE BOARD, THE ADVISER OR HINES SECURITIES, INC. AS TO WHETHER STOCKHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER OR TO MAKE ANY REPRESENTATION OR TO GIVE ANY INFORMATION IN CONNECTION WITH THE OFFER OTHER THAN AS CONTAINED HEREIN OR IN THE ACCOMPANYING LETTER OF TRANSMITTAL. IF MADE OR GIVEN, ANY SUCH RECOMMENDATION, REPRESENTATION OR INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE BOARD, THE ADVISER OR HINES SECURITIES, INC. STOCKHOLDERS ARE URGED TO EVALUATE CAREFULLY ALL INFORMATION IN THE OFFER, CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS AND MAKE THEIR OWN DECISIONS WHETHER TO TENDER OR REFRAIN FROM TENDERING THEIR SHARES.**

**IF YOUR TENDERED SHARES ARE ACCEPTED AND YOU ARE A U.S. HOLDER (AS DEFINED IN SECTION 13), THE RECEIPT OF CASH FOR YOUR TENDERED SHARES WILL BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND GENERALLY WILL BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES EITHER AS A (I) SALE OR EXCHANGE ELIGIBLE FOR CAPITAL GAIN OR LOSS TREATMENT OR (II) DISTRIBUTION TAXABLE AS ORDINARY INCOME TO THE EXTENT IT IS OUT OF OUR CURRENT OR ACCUMULATED EARNINGS AND PROFITS (AND NOT DESIGNATED BY US AS A CAPITAL GAIN DIVIDEND OR QUALIFIED DIVIDEND INCOME). IF YOU ARE A NON-U.S. HOLDER (AS DEFINED IN SECTION 14), WE WILL WITHHOLD ON THE PAYMENT OF CASH FOR YOUR TENDERED SHARES. SEE SECTION 14. WE URGE YOU TO CONSULT YOUR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO YOU TENDERING YOUR SHARES.**

We reserve the right, in our sole discretion, to change the Purchase Price range and to increase or decrease the value of Shares sought in the Offer, subject to applicable law. In accordance with the rules promulgated by the SEC, we may increase the number of Shares accepted for purchase in the Offer by up to 2% of the outstanding Shares without amending or extending the Offer. Additionally, subject to the applicable rules and regulations promulgated by the SEC, we expressly reserve the right, in our sole discretion, at any time and from time to time, (i) to extend the period of time during which the Offer is open and thereby delay acceptance for purchase of, and the payment for, any Shares, subject to the restrictions below, (ii) to amend the Offer in any respect prior to the Expiration Time and (iii) if any condition specified in Section 3 is not satisfied or waived at or prior to the Expiration Time, to terminate the Offer and not accept any Shares for purchase. Notice of any such extension, amendment or termination will be distributed promptly to Stockholders in a manner reasonably designed to inform them of such change in compliance with Rule 13e-4(e)(3) promulgated under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). In the case of an extension of the Offer, such extension will be followed by a press release or other public announcement, which will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Time, in accordance with Rule 14e-1(d) promulgated under the Exchange Act.

*The Offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any circumstances or jurisdiction in which such offer or solicitation is unlawful. The delivery of the materials pertaining to the Offer shall not under any circumstances create any implication that the information contained therein is current as of any time subsequent to the date of such information.*

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**SUMMARY TERM SHEET**  
(Section references are to this Offer to Purchase)

This Summary Term Sheet highlights the material information concerning the Offer. For a more complete discussion of the terms and conditions of the Offer, you should carefully read the entire Offer to Purchase and the related Letter of Transmittal.

**Who is making the Offer?**

- The Company, MSC Income Fund, Inc., is offering to purchase your Shares.

**What is the Offer?**

- We are conducting an offer by means of a modified “Dutch auction.” We are offering to purchase up to \$2,000,000 of Shares for cash at a purchase price not less than \$4.50 and not more than \$7.67 per Share (our NAV per Share as of May 1, 2023), less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal. We will determine the Purchase Price as promptly as practicable after the Tender Offer expires. We will select the lowest Purchase Price, not less than \$4.50 and not more than \$7.67 per Share, that will allow us to purchase up to \$2,000,000 of Shares, or a lower amount depending on the number of Shares properly tendered and not properly withdrawn pursuant to the Offer.

If you wish to maximize the chance that your Shares will be purchased in the Offer, you should check the box in the section of the Letter of Transmittal captioned “Shares Tendered at Price Determined Pursuant to the Offer.” Note that this election will mean that your Shares will be deemed to be tendered at the minimum price of \$4.50 per Share. You should understand that this election may lower the Purchase Price and could result in your Shares being purchased at the minimum price of \$4.50 per Share.

**How many Shares is the Company offering to purchase?**

- We are offering to purchase, at the Purchase Price, Shares properly tendered in the Offer and not properly withdrawn up to \$2,000,000 of Shares. Since the Purchase Price will only be determined after the Expiration Date, the number of Shares that will be purchased will not be known until after that time. Assuming the Offer is fully subscribed at the minimum Purchase Price of \$4.50 per Share the number of Shares that we could purchase pursuant to the Offer is approximately 444,444, which would represent approximately 0.55% of the issued and outstanding Shares as of May 15, 2023. Assuming the Offer is fully subscribed at the maximum Purchase Price of \$7.67 per Share the number of Shares that we could purchase pursuant to the Offer is approximately 260,756, which would represent approximately 0.32% of the issued and outstanding Shares as of May 15, 2023.

We expressly reserve the right to purchase additional Shares in the Offer, subject to applicable law. In accordance with the rules promulgated by the SEC, we may increase the number of Shares accepted for purchase in the Offer by up to 2% of the outstanding Shares without amending or extending the Offer. See Section 1.

The Offer is not conditioned upon the receipt of financing or any minimum number of Shares being tendered. The Offer is, however, subject to a number of other terms and conditions described in this Offer to Purchase. See Section 3.

**How will the Company pay for the Shares?**

- On May 1, 2023, we sold 255,754 Shares to Main Street Capital Corporation, the sole owner of our Adviser (*“Main Street”*), at \$7.82 per Share, the price at which we issued new Shares in connection with reinvestments of the May 1, 2023 dividend pursuant to our distribution reinvestment plan (*“DRIP”*), for total proceeds to us of approximately \$2,000,000. The issuance and sale were made pursuant to the exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the *“Securities Act”*), and was unanimously approved by our Board of Directors (the *“Board”*), including each director who is not an “interested person,” as such term is defined in Section 2(a)(19) of the 1940 Act, of the Company or our Adviser. We will use all of the proceeds from the sale of Shares to Main Street to purchase Shares in the Offer. See Section 7.

**Why is the Company making the Offer?**

- The purpose of the Offer is to use the proceeds from recent Share sale described above to provide Stockholders with an additional near-term liquidity option to supplement our quarterly repurchase program. Because there is otherwise no public market for the Shares, the only liquidity available to Stockholders to date has been our share repurchase program.

Pursuant to our Articles of Amendment and Restatement, we maintain a quarterly repurchase program to provide limited additional liquidity to our Stockholders. Repurchase offers under the quarterly repurchase program are limited to the lesser of (i) the number of Shares we can repurchase with 90% of the proceeds we receive from issuance of Shares under the DRIP and (ii) 2.5% per quarter of our weighted average number of outstanding Shares in the prior four calendar quarters, at the discretion of our Board, and must be made at our then current NAV.

While we continue to evaluate a liquidity event for the Company, current market conditions do not present a favorable opportunity for such a transaction. We have learned through engaging with Stockholders that certain Stockholders have additional needs for liquidity related to individual circumstances, such as death or disability of the initial holder. Because the SEC's rules do not permit the Company to grant a preference to certain accounts over others in connection with the repurchase of our Shares, we are unable to offer a liquidity alternative for these types of unique circumstances. We believe the modified "Dutch auction" tender offer set forth in this Offer to Purchase is a mechanism that will provide us the ability to do so. See Section 2.

#### **Has the Company or its Board adopted a position on the Tender Offer?**

- While our Board has authorized the Offer, neither it, the Company, the Adviser nor Hines Securities, Inc., are making any recommendation that you should tender or refrain from tendering your Shares or as to the purchase price or purchase prices at which you may choose to tender your Shares. You must make your own decision as to whether to tender your Shares and, if so, how many Shares to tender and the price at which you choose to tender your Shares based on your individual circumstances. You should consult your financial and tax advisers in making this decision. In doing so, you should read carefully all of the information in this Offer to Purchase, in the related Letter of Transmittal and in the other tender offer materials, including documents incorporated herein by reference.

#### **Will the Company's directors and executive officers or Adviser or Main Street tender Shares in the Offer?**

- The Company's directors and executive officers and our Adviser and Main Street are entitled to participate in the Offer on the same basis as other stockholders. However, they have advised the Company that they do not intend to tender any of their Shares in the Offer (including Shares they are deemed to beneficially own). See Section 10.

#### **How will the Offer affect the number of our Shares outstanding?**

- As of May 15, 2023, we had 80,456,816 outstanding Shares. If the conditions to the Offer are satisfied or waived and the Offer is fully subscribed at the minimum Purchase Price, we will repurchase 444,444 Shares and have 80,012,372 Shares outstanding immediately following the completion of Offer, representing a 0.55% reduction in the number of outstanding Shares. If the conditions to the Offer are satisfied or waived and the Offer is fully subscribed at the maximum Purchase Price, we will repurchase 260,756 Shares and have 80,196,060 Shares outstanding immediately following the completion of the Offer, representing a 0.32% reduction in the number of outstanding Shares. The actual number of Shares outstanding immediately following completion of the Offer will depend on the number of Shares tendered and purchased in the Offer as well as the Purchase Price for such Shares.

Stockholders who do not have their Shares purchased in the Offer will realize a proportionate increase in their relative ownership interest in the Company following the purchase of Shares pursuant to the Offer. See Section 1.

#### **When will the Offer expire, and may the Offer be extended?**

- The Offer will expire on the Expiration Date. The Company may extend the period of time the Offer will be open by issuing a press release or making some other public announcement by no later than 9:00 a.m., Eastern Time, on the next business day after the Offer otherwise would have expired. See Section 15 below.

#### **Are there conditions to the Offer?**

- Yes. Our obligation to accept and pay for your tendered Shares depends on a number of conditions. See Section 3 below for a more complete description of the conditions to the Offer.

#### **Is the Company required to complete the Offer and purchase all Shares tendered, assuming the total dollar value of Shares tendered are less than the total \$2,000,000 of Shares offered for repurchase?**

- Under most circumstances, yes. There are certain circumstances, however, in which the Company will not be required to purchase any Shares tendered, as described in Section 3 below.

**How do I tender my Shares?**

- If your Shares are registered in your name, you should obtain the Offer, which consists of this Offer to Purchase, the related Letter of Transmittal and any amendments or supplements thereto. Read the materials, and, if you should decide to tender, complete a Letter of Transmittal and submit any other documents required by the Letter of Transmittal. These materials must be received by the Company at the address listed in Section 4 of this Offer to Purchase, in proper form, before the Expiration Date (if the Offer is extended by the Company, the new deadline will be as stated in the public announcement of the extension). If your Shares are custodial held or broker controlled, approval signoff is required from such third party, and the Letter of Transmittal must be signed by the third party. See Section 4 below.

In accordance with Instructions 3 and 4 to the Letter of Transmittal, each Stockholder who desires to tender Shares in the Offer must either check (1) one, and only one, of the boxes in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined by Stockholder," indicating the price (in increments of \$0.50 except for the maximum Purchase Price) at which Shares are being tendered, or (2) the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Offer", in which case you will be deemed to have tendered your Shares at the minimum price of \$4.50 per Share (YOU SHOULD UNDERSTAND THAT THIS ELECTION MAY CAUSE THE PURCHASE PRICE TO BE LOWER AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$4.50 PER SHARE).

If tendering Stockholders wish to maximize the chance that their Shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer." Shares tendered pursuant to Purchase Price tenders will be deemed to have been tendered at a price of \$4.50 per Share (which is the minimum price per Share under the Offer to Purchase) for purposes of determining the Purchase Price.

**Is there a limit on the number of Shares I may tender?**

- You may tender all of the Shares you own as of the Expiration Date of the Offer. However, we are offering to purchase up to \$2,000,000 of Shares. The number of Shares available to be repurchased is dependent upon the Purchase Price. See Section 1 below.

**May I tender only a portion of the Shares that I hold?**

- Yes. You do not have to tender all or any minimum amount of the Shares that you own to participate in the Offer.

**Is there any cost to me to tender?**

- There is no cost charged by the Company in connection with the Offer. Your broker, dealer, commercial bank, trust company or other nominee may charge you fees according to its individual policies. See the Letter of Transmittal.

**Can I change my mind after I have tendered Shares in the Offer?**

- Yes, you may withdraw your Shares at any time prior to the Expiration Date by submitting a Notice of Withdrawal to the Company at the address listed in Section 4 of this Offer to Purchase. In addition, you may withdraw your tendered Shares any time before July 13, 2023 (which is 40 business days after the commencement of the Offer) if they have not been accepted for payment by that date. See Section 5 below for more details.

**How do I withdraw tendered Shares?**

- A Notice of Withdrawal of tendered Shares must be timely received by the Company specifying the name of the Stockholder who tendered the Shares, the number of Shares being withdrawn and other information. See Section 5 below and the Form of Notice of Withdrawal which accompanies the Offer.

**In what order will the Company purchase the tendered Shares?**

- If the terms and conditions of the Tender Offer have been satisfied or waived and \$2,000,000 of Shares are properly tendered and not properly withdrawn prior to the Expiration Date, we will buy up to \$2,000,000 of Shares properly tendered and not properly withdrawn. If less than \$2,000,000 of Shares are tendered, we will buy all of the Shares at the highest price up to \$7.67 per Share.

If the conditions to the Tender Offer have been satisfied or waived and more than \$2,000,000 of Shares have been properly tendered and not properly withdrawn prior to the Expiration Date, we will purchase Shares:

- first, subject to the conditional tender provisions described in Section 8, on a pro rata basis from all other Stockholders who properly tender Shares at or below the Purchase Price and do not properly withdraw them before the Expiration Date; and
- second, if necessary to permit us to purchase up to \$2,000,000 of Shares, from holders who have tendered Shares at or below the Purchase Price conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, Stockholders whose Shares are conditionally tendered must have properly tendered all of their Shares and not properly withdrawn them before the Expiration Date.

Therefore, we may not purchase all of the Shares that you tender. See Section 1.

**May I place any conditions on my tender of Shares?**

- Yes. See Section 8.

**Who may sign on my behalf?**

- Only the holder of record as registered on the account or an authorized power of attorney. If a power of attorney signs on behalf of the holder of record, the document evidencing the power must accompany the Letter of Transmittal and must be dated or recertified within one year.

**If Shares I tender are accepted by the Company, when will payment be made?**

- Payment for properly tendered Shares (not timely withdrawn) will be made as promptly as practicable following the Expiration Date. See Section 6 below.

**Is my sale of Shares pursuant to the Offer a taxable transaction?**

- We anticipate U.S. Stockholders, other than those who are tax-exempt, who sell Shares in the Offer will treat such sale either as a “sale or exchange” or as a “dividend” for U.S. federal income tax purposes. Unless instructed otherwise, most taxpayers who sell their Shares will receive an Internal Revenue Service (the “*IRS*”) Form 1099-B, a copy of which will also be provided to the IRS. See Section 13 below for further details regarding the possibility of alternative tax treatment in connection with the sale of Shares pursuant to the Offer. Section 13 also discusses the tax treatment of Non-U.S. Stockholders. You are urged to consult your own tax advisor regarding the tax consequences to you of any sale of Shares pursuant to the Offer.

**Is there any reason Shares tendered would not be accepted?**

- In addition to those circumstances described in Section 3 below under which the Company is not required to accept tendered Shares, the Company has reserved the right to reject any and all tenders determined by it not to be in appropriate form.

**How will tendered Shares be accepted for payment?**

- Properly tendered Shares will be accepted for payment by the Company promptly following the Expiration Date. See Section 6 below.

**Have there been any recent developments of which I should be aware?**

- For a description of recent developments of the Company since December 31, 2022, please refer to our Form 10-K filed for such fiscal year on March 14, 2023, and to the Form 10-Q for the fiscal quarter ended March 31, 2023, filed on May 12, 2023.

**How do I obtain information?**

- Questions and requests for assistance or requests for additional copies of this Offer to Purchase, the Letter of Transmittal and all other Offer documents should be directed to the Company as follows.

Website:	<a href="http://www.mscomefund.com/investors">www.mscomefund.com/investors</a>
Phone number:	713.350.6000
Hines Investor Services:	888.220.6121
Mailing address:	MSC Income Fund, Inc. 430 W. 7th Street, Suite 219536 Kansas City, Missouri 64105-1407

Stockholders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

## THE TENDER OFFER

### 1. Purchase Price; Number of Shares; Expiration Date.

We are offering to purchase up to \$2,000,000 of Shares for cash at a purchase price not less than \$4.50 and not more than \$7.67 per Share (our NAV per Share as of May 1, 2023), less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal. The number of Shares available to be repurchased is dependent on the Purchase Price. If you wish to maximize the chance that your Shares will be purchased in the Offer, you should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Offer." Note that this election will mean that your Shares will be deemed to be tendered at the minimum price of \$4.50 per Share. You should understand that this election may lower the Purchase Price and could result in your Shares being purchased at the minimum price of \$4.50 per Share.

You will not receive interest on the Purchase Price under any circumstances, and you will not be entitled to any dividends with record dates that occur on or after the date that the Company has accepted your Shares for purchase. Participation in the DRIP will be automatically discontinued for any Shares properly tendered for repurchase (and not withdrawn).

As of May 15, 2023, there were 80,456,816 Shares issued and outstanding, and there were 14,662 holders of record of Shares. Certain of these holders of record were brokers, dealers, commercial banks and trust companies. If the conditions to the Offer are satisfied or waived and the Offer is fully subscribed at the minimum Purchase Price, we will repurchase 444,444 Shares or 0.55% of our outstanding Shares. If the conditions to the Offer are satisfied or waived and the Offer is fully subscribed at the maximum Purchase Price, we will repurchase approximately 260,756 Shares or 0.32% of our outstanding Shares.

If the conditions to the Tender Offer have been satisfied or waived and more than \$2,000,000 of Shares have been properly tendered and not properly withdrawn prior to the Expiration Date, we will purchase Shares:

- first, subject to the conditional tender provisions described in Section 6, on a pro rata basis from all Stockholders who properly tender Shares at or below the Purchase Price and do not properly withdraw them before the Expiration Date; and
- second, if necessary to permit us to purchase up to \$2,000,000 of Shares, from holders who have tendered Shares at or below the Purchase Price conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, Stockholders whose Shares are conditionally tendered must have properly tendered all of their Shares and not properly withdrawn them before the Expiration Date.

Therefore, all of the Shares that a Stockholder tenders in the Offer may not be purchased. It is also possible that none of the Shares conditionally tendered will be purchased. In the event of proration, we will determine the proration factor and pay for those tendered Shares accepted for payment promptly after the Expiration Date. If there is proration, Shares will be rounded up or down to the nearest whole Share.

The Offer will remain open until the Expiration Date. If we extend the period of time during which the Offer remains open, the term "Expiration Date" will refer to the latest time and date at which the Offer expires. See Section 14 below for a description of our rights to extend, delay, terminate and/or amend the Offer.

If we (i) increase the price that may be paid for the Shares above the maximum offered Purchase Price or decrease the price that may be paid for the Shares below the minimum offered Purchase Price, (ii) increase the maximum number of Shares that we may purchase in the Offer by more than 2% of our outstanding Shares or (iii) decrease the number of Shares that we may purchase in the Offer, then the Offer must remain open for at least 10 business days following the date that notice of the increase or decrease is first given.

We will publish a notice to all Stockholders by means of a public press release or some other public announcement if we decide to extend, terminate, supplement or amend the terms of the Offer. If the Offer is scheduled to expire within ten (10) business days from the date we notify you of a significant amendment to the Offer, we also intend to extend the Offer, if necessary, to ensure that the Offer remains open for at least ten (10) business days after the date we publish notice of the amendment.

A "business day" means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 a.m. through midnight, Eastern Time.

Under the Maryland General Corporation Law, a Maryland corporation may not make a distribution to Stockholders, including pursuant to this Offer, if, after giving effect to the distribution, (i) the corporation would not be able to pay its indebtedness in

the ordinary course or (ii) the corporation's total assets would be less than its total liabilities plus preferential amounts payable on dissolution with respect to preferred stock.

The Board also considered the following factors, among others, in making its determination regarding whether to cause us to offer to repurchase Shares and under what terms:

- the effect of such repurchases on our qualification as a regulated investment company ("**RIC**") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "**Code**"), (including the consequences of any necessary asset sales);
- the liquidity of our assets (including fees and costs associated with disposing of assets);
- our investment plans and working capital requirements;
- the relative economies of scale with respect to our size;
- our history in repurchasing Shares or portions thereof; and
- the condition of the securities markets.

While our Board has authorized the Offer, neither it, the Company, the Adviser nor Hines Securities, Inc. are making any recommendation that you should tender or refrain from tendering your Shares or as to the purchase price or purchase prices at which you may choose to tender your Shares. The Board recognizes that the decision to accept or reject the Offer is an individual one that should be based on a variety of factors, and Stockholders should consult with their personal advisors if they have questions about their financial and/or tax situations.

## **2. Purpose of the Offer; Plans or Proposals of the Company.**

The purpose of the Offer is to use the proceeds from a recent Share sale described elsewhere herein to provide Stockholders with an additional near-term liquidity option to supplement to our quarterly repurchase program. Because there is no public market for the Shares, the only liquidity available to Stockholders to date has been our share repurchase program.

Pursuant to our Articles of Amendment and Restatement, we maintain a quarterly repurchase program to provide limited additional liquidity to our Stockholders. Repurchase offers under the quarterly repurchase program are limited to the lesser of (i) the number of Shares we can repurchase with 90% of the proceeds we receive from issuance of Shares under our DRIP and (ii) 2.5% per quarter of our weighted average number of outstanding Shares in the prior four calendar quarters, at the discretion of our Board of Directors, and must be made at our then current NAV.

While we continue to evaluate a liquidity event for the Company, current market conditions do not present a favorable opportunity for such a transaction. We have learned through engaging with Stockholders that certain Stockholders have additional needs for liquidity related to individual circumstances, such as death or disability of the initial holder. Because the SEC's rules do not permit the Company to grant a preference to certain accounts over others in connection with Share repurchases, we are unable to offer a liquidity alternative for these types of unique circumstances. We believe the modified "Dutch auction" tender offer set forth in this Offer to Purchase is a mechanism that will provide us the ability to maximize the number of Shares we can repurchase with the capital available for the Offer. The Board may consider undertaking additional tender offer(s), including in connection with our quarterly repurchase program, based upon a variety of factors, including the availability of new capital. Rule 13e-4 under the Exchange Act, however, prohibits us and our affiliates from purchasing any Shares, other than pursuant to this Tender Offer, until at least ten business days after the Expiration Date.

While our intention has been to explore a potential liquidity event between four and six years following the closing of our continuous offering of common stock to new investors or any subsequent follow-on offering, recent macroeconomic events have generated significant market volatility. Effective September 30, 2017, the Company closed its continuous offering of Shares to new investors. We expect to seek to complete a liquidity event when we believe that then-current market conditions are favorable for a liquidity event, and that such an event is in our best interests. There can be no assurance when a suitable transaction will be available or that market conditions for a liquidity event will be favorable during that time frame. In making a determination of what type of liquidity event is in our best interest, our Board, including our independent directors, may consider a variety of criteria, including portfolio diversification, portfolio performance, our financial condition, potential access to capital as a listed company, market conditions for the sale of our assets or listing of our securities, internal management considerations and the potential for Stockholder liquidity.

We do not have any present plans or proposals and are not engaged in any negotiations that relate to or would result in (i) any extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (ii) other than in connection with transactions in the ordinary course of the Company's operations and for purposes of funding the Offer, any purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (iii) any material change in the Company's present dividend rate or policy, or indebtedness or capitalization of the Company; (iv) any change in the present Board or management of the Company, including any plans or proposals to change the number or the term of directors or to fill any existing vacancies on the Board; (v) any other material change in the Company's corporate structure or business; (vi) any class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; (vii) the suspension of the Company's obligation to file reports pursuant to Section 15(d) of the Exchange Act; (viii) other than in connection with transactions in the ordinary course of the Company's operations, the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; or (ix) any changes in the Company's charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of the Company.

### **3. Certain Conditions of the Offer.**

Notwithstanding any other provision of the Offer, we will not be required to purchase any Shares tendered pursuant to the Offer if such purchase will cause us to be in violation of the securities, commodities or other laws of the United States or any other relevant jurisdiction. Further, we will not be required to purchase any Shares tendered in the Offer if there is any (i) material legal action or proceeding instituted or threatened which challenges, in the Board's judgment, the Offer or otherwise materially adversely affects the Company, (ii) declaration of a banking moratorium by federal, state or foreign authorities or any suspension of payment by banks in the United States, New York State or in a foreign country which is material to the Company, (iii) limitation which affects the Company or the issuers of its portfolio securities imposed by federal, state or foreign authorities on the extension of credit by lending institutions or on the exchange of foreign currencies, (iv) commencement of war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any foreign country that is material to the Company, or (v) other event or condition that, in the Board's judgment, would have a material adverse effect on the Company or its Stockholders if Shares tendered pursuant to the Offer were purchased.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition, and any such condition may be waived by us, in whole or in part, at any time and from time to time in our reasonable judgment. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts or circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time; provided that any such waiver shall apply to all tenders of Shares. Any determination by us concerning the events described in this Section 3 shall be final and binding.

We reserve the right, at any time during the pendency of the Offer, to amend, extend or terminate the Offer in any respect. See Section 14 below.

### **4. Procedures for Tendering Shares.**

Participation in the Offer is voluntary. If you elect not to participate in the Offer, your Shares will remain outstanding. To participate in the Offer, you must complete and deliver the accompanying Letter of Transmittal to us at:

MSC Income Fund, Inc.  
430 W. 7th Street, Suite 219536  
Kansas City, Missouri 64105-1407  
Phone: 888.220.6121  
Fax: 877.616.1113

The Letter of Transmittal must be received by us at the address above before the Expiration Date.

*a. Purchase Price Election.* In accordance with the instructions to the Letter of Transmittal, each Stockholder wishing to tender Shares in the Offer must properly indicate in the section captioned (1) "Shares Tendered at Price Determined by Stockholder" in the Letter of Transmittal the price (in increments of \$0.50 except for the maximum Purchase Price) at which they are tendering Shares or (2) "Shares Tendered at Price Determined Pursuant to the Offer" in the Letter of Transmittal that they will accept the Purchase Price determined by us in accordance with the terms of the Offer. If tendering Stockholders wish to maximize the chance that we will purchase their Shares, they should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Offer." Note that this election will mean that tendered Shares will be deemed to be tendered at the minimum price of \$4.50 per Share. Tendering Stockholders who make this election should

understand that this election may lower the Purchase Price and could result in their Shares being purchased at the minimum price of \$4.50 per Share.

A Stockholder who desires to tender Shares at more than one price must complete a separate Letter of Transmittal for the different Shares and different prices at which such Stockholder is tendering Shares. In no event may a Stockholder tender the same Shares at more than one price (unless the Shares are first properly withdrawn previously in accordance with Section 4).

*b. Proper Tender of Shares and Method of Delivery.* For Shares to be properly tendered pursuant to the Offer, a properly completed and duly executed Letter of Transmittal bearing original signature(s) for all Shares to be tendered and any other documents required by the Letter of Transmittal must be physically received by us at the address listed above before the Expiration Date. These materials may be sent via mail, courier or personal delivery. If your Shares are custodial held or broker controlled, approval is required from the third party. The Letter of Transmittal must be signed by the third party.

**THE METHOD OF DELIVERY OF THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND SOLE RISK OF THE TENDERING STOCKHOLDER. IF DOCUMENTS ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.**

Stockholders have the responsibility to cause their Shares to be tendered, the Letter of Transmittal properly completed and bearing original signature(s) and the original of any required signature guarantee(s), and any other documents required by the Letter of Transmittal, to be timely delivered. Timely delivery is a condition precedent to acceptance of Shares for purchase pursuant to the Offer and to payment of the purchase amount.

*c. Determination of Validity.* All questions as to the validity, form, eligibility (including time of receipt) and acceptance of tenders will be determined by us, in our sole discretion, which determination shall be final and binding. We reserve the absolute right to reject any or all tenders determined not to be in appropriate form or to refuse to accept for payment, purchase, or pay for, any Shares if accepting, purchasing or paying for such Shares would be unlawful. We also reserve the absolute right to waive any of the conditions of the Offer or any defect in any tender, whether generally or with respect to any particular Share(s) or Stockholder(s). Our interpretations, in consultation with our counsel, of the terms and conditions of the Offer shall be final and binding.

**NEITHER WE, THE ADVISER, HINES SECURITIES, INC. NOR OUR TRANSFER AGENT WILL BE OBLIGATED TO GIVE ANY NOTICE OF ANY DEFECT OR IRREGULARITY IN ANY TENDER, AND WILL NOT INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTICE.**

*d. United States Federal Backup Withholding.* To prevent the potential imposition of U.S. federal backup withholding tax on gross payments made pursuant to the Offer, prior to receiving such payments, each Stockholder accepting the Offer who has not previously submitted to the Company a correct, completed and signed IRS Form W-9 ("**Form W-9**") or substitute IRS Form W-9 (included with the original subscription) (for U.S. Stockholders) or IRS Form W-8BEN ("**Form W-8BEN**"), IRS Form W-8BEN-E ("**Form W-8BEN-E**"), IRS Form W-8IMY ("**Form W-8IMY**"), IRS Form W-8ECI ("**Form W-8ECI**"), IRS Form W-8EXP ("**Form W-8EXP**") or other applicable form (for Non-U.S. Stockholders), or otherwise established an exemption from such withholding, must submit the appropriate form to the Company. For this purpose, a "U.S. Stockholder" is, in general, a Stockholder that is (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of the source of such income or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust. A "Non-U.S. Stockholder" is any Stockholder other than a U.S. Stockholder.

*e. Tender Constitutes an Agreement.* The tender of Shares pursuant to the procedures described above will constitute the tendering Stockholder's acceptance of the terms and conditions of the Tender Offer and an agreement between the tendering Stockholder and us upon the terms and subject to the conditions of the Tender Offer, which agreement will be governed by, and construed in accordance with the laws of the State of Texas. In addition, the tender of Shares pursuant to the procedures described above will constitute the tendering Stockholder's representation and warranty to us that: (1) the Stockholder has a "net long position" in the Shares or equivalent securities at least equal to the Shares tendered within the meaning of Rule 14e-4 promulgated under the Exchange Act; (2) the tender of Shares complies with Rule 14e-4 under the Exchange Act; and (3) the tendered Shares are not currently subject to any contractual or other restriction.

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender Shares for his or her own account unless the person so tendering (i) has a net long position equal to or greater than the number of (x) Shares tendered or (y) other securities immediately convertible into, or exercisable or exchangeable for, the number of Shares tendered and will

acquire such Shares for tender by conversion, exercise or exchange of such other securities and (ii) will cause such Shares to be delivered in accordance with the terms of the Tender Offer. Rule 14e-4 under the Exchange Act provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

#### **5. Withdrawal Rights.**

At any time prior to the Expiration Date, and, if the Shares have not by then been accepted for payment by us, at any time before July 13, 2023 (which is 40 business days after the commencement of the Offer), any Stockholder may withdraw any number of the Shares that the Stockholder has tendered. To be effective, a written notice of withdrawal of Shares tendered must be timely received by us via mail, courier, facsimile or personal delivery at the address listed in Section 4 of this Offer to Purchase. Any notice of withdrawal must be substantially in the form that accompanies the Offer and specify the name(s) of the person having tendered the Shares to be withdrawn and the number of Shares to be withdrawn.

All questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal will be determined by us in our sole discretion, which determination shall be final and binding. Shares properly withdrawn will not thereafter be deemed to be tendered for purposes of the Offer. Withdrawn Shares, however, may be re-tendered by following the procedures described in Section 4 above prior to the Expiration Date.

#### **6. Payment for Shares.**

On the terms and subject to the conditions of the Offer, promptly following the Expiration Date, we will (1) determine the Purchase Price we will pay for Shares properly tendered and not properly withdrawn prior to the Expiration Time, taking into account the number of Shares so tendered and the prices specified by tendering Stockholders and (2) accept for payment and purchase up to \$2,000,000 of Shares that are properly tendered at prices at or below the Purchase Price and not properly withdrawn prior to the Expiration Time. For purposes of the Offer, we will be deemed to have accepted for payment, subject to the proration and conditional tender provisions of the Offer, Shares that are properly tendered at or below the Purchase Price and not properly withdrawn, only when, as and if we give oral or written notice to our transfer agent of our acceptance for payment of such Shares pursuant to the Offer. You will not receive interest on the Purchase Price under any circumstances.

In all cases, payment for Shares purchased pursuant to the Offer will be made only after timely receipt by us of: (i) a Letter of Transmittal properly completed and (ii) any other documents required by the Letter of Transmittal. Stockholders may be charged a fee by their broker, dealer or other institution for processing the tender requested. We may not be obligated to purchase Shares pursuant to the Offer under certain conditions. See Section 3 above.

Any tendering Stockholder or other payee who has not previously submitted a correct, completed and signed Form W-9, Form W-8BEN, Form W-8BEN-E, Form W-8IMY, Form W-8ECI, Form W-8EXP or other appropriate form, as necessary, and who fails to complete fully and sign either the Substitute Form W-9 in the Letter of Transmittal or other appropriate form (e.g., Form W-8BEN, Form W-8IMY, Form W-8ECI or Form W-8EXP) and provide such properly completed form to us may be subject to federal backup withholding tax on the gross proceeds paid to such Stockholder or other payee pursuant to the Offer. See Section 13 regarding this tax as well as possible withholding on the gross proceeds payable to tendering Non-U.S. Stockholders.

#### **7. Source and Amount of Funds.**

On May 1, 2023, we sold 255,754 Shares to Main Street at \$7.82 per Share, the price at which we issued new Shares in connection with reinvestments of the May 1, 2023 dividend pursuant to the DRIP, for total proceeds to us of approximately \$2,000,000. The issuance and sale were made pursuant to the exemption from registration under Section 4(a)(2) of the Securities Act, and was unanimously approved by the Board, including each director who is not an “interested person,” as such term is defined in Section 2(a)(19) of the 1940 Act, of the Company or our Adviser. We will use all of the proceeds from the sale of Shares to Main Street to purchase Shares in the Offer. We do not have any alternative financing arrangement or plans.

The actual number of Shares that will be repurchased and the Purchase Price at which such repurchases will occur and, therefore, our total cost of purchasing Shares pursuant to the Offer, is not determinable at this time.

#### **8. Conditional Tender of Shares.**

In the event of an oversubscription of the Offer, Shares tendered prior to the Expiration Date will be subject to proration. See Section 1. As discussed in Section 14, the number of Shares to be purchased from a particular Stockholder may affect the U.S. federal income tax treatment of the purchase to the Stockholder and the Stockholder’s decision whether to tender. Accordingly,

a Stockholder may tender Shares subject to the condition that a specified minimum number of the Stockholder's Shares tendered pursuant to a Letter of Transmittal must be purchased if any Shares tendered are purchased. Any Stockholder wishing to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the Letter of Transmittal and indicate the minimum number of Shares that must be purchased if any are to be purchased. We urge each Stockholder to consult with his, her or its own financial and tax advisors.

After the Expiration Date, if the number of Shares properly tendered and not properly withdrawn pursuant to the Offer to Purchase at a price equal to or less than the Purchase Price and pursuant to the "Shares Tendered at Price Determined Pursuant to the Offer" alternative would result in a total of more than \$2,000,000 of Shares, so that we must prorate our acceptance of and payment for tendered Shares, we will calculate a preliminary proration percentage based upon all Shares properly tendered, conditionally or unconditionally, and not properly withdrawn. If the effect of this preliminary proration would be to reduce the number of Shares to be purchased from any Stockholder tendered pursuant to a Letter of Transmittal below the minimum number specified, the Shares conditionally tendered will automatically be regarded as withdrawn (except as provided in the next paragraph). If there is proration, Shares will be rounded up or down to the nearest whole Share. All Shares tendered by a Stockholder subject to a conditional tender and that are withdrawn as a result of proration will be returned at our expense to the tendering Stockholder.

After giving effect to these withdrawals, we will accept the remaining Shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If the withdrawal of conditional tenders would cause the total number of Shares to be purchased to fall below \$2,000,000 of Shares, then, to the extent feasible, we will select enough of the Shares conditionally tendered that would otherwise have been withdrawn to permit us to purchase such number of Shares. In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular Stockholder as a single lot, and will limit our purchase in each case to the designated minimum number of Shares to be purchased. To be eligible for purchase by random lot, Stockholders whose Shares are conditionally tendered must have tendered all of their Shares.

#### 9. Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares.

The Company's directors and executive officers and our Adviser and Main Street are entitled to participate in the Tender Offer on the same basis as other Stockholders. They have advised the Company that they (and their affiliates) do not intend to tender any of their Shares in the Tender Offer (including Shares they are deemed to beneficially own).

As of the date hereof, no Stockholder is a beneficial owner of more than 5% of our outstanding Shares, as determined in accordance with Rule 13d-3 under the Exchange Act. The following table sets forth information with respect to the beneficial ownership of our Shares as of May 15, 2023, by (1) our directors, (2) our executive officers and (3) all of our directors and executive officers as a group. Except as otherwise indicated, all Shares are owned directly, and the owner of such Shares has the sole voting and investment power with respect thereto.

Name and Address (1)	Shares Beneficially Owned as of May 15, 2023	
	Number (2)	Percentage of Current Ownership (3)
<b>Interested Directors:</b>		
Dwayne L. Hyzak	19,646	*
<b>Independent Directors:</b>		
Robert L. Kay	20,000	*
John O. Niemann, Jr.	43,479	*
Jeffrey B. Walker	30,129	*
<b>Officers (that are not directors)</b>		
David L. Magdol	15,717	*
Jesse E. Morris	—	—
Jason B. Beauvais	7,858	*
<b>All officers and directors as a group (7 persons)</b>	<b>136,829</b>	<b>*</b>

\* Amount represents less than 1%

(1) The address of each beneficial owner is c/o MSC Income Fund, Inc., 1300 Post Oak Boulevard, 8<sup>th</sup> Floor, Houston, Texas 77056.

(2) For purposes of this table, "beneficial ownership" is determined in accordance with Rule 13d-3 under Exchange Act pursuant to which a person is deemed to have "beneficial ownership" of Shares that the person has the right to acquire within 60 days. For purposes of computing the percentage of outstanding Shares held by each person or group of persons named in the table, any Shares that such person

or persons have the right to acquire within 60 days of May 15, 2023 are deemed to be outstanding but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other persons.

(3) Based on a total of 80,456,816 Shares issued and outstanding on May 15, 2023.

Except for transactions pursuant to the DRIP, our sale of Shares to Main Street and the current offer to repurchase Shares pursuant to our quarterly share repurchase program as described in the tender offer statement, filed with the SEC on March 10, 2023, based upon our records and upon information provided to us, there have not been any other transactions in Shares that were effected since the tender offer statement, filed with the SEC on March 10, 2023, as supplemented from time to time, by any of our directors or executive officers, any person controlling the Company (including the Adviser and Main Street), any director or executive officer of any corporation or other person ultimately in control of the Company, any associate or minority-owned subsidiary of the Company or any executive officer or director of any subsidiary of the Company. Except as set forth in the Offer, neither we nor, to the best of our knowledge, any of the above-mentioned persons, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the Offer with respect to any of our securities (including any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations).

#### **10. Certain Effects of the Offer.**

The purchase of Shares pursuant to the Offer will have the effect of increasing the proportionate interest in the Company of Stockholders who do not tender Shares. All Stockholders remaining after the Offer will be subject to any increased risks associated with the reduction in the number of outstanding Shares and the reduction in the Company's assets resulting from payment for the tendered Shares. See Section 7 above. All Shares purchased by the Company pursuant to the Offer will be retired and thereafter will be authorized and unissued Shares.

#### **11. Certain Information about the Company.**

We are an externally managed, non-diversified closed-end management investment company that has elected to be treated as a business development company under the 1940 Act. Formed as a Maryland corporation on November 28, 2011, we are externally managed by our Adviser. We have elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. We have retained the Adviser to act as our investment adviser pursuant to an investment advisory and management agreement with the Adviser. Our Adviser is responsible for sourcing potential investments, conducting due diligence on prospective investments, analyzing investment opportunities, structuring investments and monitoring our portfolio on an ongoing basis. Our Adviser is registered as an investment adviser with the SEC.

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and current income and capital appreciation from our equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. We seek to achieve our investment objective through our Private Loan (as defined below), lower middle market ("**LMM**") and middle market ("**Middle Market**") investment strategies. Our Middle Market investment strategy involves investments in companies with annual revenues typically between \$150 million and \$1.5 billion. Our LMM investment strategy involves investments in companies that are generally smaller in size than our Middle Market companies, with annual revenues typically between \$10 million and \$150 million. Private Loan, LMM and Middle Market portfolio investments generally range in size from \$1 million to \$20 million.

Private Loan investments primarily consist of debt securities that have primarily been originated directly by our Adviser or, to a lesser extent, by our Adviser through its strategic relationships with other investment funds on a collaborative basis through investments that are often referred to in the debt markets as "club deals" because of the small lender group size. In both cases, our Private Loan investments are typically made to support a company owned by or in the process of being acquired by a private equity sponsor. Private Loan investments are typically similar in structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio. Our Private Loan portfolio debt investments are generally secured by a first priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date. We may also invest along side with Main Street and the private equity sponsor in the equity securities of our Private Loan portfolio companies.

The principals of our Adviser have access to a broad network of relationships with financial sponsors, commercial and investment banks, Middle Market companies and leaders within a number of industries that we believe will produce significant investment opportunities. We leverage the experience and expertise of the principals of our Adviser to execute our investment strategies. Our Adviser is wholly owned by Main Street Capital Corporation, an internally managed publicly traded business development company. Main Street's primary investment focus is providing customized debt and equity financing to LMM companies and debt capital to Middle Market companies that operate in diverse industry sectors.

Our address is 1300 Post Oak Boulevard, 8<sup>th</sup> Floor, Houston, Texas 77056. Our phone number is (713) 350-6000. Our fax number is (713) 350-6042.

## 12. Additional Information.

Information concerning our business, including our background, strategy, business, investment portfolio, competition and personnel, as well as our financial information, is included in:

- our [Annual Report on Form 10-K for the fiscal year ended December 31, 2022](#), as filed with the SEC on March 14, 2023; and
- Our [Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023, filed with the SEC on May 12, 2023](#); and
- our Current Reports on Form 8-K (not including any information which is “furnished” and not “filed”), as filed with the SEC on [March 10, 2023](#) and [May 12, 2023 \(except Item 7.01\)](#).

Each of the foregoing documents is incorporated by reference herein. We also hereby incorporate by reference additional documents that we may file with the SEC prior to the Expiration Date. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

## 13. Certain United States Federal Income Tax Consequences.

The following discussion is a general summary of certain United States federal income tax consequences of a sale of Shares pursuant to the Offer. This summary is based upon the Code, applicable Treasury regulations promulgated thereunder, rulings and administrative pronouncements and judicial decisions, changes in which could affect the tax consequences described herein and could apply on a retroactive basis. This summary addresses only Shares held as capital assets. This summary does not address all of the tax consequences that may be relevant to Stockholders in light of their particular circumstances. In addition, this summary does not address (i) any state, local or foreign tax considerations that may be relevant to a Stockholder’s decision to tender Shares pursuant to the Offer; or (ii) any tax consequences to any corporation, partnership, estate, trust or other entity created or organized in or under the laws of the United States or any state thereof or the District of Columbia for U.S. federal tax purposes (or their partners, members, etc.) tendering Shares pursuant to the Offer. Stockholders should consult their own tax advisors regarding the federal, state, local and foreign tax consequences of a sale of Shares pursuant to the Offer. Please also refer to Section 4.c. “Procedures for Tendering Shares - United States Federal Backup Withholding,” above.

a. *U.S. Stockholders.* The sale of Shares by a U.S. Stockholder pursuant to the Offer generally will be treated as a sale or exchange for U.S. federal income tax purposes or under certain circumstances, as a “dividend.” Under Section 302(b) of the Code, a sale of Shares pursuant to the Offer generally will be treated as a “sale or exchange” if the sale: (i) results in a “complete termination” of the U.S. Stockholder’s interest in the Company, (ii) is “substantially disproportionate” with respect to the U.S. Stockholder or (iii) is “not essentially equivalent to a dividend” with respect to the U.S. Stockholder. In determining whether any of these tests has been met, Shares actually owned, as well as Shares considered to be owned by the U.S. Stockholder by reason of certain constructive ownership rules set forth in Section 318 of the Code, generally must be taken into account. If any of these three tests for “sale or exchange” treatment is met, the U.S. Stockholder will recognize gain or loss equal to the difference between the amount of cash received pursuant to the Offer and the adjusted tax basis of the Shares sold. Such gain or loss generally will be a capital gain or loss and will be long-term capital gain or loss if the holding period for such Shares is more than one year. The ability to deduct capital losses is limited. Under the “wash sale” rules of the Code, recognition of a loss on Shares sold pursuant to the Offer will ordinarily be disallowed to the extent a U.S. Stockholder acquires substantially identical Shares, including Shares purchased pursuant to the Company’s DRIP, within 30 days before or after the date the Shares are purchased by the Company pursuant to the Offer. In that event, the basis and holding period of the Shares acquired by the U.S. Stockholder will be adjusted to reflect the disallowed loss. Additionally, any loss realized upon a taxable disposition of Shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gains dividends received by the U.S. Stockholder (or amounts credited to the U.S. Stockholder as undistributed capital gains) with respect to such Shares.

A distribution will be considered to have been made in “complete termination” of a U.S. Stockholder’s interest in the Company within the meaning of Section 302(b)(3) of the Code if either: (i) all of the Shares then actually and constructively owned by the U.S. Stockholder are tendered by such U.S. Stockholder pursuant to the Offer; or (ii) all of the Shares actually owned by the U.S. Stockholder are tendered by such U.S. Stockholder pursuant to the Offer, the only remaining Shares the U.S. Stockholder constructively owned are actually owned by such U.S. Stockholder’s family members, and the U.S. Stockholder is eligible to waive and effectively waives, under procedures described in Section 302(c) of the Code, such constructive ownership. A distribution in partial redemption of a U.S. Stockholder’s stock in the Company will be considered “substantially disproportionate” under Section 302(b)(2) of the Code with respect to the U.S. Stockholder if: (i) immediately after the redemption, the U.S. Stockholder owns less than 50 percent of the total combined voting power of all classes of voting stock in the Company; (ii) the U.S. Stockholder’s percentage ownership of voting stock in the Company immediately

after the redemption is less than 80 percent of the same percentage immediately beforehand; and (iii) the U.S. Stockholder's percentage ownership of common stock in the Company (voting or nonvoting) after the redemption is less than 80 percent of the same percentage immediately beforehand. A distribution of partial redemption of Shares in the Company by a U.S. Stockholder will qualify as an exchange under Section 302(b) of the Code if such distribution satisfies the "not essentially equivalent to a dividend" test of Section 302(b)(1) of the Code. This test should be met if, under all of the facts and circumstances, there is a "meaningful reduction" in a U.S. Shareholder's ownership interest in the Company after completion of the Offer, as compared with the ownership interest maintained by the U.S. Shareholder immediately before the Offer. The IRS has issued rulings in situations involving redemptions of stock owned by minority shareholders of publicly traded corporations, where each such minority shareholder owned, directly and indirectly, less than 1% of the value and voting power and economic interest held by such minority shareholders in such corporations.

If none of the tests set forth in Section 302(b) of the Code is met, amounts received by a U.S. Stockholder who sells Shares pursuant to the Offer will be taxable to the U.S. Stockholder as a "dividend" to the extent of such U.S. Stockholder's share of the Company's current and accumulated earnings and profits, and the excess of such amounts received over the portion that is taxable as a dividend will constitute a non-taxable return of capital (to the extent of the U.S. Stockholder's adjusted tax basis in the Shares sold pursuant to the Offer). Any amounts received in excess of the U.S. Stockholder's adjusted tax basis in such case will constitute taxable gain. To the extent any amount treated as a dividend is reported by the Company as derived from "qualified dividend income," such amount will be subject to tax in the hands of a U.S. non-corporate Stockholder at rates applicable to net capital gains, provided holding period and other requirements are met at both the U.S. non-corporate Stockholder and Company level. Similarly, if a portion of the Company's income for the taxable year in which an amount treated as a dividend is paid consists of qualifying dividends paid by U.S. corporations and is properly reported by the Company, such portion might qualify for the dividends received deduction when received by certain U.S. corporate Stockholders, provided holding period and other requirements are met at both the U.S. corporate Stockholder and Company level. If the amounts received by a tendering U.S. Stockholder are treated as a "dividend," the tax basis (after an adjustment for non-taxable return of capital discussed above) in the Shares tendered to the Company will be transferred to any remaining Shares held by such U.S. Stockholder.

In addition, if a tender of Shares is treated as a "dividend" to a tendering U.S. Stockholder, the IRS may take the position that a constructive distribution under Section 305(c) of the Code may result to a U.S. Stockholder, including U.S. Stockholders who do not tender any Shares pursuant to the Offer, whose proportionate interest in the earnings and assets of the Company has been increased by such tender. Under Section 305(c) of the Code, a distribution by a corporation of its stock or its rights to acquire its stock is treated as a dividend if the distribution (or series of distributions of which such distribution is one) results in the distribution of money or other property by some shareholders, and results in the increase in the proportionate interests of other shareholders in the assets or earnings and profits of the corporation. Such constructive distribution will be treated as a dividend to the extent of current or accumulated earnings and profits allocable to it. An exception to this rule is provided for a distribution of property incident to an isolated redemption of stock (e.g., pursuant to certain tender offer transactions).

An additional 3.8% Medicare tax is imposed on certain net investment income (including dividends or gains recognized in connection with payments made to U.S. Stockholders pursuant to the Offer) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds certain threshold amounts. U.S. Stockholders are urged to consult their own tax advisors regarding the possibility of deemed distributions resulting from the sale of Shares pursuant to the Offer.

We cannot predict whether or the extent to which the Offer will be oversubscribed. If the Offer is oversubscribed, proration of tenders pursuant to the Offer, will cause us to accept fewer Shares than are tendered. Therefore, a U.S. Stockholder can be given no assurance that a sufficient number of such U.S. Stockholder's Shares will be purchased pursuant to the Offer to ensure that such purchase will be treated as a sale or exchange, rather than as a dividend, for U.S. federal income tax purposes pursuant to the rules discussed above.

The Company may be required to withhold 24% of the gross proceeds paid to a U.S. Stockholder or other payee pursuant to the Offer as backup withholding unless the U.S. Stockholder has completed and submitted to the Company Form W-9 (or substitute Form W-9), providing the U.S. Stockholder's employer identification number or social security number, as applicable, and certifying under penalties of perjury that: (a) such number is correct; (b) either (i) the U.S. Stockholder is exempt from backup withholding, (ii) the U.S. Stockholder has not been notified by the IRS that the U.S. Stockholder is subject to backup withholding as a result of an under-reporting of interest or dividends, or (iii) the IRS has notified the U.S. Stockholder that the U.S. Stockholder is no longer subject to backup withholding; or (c) an exception applies under applicable law. Even though the Company may have received a completed Form W-9 from a U.S. Stockholder, the Company may nevertheless be required to backup withhold if it receives a notice from the IRS to that effect.

b. *Non-U.S. Stockholders.* The U.S. federal income taxation of a Non-U.S. Stockholder on a sale of Shares pursuant to the Offer depends on whether the sale is “effectively connected” with a trade or business carried on in the U.S. by such Non-U.S. Stockholder (or, if an income tax treaty applies, if the Non-U.S. Stockholder is considered to maintain a U.S. permanent establishment for U.S. federal tax purposes) as well as the tax characterization of the transaction as either a sale of the Shares or a dividend distribution by the Company, as discussed above for U.S. Stockholders. If the sale of Shares pursuant to the Offer is not so “effectively connected” (or, if an income tax treaty applies, if the Non-U.S. Stockholder is not considered to maintain a U.S. permanent establishment for U.S. federal tax purposes) and if, consistent with the considerations discussed above for U.S. Stockholders, the sale of Shares pursuant to the Offer is treated as a sale or exchange rather than a dividend for U.S. federal income tax purposes, any gain realized by a Non-U.S. Stockholder upon the tender of Shares pursuant to the Offer will not be subject to U.S. federal income tax or to any U.S. tax withholding; provided, however, that such a gain will be subject to U.S. federal income tax at the rate of 30% (or such lower rate as may be applicable under an income tax treaty) if the Non-U.S. Stockholder is a non-resident alien individual who is physically present in the United States for more than 182 days during the taxable year of the sale. If, however, a Non-U.S. Stockholder is deemed, for the reasons described above in respect of U.S. Stockholders, to receive a dividend distribution from the Company with respect to Shares sold pursuant to the Offer, the portion of the distribution treated as a dividend (which may not include the portion of such dividend attributable to certain interest income and certain capital gain income) to the Non-U.S. Stockholder would be subject to a U.S. withholding tax at the rate of 30% (or such lower rate as may be applicable under a tax treaty) if the dividend is not effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Stockholder (or, if an income tax treaty applies, the Non-U.S. Stockholder is not considered to maintain a U.S. permanent establishment for U.S. federal tax purposes). If the amount realized on a sale of Shares by a Non-U.S. Stockholder pursuant to the Offer is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Stockholder (or, if an income tax treaty applies, the Non-U.S. Stockholder is considered to maintain a U.S. permanent establishment for U.S. federal tax purposes), regardless of whether the tender is characterized as a sale or as giving rise to a dividend distribution from the Company for U.S. federal income tax purposes, the transaction will be treated and taxed in the same manner as if the Shares involved were tendered by a U.S. Stockholder.

Any dividends received by a corporate Non-U.S. Stockholder in connection with any Shares tendered by a Non-U.S. Stockholder pursuant to the Offer that are effectively connected with a U.S. trade or business in which the corporate Stockholder is engaged (and if an income tax treaty applies, are attributable to a permanent establishment maintained by the corporate Non-U.S. Stockholder) also may be subject to an additional branch profits tax at a 30% rate, or lower applicable treaty rate.

Non-U.S. Stockholders should provide the Company with a properly completed Form W-8BEN, Form W-8BEN-E, Form W-8IMY, Form W-8ECI, Form W-8EXP or other applicable form in order to avoid backup withholding (at a rate of 24%) on the cash they receive from the Company regardless of how they are taxed with respect to their tender of the Shares involved.

The Foreign Account Tax Compliance Act provisions of the Code, the related U.S. Treasury and IRS guidance issued thereunder, as well as the applicable intergovernmental agreements (“*IGAs*”) entered into between the United States and certain foreign governments (collectively, “*FATCA*”) generally imposes a 30% withholding tax on certain payments made to a foreign entity if such entity fails to satisfy certain new disclosure and reporting rules. FATCA generally requires that (i) in the case of a foreign financial institution (“*FFI*”), defined broadly to include a bank, certain insurance companies, a hedge fund, a private equity fund, a mutual fund, a securitization vehicle or other investment vehicle, the entity identifies and provides information in respect of financial accounts with such entity held (directly or indirectly) by U.S. persons and U.S.-owned foreign entities and (ii) in the case of a non-financial foreign entity (“*NFFE*”), the entity identifies and provides information in respect of substantial U.S. owners of such entity. The types of payments subject to FATCA withholding include, among others, dividends and the gross proceeds from the sale, exchange, or other disposition of any property, such as Shares, that could produce U.S. source dividends. Accordingly, any payment made to a tendering Non-U.S. Stockholder who is a FFI or NFFE may be subject to a 30% FATCA withholding tax. However, if a tendering Non-U.S. Stockholder is subject to withholding under FATCA as well as is subject to either backup withholding or U.S. nonresident withholding at source, the Company will withhold only under FATCA (subject to an ability by the Company to elect to backup withhold in certain circumstances).

As the Company cannot determine whether a payment made pursuant to the Offer will properly be characterized as an “exchange” or a “dividend” for U.S. tax purposes at the time of such payment, any payment to a tendering Non-U.S. Stockholder that is a FFI or NFFE will generally be subject to a 30% withholding tax unless (a) in the case of an FFI, the FFI reports certain direct and indirect ownership of foreign financial accounts held by U.S. persons with the FFI and (b) in the case of an NFFE, the NFFE (i) reports information relating to its “substantial U.S. owners” (within the meaning of FATCA), if any, or (ii) certifies that it has no “substantial U.S. owners”. Certain Non-U.S. Stockholders may fall into certain exempt, excepted or deemed-compliant categories as established by the Treasury regulations, IGAs, and other guidance regarding FATCA. In order to qualify for any such exception, a Non-U.S. Stockholder generally must provide a properly completed

Form W-8BEN, Form W-8BEN-E, Form W-8IMY, Form W-8ECI, Form W-8EXP or other applicable form, signed under penalty of perjury and properly certifying such Non-U.S. Stockholder's status under FATCA, to the Company.

c. *Other Tax Consequences.* The Company's purchase of Shares in the Offer may directly result in, or contribute to a subsequent, limitation on the Company's ability to use capital loss carryforwards to offset future capital gains. Therefore, in certain circumstances, Stockholders who remain Stockholders following completion of the Offer may incur taxes sooner or incur more taxes associated with their investment in the Company, than they would have had the Offer not occurred.

Under Treasury regulations directed at tax shelter activity, if a U.S. Stockholder recognizes a loss of \$2 million or more in the case of an individual or other U.S. non-corporate Stockholder or \$10 million or more in the case of a U.S. corporate Stockholder, such Stockholder must file a disclosure statement on IRS Form 8886 with the IRS. Direct holders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, shareholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to shareholders of most or all RICs. The fact that a loss is reportable under these Treasury regulations does not affect the legal determination of whether a taxpayer's treatment of the loss is proper. U.S. Stockholders should consult their own tax advisors concerning any possible disclosure obligation with respect to their investment in Shares.

The tax discussion set forth above is included for general information only. Each Stockholder is urged to consult such Stockholder's own tax advisor to determine the particular tax consequences to such Stockholder of the Offer, including the applicability and effect of federal, state, local and foreign tax laws.

*The preceding discussion is intended for general information only and is not a complete analysis or discussion of all potential tax effects that may be important to particular holders. Each holder should consult such holder's own tax advisor to determine the particular tax consequences to him or her of selling Shares in the Offer to Purchase, including the applicability and effect of state, local and foreign tax laws.*

#### **14. Amendments; Extension of Tender Period; Termination.**

We reserve the right, at any time during the pendency of the Offer, to amend, supplement, extend or terminate the Offer in any respect. Without limiting the manner in which we may choose to make a public announcement of such an amendment, supplement, extension or termination, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement, except as provided by applicable law (including Rules 14e-1(d) and 13e-4(e)(3) promulgated under the Exchange Act).

If we materially change the terms of the Offer or the information concerning the Offer, or if we waive a material condition of the Offer, we will extend the Offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the Offer or information concerning the Offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information.

We may extend the Expiration Date by issuing a press release or making some other public announcement by no later than 9:00 a.m., Eastern Time, on the next business day after the Offer otherwise would have expired. Except to the extent required by applicable law (including Rule 13e-4(f)(1) promulgated under the Exchange Act), we will have no obligation to extend the Offer.

In accordance with the rules promulgated by the SEC, we may increase the number of Shares accepted for purchase in the Offer by up to 2% of the outstanding Shares without amending or extending the Offer.

#### **15. Legal Matters; Regulatory Approvals.**

We are not aware of the applicability of any antitrust laws or any license or regulatory permit that appears material to our business that might be adversely affected by our acquisition of the Shares as contemplated by the Offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for our acquisition or ownership of the Shares as contemplated by the Offer. Should any such approval or other action be required, we presently contemplate that we will seek that approval or other action. We are unable to predict whether we will be required to delay the acceptance for payment of or payment for Shares tendered pursuant to the Offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval

or other action might not result in adverse consequences to our business and financial condition. Our obligations under the Offer to accept Shares for payment and pay for Shares is Subject to conditions. See Section 3.

#### **16. Forward Looking Statements; Miscellaneous.**

Some of the statements in this Offer may constitute forward-looking statements because they relate to future events or our future performance or financial condition. Words such as “anticipate,” “believe,” “expect” and “intend” indicate a forward-looking statement, although not all forward-looking statements include these words. The forward-looking statements contained in this Offer involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in the “Risks Factors” section and elsewhere in our annual report on Form 10-K for the year ended December 31, 2022 and in any subsequent quarterly report on Form 10-Q. Other factors that could cause actual results to differ materially include changes in the economy; risks associated with possible disruption in our operations or the economy generally; and future changes in laws or regulations and conditions in our operating areas.

We have based the forward-looking statements included in the Offer on information available to us on the date of the Offer. Except as required by the federal securities laws, we assume no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The forward-looking statements and projections contained in the Offer are excluded from the safe harbor protection provided by Section 21E of the Exchange Act.

The Offer is not being made to, nor will we accept tenders from or on behalf of, owners of Shares in any jurisdiction in which the making of the Offer or its acceptance would not comply with the securities or “blue sky” laws of that jurisdiction. We are not aware of any jurisdiction in which the making of the Offer or the acceptance of tenders of, purchase of, or payment for, Shares in accordance with the Offer would not be in compliance with the laws of such jurisdiction. We, however, reserve the right to exclude Stockholders in any jurisdiction in which it is asserted that the Offer cannot lawfully be made or tendered Shares cannot lawfully be accepted, purchased or paid for. So long as we make a good-faith effort to comply with any state law deemed applicable to the Offer, we believe that the exclusion of holders residing in any such jurisdiction is permitted under Rule 13e-4(f)(9) promulgated under the Exchange Act. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by one or more brokers or dealers licensed under the laws of such jurisdiction.

MSC Income Fund, Inc.

May 15, 2023

**Offer Expiration: June 13, 2023**



**Return to:**  
MSC Income Fund, Inc.  
430 W. 7th Street, Suite 219536  
Kansas City, Missouri 64105-1407

*All Custodial and Broker-controlled accounts must include the Custodian and/or Broker Dealer signature.*

**Hines Investor Relations**  
Toll-Free: 888.220.6121

**Website:** [mscincomefund.com/investors](http://mscincomefund.com/investors)

#### Letter of Transmittal

**THIS IS AN OFFER TO PROVIDE ADDITIONAL LIQUIDITY TO OUR STOCKHOLDERS AT A PURCHASE PRICE NOT LESS THAN \$4.50 AND NOT MORE THAN \$7.67 PER SHARE**

**IF YOU HAVE NO DESIRE TO SELL ANY OF YOUR SHARES PLEASE DISREGARD THE REMAINDER OF THIS LETTER**

This is the Letter of Transmittal for the tender offer pursuant to the Offer to Purchase dated May 15, 2023 (the "*Offer to Purchase*") to purchase up to an aggregate amount of \$2,000,000 of shares, determined in accordance with the Offer to Purchase, of issued and outstanding common stock, par value \$0.001 per share (the "*Shares*"), of MSC Income Fund, Inc. (the "*Company*") at a purchase price not less than \$4.50 and not more than \$7.67 (our net asset value ("*NAV*") per Share as of May 1, 2023) (the "*Purchase Price*"), less any applicable withholding taxes and without interest. The number of Shares available to be repurchased is dependent upon the Purchase Price.

**THE OFFER WILL EXPIRE AT 5:00 P.M., CENTRAL TIME, ON JUNE 13, 2023, UNLESS THE OFFER IS EXTENDED BY US (THE "*EXPIRATION DATE*").**

Any questions concerning the Offer to Purchase or this Letter of Transmittal may be directed to the following address:

**MSC Income Fund, Inc.**  
430 W. 7th Street, Suite 219536  
Kansas City, Missouri 64105-1407  
Phone: 888.220.6121  
Fax: 877.616.1113

**All Custodial and Broker-controlled accounts must include the Custodian and/or Broker Dealer signature. Sufficient time should be allowed to ensure timely delivery from the Custodian and/or Broker Dealer prior to the Expiration Date.**

Delivery of this Letter of Transmittal and all other documents to an address other than as set forth above or as set forth on page 5 will not constitute a valid delivery to the Company.

The Offer to Purchase and this entire Letter of Transmittal, including the accompanying instructions, should be read carefully before this Letter of Transmittal is completed.

**IF YOU WISH TO RETAIN YOUR SHARES YOU NEED NOT TAKE ANY ACTION.**

SIGNATURES MUST BE PROVIDED ON PAGE 5.

#### Instructions

##### FORMING PART OF THE TERMS AND CONDITIONS OF THIS LETTER OF TRANSMITTAL

*1. Guarantee of Signatures.* Signatures on this Letter of Transmittal must be guaranteed, if applicable, on page 5 in accordance with Rule 17Ad-15 (promulgated under the Securities Exchange Act of 1934, as amended) by an eligible guarantor institution that is a participant in a stock transfer association recognized program, such as a firm that is a member of a registered national securities exchange, a member of the Financial Industry Regulatory Authority, by a commercial bank or trust company having an office or correspondent in the United States or by an international bank, securities dealer, securities broker or other financial institution licensed to do business in its home country.

**2. Delivery of Letter of Transmittal.** This Letter of Transmittal, properly completed and duly executed, should be sent by mail or courier or delivered by hand to the Company in each case at the address set forth on the front page of this Letter of Transmittal in order to make an effective tender. A properly completed and duly executed Letter of Transmittal must be received by the Company at the address set forth on the front page of this Letter of Transmittal by the Expiration Date. The Purchase Price will be paid and issued in exchange for the Shares tendered and accepted for purchase by the Company pursuant to the Offer to Purchase in all cases only after receipt by the Company of a properly completed and duly executed Letter of Transmittal.

The method of delivery of all documents is at the option and risk of the Signatory (as defined below) and the delivery will be deemed made only when actually received. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended.

**3. Minimum Tenders.** Stockholder may tender any or all of his, her or its Shares in whole or in part.

**4. Tender Price and Number of Shares Tendered.**

(a) To tender all your Shares at one price, check the box in the first row on the Letter of Transmittal corresponding to the price at which you wish to tender all of your Shares.

(b) To tender less than all of your Shares or to tender all the Shares you own in portions at more than one price, in the second row on the Letter of Transmittal please indicate the number of Shares at each specific price within the range of \$4.50 and not more than \$7.67 (our NAV per Share as of May 1, 2023) at which you are tendering the respective number of Shares. Only enter whole numbers of Shares. Be certain that you do not indicate that you are tendering more Shares than you actually own. The number of Shares you enter in the second row on the Letter of Transmittal should not add up to more than the total number of Shares you own. Any given Share cannot be tendered at more than one price. To change the price or prices at which your Shares are being tendered, you must properly withdraw the prior tender and submit a new Letter of Transmittal as provided in Section 5—Withdrawal Rights of the Offer to Purchase. The same price will be paid for all tendered Shares accepted for purchase.

**5. Signatures on this Letter of Transmittal, Powers of Attorney and Endorsements**

(a) If this Letter of Transmittal is signed by the registered holder(s) of the Shares to be tendered, the signature(s) of the holder on this Letter of Transmittal must correspond exactly with the name(s) on the subscription agreement accepted by the Company in connection with the purchase of the Shares, unless such Shares have been transferred by the registered holder(s), in which event this Letter of Transmittal should be signed in exactly the same form as the name of the last transferee indicated on the stock ledger maintained in book-entry form by SS&C GIDS, Inc., the Company's transfer agent.

(b) If any Shares tendered with this Letter of Transmittal are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

(c) If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares listed, such person must so indicate when signing, and proper evidence satisfactory to the Company of such person's authority to so act must be submitted.

**6. Withholding.** The Company is entitled to deduct and withhold from any payment to be made pursuant to the Offer to any stockholder whose Shares are accepted for tender by the Company any amounts that the Company is required to deduct and withhold with respect to making such payment under the Internal Revenue Code of 1986, as amended, or any other provision of state, local, or foreign tax law. To the extent any amounts are withheld, the withheld amounts shall be treated for all purposes as having been made and attributable to the holder of Shares in respect of which such deduction and withholding was made. Each stockholder accepting the Offer who has not previously submitted to the Company a correct, completed and signed Internal Revenue Service ("**IRS**") Form W-9 or substitute IRS Form W-9 (included with the original subscription) (for U.S. Stockholders) or IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY, IRS Form W-8ECI, IRS Form W-8EXP or other applicable form (for Non-U.S. Stockholders), or otherwise established an exemption from such withholding, must submit the appropriate form to the Company. This form requirement is intended to prevent the potential imposition of U.S. federal backup withholding tax on the gross payments made pursuant to the Offer, prior to receiving such payments. Certain persons holding Shares (including among others, most corporations and certain foreign persons) are exempt from backup withholding. Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of a person or persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of tax, a refund may be obtained by an affected stockholder from the IRS. A stockholder should consult his or her tax advisor as to his or her qualification for exemption from the backup withholding requirements and the procedure for obtaining an exemption.

**7. Determinations of Validity.** All questions as to the form of documents and the validity of Shares will be resolved by the Company in its sole discretion, which determination shall be final and binding. The Company reserves the absolute right to reject any tenders of any Shares that are not in proper form, or the acceptance of which would, in the opinion of the Company, be unlawful. The Company reserves the absolute right to waive any defect or irregularity of delivery for exchange with regard to any tender of Shares, provided that any such waiver shall apply to all tenders of Shares.

**8. Cost Basis.** The Company has elected the first-in, first-out (FIFO) method as the default for calculating cost basis for the tendered shares. If you wish to change your cost basis method, please go to [www.hinessecurities.com/](http://www.hinessecurities.com/) to log into your account.

**SS&C GIDS, INC., AS TRANSFER AGENT FOR THE COMPANY, WILL NOT BE OBLIGATED  
TO GIVE ANY NOTICE OF ANY DEFECT OR IRREGULARITY IN ANY TENDER, AND WILL NOT  
INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTICE.**

\* \* \*

**IMPORTANT: THIS LETTER OF TRANSMITTAL PROPERLY COMPLETED AND BEARING ORIGINAL SIGNATURE(S) AND THE ORIGINAL OF ANY REQUIRED SIGNATURE GUARANTEE(S) MUST BE RECEIVED BY THE COMPANY PRIOR TO THE EXPIRATION DATE.**

**Letter of Transmittal -**

**PLEASE CAREFULLY REVIEW THE INSTRUCTIONS AND COMPLETE THE FOLLOWING PAGES**

Ladies and Gentlemen:

The person(s) signing this Letter of Transmittal (the "**Signatory**") hereby tender(s) to the Company, which is an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, the number of Shares specified on page 2 for purchase in cash by the Company at purchase price not less than \$4.50 and not more than \$7.67 per Share (our net asset value ("**NAV**") per Share as of May 1, 2023) (the "**Purchase Price**"), under the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, and in this Letter of Transmittal (which Offer to Purchase and Letter of Transmittal, together with any amendments or supplements thereto, collectively constitute the "**Offer**").

Subject to, and effective upon, acceptance for payment of, or payment for, Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms or conditions of any such extension or amendment), the Signatory hereby sells, assigns and transfers to, or upon the order of, the Company, all right, title and interest in and to all of the Shares that are being tendered hereby that are purchased pursuant to the Offer, and hereby irrevocably constitutes and appoints SS&C GIDS, Inc. as attorney-in-fact of the Signatory with respect to such Shares, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms and subject to the conditions set forth in the Offer.

The Signatory recognizes that, under certain circumstances as set forth in the Offer to Purchase, the Company may amend, extend or terminate the Offer or may not be required to purchase any of the Shares tendered hereby. In any such event, the Signatory understands that the Shares not purchased, if any, will continue to be held by the Signatory and will not be tendered.

The Signatory understands that acceptance of Shares by the Company for payment will constitute a binding agreement between the Signatory and the Company upon the terms and subject to the conditions of the Offer.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the Signatory and all obligations of the Signatory hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the Signatory. Except as stated in the Offer, this tender is irrevocable.

The Signatory hereby acknowledges that capitalized terms not defined in this Letter of Transmittal shall have the meanings ascribed to them in the Offer to Purchase.

OFFER EXPIRATION: JUNE 13, 2023



LETTER OF TRANSMITTAL FOR TENDER OFFER

If you wish to sell your shares, complete the following form. **THIS FORM CANNOT BE USED AFTER THE EXPIRATION DATE.**

1. INVESTOR INFORMATION

Name(s) on the Account	Investor Email Address
Investor Phone Number	Social Security Number/TIN
Account Number	Financial Advisor Email Address
Financial Advisor Name	
Financial Advisor Phone Number	

2. TENDERING SHARES AND PURCHASE PRICE ELECTION

(a) Tendering ALL Shares at a Specific Price

TENDERING PRICE: (DOLLARS PER SHARE)	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00	\$7.50	\$7.67
(Check <u>ONLY ONE</u> box )	<input type="checkbox"/>							

(b) Tendering less than all Shares or tendering Shares at more than one price

TENDERING PRICE: (DOLLARS PER SHARE)	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00	\$7.50	\$7.67
(Enter the number of Shares only)								
NOTE: If you are completing box 2(b), the total number of Shares tendered cannot exceed the total number of Shares you own. Enter whole Shares only.								

(c) Tendering ALL Shares at the Purchase Price determined pursuant to the Offer

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER 2(a) or (b) above, the undersigned tenders shares at the Purchase Price, as shall be determined by the Company in accordance with the terms of the Offer. For purposes of determining the Purchase Price, those shares that are tendered by the undersigned agreeing to accept the Purchase Price determined in the tender offer will be deemed to be tendered at the minimum price of \$4.50 per share.

The undersigned wants to maximize the chance of having the Company purchase shares the undersigned is tendering (subject to the proration and priority provisions of the tender offer). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares at, and is willing to accept, the Purchase Price determined by the Company in accordance with the terms of the tender offer. **THE UNDERSIGNED UNDERSTANDS THAT THIS ELECTION MAY LOWER THE PURCHASE PRICE PAID FOR SHARES IN THE OFFER AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$4.50 PER SHARE.**

**PLEASE MAKE ONLY ONE SELECTION UNDER 2(a), (b) OR (c) ABOVE. IF MORE THAN ONE OPTION IS SELECTED ABOVE, OR IF NO OPTION IS SELECTED, THERE IS NO VALID TENDER OF SHARES.**

**3. PAYMENT INSTRUCTIONS** *(Select only one)*

Indicate how you wish to receive your payment below. If an option is not selected, a check will be sent to your address of record. Proceeds for qualified accounts, including IRAs and other Custodial accounts, and certain Broker-controlled accounts as required by your Broker Dealer of record, will automatically be issued to the Custodian or Broker Dealer of record, as applicable. **All custodial and broker-controlled accounts must include the Custodian and/or Broker Dealer signature.**

**Cash/Check Mailed to Address of Record**

**Cash/Check Mailed to Third Party/Custodian** *(Signature Guarantee required)*

Name / Entity Name / Financial Institution		Mailing Address	
City	State	Zip Code	Account Number

**Cash/Direct Deposit** Attach a **pre-printed voided check.**  
*(Signature Guarantee required) (Non-Custodial Investors Only)*

I authorize MSC Income Fund, Inc. or its agent to deposit my distribution into my checking or savings account. In the event that MSC Income Fund, Inc. deposits funds erroneously into my account, they are authorized to debit my account for an amount not to exceed the amount of the erroneous deposit.

Bank / Financial Institution:	Mailing Address	
City	State	Zip Code
Your Bank's ABA Routing Number	Your Bank Account Number	<input type="checkbox"/> Checking Account
		<input type="checkbox"/> Savings Account

**Please attach a pre-printed voided check.**

#### 4. CONDITIONAL TENDER

A tendering Stockholder may condition his, her or its tender of Shares upon the Company purchasing a specified minimum number of the Shares tendered, all as described in Section 8 of the Offer to Purchase. Unless at least the minimum number of Shares that you indicate below is purchased by the Company pursuant to the terms of the Offer, none of the Shares tendered will be purchased. It is the tendering Stockholder's responsibility to calculate the minimum number of Shares that must be purchased if any are purchased, and each stockholder is urged to consult his, her or its own tax advisor. Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

**The minimum number of Shares that must be purchased, if any are purchased, is: \_\_\_\_\_ Shares.**

If, because of proration, the minimum number of Shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his, her or its shares and checked the box below:

**The tendered Shares represent all shares held by the undersigned.**

#### 5. DIVIDEND REINVESTMENT

##### **Only applicable to Dividend Reinvestment**

Your participation in the Company's dividend reinvestment plan will be discontinued with respect to any Shares tendered for repurchase (and not properly withdrawn) that are not repurchased pursuant to the terms of the Offer. If you wish to discontinue your participation in the Company's dividend reinvestment plan with respect to Shares not tendered for repurchase, you must complete the Account Maintenance Form which can be obtained on the Company's website at [www.msccomefund.com/investors/forms](http://www.msccomefund.com/investors/forms) or by contacting Hines Investor Relations at 888.220.6121.

**6. AUTHORIZED SIGNATURES**

By executing this Letter of Transmittal, the undersigned hereby delivers to the Company in connection with the Offer to Purchase the number of Shares indicated above.

**All Custodial and Broker-controlled accounts must include the Custodian and/or Broker Dealer signature. Sufficient time should be allowed to ensure timely delivery prior to the Expiration Date.**

**Additional documentation may be required if redeeming from a Trust, Corporation, Retirement Plan, or Partnership account. If related to death, the completion of the MSC Income Fund, Inc. Transfer and Assignment of Shares form may be required. Contact Hines Investor Relations for detailed instructions at 888.220.6121.**

**IMPORTANT: Signature Guarantee is required if any of the following applies:**

- Amount to be redeemed is \$100,000 or more.
- The redemption is to be sent to an address other than the address we have had on record for the past 30 days.
- The redemption is to be sent to an address other than the address on record.
- If name has changed from the name in the account registration, we must have a one-and-the-same name signature guarantee. A one-and-the-same signature guarantee must state "<Previous Name> is one-and-the-same as <New Name>" and you must sign your old and new name.
- The redemption proceeds are deposited directly according to banking instructions provided on this form. (Non-Custodial Investors Only)

**Signature(s) must correspond exactly with the name(s) and account registration in which you held the shares.**

Investor Name (Please Print)	Signature	Date
Co-Investor Name (Please Print)	Signature	Date

**Signature Guarantee**  
*(Affix Medallion or Signature Guarantee Stamp Below)*

**Custodian and/or Broker/Dealer Authorization**  
*(if Applicable)*

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Signature of Authorized Person

**Is the account held by a Custodian or with Ameriprise Financial Services Inc., AXA Advisors, LLC, LPL Financial, LLC, or Wells Fargo Clearing Services LLC?** This form **MUST** be submitted to the appropriate firm for signoff before submitting to MSC Income Fund, Inc. Sufficient time should be allowed to ensure timely delivery prior to the Expiration Date.

**Mail to:** MSC Income Fund, Inc. | P.O. Box 219536 | Kansas City, MO 64121-9536  
**Overnight:** MSC Income Fund, Inc. | 430 W. 7th St., Suite 219536 | Kansas City, MO 64105-1407  
**Investor Relations:** 888.220.6121





**Return to:**  
MSC Income Fund, Inc.  
430 W. 7th Street, Suite 219536  
Kansas City, Missouri 64105-1407

**Hines Investor Relations**  
Toll-Free: 888.220.6121

**Website:** [mscincomefund.com/investors](http://mscincomefund.com/investors)

**NOTICE OF WITHDRAWAL OF TENDER REGARDING SHARES HELD IN MSC INCOME FUND, INC.**

**COMPLETING AND RETURNING THIS FORM WILL RESCIND YOUR SHARE REPURCHASE REQUEST. PLEASE ONLY COMPLETE AND RETURN THIS FORM IF YOU WISH TO RESCIND YOUR PENDING SHARE REPURCHASE REQUEST FOR THE OFFER DATED MAY 15, 2023.**

The undersigned recognizes that upon the receipt on a timely basis of this Notice of Withdrawal of Tender, properly executed, the shares of MSC Income Fund, Inc. (the "*Company*") previously tendered will not be purchased by the Company.

**Information**

Tendered pursuant to the Offer to Purchase dated May 15, 2023.

**The offer and withdrawal rights will expire at, and this Notice of Withdrawal must be received by the Company either by hand-delivery, mail or facsimile, before 5:00 P.M., Central Time, on June 13, 2023, unless the offer is extended.**

COMPLETE THIS NOTICE OF WITHDRAWAL AND RETURN TO THE FOLLOWING ADDRESS:

**MSC Income Fund, Inc.**  
430 W. 7th Street, Suite 219536  
Kansas City, Missouri 64105-1407  
Phone: 888.220.6121  
Fax: 877.616.1113

You are responsible for confirming that this Notice of Withdrawal is received by the Company at the address above.

**One Investor Information**

Print name(s) as registered on the account.

Name(s) On the Account
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Account Number	Social Security Number or TIN on Account
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Financial Advisor Name and Phone Number
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**Two Withdrawal Request**

The undersigned hereby withdraws the tender of its Shares to the Company for purchase by the Company that previously was submitted by the undersigned in a Letter of Transmittal dated \_\_\_\_\_.

This tender was in the amount of: All Shares as of the Expiration Date, or \_\_\_\_\_ Number of Shares.

The undersigned recognizes that upon the receipt on a timely basis of this Notice of Withdrawal of Tender, properly executed, the Shares previously tendered will not be purchased by the Company.

**Three Authorized Signatures**

Sign exactly as your account is registered

Investor Name (Please Print)	Signature	Date
Investor Name (Please Print)	Signature	Date



**Return to:**  
MSC Income Fund, Inc.  
430 W. 7th Street, Suite 219536  
Kansas City, Missouri 64105-1407

**Hines Investor Relations**  
Toll-Free: 888.220.6121

**Website:** [mscincomefund.com/investors](http://mscincomefund.com/investors)

**THIS IS AN OFFER TO PROVIDE ADDITIONAL NEAR-TERM LIQUIDITY TO OUR STOCKHOLDERS. IF YOU HAVE NO DESIRE TO SELL ANY OF YOUR SHARES, PLEASE DISREGARD THE REMAINDER OF THIS LETTER.**

**THIS IS NOTIFICATION OF THE OFFER TO PURCHASE UP TO \$2,000,000 OF SHARES OF COMMON STOCK FOR CASH AT A PURCHASE PRICE NOT LESS THAN \$4.50 AND NOT MORE THAN \$7.67 PER SHARE**

**DATED MAY 15, 2023**

Dear Stockholder:

We have sent this letter to you to announce the offer by MSC Income Fund, Inc. (the "**Company**," "**we**," "**us**," or "**our**") to purchase up to \$2,000,000 of shares of our common stock, par value \$0.001 per share (the "**Shares**") for cash at a purchase price not less than \$4.50 and not more than \$7.67 per Share (which was the net asset value ("**NAV**") of our Shares as of May 1, 2023) (the "**Purchase Price**"), less any applicable withholding taxes and without interest. The purpose of this Offer (as defined below) is to use the proceeds from recent Share sale to provide stockholders with an additional near-term liquidity option to supplement our quarterly repurchase program.

**THE OFFER WILL EXPIRE AND THE LETTER OF TRANSMITTAL MUST BE RECEIVED BY MSC INCOME FUND, INC. BY 5:00 P.M., CENTRAL TIME, ON JUNE 13, 2023, UNLESS THE OFFER IS EXTENDED.**

Upon the terms and subject to the conditions of this Offer to Purchase, including the provisions relating to proration and conditional tenders described in this Offer to Purchase, we will determine a single per Share price that we will pay for Shares properly tendered and not properly withdrawn from the Offer, taking into account the total number of Shares tendered and the prices specified by tendering Stockholders. We will select the lowest Purchase Price, not less than \$4.50 and not more than \$7.67 per Share, that will allow us to purchase up to \$2,000,000 of Shares. All Shares purchased in the Offer will be purchased at the same Purchase Price regardless of whether any Stockholder tendered at a lower price.

If you would like to tender a portion or all of your Shares pursuant to the terms of this Offer, you must obtain from our website, or request that we mail to you, a copy of the Offer to Purchase, dated May 15, 2023 (the "**Offer to Purchase**") and the related Letter of Transmittal (the "**Letter of Transmittal**") (which together, as they may be amended and supplemented from time to time, constitute the "**Offer**") and other documents related to the Offer (which together, as they may be amended and supplemented from time to time, constitute the "**Share Repurchase Package**"). Please read the following pages and the Share Repurchase Package carefully as they contain important information about the Offer. Requests for the Share Repurchase Package may be directed to the Company as follows.

Website:	<a href="http://www.mscincomefund.com/investors">www.mscincomefund.com/investors</a>
Hines Investor Relations:	888.220.6121
Fax number:	877.616.1113
Mailing address:	MSC Income Fund, Inc. 430 W. 7th Street, Suite 219536 Kansas City, Missouri 64105-1407

Stockholders may also contact their financial advisor, broker, dealer, commercial bank or trust company for assistance concerning the Offer.

*This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares. The Offer is made solely by the Offer to Purchase, dated May 15, 2023, and the related Letter of Transmittal, and any amendments or supplements thereto. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance or offers to sell Shares would not be in compliance with the laws of that jurisdiction.*

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**MSC INCOME FUND, INC.**  
**SHARE REPURCHASE TERMS**

MSC Income Fund, Inc., an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, is offering to purchase a number of shares at a price determined in accordance with the Offer to Purchase upon the terms and subject to the conditions described in the Offer to Purchase and the Letter of Transmittal.

**THE OFFER WILL EXPIRE AND THE LETTER OF TRANSMITTAL MUST BE RECEIVED BY MSC INCOME FUND, INC. BY 5:00 P.M., CENTRAL TIME, ON JUNE 13, 2023, UNLESS THE OFFER IS EXTENDED.**

The Offer is not conditioned upon any minimum number of Shares being tendered. The Offer is, however, subject to other conditions as set forth in the Offer to Purchase. The Offer is for cash at a purchase price not less than \$4.50 and not more than \$7.67 per Share.

**NEITHER THE COMPANY, ITS BOARD OF DIRECTORS (THE “BOARD”), MSC ADVISER I, LLC (THE “ADVISER”) NOR HINES SECURITIES, INC. MAKES ANY RECOMMENDATION TO STOCKHOLDERS AS TO WHETHER THEY SHOULD TENDER OR REFRAIN FROM TENDERING SHARES OR AT A WHAT PRICE TO TENDER SHARES. EACH STOCKHOLDER MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER THEIR SHARES AND, IF SO, HOW MANY AND AT WHAT PRICE TO TENDER. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSE AND EFFECTS OF THE OFFER.**

**NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY, THE BOARD, THE ADVISER OR HINES SECURITIES, INC. AS TO WHETHER STOCKHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER OR TO MAKE ANY REPRESENTATION OR TO GIVE ANY INFORMATION IN CONNECTION WITH THE OFFER OTHER THAN AS CONTAINED HEREIN OR IN THE ACCOMPANYING LETTER OF TRANSMITTAL. IF MADE OR GIVEN, ANY SUCH RECOMMENDATION, REPRESENTATION OR INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE BOARD, THE ADVISER OR HINES SECURITIES, INC. STOCKHOLDERS ARE URGED TO EVALUATE CAREFULLY ALL INFORMATION IN THE OFFER, CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS AND MAKE THEIR OWN DECISIONS WHETHER TO TENDER OR REFRAIN FROM TENDERING THEIR SHARES.**

On May 1, 2023, the Company sold March 24, 2600 Shares to Main Street Capital Corporation (“*Main Street*”) at \$8 per Share, the price at which the Company issued new Shares in connection with reinvestments of the May 1, 2023 dividend pursuant to the Company’s dividend reinvestment plan (“*DRIP*”), for total proceeds to the Company of approximately \$2,000,000. The issuance and sale were made pursuant to the exemption from registration under Section 4(a)(2) of the Securities Act, and was unanimously approved by the Board, including each director who is not an “interested person,” as such term is defined in Section 2(a)(19) of the 1940 Act, of the Company or the Adviser. The Company will use all of the proceeds from the sale of Shares to Main Street to purchase Shares in the Offer. The purpose of the Offer is to provide Stockholders with an additional near-term liquidity option to supplement our quarterly repurchase program. Because there is no public market for the Shares, the only liquidity available to Stockholders to date has been our share repurchase program.

The Company will purchase an aggregate amount of up to \$2,000,000 Shares properly tendered and not properly withdrawn prior to the Expiration Date (as defined below) at a Purchase Price not less than \$4.50 and not more than \$7.67 per Share (our NAV per Share as of May 1, 2023), less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal, including the proration and conditional tender provisions. We will determine the Purchase Price as promptly as practicable after the Tender Offer expires. We will select the lowest Purchase Price, not less than \$4.50 and not more than \$7.67 per Share, that will allow us to purchase up to \$2,000,000 of Shares, or a lower amount depending on the number of Shares properly tendered and not properly withdrawn pursuant to the Offer. Under no circumstances will the Company pay interest on the Purchase Price for the Shares, regardless of any delay in making payment, nor will you be entitled to dividends with record dates that occur on or after the date that Company accepts your Shares for purchase.

If the conditions to the Tender Offer have been satisfied or waived and more than \$2,000,000 of Shares have been properly tendered and not properly withdrawn prior to the Expiration Date, we will purchase Shares:

- first, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, on a pro rata basis from all Stockholders who properly tender Shares at or below the Purchase Price and do not properly withdraw them before the Expiration Date; and
- second, if necessary to permit us to purchase up to \$2,000,000 of Shares, from holders who have tendered Shares at or below the Purchase Price conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, Stockholders whose Shares are conditionally tendered must have properly tendered all of their Shares and not properly withdrawn them before the Expiration Date.

Therefore, all of the Shares that a Stockholder tenders in the Offer may not be purchased. It is also possible that none of the Shares conditionally tendered will be purchased. Participation in the DRIP will be discontinued for any Shares properly tendered for repurchase (and not withdrawn). If the conditions to the Offer are satisfied or waived and the Offer is fully subscribed at the minimum Purchase Price, we will repurchase 444,444 Shares or 0.55% of our outstanding Shares. If the conditions to the Offer are satisfied or waived and the Offer is fully subscribed at the maximum Purchase Price, we will repurchase approximately 260,756 Shares or 0.32% of our outstanding Shares.

The term “**Expiration Date**” means 5:00 p.m., Central Time, on June 13, 2023, unless the Company, in its sole discretion, shall have extended the period of time during which the Offer will remain open, in which event the term “Expiration Date” shall refer to the latest time and date at which the Offer, as so extended, shall expire. For purposes of the Offer, the Company will be deemed to have accepted for payment and, therefore, purchased, Shares properly tendered (and not properly withdrawn), only when, as and if the Company gives oral or written notice to SS&C GIDS, Inc., the transfer agent for the Offer (the “**Transfer Agent**”), of its acceptance of such Shares for payment under the Offer. The Company will determine, in its sole discretion, all questions as to the form and validity of any notice of withdrawal, including the time of receipt, and such determination will be final and binding, subject to a stockholder’s right to challenge the Company’s determination in a court of competent jurisdiction. SS&C GIDS, Inc., as transfer agent for the Company, will not be under any duty to give notification of any defects or irregularities in any tender or notice of withdrawal or incur any liability for failure to give any such notification.

We expressly reserve the right, in our sole discretion, at any time and from time to time, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any Shares by giving oral or written notice of such extension to the Transfer Agent and making a public announcement thereof no later than 9:00 a.m., Eastern Time, on the next business day after the last previously scheduled or announced Expiration Date. During any such extension, all Shares previously tendered and not properly withdrawn will remain subject to the Offer and to the right of a tendering stockholder to withdraw such stockholder’s Shares. The Company also expressly reserves the right to terminate the Offer, as described in the Offer to Purchase. Subject to compliance with applicable law, the Company further reserves the right, regardless of whether any of the circumstances described in the Offer to Purchase shall have occurred or shall be deemed by the Company to have occurred, to amend the Offer in any respect, including by increasing or decreasing the consideration offered. The Company will announce any such termination or amendment to the Offer by making a public announcement of the termination or amendment in accordance with applicable law. Without limiting the manner in which the Company may choose to make a public announcement, except as required by applicable law (including Rule 13e-4 under the Exchange Act), the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement.

Generally, the receipt of cash from the Company in exchange for a stockholder’s Shares will be a taxable event for the stockholder for U.S. federal income tax purposes. The receipt of cash for a stockholder’s Shares generally will be treated for U.S. federal income tax purposes either as (1) a sale or exchange of the Shares or (2) a distribution in respect of stock from the Company. The Transfer Agent (or other applicable withholding agent) may be required to withhold U.S. federal taxes on the gross proceeds of the Offer paid to a non-U.S. stockholder. For additional information, see Section 13 of the Offer to Purchase. Each stockholder is urged to consult his, her or its own tax advisor to determine the particular tax consequences to him, her or it of the Offer, including the applicability and effect of federal, state, local and foreign tax laws. To prevent the potential imposition of U.S. federal backup withholding on the gross payments made pursuant to the Offer, prior to receiving such payments, each stockholder accepting the Offer who has not previously submitted to the Company a correct, completed and signed Internal Revenue Service (“**IRS**”) Form W-9 or substitute Form W-9 (included with the original subscription) (for U.S. stockholders) or IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY, IRS Form W-8ECL, IRS Form W-8EXP or other applicable form (for non-U.S. stockholders), or otherwise established an exemption from such withholding, must submit the appropriate form to the Company.

Tenders of Shares under the Offer are irrevocable, except that such Shares may be withdrawn at any time prior to the Expiration Date, and, unless previously accepted for payment by the Company under the Offer, may also be withdrawn at any time before July 13, 2023 (which is 40 business days after the commencement of the Offer). For such withdrawal to be effective, the Transfer Agent must timely receive a written or facsimile transmission notice of withdrawal at the respective addresses or facsimile number specified for such manner of delivery set forth on the notice of withdrawal. Any such notice of withdrawal must specify the name of the tendering stockholder, the number of Shares to be withdrawn and the name of the registered holder of such Shares. If Shares have been tendered pursuant to the procedure for book-entry transfer set forth in the Offer to Purchase, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn Shares and must otherwise comply with such book-entry transfer facility’s procedures.

Pursuant to our Articles of Amendment and Restatement, we maintain a quarterly repurchase program to provide limited liquidity to our Stockholders. Repurchase offers under the quarterly repurchase program are limited to the lesser of (i) the number of Shares we can repurchase with 90% of the proceeds we receive from issuance of Shares under the DRIP and (ii) 2.5% per quarter of our weighted average number of outstanding Shares in the prior four calendar quarters, at the discretion of our Board, and must be made at our then current NAV.

While we continue to evaluate a liquidity event for the Company, current market conditions do not present a favorable opportunity for such a transaction. We have learned through engaging with Stockholders that certain Stockholders have additional needs for liquidity related to individual circumstances, such as death or disability of the initial holder. Because the SEC’s rules do not permit the Company to grant a preference to certain accounts over others in connection with the repurchase of our Shares, we are unable to offer a liquidity alternative for these types of unique circumstances. We believe the modified “Dutch auction” tender offer set forth in this Offer to Purchase is a mechanism that will provide us the ability to do so. See Section 2.

The information required to be disclosed by Rule 13e-4(d)(1) under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

# MSC

INCOME FUND

## Modified Dutch Auction Tender Offer Summary and FAQ's

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May 2023

## Disclaimers

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MSC Income Fund, Inc. (MSIF or the Company) cautions that statements in this presentation that are forward-looking, and provide other than historical information, involve risks and uncertainties that may impact MSIF's future results of operations. The forward-looking statements in this presentation are based on current conditions as of May 15, 2023, and include, but are not limited to, statements regarding MSIF's goals, beliefs, strategies, future operating results and cash flows, operating expenses, investment originations and performance, available capital, payment and the tax attributes of future dividends, the continued repurchase of shares through the Share Repurchase Program and shareholder returns. Although the Company believes that the expectations reflected in any forward-looking statements are reasonable, the Company can give no assurance that those expectations will prove to have been correct. Those statements are made based on various underlying assumptions and are subject to numerous uncertainties and risks, including, without limitation: the Company's continued effectiveness in raising, investing and managing capital; adverse changes in the economy generally or in the industries in which the Company's portfolio companies operate; the impacts of macroeconomic factors on MSIF and its portfolio companies' business and operations, liquidity and access to capital, and on the U.S. and global economies, including impacts related to the COVID-19 pandemic and other public health crises, risk of recession, inflation, supply chain constraints or disruptions and rising interest rates; changes in laws and regulations or business, political and/or regulatory conditions that may adversely impact the Company's operations or the operations of the Company's portfolio companies; the operating and financial performance of the Company's portfolio companies and their access to capital; retention of the Company's investment adviser's key investment personnel; competitive factors; and such other factors described under the captions "Cautionary Statement Concerning Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" included in the Company's filings with the Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)), including the Company's most recent annual report on Form 10-K and subsequently filed quarterly reports on Form 10-Q.

The Company undertakes no obligation to update the information contained herein to reflect subsequently occurring events or circumstances, except as required by applicable securities laws and regulations.

You should read the documents MSIF has filed with the SEC for more complete information about MSIF. You may access these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). These materials are also accessible on the Company's website at [www.msicomefund.com](http://www.msicomefund.com). Information contained on the Company's website is not incorporated by reference into this communication.

The summary descriptions and other information included herein are intended only for informational purposes and convenient reference. The information contained herein is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. Before making an investment decision with respect to MSIF's securities, investors are advised to carefully review any applicable offering memorandum and MSIF's quarterly and annual reports filed with the SEC to review the risk factors described or incorporated by reference therein, and to consult with their tax, financial, investment and legal advisors.

## MSIF Announces Modified Dutch Auction Tender Offer

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**On May 15, 2023, the Company announced the commencement of a Modified Dutch Auction tender offer for an aggregate purchase price of not more than \$2 million of shares of the Company's common stock**

- This tender offer supplements the Company's share repurchase program to provide an additional liquidity option to shareholders. See pages 4 - 5 for more information.
- The tender offer is structured as a "Modified Dutch Auction". See page 7 for more information.
- Shares will be purchased at the lowest per share price at which the Company is able to purchase \$2 million of shares of common stock. See page 6 for more information.
- The Company will use all of the proceeds from the sale of \$2 million of new shares of common stock to Main Street Capital Corporation to buy shares in the offer. See page 7 for more information.
- Forms to participate in the tender are available on the Company's website at [www.mscomefund.com/investors](http://www.mscomefund.com/investors).
- The offer will remain open until **5:00pm Central Time, June 13, 2023**, unless extended or withdrawn. Documents should be submitted to the address below:

Mail to: MSC Income Fund, Inc. | P.O. Box 219536 | Kansas City, MO 64121-9536

Overnight: MSC Income Fund, Inc. | 430 W. 7th St. Suite 219536 | Kansas City, MO 64105-1407

## MSIF Announces Modified Dutch Auction Tender Offer

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**This tender offer supplements the Company's share repurchase program to provide an additional liquidity option to shareholders**

- To date, liquidity has only been available through the Company pursuant to its share repurchase program. Quarterly tender offers through the share repurchase program are made at net asset value (NAV) using a portion of the proceeds from shares issued through the Company's dividend reinvestment plan.
- These quarterly tender offers have historically been "oversubscribed" and as a result, the Company repurchases shares on a pro-rata basis from tendering shareholders, subject to "odd lot"<sup>1</sup> priority.

(1) Accounts holding 100 shares or less.

## MSIF Announces Modified Dutch Auction Tender Offer

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**While this tender offer is not a full “liquidity event”, the Company views this tender offer as providing an additional liquidity option to shareholders with an increased desire for current liquidity**

- During the public offering process, the Company committed to seek a liquidity event for shareholders between four and six years following the closing of its continuous public offering. The public offering was closed to new investors effective September 30, 2017.
- While the Company has been evaluating and continues to evaluate options for a liquidity event, recent market conditions have not presented and current market conditions do not present a favorable opportunity for such a transaction.
- The Company has learned through engagement with shareholders that certain shareholders have specific needs for additional liquidity related to individual circumstances, such as death or disability of the initial holder.
- The Company believes the Modified Dutch Auction tender offer is a mechanism that will provide the Company the ability to maximize the number of shares it can repurchase with the capital available for the offer.

## MSIF Announces Modified Dutch Auction Tender Offer

Shares will be purchased at the lowest “clearing” price at which the Company is able to purchase \$2 million of shares (the Clearing Price). Shareholders have the option to:

Option 2(a): Tender all shares at a single price per share. By selecting this option, the shareholder is agreeing to sell all shares at the price selected or any higher price that is established as the Clearing Price.

Option 2(b): Tender different amounts of shares at different prices. By selecting more than one price, the shareholder is agreeing to sell the specified number of shares indicated at or below the Clearing Price.

Option 2(c): Tender all shares at the price determined in the course of the auction. **Option 2(c) will give shareholders the greatest chance to have the maximum number of their shares acquired in the tender offer. Selecting this option will have the effect of tendering all shares at the Clearing Price.**

### 2. TENDERING SHARES AND PURCHASE PRICE ELECTION

#### (a) Tendering ALL Shares at a Specific Price

TENDERING PRICE: (DOLLARS PER SHARE)	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00	\$7.50	\$7.67
(Check <u>ONLY ONE</u> box )	<input type="checkbox"/>							

#### (b) Tendering less than all Shares or tendering Shares at more than one price

TENDERING PRICE: (DOLLARS PER SHARE)	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00	\$7.50	\$7.67
(Enter the number of Shares only)								
NOTE: If you are completing box 2(b), the total number of Shares tendered cannot exceed the total number of Shares you own. Enter whole Shares only.								

#### (c) Tendering ALL Shares at the Purchase Price determined pursuant to the Offer

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER 2(a) or (b) above, the undersigned tenders shares at the Purchase Price, as shall be determined by the Company in accordance with the terms of the Offer. For purposes of determining the Purchase Price, those shares that are tendered by the undersigned agreeing to accept the Purchase Price determined in the tender offer will be deemed to be tendered at the minimum price of \$4.50 per share.

- The undersigned wants to maximize the chance of having the Company purchase shares the undersigned is tendering (subject to the proration and priority provisions of the tender offer). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares at, and is willing to accept, the Purchase Price determined by the Company in accordance with the terms of the tender offer. **THE UNDERSIGNED UNDERSTANDS THAT THIS ELECTION MAY LOWER THE PURCHASE PRICE PAID FOR SHARES IN THE OFFER AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$4.50 PER SHARE.**

If shareholders tender more than \$2 million of shares at the Clearing Price, orders will be pro-rated.

## Frequently Asked Questions

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**Q: What is a “Modified Dutch Auction” and how does it work?**

A: A Modified Dutch Auction is a type of tender offer whereby the buyer solicits interest among shareholders to sell their shares at a range of prices. The process works in the opposite way as a traditional auction – sellers are asked to bid their desired sale price, resulting in a consensus sale price paid by the buyer. In this scenario, shareholders are being asked to offer to sell their shares to the purchaser at one or more prices.

Once the offer period has expired, the buyer determines the Clearing Price that will enable the buyer to purchase shares up to the total amount of the offer. If the offer is oversubscribed at the Clearing Price, the buyer will purchase a pro rata amount from all shareholders selling at that price. See the following page for an example of how the Clearing Price is determined.

**Q: How will the Company pay for the Shares?**

A: On May 1, 2023, the Company sold 255,754 Shares to Main Street, the sole owner of the Company’s investment adviser, at \$7.82 per Share, the price at which the Company issued new Shares in connection with reinvestments of the May 1, 2023 dividend, for total proceeds of approximately \$2 million. The Company will use all of the proceeds from the sale of Shares to Main Street to purchase Shares in the offer.

## Frequently Asked Questions

### Q: What is the Clearing Price and how will it be determined?

A: The Clearing Price is the price at which the Company is able to purchase the full tender offer amount. The following table is a hypothetical result of an offer to purchase \$2,000,000 of shares at prices from \$4.50 to \$7.67:

Price	Shares tendered at the applicable Price	Total Shares	Total Price
\$4.50	50,000	50,000	\$ 225,000.00
\$5.00	50,000	100,000	\$ 500,000.00
\$5.50	75,000	175,000	\$ 962,500.00
\$6.00	75,000	250,000	\$ 1,500,000.00
\$6.50	100,000	350,000	\$ 2,275,000.00
\$7.00	150,000	500,000	\$ 3,500,000.00
\$7.00	500,000	1,000,000	\$ 7,500,000.00
\$7.67	500,000	1,500,000	\$ 11,505,000.00

In this example, \$6.50 is the Clearing Price. The Company would select the price of \$6.50 and all tendering shareholders would receive the Clearing Price of \$6.50 per share.

Because the \$6.50 per share prices results in the offer being oversubscribed, all tendering shareholders are pro-rated at approximately 87.9% (which is the product of (i) the total purchase offer of \$2,000,000 divided by (ii) the total price that meets or exceeds the total offer amount (in this example, \$2,275,000)).

## Frequently Asked Questions

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**Q: When will the results of the offer, including the Clearing Price, be announced?**

A: The Company will announce the results of the offer, including the Clearing Price as soon as possible after the trade date for the offer, which the Company expects will be June 23, 2023.

**Q: If my shares are accepted in the tender offer, when will I receive payment?**

A: The tender offer will settle promptly after the trade date for the offer, which the Company expects will be June 23, 2023. The Company expects to disburse payments within three to five (3-5) business days following the trade date. Proceeds being distributed through a custodian or broker dealer may appear in your account several business days after payment has already been remitted. Please contact your custodian or financial professional if you do not see the proceeds from this auction in your account.

**Q: If I do not participate in this tender offer, what are my other liquidity options?**

A: Shareholders not participating in this tender offer will continue to be able to participate in the Company's quarterly share repurchase program, any future tender offers approved by the Company and any other future liquidity events offered by the Company. While the Company continues to evaluate opportunities for a full liquidity event, the Company will also endeavor to make additional tender offers available to the extent there is available capital and subject to the discretion of the Company's board of directors.

## Frequently Asked Questions

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**Q: Will I receive dividends on my shares accepted in the tender offer?**

A: Shareholders tendering their shares in the tender offer will no longer receive dividends having a record date after the shares are accepted for cash payment. For example, shares repurchased prior to June 30, 2023 will not receive any dividends with a record date on or after June 30, 2023.

**Q: If I have questions regarding the Modified Dutch Auction or the forms I need to submit in order to participate in the offer, is there someone I can speak to get my questions answered?**

A: Yes, please contact your financial professional directly or Hines Investor Relations at 888.220.6121 Monday through Friday from 8:00 a.m. to 5:00 p.m. CT. Hours are subject to change due to New York Stock Exchange (NYSE) schedule and holidays.

**Q: Whom can I contact for general information about the Company?**

A: Main Street Investor Relations  
713-350-6000

[investorservices@mscincomefund.com](mailto:investorservices@mscincomefund.com)

or visit the Company's website at [www.mscincomefund.com](http://www.mscincomefund.com)

