

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

**Form 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2023**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from:            to**

**Commission File Number: 814-00939**

**MSC Income Fund, Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of  
incorporation or organization)

**1300 Post Oak Boulevard, 8<sup>th</sup> Floor  
Houston, TX**

(Address of principal executive offices)

**45-3999996**

(I.R.S. Employer  
Identification No.)

**77056**

(Zip Code)

**(713) 350-6000**

(Registrant's telephone number including area code)

**n/a**

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the issuer's common stock as of November 10, 2023 was 80,537,477.

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**MSC INCOME FUND, INC.****Consolidated Balance Sheets****(in thousands, except shares and per share amounts)**

	September 30, 2023	December 31, 2022
	(Unaudited)	
<b>ASSETS</b>		
Investments at fair value:		
Control investments (cost: \$43,725 and \$31,120 as of September 30, 2023 and December 31, 2022, respectively)	\$ 54,066	\$ 50,303
Affiliate investments (cost: \$218,636 and \$241,565 as of September 30, 2023 and December 31, 2022, respectively)	275,889	277,000
Non-Control/Non-Affiliate investments (cost: \$802,779 and \$787,201 as of September 30, 2023 and December 31, 2022, respectively)	773,858	740,840
Total investments (cost: \$1,065,140 and \$1,059,886 as of September 30, 2023 and December 31, 2022, respectively)	1,103,813	1,068,143
Cash and cash equivalents	23,108	21,312
Interest and dividend receivable	13,310	11,917
Receivable for securities sold	4,161	464
Deferred financing costs (net of accumulated amortization of \$3,463 and \$2,413 as of September 30, 2023 and December 31, 2022, respectively)	4,121	2,908
Prepays and other assets	4,402	2,420
Total assets	<u>\$ 1,152,915</u>	<u>\$ 1,107,164</u>
<b>LIABILITIES</b>		
Credit Facilities	\$ 356,688	\$ 321,688
Series A Notes due 2026 (par: \$150,000 as of both September 30, 2023 and December 31, 2022)	149,080	148,856
Accounts payable and other liabilities	740	1,292
Interest payable	8,674	5,443
Dividend payable	14,002	12,816
Management and incentive fees payable	7,566	7,042
Deferred tax liability, net	2,596	362
Total liabilities	539,346	497,499
Commitments and contingencies (Note I)		
<b>NET ASSETS</b>		
Common stock, \$0.001 par value per share (450,000,000 shares authorized; 80,013,948 and 80,105,999 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively)	80	80
Additional paid-in capital	685,237	684,165
Total overdistributed earnings	(71,748)	(74,580)
Total net assets	613,569	609,665
Total liabilities and net assets	<u>\$ 1,152,915</u>	<u>\$ 1,107,164</u>
<b>NET ASSET VALUE PER SHARE</b>	<u>\$ 7.67</u>	<u>\$ 7.61</u>

The accompanying notes are an integral part of these consolidated financial statements

**MSC INCOME FUND, INC.**
**Consolidated Statements of Operations**
**(in thousands, except shares and per share amounts)**
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>INVESTMENT INCOME:</b>				
Interest, fee and dividend income:				
Control investments	\$ 804	\$ 555	\$ 2,321	\$ 2,595
Affiliate investments	6,941	6,385	22,241	17,443
Non-Control/Non-Affiliate investments	24,606	19,111	72,064	53,753
Total investment income	32,351	26,051	96,626	73,791
<b>EXPENSES:</b>				
Interest	(9,403)	(6,801)	(26,599)	(16,628)
Base management fees	(4,994)	(4,974)	(14,761)	(14,919)
Incentive fees	(2,572)	—	(8,891)	—
Internal administrative services expenses	(2,168)	(1,405)	(6,752)	(3,888)
General and administrative	(1,106)	(941)	(3,291)	(3,017)
Total expenses before expense waivers	(20,243)	(14,121)	(60,294)	(38,452)
Waiver of internal administrative services expenses	2,014	1,252	6,297	3,431
Total expenses, net of expense waivers	(18,229)	(12,869)	(53,997)	(35,021)
<b>NET INVESTMENT INCOME</b>	<b>14,122</b>	<b>13,182</b>	<b>42,629</b>	<b>38,770</b>
<b>NET REALIZED GAIN (LOSS):</b>				
Control investments	546	—	2,223	—
Affiliate investments	(2)	(1,456)	(7,188)	(676)
Non-Control/Non-Affiliate investments	(109)	8,694	(20,021)	8,541
Total net realized gain (loss)	435	7,238	(24,986)	7,865
<b>NET UNREALIZED APPRECIATION (DEPRECIATION):</b>				
Control investments	(735)	574	(1,433)	1,959
Affiliate investments	4,780	3,909	22,468	4,401
Non-Control/Non-Affiliate investments	(5,247)	(8,918)	9,380	(17,812)
Total net unrealized appreciation (depreciation)	(1,202)	(4,435)	30,415	(11,452)
<b>INCOME TAXES:</b>				
Federal and state income, excise and other taxes	(431)	(578)	(954)	(1,559)
Deferred taxes	458	(144)	(2,235)	(321)
Income tax benefit (provision)	27	(722)	(3,189)	(1,880)
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$ 13,382</b>	<b>\$ 15,263</b>	<b>\$ 44,869</b>	<b>\$ 33,303</b>
<b>NET INVESTMENT INCOME PER SHARE—BASIC AND DILUTED</b>	<b>\$ 0.18</b>	<b>\$ 0.16</b>	<b>\$ 0.53</b>	<b>\$ 0.48</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE—BASIC AND DILUTED</b>	<b>\$ 0.17</b>	<b>\$ 0.19</b>	<b>\$ 0.56</b>	<b>\$ 0.42</b>
<b>WEIGHTED-AVERAGE SHARES OUTSTANDING—BASIC AND DILUTED</b>	<b>80,300,145</b>	<b>80,048,855</b>	<b>80,245,958</b>	<b>79,960,302</b>

The accompanying notes are an integral part of these consolidated financial statements

**MSC INCOME FUND, INC.**
**Consolidated Statements of Changes in Net Assets**

(in thousands, except shares)

(Unaudited)

	Common Stock		Additional Paid-In Capital	Total Overdistributed Earnings	Total Net Asset Value
	Number of Shares	Par Value			
<b>Balances at December 31, 2021</b>	79,826,605	\$ 80	\$ 682,426	\$ (69,336)	\$ 613,170
Dividend reinvestment	533,062	—	4,212	—	4,212
Common stock repurchased	(489,031)	—	(3,790)	—	(3,790)
Net increase resulting from operations	—	—	—	16,213	16,213
Dividends to stockholders	—	—	—	(13,178)	(13,178)
<b>Balances at March 31, 2022</b>	79,870,636	\$ 80	\$ 682,848	\$ (66,301)	\$ 616,627
Issuance of common stock	94,697	—	750	—	750
Dividend reinvestment	582,453	1	4,612	—	4,613
Common stock repurchased	(536,065)	(1)	(4,151)	—	(4,152)
Net increase resulting from operations	—	—	—	1,823	1,823
Dividends to stockholders	—	—	—	(12,802)	(12,802)
<b>Balances at June 30, 2022</b>	80,011,721	\$ 80	\$ 684,059	\$ (77,280)	\$ 606,859
Dividend reinvestment	574,866	1	4,478	—	4,479
Common stock repurchased	(527,508)	(1)	(4,043)	—	(4,044)
Net increase resulting from operations	—	—	—	15,263	15,263
Dividends to stockholders	—	—	—	(12,809)	(12,809)
<b>Balances at September 30, 2022</b>	<b>80,059,079</b>	<b>\$ 80</b>	<b>\$ 684,494</b>	<b>\$ (74,826)</b>	<b>\$ 609,748</b>
<b>Balances at December 31, 2022</b>	80,105,999	\$ 80	\$ 684,165	\$ (74,580)	\$ 609,665
Dividend reinvestment	564,377	1	4,413	—	4,414
Common stock repurchased	(519,489)	(1)	(3,984)	—	(3,985)
Net increase resulting from operations	—	—	—	12,231	12,231
Dividends to stockholders	—	—	—	(14,026)	(14,026)
<b>Balances at March 31, 2023</b>	80,150,887	\$ 80	\$ 684,594	\$ (76,375)	\$ 608,299
Issuance of common stock	255,754	—	2,000	—	2,000
Dividend reinvestment	608,618	1	4,759	—	4,760
Common stock repurchased	(965,568)	(1)	(6,522)	—	(6,523)
Net increase resulting from operations	—	—	—	19,256	19,256
Dividends to stockholders	—	—	—	(14,009)	(14,009)
<b>Balances at June 30, 2023</b>	80,049,691	\$ 80	\$ 684,831	\$ (71,128)	\$ 613,783
Issuance of common stock	348,542	—	2,750	—	2,750
Dividend reinvestment	594,294	1	4,689	—	4,690
Common stock repurchased	(978,579)	(1)	(7,033)	—	(7,034)
Net increase resulting from operations	—	—	—	13,382	13,382
Dividends to stockholders	—	—	—	(14,002)	(14,002)
<b>Balances at September 30, 2023</b>	<b>80,013,948</b>	<b>\$ 80</b>	<b>\$ 685,237</b>	<b>\$ (71,748)</b>	<b>\$ 613,569</b>

The accompanying notes are an integral part of these consolidated financial statements

MSC INCOME FUND, INC.

Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net increase in net assets resulting from operations	\$ 44,869	\$ 33,303
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Investments in portfolio companies	(156,523)	(171,762)
Proceeds from sales and repayments of debt investments in portfolio companies	119,927	123,357
Proceeds from sales and return of capital of equity investments in portfolio companies	13,280	42,875
Net unrealized (appreciation) depreciation	(30,415)	11,452
Net realized (gain) loss	24,986	(7,865)
Amortization of deferred financing costs	1,273	1,080
Amortization of deferred offering costs	129	210
Accretion of unearned income	(5,772)	(3,576)
Payment-in-kind interest	(3,805)	(2,091)
Cumulative dividends	(129)	(608)
Deferred tax provision	2,235	321
Changes in other assets and liabilities:		
Interest and dividend receivable	(2,307)	795
Prepaid and other assets	(1,982)	171
Management and incentive fees payable	524	(58)
Interest payable	3,231	3,513
Accounts payable and other liabilities	(552)	(1,024)
Net cash provided by operating activities	8,969	30,093
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of common stock	4,750	750
Redemption of common stock	(17,542)	(11,986)
Payment of offering costs	(129)	(210)
Dividends paid	(26,990)	(24,653)
Proceeds from Credit Facilities	107,000	87,000
Repayments on Credit Facilities	(72,000)	(161,000)
Proceeds from Series A Notes due 2026	—	72,500
Payment of deferred financing costs	(2,262)	(149)
Net cash used in financing activities	(7,173)	(37,748)
Net increase (decrease) in cash and cash equivalents	1,796	(7,655)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	21,312	25,813
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 23,108</u>	<u>\$ 18,158</u>
<b>Supplemental cash flow disclosures:</b>		
Interest paid	\$ 22,106	\$ 9,578
Taxes paid	\$ 1,960	\$ 1,992
<b>Non-cash financing activities:</b>		
Dividends declared and unpaid	\$ 14,002	\$ 12,809
Value of shares issued pursuant to the DRIP	\$ 13,864	\$ 13,304

The accompanying notes are an integral part of these consolidated financial statements

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments**  
**September 30, 2023**  
**(dollars in thousands)**  
**(Unaudited)**

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
<b>Control Investments (5)</b>											
<b>Copper Trail Fund Investments</b>	(12) (13) Investment Partnership	LP Interests (CTMH, LP)	(8) (24) 07/17/2017	38.8%						\$ 713	\$ 588
<b>GRT Rubber Technologies LLC</b>	Manufacturer of Engineered Rubber Products	Secured Debt	(25) 12/21/2018		11.48%	SF+ 6.00%		12/21/2023	838	832	838
		Secured Debt	(25) 12/19/2014		13.48%	SF+ 8.00%		10/29/2026	19,944	19,790	19,944
		Member Units	12/19/2014	2,896						6,435	21,890
										27,057	42,672
<b>Harris Preston Fund Investments</b>	(12) (13) Investment Partnership	LP Interests (2717 MH, L.P.)	(8) (24) 10/01/2017	49.3%						3,345	5,896
<b>Volusion, LLC</b>											
	Provider of Online Software-as-a-Service eCommerce Solutions	Secured Debt	03/31/2023		10.00%			3/31/2025	900	900	900
		Preferred Member Units	01/26/2015	2,090,001						6,000	—
		Preferred Member Units	03/31/2023	2,184,683						4,606	4,010
		Preferred Member Units	03/31/2023	61,077						—	—
		Common Stock	03/31/2023	772,620						1,104	—
										12,610	4,910
<b>Subtotal Control Investments (8.8% of net assets at fair value)</b>										<b>\$ 43,725</b>	<b>\$ 54,066</b>
<b>Affiliate Investments (6)</b>											
<b>Analytical Systems Keco Holdings, LLC</b>	Manufacturer of Liquid and Gas Analyzers	Secured Debt	(9) (25) 08/16/2019		15.38%	SF+ 10.00%		8/16/2024	\$ 40	\$ 39	\$ 39
		Secured Debt	(9) (25) 08/16/2019		15.38%	SF+ 10.00%		8/16/2024	1,049	1,033	1,033
		Preferred Member Units	08/16/2019	800	14.13%					800	—
		Preferred Member Units	05/20/2021	607						607	1,140
		Warrants	(27) 08/16/2019	105				8/16/2029		79	—
										2,558	2,212
<b>Barfly Ventures, LLC</b>	(10) Casual Restaurant Group	Member Units	10/26/2020	12						528	1,013
<b>Batjer TopCo, LLC</b>											
	HVAC Mechanical Contractor	Secured Debt	(37) 03/07/2022					3/7/2027	—	(1)	—

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments (Continued)**  
**September 30, 2023**  
**(dollars in thousands)**  
**(Unaudited)**

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	03/07/2022		10.00%			3/7/2027	70	70	70
		Secured Debt	03/07/2022		10.00%			3/7/2027	1,175	1,159	1,175
		Preferred Stock (8)	03/07/2022	453						455	680
										1,683	1,925
<b>Brewer Crane Holdings, LLC</b>	Provider of Crane Rental and Operating Services										
		Secured Debt (9)	01/09/2018		15.44%	L+	10.00%	1/9/2024	1,406	1,406	1,376
		Preferred Member Units (8)	01/09/2018	737						1,070	1,400
										2,476	2,776
<b>Centre Technologies Holdings, LLC</b>	Provider of IT Hardware Services and Software Solutions										
		Secured Debt (9) (25) (37)	01/04/2019			SF+	9.00%	1/4/2026	—	—	—
		Secured Debt (9) (25)	01/04/2019		14.48%	SF+	9.00%	1/4/2026	4,394	4,361	4,394
		Preferred Member Units	01/04/2019	3,327						1,531	2,600
										5,892	6,994
<b>Chamberlin Holding LLC</b>	Roofing and Waterproofing Specialty Contractor										
		Secured Debt (9) (25) (37)	02/26/2018			SF+	6.00%	2/26/2026	—	(35)	—
		Secured Debt (9) (25)	02/26/2018		13.49%	SF+	8.00%	2/26/2026	4,102	4,099	4,102
		Member Units (8)	02/26/2018	1,087						2,860	6,480
		Member Units (8) (23)	11/02/2018	261,786						443	743
										7,367	11,325
<b>Charps, LLC</b>	Pipeline Maintenance and Construction										
		Preferred Member Units (8)	02/03/2017	457						491	3,500
<b>Clad-Rex Steel, LLC</b>	Specialty Manufacturer of Vinyl-Clad Metal										
		Secured Debt	12/20/2016		11.50%			1/15/2024	2,200	2,200	2,163
		Secured Debt	12/20/2016		10.00%			12/20/2036	256	253	253
		Member Units (8)	12/20/2016	179						1,820	1,400
		Member Units (23)	12/20/2016	200						127	282
										4,400	4,098
<b>Cody Pools, Inc.</b>	Designer of Residential and Commercial Pools										
		Secured Debt (37)	03/06/2020					12/17/2026	—	(2)	—
		Secured Debt	03/06/2020		12.50%			12/17/2026	7,377	7,352	7,377
		Preferred Member Units (8) (23)	03/06/2020	147						2,079	17,290
										9,429	24,667
<b>Colonial Electric Company LLC</b>	Provider of Electrical Contracting Services										
		Secured Debt (37)	03/31/2021					3/31/2026	—	—	—
		Secured Debt	03/31/2021		12.00%			3/31/2026	5,591	5,519	5,442



**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments (Continued)**  
**September 30, 2023**  
**(dollars in thousands)**  
**(Unaudited)**

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Preferred Member Units	06/27/2023	240						240	600
		Preferred Member Units	03/31/2021	4,320						1,920	1,920
										7,679	7,962
<b>Datacom, LLC</b>	Technology and Telecommunications Provider										
		Secured Debt	03/01/2022		7.50%			12/31/2025	60	59	59
		Secured Debt	03/31/2021		10.00%			12/31/2025	936	889	846
		Preferred Member Units (8)	03/31/2021	1,000						290	30
										1,238	935
<b>Digital Products Holdings LLC</b>	Designer and Distributor of Consumer Electronics										
		Secured Debt (9) (25)	04/01/2018		15.38%	SF+ 10.00%		4/27/2026	3,718	3,686	3,669
		Preferred Member Units (8)	04/01/2018	964						2,375	2,459
										6,061	6,128
<b>Direct Marketing Solutions, Inc.</b>	Provider of Omni-Channel Direct Marketing Services										
		Secured Debt	02/13/2018		14.00%			2/13/2026	225	221	225
		Secured Debt	12/27/2022		14.00%			2/13/2026	5,085	5,054	5,085
		Preferred Stock (8)	02/13/2018	2,100						2,100	5,340
										7,375	10,650
<b>Flame King Holdings, LLC</b>	Propane Tank and Accessories Distributor										
		Preferred Equity (8)	10/29/2021	2,340						2,600	6,970
<b>Freeport Financial Funds</b>	(12) (13) Investment Partnership										
		LP Interests (Freeport First Lien Loan Fund III LP) (8) (24)	07/31/2015	6.0%						5,328	4,873
<b>Gamber-Johnson Holdings, LLC</b>	Manufacturer of Ruggedized Computer Mounting Systems										
		Secured Debt (9) (25) (36) (37)	06/24/2016			SF+ 7.50%		1/1/2028	—	—	—
		Secured Debt (9) (25) (36)	12/15/2022		10.50%	SF+ 7.50%		1/1/2028	14,120	13,916	14,120
		Member Units (8)	06/24/2016	2,261						4,423	20,400
										18,339	34,520
<b>GFG Group, LLC</b>	Grower and Distributor of a Variety of Plants and Products to Other Wholesalers, Retailers and Garden Centers										
		Secured Debt	03/31/2021		8.00%			3/31/2026	2,636	2,595	2,636
		Preferred Member Units (8)	03/31/2021	56						1,225	2,600

**MSC INCOME FUND, INC.**  
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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
										3,820	5,236
<b>Gulf Publishing Holdings, LLC</b>	Energy Industry Focused Media and Publishing										
		Secured Debt	(9) (25) (37) 09/29/2017			SF+ 9.50%		7/1/2027	—	—	—
		Secured Debt	07/01/2022		12.50%			7/1/2027	600	600	571
		Preferred Equity	07/01/2022	15,930						1,400	700
		Member Units	04/29/2016	920						920	—
										<u>2,920</u>	<u>1,271</u>
<b>Harris Preston Fund Investments</b>	(12) (13) Investment Partnership										
		LP Interests (HPEP 3, L.P.)	(8) (24) 08/09/2017	8.2%						2,050	4,106
<b>IG Investor, LLC</b>	Military and Other Tactical Gear										
		Secured Debt	(37) 06/21/2023					6/21/2028	—	(28)	(28)
		Secured Debt	06/21/2023		13.00%			6/21/2028	9,426	9,162	9,162
		Common Equity	06/21/2023	3,600						3,600	3,600
										<u>12,734</u>	<u>12,734</u>
<b>Independent Pet Partners Intermediate Holdings, LLC</b>	(10) Omnichannel Retailer of Specialty Pet Products										
		Common Equity	04/07/2023	6,436,566						6,540	6,260
<b>Integral Energy Services</b>	(10) Nuclear Power Staffing Services										
		Secured Debt	(9) (25) 08/20/2021		13.01%	SF+ 7.50%		8/20/2026	18,425	18,200	17,607
		Common Stock	08/20/2021	11,647						1,584	330
										<u>19,784</u>	<u>17,937</u>
<b>Kickhaefer Manufacturing Company, LLC</b>	Precision Metal Parts Manufacturing										
		Secured Debt	10/31/2018		12.00%			10/31/2026	4,950	4,931	4,950
		Secured Debt	10/31/2018		9.00%			10/31/2048	962	954	954
		Preferred Equity	10/31/2018	145						3,060	2,210
		Member Units	(8) (23) 10/31/2018	200						248	715
										<u>9,193</u>	<u>8,829</u>
<b>MH Corbin Holding LLC</b>	Manufacturer and Distributor of Traffic Safety Products										
		Secured Debt	(17) 08/31/2015		13.00%			12/31/2022	1,370	1,370	1,276
		Preferred Member Units	03/15/2019	16,500						1,100	80
		Preferred Member Units	09/01/2015	1,000						1,500	—
										<u>3,970</u>	<u>1,356</u>
<b>Mystic Logistics Holdings, LLC</b>	Logistics and Distribution Services Provider for Large Volume Mailers										
		Secured Debt	(37) 08/18/2014					1/31/2024	—	—	—

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	08/18/2014		10.00%			1/31/2024	1,436	1,436	1,436
		Common Stock	08/18/2014	1,468						680	6,788
										2,116	8,224
<b>NexRev LLC</b>	Provider of Energy Efficiency Products & Services										
		Secured Debt	02/28/2018					2/28/2025	—	—	—
		Secured Debt	02/28/2018		10.00%			2/28/2025	2,453	2,431	2,431
		Preferred Member Units	02/28/2018	25,786,046						2,053	1,590
										4,484	4,021
<b>NuStep, LLC</b>	Designer, Manufacturer and Distributor of Fitness Equipment										
		Secured Debt	01/31/2017		11.98%	SF+ 6.50%		1/31/2025	900	898	898
		Secured Debt	01/31/2017		12.00%			1/31/2025	4,610	4,606	4,606
		Preferred Member Units	01/31/2017	102						2,550	2,310
		Preferred Member Units	11/02/2022	515						515	1,290
										8,569	9,104
<b>Oneliance, LLC</b>	Construction Cleaning Company										
		Secured Debt	08/06/2021		16.48%	SF+ 11.00%		8/6/2026	1,380	1,364	1,357
		Preferred Stock	08/06/2021	282						282	282
										1,646	1,639
<b>Orttech Holdings, LLC</b>	Distributor of Industrial Clutches, Brakes and Other Components										
		Secured Debt	07/30/2021			SF+ 11.00%		7/31/2026	—	(2)	—
		Secured Debt	07/30/2021		16.48%	SF+ 11.00%		7/31/2026	5,550	5,486	5,550
		Preferred Stock	07/30/2021	2,500						2,500	4,260
										7,984	9,810
<b>Robbins Bros. Jewelry, Inc.</b>	Bridal Jewelry Retailer										
		Secured Debt	12/15/2021					12/15/2026	—	(6)	(6)
		Secured Debt	12/15/2021		12.50%			12/15/2026	3,840	3,791	3,748
		Preferred Equity	12/15/2021	1,230						1,230	310
										5,015	4,052
<b>SI East, LLC</b>	Rigid Industrial Packaging Manufacturing										
		Secured Debt	08/31/2018		11.25%			6/16/2028	625	619	625
		Secured Debt	06/16/2023		12.49%			6/16/2028	18,179	18,009	18,179
		Preferred Member Units	08/31/2018	55						508	5,840
										19,136	24,644
<b>Student Resource Center, LLC</b>	(10) Higher Education Services										
		Secured Debt	12/31/2022		8.50%		8.50%	12/31/2027	5,918	5,426	5,298
		Preferred Equity	12/31/2022	6,564,055						—	139

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
										5,426	5,437
<b>Tedder Industries, LLC</b>	Manufacturer of Firearm Holsters and Accessories										
		Secured Debt (17)	08/31/2018		12.00%			8/31/2023	460	460	446
		Secured Debt (17)	08/31/2018		12.00%			8/31/2023	3,800	3,800	3,681
		Preferred Member Units	08/31/2018	136						2,311	900
		Preferred Member Units	02/01/2023	1,062						106	150
		Preferred Member Units	08/28/2023	1,200						120	300
										<u>6,797</u>	<u>5,477</u>
<b>Trantech Radiator Topco, LLC</b>	Transformer Cooling Products and Services										
		Secured Debt (37)	05/31/2019					5/31/2024	—	(2)	—
		Secured Debt	05/31/2019		12.00%			5/31/2024	1,980	1,972	1,980
		Common Stock	05/31/2019	154						1,164	3,350
										<u>3,134</u>	<u>5,330</u>
<b>VVS Holdco LLC</b>	Omnichannel Retailer of Animal Health Products										
		Secured Debt (9) (23) (25) (37)	12/01/2021			SF+ 6.00%		12/1/2023	—	(1)	(1)
		Secured Debt (23)	12/01/2021		11.50%			12/1/2026	7,050	6,915	6,915
		Preferred Equity (8) (23)	12/01/2021	2,960						2,960	2,960
										<u>9,874</u>	<u>9,874</u>
<b>Subtotal Affiliate Investments (45.0% of net assets at fair value)</b>										<b>\$ 218,636</b>	<b>\$ 275,889</b>
<b>Non-Control/Non-Affiliate Investments (7)</b>											
<b>AAC Holdings, Inc.</b>	(11) Substance Abuse Treatment Service Provider										
		Secured Debt	01/31/2023		18.00%	18.00%		6/25/2025	\$ 144	\$ 143	\$ 135
		Secured Debt	12/11/2020		18.00%	18.00%		6/25/2025	4,788	4,641	4,501
		Common Stock	12/11/2020	593,927						3,148	—
		Warrants (27)	12/11/2020	197,717				12/11/2025		—	—
										<u>7,932</u>	<u>4,636</u>
<b>AB Centers Acquisition Corporation</b>	(10) Applied Behavior Analysis Therapy Provider										
		Secured Debt (9)	09/06/2022		13.50%	P+ 5.00%		9/6/2028	198	177	198
		Secured Debt (9) (25) (37)	09/06/2022			SF+ 6.00%		9/6/2028	—	(16)	(16)
		Secured Debt (9) (25)	09/06/2022		11.42%	SF+ 6.00%		9/6/2028	2,316	2,226	2,316
		Secured Debt (9) (25)	06/21/2023		11.42%	SF+ 6.00%		9/6/2028	776	746	776
										<u>3,133</u>	<u>3,274</u>
<b>Acumera, Inc.</b>	(10) Managed Security Service Provider										
		Secured Debt (9) (25) (37)	06/07/2023			SF+ 7.50%		6/7/2028	—	(8)	(8)
		Secured Debt (9) (25)	06/07/2023		12.99%	SF+ 7.50%		6/7/2028	12,073	11,969	12,073
		Warrants (40)	06/07/2023	14,953				5/19/2028		—	90
										<u>11,961</u>	<u>12,155</u>

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)		
Adams Publishing Group, LLC	(10)	Local Newspaper Operator	Secured Debt	(9) (25) (36)	03/11/2022		11.00%	SF+	7.00%	1.00%	3/11/2027	849	849	839
			Secured Debt	(9) (25) (36)	03/11/2022		11.00%	SF+	7.00%	1.00%	3/11/2027	2,678	2,672	2,646
													3,521	3,485
ADS Tactical, Inc.	(11)	Value-Added Logistics and Supply Chain Provider to the Defense Industry	Secured Debt	(9) (25)	03/29/2021		11.18%	SF+	5.75%		3/19/2026	7,510	7,426	7,388
AMEREQUIP LLC.	(10)	Full Service Provider of Comprehensive Commercial Production Services, Including the Design, Engineering, and Manufacturing of Products It	Secured Debt	(9) (25) (37)	08/31/2022			SF+	7.40%		8/31/2027	—	—	—
			Secured Debt	(9) (25)	08/31/2022		12.87%	SF+	7.40%		8/31/2027	1,738	1,738	1,738
			Common Stock	(8)	08/31/2022	11							83	90
											1,821	1,828		
American Health Staffing Group, Inc.	(10)	Healthcare Temporary Staffing	Secured Debt	(9) (37)	11/19/2021			L+	6.00%		11/19/2026	—	(11)	(11)
			Secured Debt	(9)	11/19/2021		11.43%	L+	6.00%		11/19/2026	8,208	8,157	8,208
											8,146	8,197		
American Nuts, LLC	(10)	Roaster, Mixer and Packager of Bulk Nuts and Seeds	Secured Debt	(9) (25)	03/11/2022		15.15%	SF+	8.75%	1.00%	4/10/2026	4,281	4,257	3,548
			Secured Debt	(9) (25)	03/11/2022		15.15%	SF+	8.75%	1.00%	4/10/2026	—	—	—
			Secured Debt	(9) (14) (25)	03/11/2022		17.15%	SF+	10.75%	1.00%	4/10/2026	4,270	4,244	2,332
			Secured Debt	(9) (14) (25)	03/11/2022		17.15%	SF+	10.75%	1.00%	4/10/2026	—	—	—
											8,501	5,880		
American Teleconferencing Services, Ltd.	(11)	Provider of Audio Conferencing and Video Collaboration Solutions	Secured Debt	(14) (17)	09/17/2021		7.50%	L+	6.50%		4/7/2023	2,425	2,375	109
			Secured Debt	(9) (14) (17)	05/19/2016		7.50%	L+	6.50%		6/8/2023	11,693	11,451	526
											13,826	635		
ArborWorks, LLC	(10)	Vegetation Management Services	Secured Debt	(9) (14) (25)	11/09/2021		15.43%	SF+	7.00%	3.00%	11/9/2026	3,710	3,661	2,071
			Secured Debt	(9) (14) (25)	11/09/2021		15.43%	SF+	7.00%	3.00%	11/9/2026	15,807	15,579	8,822
			Common Equity		11/09/2021	124							124	—
											19,364	10,893		

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)	
Archer Systems, LLC	(10) Mass Tort Settlement Administration Solutions Provider	Secured Debt	(9) (25) (37) 08/11/2022			SF+	6.00%	8/11/2027	—	(4)	(4)	
		Secured Debt	(9) (25) 08/11/2022		11.54%	SF+	6.00%	8/11/2027	1,776	1,749	1,776	
		Common Stock	08/11/2022	62,402						62	90	
										1,807	1,862	
ATS Operating, LLC	(10) For-Profit Thrift Retailer	Secured Debt	(9) (25) 01/18/2022		12.01%	SF+	6.50%	1/18/2027	100	100	100	
		Secured Debt	(9) (25) 01/18/2022		11.01%	SF+	5.50%	1/18/2027	925	910	925	
		Secured Debt	(9) (25) 01/18/2022		13.01%	SF+	7.50%	1/18/2027	925	910	925	
		Common Stock	01/18/2022	100,000						100	80	
										2,020	2,030	
AVEX Aviation Holdings, LLC	(10) Specialty Aircraft Dealer & MRO Provider	Secured Debt	(9) (25) 12/23/2022		12.67%	SF+	7.25%	12/23/2027	205	187	198	
		Secured Debt	(9) (25) 12/23/2022		12.80%	SF+	7.25%	12/23/2027	3,434	3,332	3,327	
		Common Equity	12/15/2021	137						134	124	
										3,653	3,649	
BBB Tank Services, LLC	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market	Unsecured Debt	(9) (17) 04/08/2016		16.44%	L+	11.00%	4/8/2021	150	150	150	
		Unsecured Debt	(9) (17) 04/08/2016		16.44%	L+	11.00%	4/8/2021	1,000	1,000	550	
		Member Units	04/08/2016	200,000						200	—	
		Preferred Stock (non-voting)	12/17/2018		15.00%		15.00%			41	—	
										1,391	700	
Berry Aviation, Inc.	(10) Charter Airline Services	Preferred Member Units	(8) (23) 07/06/2018	1,548,387						—	2,820	
		Preferred Member Units	(8) (23) 11/12/2019	122,416						—	220	
										—	3,040	
Bettercloud, Inc.	(10) SaaS Provider of Workflow Management and Business Application Solutions	Secured Debt	(9) (25) (37) 06/30/2022			SF+	7.25%	6/30/2028	—	(19)	(19)	
		Secured Debt	(9) (25) 06/30/2022		12.67%	SF+	7.25%	6.25%	6/30/2028	8,401	8,278	8,053
										8,259	8,034	
Binswanger Enterprises, LLC	(10) Glass Repair and Installation Service Provider	Member Units	03/10/2017	1,050,000						1,050	20	
Bluestem Brands, Inc.	(11) Multi-Channel Retailer of General Merchandise	Secured Debt	(9) 10/19/2022		16.00%	P+	7.50%	15.00%	8/28/2025	2,650	2,650	2,491

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	(9) (25) 08/28/2020		13.94%	SF+ 8.50%	12.94%	8/28/2025	3,815	3,082	3,586
		Common Stock	10/01/2020	700,446						—	1,104
		Warrants	(27) 10/19/2022	175,110				10/19/2032		1,111	279
										6,843	7,460
<b>Boccella Precast Products LLC</b>	Manufacturer of Precast Hollow Core Concrete	Secured Debt	09/23/2021		10.00%			2/28/2027	80	80	80
		Member Units	06/30/2017	540,000						564	533
										644	613
<b>Bond Brand Loyalty ULC</b>	(10) (13) (21) Provider of Loyalty Marketing Services	Secured Debt	(9) (25) (37) 05/01/2023			SF+ 7.00%		5/1/2028	—	(17)	(17)
		Secured Debt	(9) (25) 05/01/2023		11.40%	SF+ 6.00%		5/1/2028	4,050	3,976	4,009
		Secured Debt	(9) (25) 05/01/2023		13.40%	SF+ 8.00%		5/1/2028	4,050	3,976	4,009
		Common Equity	05/01/2023	360						360	360
										8,295	8,361
<b>Brightwood Capital Fund Investments</b>	(12) (13) Investment Partnership	LP Interests (Brightwood Capital Fund III, LP)	(24) 07/21/2014	0.5%						2,270	1,407
		LP Interests (Brightwood Capital Fund IV, LP)	(8) (24) 10/26/2016	1.2%						8,737	9,322
										11,007	10,729
<b>Buca C, LLC</b>	Casual Restaurant Group	Secured Debt	(17) 06/30/2015		12.00%			8/31/2023	11,490	11,490	8,292
		Preferred Member Units	06/30/2015	4	6.00%		6.00%			3,040	—
										14,530	8,292
<b>Burning Glass Intermediate Holding Company, Inc.</b>	(10) Provider of Skills-Based Labor Market Analytics	Secured Debt	(9) (25) 06/14/2021		10.42%	SF+ 5.00%		6/10/2026	310	295	310
		Secured Debt	(9) (25) 06/14/2021		10.42%	SF+ 5.00%		6/10/2028	13,154	12,995	13,154
										13,290	13,464
<b>Cadence Aerospace LLC</b>	(10) Aerostructure Manufacturing	Secured Debt	(9) (25) 11/14/2017		12.07%	SF+ 6.50%		11/14/2024	5,003	4,998	5,003
		Secured Debt	(9) (25) 11/14/2017		12.07%	SF+ 6.50%		11/14/2024	1,557	1,555	1,557
		Secured Debt	(9) (25) 11/14/2017		12.07%	SF+ 6.50%		11/14/2024	—	—	—
		Secured Debt	(9) (25) 11/14/2017		12.07%	SF+ 6.50%		11/14/2024	—	—	—
		Secured Debt	(9) (25) 11/14/2017		12.07%	SF+ 6.50%		11/14/2024	54	54	54
										6,607	6,614
<b>CAI Software LLC</b>	Provider of Specialized Enterprise Resource Planning Software	Preferred Equity	12/13/2021	379,338						379	379
		Preferred Equity	12/13/2021	126,446						—	—

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<b>Camino Cargo Control, Inc.</b>	(11) Provider of Mission Critical Inspection, Testing and Fuel Treatment Services	Secured Debt	(9) (25) 06/14/2021		11.93%	SF+	6.50%	6/4/2026	7,569	7,525	7,304
										379	379
<b>Career Team Holdings, LLC</b>	Provider of Workforce Training and Career Development Services	Secured Debt	(9) (25) (37) 12/17/2021			SF+	6.00%	12/17/2026	—	(4)	(4)
		Secured Debt	12/17/2021		12.50%			12/17/2026	2,240	2,197	2,197
		Common Stock	12/17/2021	50,000						500	500
										2,693	2,693
<b>CaseWorthy, Inc.</b>	(10) SaaS Provider of Case Management Solutions	Secured Debt	(9) (25) (37) 05/18/2022			SF+	6.00%	5/18/2027	—	(3)	(3)
		Secured Debt	(9) (25) 05/18/2022		11.65%	SF+	6.00%	5/18/2027	2,594	2,572	2,594
		Secured Debt	(9) (25) 05/18/2022		11.65%	SF+	6.00%	5/18/2027	1,995	1,980	1,995
		Common Equity	12/30/2022	80,000						80	80
										4,629	4,666
<b>Channel Partners Intermediateco, LLC</b>	(10) Outsourced Consumer Services Provider	Secured Debt	(9) (25) (29) 02/07/2022		12.58%	SF+	7.00%	2/7/2027	286	269	276
		Secured Debt	(9) (25) 02/07/2022		12.53%	SF+	7.00%	2/7/2027	3,369	3,322	3,260
		Secured Debt	(9) (25) 06/24/2022		12.53%	SF+	7.00%	2/7/2027	187	184	181
		Secured Debt	(9) (25) 03/27/2023		12.53%	SF+	7.00%	2/7/2027	451	441	436
										4,216	4,153
<b>Clarius BIGS, LLC</b>	(10) Prints & Advertising Film Financing	Secured Debt	(14) (17) 09/23/2014		15.00%		15.00%	1/5/2015	2,720	2,376	19
<b>Classic H&amp;G Holdings, LLC</b>	Provider of Engineered Packaging Solutions	Secured Debt	(9) (25) 03/12/2020		11.50%	SF+	6.00%	3/12/2025	1,140	1,131	1,140
		Secured Debt	03/12/2020		8.00%			3/12/2025	4,819	4,773	4,819
		Preferred Member Units	(8) 03/12/2020	39						1,440	4,000
										7,344	9,959
<b>Computer Data Source, LLC</b>	(10) Third Party Maintenance Provider to the Data Center Ecosystem	Secured Debt	(9) (25) (30) 08/06/2021		13.61%	SF+	8.00%	8/6/2026	4,167	4,119	4,003
		Secured Debt	(9) (25) 08/06/2021		13.52%	SF+	8.00%	8/6/2026	15,432	15,253	14,827
										19,372	18,830



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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
<b>Construction Supply Investments, LLC</b>	(10) Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors	Member Units	12/29/2016	861,618						3,335	23,135
<b>Dalton US Inc.</b>	(10) Provider of Supplemental Labor Services	Secured Debt (9) (25) (31)	08/16/2022		13.92%	SF+ 8.50%		8/16/2027	58	44	58
		Secured Debt (9) (25)	08/16/2022		14.18%	SF+ 8.50%		8/16/2027	290	285	290
		Secured Debt (9) (25)	08/16/2022		13.92%	SF+ 8.50%		8/16/2027	1,030	1,014	1,030
		Common Stock	08/16/2022	14						14	14
										1,357	1,392
<b>DMA Industries, LLC</b>	Distributor of aftermarket ride control products	Secured Debt	11/19/2021		12.00%			11/19/2026	5,000	4,933	5,000
		Preferred Equity	11/19/2021	1,486						1,486	1,820
										6,419	6,820
<b>DTE Enterprises, LLC</b>	(10) Industrial Powertrain Repair and Services	Class A Preferred Member Units	04/13/2018	776,316	8.00%		8.00%			776	260
		Class AA Preferred Member Units (non-voting) (8)	04/13/2018	723,684	10.00%		10.00%			1,252	1,251
										2,028	1,511
<b>Dynamic Communities, LLC</b>	(10) Developer of Business Events and Online Community Groups	Secured Debt (9) (25)	12/20/2022		9.91%	SF+ 4.50%	9.91%	12/31/2026	2,005	1,846	1,846
		Secured Debt (9) (25)	12/20/2022		11.91%	SF+ 6.50%	11.91%	12/31/2026	2,031	1,797	1,561
		Preferred Equity	12/20/2022	125,000						128	128
		Preferred Equity	12/20/2022	2,376,241						—	—
		Common Equity	12/20/2022	1,250,000						—	—
										3,771	3,535
<b>Elgin AcquireCo, LLC</b>	Manufacturer and Distributor of Engine and Chassis Components	Secured Debt (9) (25) (37)	10/03/2022			SF+ 6.00%		10/3/2027	—	—	—
		Secured Debt	10/03/2022		12.00%			10/3/2027	1,227	1,198	1,198
		Secured Debt	10/03/2022		9.00%			10/3/2052	413	409	409
		Common Stock	10/03/2022	19						374	390
		Common Stock (23)	10/03/2022	61						102	109
										2,083	2,106
<b>Emerald Technologies Acquisition Co, Inc.</b>	(11) Design & Manufacturing										

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)	
		Secured Debt	(9) (25)	02/10/2022		11.82%	SF+ 6.25%	12/29/2027	2,406	2,371	2,310	
<b>Engineering Research &amp; Consulting, LLC</b>	(10) Provider of Engineering & Consulting Services to US Department of Defense	Secured Debt	(9) (37)	05/23/2022			P+ 5.50%	5/23/2027	—	(12)	—	
		Secured Debt	(9) (25)	05/23/2022		11.98%	SF+ 6.50%	5/23/2028	5,121	5,045	5,121	
										5,033	5,121	
<b>Escalent, Inc.</b>	(10) Market Research and Consulting Firm	Secured Debt	(9) (25) (37)	04/07/2023			SF+ 8.00%	4/6/2029	—	(10)	(10)	
		Secured Debt	(9) (25)	04/07/2023		13.49%	SF+ 8.00%	4/6/2029	6,959	6,767	6,890	
		Common Equity		04/07/2023	170,998					174	174	
										6,931	7,054	
<b>Event Holdco, LLC</b>	(10) Event and Learning Management Software for Healthcare Organizations and Systems	Secured Debt	(9) (23) (25)	12/22/2021		12.65%	SF+ 7.00%	12/22/2026	308	306	308	
		Secured Debt	(9) (23) (25)	12/22/2021		12.65%	SF+ 7.00%	12/22/2026	3,692	3,668	3,692	
										3,974	4,000	
<b>Flip Electronics LLC</b>	(10) Distributor of Hard-to-Find and Obsolete Electronic Components	Secured Debt	(25)	03/24/2022		12.90%	SF+ 7.50%	1/2/2026	1,091	1,091	1,091	
		Secured Debt	(25)	01/04/2021		13.01%	SF+ 7.50%	1/2/2026	6,873	6,789	6,873	
		Secured Debt	(25)	01/04/2021		12.98%	SF+ 7.50%	1/2/2026	5,455	5,334	5,455	
										13,214	13,419	
<b>Hawk Ridge Systems, LLC</b>	(10) Value-Added Reseller of Engineering Design and Manufacturing Solutions	Secured Debt	(9) (25)	12/02/2016		11.65%	SF+ 6.00%	1/15/2026	450	448	450	
		Secured Debt		12/02/2016		12.50%		1/15/2026	9,744	9,691	9,744	
		Preferred Member Units	(8)	12/02/2016	56					713	4,370	
		Preferred Member Units	(23)	12/02/2016	56					38	230	
										10,890	14,794	
<b>HDC/HW Intermediate Holdings</b>	(10) Managed Services and Hosting Provider	Secured Debt	(9) (25)	12/21/2018		14.34%	SF+ 9.50%	14.34%	12/21/2023	198	198	182
		Secured Debt	(9) (25)	12/21/2018		14.34%	SF+ 9.50%	14.34%	12/21/2023	1,964	1,962	1,804
										2,160	1,986	
<b>HEADLANDS OP-CO LLC</b>	(10) Clinical Trial Sites Operator	Secured Debt	(9) (25) (37)	08/01/2022			SF+ 6.50%	8/1/2027	—	(15)	(15)	
		Secured Debt	(9) (25) (37)	08/01/2022			SF+ 6.50%	8/1/2027	—	(15)	(15)	

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	(9) (25) 08/01/2022		11.82%	SF+ 6.50%		8/1/2027	4,950	4,874	4,950
										4,844	4,920
<b>Hybrid Promotions, LLC</b>	(10) Wholesaler of Licensed, Branded and Private Label Apparel	Secured Debt	(9) (25) 06/30/2021		15.76%	SF+ 8.25%	2.00%	6/30/2026	7,924	7,786	6,549
<b>IG Parent Corporation</b>	(11) Software Engineering	Secured Debt	(9) (25) 07/30/2021			SF+ 5.75%		7/30/2026	—	(14)	—
		Secured Debt	(9) (25) 07/30/2021		11.17%	SF+ 5.75%		7/30/2028	6,282	6,213	6,282
		Secured Debt	(9) (25) 07/30/2021		11.17%	SF+ 5.75%		7/30/2028	1,947	1,925	1,947
										8,124	8,229
<b>Imaging Business Machines, L.L.C.</b>	(10) Technology Hardware & Equipment	Secured Debt	(9) (25) 06/08/2023		12.43%	SF+ 7.00%		6/30/2028	988	988	978
		Secured Debt	(9) (25) 06/08/2023		12.45%	SF+ 7.00%		6/30/2028	10,436	10,102	10,331
		Common Equity	06/08/2023	422						580	580
										11,670	11,889
<b>Implus Footcare, LLC</b>	(10) Provider of Footwear and Related Accessories	Secured Debt	(9) (25) 06/01/2017		14.30%	SF+ 7.75%	1.00%	7/31/2024	17,012	17,008	15,659
<b>Industrial Services Acquisition, LLC</b>	(10) Industrial Cleaning Services	Secured Debt	(9) (25) 08/13/2021		12.35%	SF+ 6.75%		8/13/2026	543	523	543
		Secured Debt	(9) (25) 08/13/2021		12.18%	SF+ 6.75%		8/13/2026	11,465	11,349	11,465
		Preferred Member Units	(8) (23) 01/31/2018	336	10.00%		10.00%			316	366
		Preferred Member Units	(8) (23) 05/17/2019	187	20.00%		20.00%			233	243
		Member Units	(23) 06/17/2016	2,100						2,100	1,440
										14,521	14,057
<b>Infinity X1 Holdings, LLC</b>	Manufacturer and Supplier of Personal Lighting Products	Secured Debt	03/31/2023		13.00%			3/31/2028	4,444	4,365	4,365
		Preferred Equity	03/31/2023	20,000						1,000	1,000
										5,365	5,365
<b>Infolinks Media Buyco, LLC</b>	(10) Exclusive Placement Provider to the Advertising Ecosystem	Secured Debt	(9) (25) 11/01/2021		11.17%	SF+ 5.75%		11/1/2026	1,885	1,829	1,885
		Secured Debt	(9) (25) 11/01/2021		11.17%	SF+ 5.75%		11/1/2026	10,660	10,528	10,660
										12,357	12,545
<b>Insight Borrower Corporation</b>	(10) Test, Inspection, and Certification Instrument Provider										

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	(9) (25) (37)	07/19/2023		SF+	6.25%	7/19/2028	—	(43)	(43)
		Secured Debt	(9) (25) (37)	07/19/2023		SF+	6.25%	7/19/2029	—	(34)	(34)
		Secured Debt	(9) (25)	07/19/2023		SF+	6.25%	7/19/2029	8,373	8,132	8,132
		Common Equity		07/19/2023	47,847					239	239
										8,294	8,294
<b>Inspire Aesthetics Management, LLC</b>	(10) Surgical and Non-Surgical Plastic Surgery and Aesthetics Provider										
		Secured Debt	(9) (25)	04/03/2023		13.49%	SF+ 8.00%	4/3/2028	532	515	527
		Secured Debt	(9) (25)	04/03/2023		13.40%	SF+ 8.00%	4/3/2028	6,272	6,122	6,208
		Secured Debt	(9) (25)	06/14/2023		13.40%	SF+ 8.00%	4/3/2028	1,263	1,233	1,250
		Common Equity		04/03/2023	101,719					322	322
										8,192	8,307
<b>Interface Security Systems, L.L.C</b>	(10) Commercial Security & Alarm Services										
		Secured Debt	(17) (25) (28)	12/09/2021		15.51%	SF+ 10.00% 15.51%	8/7/2023	1,835	1,835	1,781
		Secured Debt	(9) (14) (17) (25)	08/07/2019		12.43%	SF+ 7.00% 12.43%	8/7/2023	7,334	7,254	537
		Common Stock		12/07/2021	2,143					—	—
										9,089	2,318
<b>Intermedia Holdings, Inc.</b>	(11) Unified Communications as a Service										
		Secured Debt	(9) (25)	08/03/2018		11.43%	SF+ 6.00%	7/19/2025	5,557	5,552	5,300
<b>Invincible Boat Company, LLC.</b>	(10) Manufacturer of Sport Fishing Boats										
		Secured Debt	(9)	08/28/2019		12.15%	L+ 6.50%	8/28/2025	311	308	302
		Secured Debt	(9)	08/28/2019		12.15%	L+ 6.50%	8/28/2025	16,889	16,818	16,373
										17,126	16,675
<b>INW Manufacturing, LLC</b>	(11) Manufacturer of Nutrition and Wellness Products										
		Secured Debt	(9) (25)	05/19/2021		11.40%	SF+ 5.75%	3/25/2027	6,750	6,622	5,310
<b>Iron-Main Investments, LLC</b>	Consumer Reporting Agency Providing Employment Background Checks and Drug Testing										
		Secured Debt		08/02/2021		13.50%		1/31/2028	1,128	1,107	1,107
		Secured Debt		09/01/2021		13.50%		1/31/2028	785	770	770
		Secured Debt		11/15/2021		13.50%		1/31/2028	2,236	2,236	2,236
		Secured Debt		11/15/2021		13.50%		1/31/2028	4,906	4,809	4,809
		Secured Debt		01/31/2023		13.50%		1/31/2028	2,691	2,566	2,566
		Common Stock		08/03/2021	50,753					689	710
										12,177	12,198

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<b>Isagenix International, LLC</b>	(11) Direct Marketer of Health & Wellness Products	Secured Debt	(9) (25) 04/13/2023		10.59%	SF+ 5.50%	8.09%	4/14/2028	2,560	2,305	2,304	
		Common Equity	04/13/2023	186,322						—	—	
										2,305	2,304	
<b>ITA Holdings Group, LLC</b>	Air Ambulance Services	Secured Debt	(25) (37) 06/21/2023			SF+ 9.00%	2.00%	6/21/2027	—	(5)	(5)	
		Secured Debt	(25) (37) 06/21/2023			SF+ 9.00%	2.00%	6/21/2027	—	(2)	(2)	
		Secured Debt	(25) 06/21/2023			15.40%	SF+ 8.00%	2.00%	6/21/2027	1,079	819	819
		Secured Debt	(25) 06/21/2023			17.40%	SF+ 10.00%	2.00%	6/21/2027	1,079	819	819
		Warrants	(27) 06/21/2023	48,327					6/21/2033		523	523
											2,154	2,154
<b>Jackmont Hospitality, Inc.</b>	(10) Franchisee of Casual Dining Restaurants	Secured Debt	(9) (25) 10/26/2022		12.45%	SF+ 7.00%		11/4/2024	1,692	1,658	1,683	
		Secured Debt	(9) (25) 11/08/2021		12.43%	SF+ 7.00%		11/4/2024	4,000	4,000	4,000	
		Preferred Equity	11/08/2021	5,653,333						216	990	
										5,874	6,673	
<b>Joerns Healthcare, LLC</b>	(11) Manufacturer and Distributor of Health Care Equipment & Supplies	Secured Debt	(14) (25) 11/15/2021		23.64%	SF+ 18.00%	23.64%	1/31/2024	2,048	2,048	1,665	
		Secured Debt	(14) (25) 08/21/2019		21.48%	SF+ 16.00%	21.48%	8/21/2024	1,708	1,698	119	
		Secured Debt	(14) (25) 08/21/2019		21.48%	SF+ 16.00%	21.48%	8/21/2024	1,643	1,633	114	
		Common Stock	08/21/2019	392,514						3,678	—	
										9,057	1,898	
<b>Johnson Downie Opco, LLC</b>	Executive Search Services	Secured Debt	(9) (25) (37) 12/10/2021			SF+ 11.50%		12/10/2026	—	(3)	—	
		Secured Debt	(9) (25) 12/10/2021		16.98%	SF+ 11.50%		12/10/2026	1,040	1,026	1,040	
		Preferred Equity	(8) 12/10/2021	350						350	850	
										1,373	1,890	
<b>JorVet Holdings, LLC</b>	Supplier and Distributor of Veterinary Equipment and Supplies	Secured Debt	(8) 03/28/2022		12.00%			3/28/2027	2,850	2,811	2,811	
		Preferred Equity	(8) 03/28/2022	11,934						1,193	1,193	
										4,004	4,004	
<b>JTI Electrical &amp; Mechanical, LLC</b>	(10) Electrical, Mechanical and Automation Services	Secured Debt	(9) (25) 12/22/2021		11.59%	SF+ 6.00%		12/22/2026	140	131	140	
		Secured Debt	(9) (25) 12/22/2021		11.66%	SF+ 6.00%		12/22/2026	3,020	2,980	3,020	

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		Common Equity	12/22/2021	140,351						140	190
										3,251	3,350
<b>KMS, LLC</b>	(10) Wholesaler of Closeout and Value-priced Products										
		Secured Debt	(9) 10/04/2021		15.75%	P+ 7.25%		10/4/2026	1,309	1,246	1,191
		Secured Debt	(9) 10/04/2021		15.75%	P+ 7.25%		10/4/2026	9,357	9,243	8,513
										10,489	9,704
<b>Lightbox Holdings, L.P.</b>	(11) Provider of Commercial Real Estate Software										
		Secured Debt	(25) 05/09/2019		10.65%	SF+ 5.00%		5/9/2026	5,780	5,748	5,607
<b>LL Management, Inc.</b>	(10) Medical Transportation Service Provider										
		Secured Debt	(9) (25) 05/02/2019		12.67%	SF+ 7.25%		9/25/2024	7,960	7,923	7,960
		Secured Debt	(9) (25) 05/02/2019		12.67%	SF+ 7.25%		9/25/2024	5,246	5,221	5,246
		Secured Debt	(9) (25) 11/20/2020		12.67%	SF+ 7.25%		9/25/2024	—	—	—
		Secured Debt	(9) (25) 02/26/2021		12.67%	SF+ 7.25%		9/25/2024	871	867	871
		Secured Debt	(9) (25) 05/12/2022		12.67%	SF+ 7.25%		9/25/2024	8,822	8,767	8,822
										22,778	22,899
<b>LLFlex, LLC</b>	(10) Provider of Metal-Based Laminates										
		Secured Debt	(9) (25) 08/16/2021		15.40%	SF+ 9.00%	1.00%	8/16/2026	4,920	4,855	4,411
<b>Logix Acquisition Company, LLC</b>	(10) Competitive Local Exchange Carrier										
		Secured Debt	(9) 01/08/2018		11.48%	L+ 5.75%		12/22/2024	11,552	11,218	9,256
<b>Mako Steel, LP</b>	(10) Self-Storage Design & Construction										
		Secured Debt	(9) 03/15/2021		12.56%	L+ 7.25%		3/15/2026	811	771	811
		Secured Debt	(9) (25) 03/15/2021		12.56%	SF+ 7.00%		3/15/2026	16,830	16,659	16,830
										17,430	17,641
<b>MB2 Dental Solutions, LLC</b>	(11) Dental Partnership Organization										
		Secured Debt	(9) (25) 01/28/2021		11.42%	SF+ 6.00%		1/29/2027	2,811	2,775	2,811
		Secured Debt	(9) (25) 01/28/2021		11.42%	SF+ 6.00%		1/29/2027	3,945	3,896	3,945
		Secured Debt	(9) (25) 01/28/2021		11.42%	SF+ 6.00%		1/29/2027	3,472	3,429	3,472
		Secured Debt	(9) (25) 01/28/2021		11.42%	SF+ 6.00%		1/29/2027	7,816	7,740	7,816
										17,840	18,044
<b>Metalfforming Holdings, LLC</b>	Distributor of Sheet Metal Folding and Metal Forming Equipment										
		Secured Debt	(37) 10/19/2022					10/19/2024	—	(1)	(1)
		Secured Debt	10/19/2022		12.75%			10/19/2027	1,748	1,705	1,705
		Preferred Equity	(8) 10/19/2022	434,331	8.00%		8.00%			450	467
		Common Stock	(8) 10/19/2022	112,865						113	100

**MSC INCOME FUND, INC.**  
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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
										2,267	2,271
<b>Microbe Formulas, LLC</b>	(10) Nutritional Supplements Provider										
		Secured Debt	(9) (25) (37) 04/04/2022			SF+ 6.25%		4/3/2028	—	(6)	(6)
		Secured Debt	(9) (25) 04/04/2022		11.42%	SF+ 6.00%		4/3/2028	2,821	2,777	2,821
										<u>2,771</u>	<u>2,815</u>
<b>Mills Fleet Farm Group, LLC</b>	(10) Omnichannel Retailer of Work, Farm and Lifestyle Merchandise										
		Secured Debt	(9) (25) 10/24/2018		12.02%	SF+ 6.50%		10/24/2024	18,769	18,645	17,991
<b>MonitorUS Holding, LLC</b>	(10) (13) (21) SaaS Provider of Media Intelligence Services										
		Secured Debt	05/24/2022		14.00%			5/24/2027	1,109	1,093	1,076
		Secured Debt	05/24/2022		14.00%			5/24/2027	2,882	2,838	3,019
		Secured Debt	05/24/2022		14.00%			5/24/2027	4,906	4,835	4,906
		Common Stock	08/30/2022	12,798,820						256	160
										<u>9,022</u>	<u>9,161</u>
<b>NinjaTrader, LLC</b>	(10) Operator of Futures Trading Platform										
		Secured Debt	(9) (25) (37) 12/18/2019			SF+ 6.25%		12/18/2024	—	(1)	—
		Secured Debt	(9) (25) (37) 12/18/2019			SF+ 6.25%		12/18/2024	—	(15)	(15)
		Secured Debt	(9) (25) 12/18/2019		11.40%	SF+ 6.00%		12/18/2024	10,991	10,925	10,991
										<u>10,909</u>	<u>10,976</u>
<b>NTM Acquisition Corp.</b>	(11) Provider of B2B Travel Information Content										
		Secured Debt	(9) (25) 07/12/2016		13.79%	SF+ 7.25% 1.00%		6/7/2024	3,925	3,923	3,768
<b>NWN Corporation</b>	(10) Value Added Reseller and Provider of Managed Services to a Diverse Set of Industries										
		Secured Debt	(9) (25) (37) 05/07/2021			SF+ 9.00%		5/7/2026	—	(38)	(39)
		Secured Debt	(9) (25) 05/07/2021		14.52%	SF+ 9.00% 1.00%		5/7/2026	20,558	20,320	20,558
		Secured Debt	12/16/2022		20.00%		20.00%	8/6/2026	3,782	3,654	3,782
										<u>23,936</u>	<u>24,301</u>
<b>Obra Capital, Inc</b>	(11) Alternative Asset Manager										
		Secured Debt	(25) 10/10/2019		11.43%	SF+ 6.00%		10/1/2026	7,217	6,854	5,990
<b>Paragon Healthcare, Inc.</b>	(10) Infusion Therapy Treatment Provider										
		Secured Debt	(9) (25) (37) 01/19/2022			SF+ 5.75%		1/19/2027	—	(11)	—
		Secured Debt	(9) (25) 01/19/2022		11.17%	SF+ 5.75%		1/19/2027	425	415	425
		Secured Debt	(9) (25) 01/19/2022		11.17%	SF+ 5.75%		1/19/2027	2,469	2,421	2,469

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
<b>Power System Solutions</b>	(10) Backup Power Generation									2,825	2,894
		Secured Debt	(9) (25) (37)	06/07/2023		SF+ 6.75%		6/7/2028	—	(37)	(37)
		Secured Debt	(9) (25) (37)	06/07/2023		SF+ 6.75%		6/7/2028	—	(37)	(37)
		Secured Debt	(9) (25)	06/07/2023		12.03% SF+ 6.75%		6/7/2028	7,979	7,756	7,898
		Common Equity		06/07/2023	1,234					532	532
										8,214	8,356
<b>PrimeFlight Aviation Services</b>	(10) Air Freight & Logistics	Secured Debt	(9) (25)	05/01/2023	11.87%	SF+ 6.85%		5/1/2029	6,571	6,390	6,505
<b>PTL US Bidco, Inc</b>	(10) (13) Manufacturers of Equipment, Including Drilling Rigs and Equipment, and Providers of Supplies and Services to Companies Involved In the Drilling, Evaluation and Completion of Oil and Gas Wells.										
		Secured Debt	(9) (21)	08/19/2022	14.22%	P+ 6.75%		8/19/2027	260	251	256
		Secured Debt	(9) (25)	08/19/2022	13.39%	SF+ 7.75%		8/19/2027	1,781	1,753	1,750
										2,004	2,006
<b>RA Outdoors LLC</b>	(10) Software Solutions Provider for Outdoor Activity Management										
		Secured Debt	(9) (25)	04/08/2021	12.64%	SF+ 7.00%		4/8/2026	488	479	451
		Secured Debt	(9) (25)	04/08/2021	12.14%	SF+ 6.75%		4/8/2026	12,917	12,819	11,943
										13,298	12,394
<b>Research Now Group, Inc. and Survey Sampling International, LLC</b>	(11) Provider of Outsourced Online Surveying	Secured Debt	(9) (25)	12/29/2017	11.13%	SF+ 5.50%		12/20/2024	9,716	9,716	7,104
<b>Richardson Sales Solutions</b>	(10) Business Services										
		Secured Debt	(9) (25) (34)	08/24/2023	11.82%	SF+ 6.50%		8/24/2028	1,061	1,006	1,006
		Secured Debt	(9) (25)	08/24/2023	11.82%	SF+ 6.50%		8/24/2028	10,606	10,298	10,298
										11,304	11,304
<b>RM Bidder, LLC</b>	(10) Scripted and Unscripted TV and Digital Programming Provider										
		Member Units		11/12/2015	1,854					31	10
		Warrants	(26)	11/12/2015	218,601			10/20/2025		284	—
										315	10
<b>Roof Opco, LLC</b>	(10) Residential Re-Roofing/Repair										
		Secured Debt	(9) (25) (37)	08/27/2021		SF+ 6.50%		8/27/2026	—	(11)	—
		Secured Debt	(9) (25)	08/27/2021	12.01%	SF+ 6.50%		8/27/2026	4,219	4,143	4,219



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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)	
		Secured Debt	(9) (25)	08/27/2021		14.01%	SF+ 8.50%	8/27/2026	4,219	4,143	4,219	
<b>Rug Doctor, LLC.</b>	(10) Carpet Cleaning Products and Machinery	Secured Debt	(9) (25)	07/16/2021		13.33%	SF+ 5.75%	2.00%	11/16/2025	6,378	6,354	6,246
		Secured Debt	(9) (25)	07/16/2021		13.33%	SF+ 5.75%	2.00%	11/16/2025	9,439	9,402	9,244
										15,756	15,490	
<b>SIB Holdings, LLC</b>	(10) Provider of Cost Reduction Services	Secured Debt	(9) (25)	10/29/2021		11.81%	SF+ 6.25%	10/29/2026	909	901	822	
		Secured Debt	(9) (25)	10/29/2021		11.81%	SF+ 6.25%	10/29/2026	1,917	1,881	1,738	
		Secured Debt	(9) (25)	10/29/2021		11.81%	SF+ 6.25%	10/29/2026	7,521	7,425	6,800	
		Secured Debt	(9) (25)	10/29/2021		11.81%	SF+ 6.25%	10/29/2026	571	564	517	
		Secured Debt	(9) (25)	10/29/2021		11.81%	SF+ 6.25%	10/29/2026	1,388	1,370	1,255	
		Common Equity		10/29/2021	119,048					250	55	
										12,391	11,187	
<b>Slick Innovations, LLC</b>	Text Message Marketing Platform	Secured Debt		09/13/2018		14.00%		12/22/2027	3,040	2,946	3,040	
		Common Stock	(8)	09/13/2018	17,500					114	520	
										3,060	3,560	
<b>South Coast Terminals Holdings, LLC</b>	(10) Specialty Toll Chemical Manufacturer	Secured Debt	(9) (25) (37)	12/10/2021			SF+ 6.25%	12/13/2026	—	(5)	(5)	
		Secured Debt	(9) (25)	12/10/2021		11.95%	SF+ 6.25%	12/13/2026	2,997	2,958	2,997	
		Common Equity		12/10/2021	60,606					61	75	
										3,014	3,067	
<b>SPAU Holdings, LLC</b>	(10) Digital Photo Product Provider	Secured Debt	(9) (25)	07/01/2022		13.11%	SF+ 7.50%	7/1/2027	780	765	780	
		Secured Debt	(9) (25)	07/01/2022		13.22%	SF+ 7.50%	7/1/2027	4,950	4,877	4,950	
		Common Stock		07/01/2022	200,000					200	160	
										5,842	5,890	
<b>Tex Tech Tennis, LLC</b>	(10) Sporting Goods & Textiles	Preferred Equity	(23)	07/07/2021	1,000,000					1,000	2,301	
<b>The Affiliati Network, LLC</b>	Performance Marketing Solutions	Secured Debt	(37)	08/09/2021				8/9/2026	—	(3)	(3)	
		Secured Debt		08/09/2021		13.00%		8/9/2026	1,980	1,954	1,938	
		Preferred Stock	(8)	08/09/2021	320,000					1,600	1,600	
		Preferred Stock		09/01/2023	43,027					43	43	
										3,594	3,578	
<b>U.S. TelePacific Corp.</b>	(11) Provider of Communications and Managed Services											

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	(9) (14) (25) 06/01/2023		6.00%	SF+ 1.00%	6.00%	5/2/2026	6,802	2,739	2,691
		Secured Debt	(9) (14) (25) 06/01/2023		6.00%	SF+ 1.00%	6.00%	5/2/2027	692	15	—
										2,754	2,691
<b>USA DeBusk LLC</b>	(10) Provider of Industrial Cleaning Services										
		Secured Debt	(9) (25) 10/22/2019		11.42%	SF+	6.00%	9/8/2026	17,876	17,729	17,876
		Secured Debt	(9) (25) 07/19/2023		11.92%	SF+	6.50%	9/8/2026	6,945	6,817	6,945
										24,546	24,821
<b>UserZoom Technologies, Inc.</b>	(10) Provider of User Experience Research Automation Software										
		Secured Debt	(9) (25) 01/11/2023		12.42%	SF+	7.50%	4/5/2029	3,000	2,920	3,000
<b>Vistar Media, Inc.</b>	(10) Operator of Digital Out-of-Home Advertising Platform										
		Preferred Stock	04/03/2019	70,207						767	2,341
<b>VORTEQ Coil Finishers, LLC</b>	(10) Specialty Coating of Aluminum and Light-Gauge Steel										
		Common Equity	(8) 11/30/2021	769,231						769	2,201
<b>Wall Street Prep, Inc.</b>	(10) Financial Training Services										
		Secured Debt	(9) (25) (37) 07/19/2021			SF+ 7.00%		7/19/2026	—	(6)	(6)
		Secured Debt	(9) (25) 07/19/2021		12.40%	SF+	7.00%	7/19/2026	4,654	4,596	4,654
		Common Stock	07/19/2021	500,000						500	580
										5,090	5,228
<b>Watterson Brands, LLC</b>	(10) Facility Management Services										
		Secured Debt	(9) (25) (35) 12/17/2021		11.79%	SF+	6.25%	12/17/2026	303	300	303
		Secured Debt	(9) (25) 12/17/2021		11.79%	SF+	6.25%	12/17/2026	53	46	53
		Secured Debt	(9) (25) 12/17/2021		11.79%	SF+	6.25%	12/17/2026	2,177	2,155	2,177
		Secured Debt	(9) (25) 12/17/2021		11.79%	SF+	6.25%	12/17/2026	1,965	1,944	1,965
										4,445	4,498
<b>West Star Aviation Acquisition, LLC</b>	(10) Aircraft, Aircraft Engine and Engine Parts										
		Secured Debt	(9) (25) 03/01/2022		11.39%	SF+	6.00%	3/1/2028	333	326	333
		Secured Debt	(9) (25) 03/01/2022		11.35%	SF+	6.00%	3/1/2028	2,955	2,911	2,955
		Common Stock	03/01/2022	200,000						200	360
										3,437	3,648
<b>Winter Services LLC</b>	(10) Provider of Snow Removal and Ice Management Services										

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)	
		Secured Debt	(9) (25) (37) 11/19/2021			SF+ 7.00%		11/19/2026	—	(35)	—	
		Secured Debt	(9) (25) 11/19/2021		12.51%	SF+ 7.00%		11/19/2026	2,583	2,523	2,583	
		Secured Debt	(9) (25) 11/19/2021		12.51%	SF+ 7.00%		11/19/2026	11,625	11,467	11,625	
										13,955	14,208	
<b>World Micro Holdings, LLC</b>	<b>Supply Chain Management</b>											
		Secured Debt	12/12/2022		13.00%			12/12/2027	1,848	1,817	1,817	
		Preferred Equity	(8) 12/12/2022	530						530	530	
										2,347	2,347	
<b>Xenon Arc, Inc.</b>	(10) <b>Tech-enabled Distribution Services to Chemicals and Food Ingredients Primary Producers</b>											
		Secured Debt	(25) 12/17/2021		10.68%	SF+ 5.25%		12/17/2026	199	195	199	
		Secured Debt	(25) 12/17/2021		10.76%	SF+ 5.25%		12/17/2027	1,194	1,168	1,194	
		Secured Debt	(25) 12/17/2021		10.66%	SF+ 5.25%		12/17/2027	2,358	2,327	2,358	
										3,690	3,751	
<b>YS Garments, LLC</b>	(11) <b>Designer and Provider of Branded Activewear</b>											
		Secured Debt	(9) (25) 08/22/2018		12.93%	SF+ 7.50%		8/9/2026	5,677	5,569	5,128	
<b>Zips Car Wash, LLC</b>	(10) <b>Express Car Wash Operator</b>											
		Secured Debt	(9) (25) (33) 02/11/2022		12.67%	SF+ 7.25%		3/1/2024	2,356	2,345	2,209	
		Secured Debt	(9) (25) (33) 02/11/2022		12.68%	SF+ 7.25%		3/1/2024	591	590	555	
										2,935	2,764	
<b>Subtotal Non-Control/Non-Affiliate Investments (126.1% of net assets at fair value)</b>									\$	802,779	\$	773,858
<b>Total Portfolio Investments, September 30, 2023 (179.9% of net assets at fair value)</b>									\$	1,065,140	\$	1,103,813
<b>Money market funds (included in cash and cash equivalents) (16)</b>												
<b>Fidelity Government Portfolio Class III Fund (38)</b>									\$	1,816	\$	1,816
<b>First American Treasury Obligations Fund Class Z (39)</b>										17,773		17,773
<b>Total money market funds</b>									\$	19,589	\$	19,589

- (1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See Note C — Fair Value Hierarchy for Investments — Portfolio Composition for a description of Lower Middle Market portfolio investments. All of the Company’s investments, unless otherwise noted, are encumbered as security for one of the Company’s Credit Facilities.
- (2) Debt investments are income producing, unless otherwise noted by footnote (14), as described below. Equity and warrants are non-income producing, unless otherwise noted by footnote (8), as described below.
- (3) See Note C — Fair Value Hierarchy for Investments — Portfolio Composition and Schedule 12-14 for a summary of geographic location of portfolio companies.

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- (4) Principal is net of repayments. Cost is net of repayments and accumulated unearned income. Negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.
- (5) Control investments are defined by the 1940 Act as investments in which more than 25% of the voting securities are owned or where the ability to nominate greater than 50% of the board representation is maintained.
- (6) Affiliate investments are defined by the 1940 Act as investments in which between 5% and 25% (inclusive) of the voting securities are owned and the investments are not classified as Control investments.
- (7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.
- (8) Income producing through dividends or distributions.
- (9) Index based floating interest rate is subject to contractual minimum interest rate. As noted in this schedule, 92% of the loans (based on the par amount) contain LIBOR or Term SOFR ("SOFR") floors which range between 0.75% and 2.00%, with a weighted-average floor of 1.10%.
- (10) Private Loan portfolio investment. See *Note C—Fair Value Hierarchy for Investments—Portfolio Composition* for a description of Private Loan portfolio investments.
- (11) Middle Market portfolio investment. See *Note C—Fair Value Hierarchy for Investments—Portfolio Composition* for a description of Middle Market portfolio investments.
- (12) Other Portfolio investment. See *Note C—Fair Value Hierarchy for Investments—Portfolio Composition* for a description of Other Portfolio investments.
- (13) Investment is not a qualifying asset as defined under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets.
- (14) Non-accrual and non-income producing debt investment.
- (15) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."
- (16) Short-term investments represent an investment in a fund that invests in highly liquid investments with average original maturity dates of three months or less. These short-term investments are included as Cash and cash equivalents on the Consolidated Balance Sheets.
- (17) Maturity date is under on-going negotiations with the portfolio company and other lenders, if applicable.
- (18) Investment fair value was determined using significant unobservable inputs, unless otherwise noted. See *Note C—Fair Value Hierarchy for Investments—Portfolio Composition* for further discussion. Negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par.
- (19) Investments may have a portion, or all, of their income received from Paid-in-Kind ("PIK") interest or dividends. PIK interest income and cumulative dividend income represent income not paid currently in cash. The difference between the Total Rate and PIK Rate represents the cash rate as of September 30, 2023.
- (20) All portfolio company headquarters are based in the United States, unless otherwise noted.
- (21) As of September 30, 2023, borrowings under the loan facility have multiple contracts that bear interest at either SOFR+7.75% or PRIME+6.75% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents the base rate applicable to the majority of the facility and the weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (22) Investment date represents the date of initial investment in the security position.
- (23) Shares/Units represent ownership in a related Real Estate or HoldCo entity.
- (24) Investment is not unitized. Presentation is made in percent of fully diluted ownership unless otherwise indicated.
- (25) A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either LIBOR ("L"), SOFR ("SF") or an alternate base rate (commonly based on the Federal Funds Rate or the Prime rate ("P")), which typically resets every one, three, or six months at the borrower's option. SOFR based contracts may include a credit spread adjustment (the "Adjustment") that is charged in addition to the stated spread. The Adjustment is applied when the SOFR rate, plus the Adjustment, exceeds the stated floor rate, as applicable. As of September 30, 2023, SOFR based contracts in the portfolio had Adjustments ranging from 0.10% to 0.43%.

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- (26) Warrants are presented in equivalent units with a strike price of \$14.28 per unit.
- (27) Warrants are presented in equivalent shares/units with a strike price of \$0.01 per share/unit.
- (28) As of September 30, 2023, borrowings under the loan facility bear interest at SOFR+10.00%. RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (29) As of September 30, 2023, borrowings under the loan facility bear interest at SOFR-7.00% (Floor 2.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (30) As of September 30, 2023, borrowings under the loan facility bore interest at LIBOR-8.00% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (31) As of September 30, 2023, borrowings under the loan facility bore interest at SOFR-8.50% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (32) As of September 30, 2023, borrowings under the loan facility bore interest at SOFR-6.75% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (33) As of September 30, 2023, borrowings under the loan facility bear interest at SOFR-7.25% (Floor 1.00%). Each new draw or funding on the facility has a different floating rate reset date. The rate presented represents a weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (34) As of September 30, 2023, borrowings under the loan facility bore interest at SOFR-6.50% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (35) As of September 30, 2023, borrowings under the loan facility bore interest at SOFR-6.25% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of September 30, 2023.
- (36) Index based floating interest rate is subject to contractual maximum base rate of 3.00%.
- (37) The position is unfunded and no interest income is being earned as of September 30, 2023. The position may earn a nominal unused facility fee on committed amounts.
- (38) Effective yield as of September 30, 2023 was approximately 4.98% on the Fidelity Government Portfolio Class III Fund.
- (39) Effective yield as of September 30, 2023 was approximately 5.21% on the First American Treasury Obligations Fund Class Z.
- (40) Warrants are presented in equivalent shares/units with a strike price of \$1.00 per share/unit.

**MSC INCOME FUND, INC.**  
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**(dollars in thousands)**

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
<b>Control Investments (5)</b>											
<b>Copper Trail Fund Investments</b>	(12) (13) Investment Partnership	LP Interests (CTMH, LP)	(24)	07/17/2017	39.0%					\$ 713	\$ 588
<b>GRT Rubber Technologies LLC</b>	Manufacturer of Engineered Rubber Products	Secured Debt		12/21/2018	10.12%	L+ 6.00%		12/21/2023	330	324	330
		Secured Debt		12/19/2014	12.12%	L+ 8.00%		10/29/2026	19,944	19,753	19,943
		Member Units	(8)	12/19/2014	2,896					6,435	21,890
										26,512	42,163
<b>Harris Preston Fund Investments</b>	(12) (13) Investment Partnership	LP Interests (2717 MH, L.P.)	(24)	10/01/2017	49.3%					3,895	7,552
<b>Subtotal Control Investments (8.3% of net assets at fair value)</b>										\$ 31,120	\$ 50,303
<b>Affiliate Investments (6)</b>											
<b>AFG Capital Group, LLC</b>	Provider of Rent-to-Own Financing Solutions and Services	Preferred Member Units	(8)	11/07/2014	46					\$ 300	\$ 2,350
<b>Analytical Systems Keco Holdings, LLC</b>	Manufacturer of Liquid and Gas Analyzers	Secured Debt	(9)	08/16/2019		L+ 10.00%		8/16/2024	—	(2)	(2)
		Secured Debt	(9)	08/16/2019	14.13%	L+ 10.00%		8/16/2024	1,166	1,135	1,135
		Preferred Member Units		08/16/2019	800	14.13%				800	—
		Preferred Member Units		05/20/2021	607					607	880
		Warrants	(27)	08/16/2019	105			8/16/2029		79	—
										2,619	2,013
<b>ATX Networks Corp.</b>	(11) Provider of Radio Frequency Management Equipment	Secured Debt	(9)	09/01/2021	12.23%	L+ 7.50%		9/1/2026	6,811	6,266	6,368
		Unsecured Debt		09/01/2021	10.00%		10.00%	9/1/2028	3,417	2,337	2,614
		Common Stock		09/01/2021	585					—	3,290
										8,603	12,272
<b>Barfly Ventures, LLC</b>	(10) Casual Restaurant Group	Member Units		10/26/2020	12					528	1,107
<b>Batjer TopCo, LLC</b>	HVAC Mechanical Contractor	Secured Debt		03/07/2022				3/31/2027	—	(1)	(1)
		Secured Debt		03/07/2022	11.00%			3/31/2027	1,225	1,205	1,205
		Preferred Stock	(8)	03/07/2022	453					455	455
										1,659	1,659
<b>Brewer Crane Holdings, LLC</b>	Provider of Crane Rental and Operating Services	Secured Debt	(9)	01/09/2018	14.12%	L+ 10.00%		1/9/2023	1,491	1,491	1,491
		Preferred Member Units	(8)	01/09/2018	737					1,070	1,770
										2,561	3,261

**MSC INCOME FUND, INC.**  
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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
<b>Centre Technologies Holdings, LLC</b>	Provider of IT Hardware Services and Software Solutions	Secured Debt	(9) 01/04/2019			L+ 9.00%		1/4/2026	—	—	—
		Secured Debt	(9) 01/04/2019		13.13%	L+ 9.00%		1/4/2026	3,758	3,731	3,731
		Preferred Member Units	01/04/2019	3,327						1,531	2,170
									5,262	5,901	
<b>Chamberlin Holding LLC</b>	Roofing and Waterproofing Specialty Contractor	Secured Debt	(9) 02/26/2018			L+ 6.00%		2/26/2023	—	—	—
		Secured Debt	(9) 02/26/2018		12.13%	L+ 8.00%		2/26/2023	4,236	4,228	4,236
		Member Units	(8) 02/26/2018	1,087						2,860	5,728
		Member Units	(8) (23) 11/02/2018	261,786						443	678
									7,531	10,642	
<b>Charps, LLC</b>	Pipeline Maintenance and Construction	Preferred Member Units	(8) 02/03/2017	457						491	3,330
<b>Clad-Rex Steel, LLC</b>	Specialty Manufacturer of Vinyl-Clad Metal	Secured Debt	(9) 12/20/2016		13.23%	SF+ 9.00%		1/15/2024	2,620	2,620	2,620
		Secured Debt	12/20/2016		10.00%			12/20/2036	262	260	260
		Member Units	(8) 12/20/2016	179						1,820	2,060
		Member Units	(23) 12/20/2016	200						53	152
									4,753	5,092	
<b>Cody Pools, Inc.</b>	Designer of Residential and Commercial Pools	Secured Debt	(9) 03/06/2020		15.38%	L+ 10.50%		12/17/2026	273	261	273
		Secured Debt	(9) 03/06/2020		15.38%	L+ 10.50%		12/17/2026	6,882	6,786	6,882
		Preferred Member Units	(8) (23) 03/06/2020	147						2,079	14,550
									9,126	21,705	
<b>Colonial Electric Company LLC</b>	Provider of Electrical Contracting Services	Secured Debt	03/31/2021					3/31/2026	—	—	—
		Secured Debt	03/31/2021		12.00%			3/31/2026	5,828	5,729	5,729
		Preferred Member Units	(8) 03/31/2021	4,320						1,920	2,290
									7,649	8,019	
<b>Datacom, LLC</b>	Technology and Telecommunications Provider	Secured Debt	03/01/2022		7.50%			12/31/2025	25	25	25
		Secured Debt	03/31/2021		7.50%			12/31/2025	958	895	865
		Preferred Member Units	(8) 03/31/2021	1,000						290	300
									1,210	1,190	
<b>Digital Products Holdings LLC</b>	Designer and Distributor of Consumer Electronics	Secured Debt	(9) 04/01/2018		14.13%	L+ 10.00%		4/1/2023	3,883	3,878	3,878
		Preferred Member Units	(8) 04/01/2018	964						2,375	2,459
									6,253	6,337	
<b>Direct Marketing Solutions, Inc.</b>	Provider of Omni-Channel Direct Marketing Services	Secured Debt	(9) 02/13/2018			L+ 11.00%		2/13/2026	—	(5)	—
		Secured Debt	(9) 12/27/2022		15.13%	L+ 11.00%		2/13/2026	5,352	5,306	5,352

**MSC INCOME FUND, INC.**  
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**December 31, 2022**  
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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Preferred Stock	(8)	02/13/2018	2,100					2,100	5,558
										7,401	10,910
<b>Flame King Holdings, LLC</b>	Propane Tank and Accessories Distributor	Secured Debt	(9)	10/29/2021		10.75%	L+ 6.50%	10/31/2026	1,900	1,885	1,900
		Secured Debt	(9)	10/29/2021		13.25%	L+ 9.00%	10/31/2026	5,300	5,175	5,300
		Preferred Equity	(8)	10/29/2021	2,340					2,600	4,400
										9,660	11,600
<b>Freeport Financial Funds</b>	(12) (13) Investment Partnership	LP Interests (Freeport First Lien Loan Fund III LP)	(8) (24)	07/31/2015	6.0%					6,303	5,848
<b>Gamber-Johnson Holdings, LLC</b>	Manufacturer of Ruggedized Computer Mounting Systems	Secured Debt	(9)	06/24/2016		SF+ 8.50%		1/1/2028	—	—	—
		Secured Debt	(9)	12/15/2022		11.50%	SF+ 8.50%	1/1/2028	16,020	15,747	16,020
		Member Units	(8)	06/24/2016	2,261					4,423	12,720
										20,170	28,740
<b>GFG Group, LLC</b>	Grower and Distributor of a Variety of Plants and Products to Other Wholesalers, Retailers and Garden Centers	Secured Debt		03/31/2021		9.00%		3/31/2026	2,836	2,779	2,836
		Preferred Member Units	(8)	03/31/2021	56					1,225	1,790
										4,004	4,626
<b>Gulf Publishing Holdings, LLC</b>	Energy Industry Focused Media and Publishing	Secured Debt	(9)	09/29/2017			L+ 9.50%	7/1/2027	—	—	—
		Secured Debt		07/01/2022		12.50%		7/1/2027	600	600	571
		Preferred Equity		07/01/2022	15,930					1,400	950
		Member Units		04/29/2016	920					920	—
										2,920	1,521
<b>Harris Preston Fund Investments</b>	(12) (13) Investment Partnership	LP Interests (HPEP 3, L.P.)	(24)	08/09/2017	8.2%					2,558	4,331
<b>Kickhaefer Manufacturing Company, LLC</b>	Precision Metal Parts Manufacturing	Secured Debt		10/31/2018		11.50%		10/31/2023	5,104	5,075	5,093
		Secured Debt		10/31/2018		9.00%		10/31/2048	970	961	961
		Preferred Equity		10/31/2018	145					3,060	1,800
		Member Units	(8) (23)	10/31/2018	200					248	713
										9,344	8,567
<b>Market Force Information, LLC</b>	Provider of Customer Experience Management Services	Secured Debt	(14)	07/28/2017		12.00%	12.00%	7/28/2023	6,520	6,463	403
		Member Units		07/28/2017	185,980					4,160	—
										10,623	403
<b>MH Corbin Holding LLC</b>	Manufacturer and Distributor of Traffic Safety Products										



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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	08/31/2015		13.00%			12/31/2022	1,539	1,539	1,137
		Preferred Member Units	03/15/2019	16,500						1,100	—
		Preferred Member Units	09/01/2015	1,000						1,500	—
										4,139	1,137
<b>Mystic Logistics Holdings, LLC</b>	Logistics and Distribution Services Provider for Large Volume Mailers										
		Secured Debt	08/18/2014					1/31/2024	—	—	—
		Secured Debt	08/18/2014		10.00%			1/31/2024	1,436	1,436	1,436
		Common Stock	(8) 08/18/2014	1,468						680	5,708
										2,116	7,144
<b>NexRev LLC</b>	Provider of Energy Efficiency Products & Services										
		Secured Debt	02/28/2018					2/28/2025	—	—	—
		Secured Debt	02/28/2018		11.00%			2/28/2025	2,866	2,828	2,119
		Preferred Member Units	(8) 02/28/2018	25,786,046						2,053	280
										4,881	2,399
<b>NuStep, LLC</b>	Designer, Manufacturer and Distributor of Fitness Equipment										
		Secured Debt	(9) 01/31/2017		10.63%	L+ 6.50%		1/31/2025	1,100	1,097	1,100
		Secured Debt	01/31/2017		12.00%			1/31/2025	4,610	4,603	4,603
		Preferred Member Units	01/31/2017	102						2,550	2,010
		Preferred Member Units	11/02/2022	515						515	1,290
										8,765	9,003
<b>Oneliance, LLC</b>	Construction Cleaning Company										
		Secured Debt	(9) 08/06/2021		15.13%	L+ 11.00%		8/6/2026	1,400	1,380	1,380
		Preferred Stock	08/06/2021	264						264	264
										1,644	1,644
<b>Orttech Holdings, LLC</b>	Distributor of Industrial Clutches, Brakes and Other Components										
		Secured Debt	(9) 07/30/2021			L+ 11.00%		7/31/2026	—	(2)	(2)
		Secured Debt	(9) 07/30/2021		15.13%	L+ 11.00%		7/31/2026	5,900	5,814	5,814
		Preferred Stock	(8) (23) 07/30/2021	2,500						2,500	2,940
										8,312	8,752
<b>Robbins Bros. Jewelry, Inc.</b>	Bridal Jewelry Retailer										
		Secured Debt	(9) 12/15/2021					12/15/2026	—	(8)	(8)
		Secured Debt	(9) 12/15/2021		12.50%			12/15/2026	3,965	3,902	3,902
		Preferred Equity	12/15/2021	1,230						1,230	1,650
										5,124	5,544
<b>SI East, LLC</b>	Rigid Industrial Packaging Manufacturing										
		Secured Debt	08/31/2018					8/31/2023	—	—	—
		Secured Debt	08/31/2018		9.50%			8/31/2023	29,929	29,795	29,929
		Preferred Member Units	(8) 08/31/2018	52						406	4,550
										30,201	34,479
<b>Sonic Systems International, LLC</b>	(10) Nuclear Power Staffing Services										
		Secured Debt	(9) 08/20/2021		11.24%	L+ 7.50%		8/20/2026	18,425	18,143	18,425
		Common Stock	08/20/2021	11,647						1,584	1,490
										19,727	19,915
<b>Student Resource Center, LLC</b>	(10) Higher Education Services										

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		Secured Debt	12/31/2022		13.27%	L+	8.50%	12/31/2027	5,556	5,063	5,063
		Preferred Equity	12/31/2022	6,564,055						—	—
										5,063	5,063
<b>Tedder Industries, LLC</b>	<b>Manufacturer of Firearm Holsters and Accessories</b>										
		Secured Debt	08/31/2018		12.00%			8/31/2023	460	460	460
		Secured Debt	08/31/2018		12.00%			8/31/2023	3,800	3,797	3,780
		Preferred Member Units	08/31/2018	136						2,311	1,920
										6,568	6,160
<b>Trantech Radiator Topco, LLC</b>	<b>Transformer Cooling Products and Services</b>										
		Secured Debt	05/31/2019					5/31/2024	—	(3)	—
		Secured Debt	05/31/2019		12.00%			5/31/2024	1,980	1,960	1,980
		Common Stock	(8) 05/31/2019	154						1,164	1,950
										3,121	3,930
<b>VVS Holdco LLC</b>	<b>Omnichannel Retailer of Animal Health Products</b>										
		Secured Debt	(9) (23) 12/01/2021			L+	6.00%	12/1/2023	—	(5)	(5)
		Secured Debt	(23) 12/01/2021		11.50%			12/1/2026	7,600	7,421	7,421
		Preferred Equity	(8) (23) 12/01/2021	2,960						2,960	2,990
										10,376	10,406
										\$ 241,565	\$ 277,000
<b>Subtotal Affiliate Investments (45.4% of net assets at fair value)</b>											
<b>Non-Control Investments (7)</b>											
<b>AAC Holdings, Inc.</b>	(11) <b>Substance Abuse Treatment Service Provider</b>										
		Secured Debt	12/11/2020		18.00%		18.00%	6/25/2025	\$ 4,173	\$ 3,963	\$ 4,110
		Common Stock	12/11/2020	593,927						3,148	—
		Warrants	(27) 12/11/2020	197,717				12/11/2025		—	—
										7,111	4,110
<b>AB Centers Acquisition Corporation</b>	(10) <b>Applied Behavior Analysis Therapy Provider</b>										
		Secured Debt	(9) 09/06/2022			SF+	6.00%	9/6/2028	—	(5)	(5)
		Secured Debt	(9) 09/06/2022		10.20%	SF+	6.00%	9/6/2028	86	77	86
		Secured Debt	(9) 09/06/2022		10.58%	SF+	6.00%	9/6/2028	1,983	1,930	1,983
										2,002	2,064
<b>Acumera, Inc.</b>	(10) <b>Managed Security Service Provider</b>										
		Secured Debt	(9) 06/28/2022		13.88%	L+	9.50%	10/26/2027	4,616	4,511	4,616
		Secured Debt	(9) 06/28/2022		13.57%	L+	9.00%	10/26/2027	1,379	1,348	1,379
										5,859	5,995
<b>Adams Publishing Group, LLC</b>	(10) <b>Local Newspaper Operator</b>										
		Secured Debt	(9) (28) 03/11/2022		10.00%	L+	6.00%	3/11/2027	565	565	565
		Secured Debt	(9) (28) 03/11/2022		10.00%	L+	7.50%	3/11/2027	2,826	2,819	2,826
										3,384	3,391
<b>ADS Tactical, Inc.</b>	(11) <b>Value-Added Logistics and Supply Chain Provider to the Defense Industry</b>										
		Secured Debt	(9) 03/29/2021		10.14%	L+	5.75%	3/19/2026	9,125	8,996	8,213
<b>AMEREQUIP LLC.</b>	(10) <b>Full Service Provider of Comprehensive Commercial Production Services, Including the Design, Engineering, and Manufacturing of Products it</b>										

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		Secured Debt	(9) 08/31/2022		11.72%	SF+ 7.40%		8/31/2027	—	—	—
		Secured Debt	(9) 08/31/2022			SF+ 7.40%		8/31/2027	2,026	2,026	2,025
		Common Stock	08/31/2022	11						80	80
										2,106	2,105
<b>American Health Staffing Group, Inc.</b>	(10) Healthcare Temporary Staffing										
		Secured Debt	(9) 11/19/2021			L+ 6.00%		11/19/2026	—	(13)	(13)
		Secured Debt	(9) 11/19/2021		11.12%	L+ 6.00%		11/19/2026	8,271	8,206	8,271
										8,193	8,258
<b>American Nuts, LLC</b>	(10) Roaster, Mixer and Packager of Bulk Nuts and Seeds										
		Secured Debt	(9) 03/11/2022		10.46%	SF+ 6.75%		4/10/2026	4,438	4,416	4,148
		Secured Debt	(9) 03/11/2022		12.46%	SF+ 8.75%		4/10/2026	4,438	4,417	4,161
										8,833	8,309
<b>American Teleconferencing Services, Ltd.</b>	(11) Provider of Audio Conferencing and Video Collaboration Solutions										
		Secured Debt	(14) 09/17/2021		7.50%	L+ 6.50%		1/31/2023	2,425	2,375	136
		Secured Debt	(9) (14) 05/19/2016		7.50%	L+ 6.50%		6/8/2023	11,693	11,451	658
										13,826	794
<b>ArborWorks, LLC</b>	(10) Vegetation Management Services										
		Secured Debt	(9) 11/09/2021		13.41%	L+ 9.00%		11/9/2026	2,484	2,427	2,095
		Secured Debt	(9) 11/09/2021		13.56%	L+ 9.00%		11/9/2026	15,786	15,540	13,313
		Common Equity	11/09/2021	124						124	—
										18,091	15,408
<b>Archer Systems, LLC</b>	(10) Mass Tort Settlement Administration Solutions Provider										
		Secured Debt	(9) 08/11/2022			SF+ 6.50%		8/11/2027	—	(4)	(4)
		Secured Debt	(9) 08/11/2022		10.92%	SF+ 6.50%		8/11/2027	2,205	2,165	2,170
		Common Stock	08/11/2022	62,402						62	62
										2,223	2,228
<b>ATS Operating, LLC</b>	(10) For-Profit Thrift Retailer										
		Secured Debt	(9) 01/18/2022			SF+ 5.50%		1/18/2027	—	—	—
		Secured Debt	(9) 01/18/2022		9.32%	SF+ 5.50%		1/18/2027	925	907	914
		Secured Debt	(9) 01/18/2022		11.32%	SF+ 7.50%		1/18/2027	925	907	916
		Common Stock	01/18/2022	100,000						100	90
										1,914	1,920
<b>AVEX Aviation Holdings, LLC</b>	(10) Specialty Aircraft Dealer										
		Secured Debt	(9) 12/23/2022			SF+ 7.25%		12/23/2027	—	(8)	(8)
		Secured Debt	(9) 12/23/2022		12.17%	SF+ 7.25%		12/23/2027	4,038	3,876	3,876
		Common Equity	12/15/2021	50						50	56
										3,918	3,924
<b>BBB Tank Services, LLC</b>	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market										
		Unsecured Debt	(9) (17) 04/08/2016		15.12%	L+ 11.00%		4/8/2021	200	200	200
		Unsecured Debt	(9) (17) 04/08/2016		15.12%	L+ 11.00%		4/8/2021	1,000	1,000	522
		Preferred Stock (non-voting)	12/17/2018		15.00%					41	—
		Member Units	04/08/2016	200,000						200	—
										1,441	722
<b>Berry Aviation, Inc.</b>	(10) Charter Airline Services										

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	07/06/2018		12.00%		1.50%	1/6/2024	190	189	190
		Preferred Member Units	(8) (23) 07/06/2018	1,548,387	8.00%		8.00%			1,161	4,561
		Preferred Member Units	(8) (23) 11/12/2019	122,416			16.00%			—	270
										1,350	5,021
<b>Bettercloud, Inc.</b>	(10) SaaS Provider of Workflow Management and Business Application Solutions										
		Secured Debt	(9) 06/30/2022			SF+ 1.00%	6.00%	6/30/2028	—	(22)	(22)
		Secured Debt	(9) 06/30/2022		11.40%	SF+ 1.00%	6.00%	6/30/2028	7,991	7,848	7,991
										7,826	7,969
<b>Binswanger Enterprises, LLC</b>	(10) Glass Repair and Installation Service Provider										
		Member Units	03/10/2017	1,050,000						1,050	420
<b>Bluestem Brands, Inc.</b>	(11) Multi-Channel Retailer of General Merchandise										
		Secured Debt	(9) 10/19/2022			L+ 8.50%		8/28/2025	—	—	—
		Secured Debt	(9) 08/28/2020		12.94%	L+ 8.50%		8/28/2025	3,473	2,455	3,366
		Common Stock	(8) 10/01/2020	700,446						—	4,708
		Warrants	(27) 10/19/2022	175,110				10/19/2032		1,111	1,173
										3,566	9,247
<b>Boccella Precast Products LLC</b>	Manufacturer of Precast Hollow Core Concrete										
		Secured Debt	09/23/2021		10.00%			2/28/2027	80	80	80
		Member Units	(8) 06/30/2017	540,000						564	741
										644	821
<b>Brightwood Capital Fund Investments</b>	(12) (13) Investment Partnership										
		LP Interests (Brightwood Capital Fund III, LP)	(8) (24) 07/21/2014	0.5%						2,449	1,576
		LP Interests (Brightwood Capital Fund IV, LP)	(8) (24) 10/26/2016	1.2%						8,737	9,082
										11,186	10,658
<b>Buca C, LLC</b>	Casual Restaurant Group										
		Secured Debt	06/30/2015		9.00%			6/30/2023	11,740	11,740	8,345
		Preferred Member Units	06/30/2015	4	6.00%		6.00%			3,040	—
										14,780	8,345
<b>Burning Glass Intermediate Holding Company, Inc.</b>	(10) Provider of Skills-Based Labor Market Analytics										
		Secured Debt	(9) 06/14/2021			L+ 5.00%		6/10/2026	—	(19)	—
		Secured Debt	(9) 06/14/2021		8.91%	L+ 5.00%		6/10/2028	13,255	13,070	13,255
										13,051	13,255
<b>Cadence Aerospace LLC</b>	(10) Aerostructure Manufacturing										
		Secured Debt	(9) (30) 11/14/2017		11.99%	L+ 8.50%	0.01%	11/14/2023	20,112	20,066	20,112
<b>CAI Software LLC</b>	Provider of Specialized Enterprise Resource Planning Software										
		Preferred Equity	(8) 12/13/2021	379,338						379	379
		Preferred Equity	12/13/2021	126,446						—	—

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<b>Camin Cargo Control, Inc.</b>	(11) Provider of Mission Critical Inspection, Testing and Fuel Treatment Services	Secured Debt	(9) 06/14/2021		10.88%	L+ 6.50%		6/4/2026	7,609	7,553	7,342
<b>Career Team Holdings, LLC</b>	Provider of Workforce Training and Career Development Services	Secured Debt	(9) 12/17/2021		12.50%	L+ 6.00%		12/17/2026	—	(3)	(3)
		Secured Debt	12/17/2021					12/17/2026	2,250	2,196	2,196
		Common Stock	12/17/2021	50,000						500	500
									2,693	2,693	
<b>CaseWorthy, Inc.</b>	(10) SaaS Provider of Case Management Solutions	Secured Debt	(9) 05/18/2022			L+ 6.00%		5/18/2027	—	(4)	(4)
		Secured Debt	(9) 05/18/2022		10.73%	L+ 6.00%		5/18/2027	2,600	2,574	2,574
		Secured Debt	(9) 05/18/2022		10.48%	L+ 5.75%		5/18/2027	1,995	1,977	1,995
		Common Equity	12/30/2022	80,000						80	80
									4,627	4,645	
<b>Channel Partners Intermediateco, LLC</b>	(10) Outsourced Consumer Services Provider	Secured Debt	(9) (34) 02/07/2022		10.72%	SF+ 6.25%		2/7/2027	172	162	169
		Secured Debt	(9) (35) 02/07/2022		10.71%	SF+ 6.25%		2/7/2027	3,591	3,530	3,539
									3,692	3,708	
<b>Clarius BIGS, LLC</b>	(10) Prints & Advertising Film Financing	Secured Debt	(14) (17) 09/23/2014		15.00%		15.00%	1/5/2015	2,747	2,403	19
<b>Classic H&amp;G Holdings, LLC</b>	Provider of Engineered Packaging Solutions	Secured Debt	(9) 03/12/2020		9.75%	L+ 6.00%		3/12/2025	1,140	1,127	1,140
		Secured Debt	03/12/2020		8.00%			3/12/2025	4,819	4,754	4,819
		Preferred Member Units	(8) 03/12/2020	39						1,440	6,160
									7,321	12,119	
<b>Computer Data Source, LLC</b>	(10) Third Party Maintenance Provider to the Data Center Ecosystem	Secured Debt	(9) (36) 08/06/2021		12.56%	L+ 8.00%		8/6/2026	4,167	4,106	3,851
		Secured Debt	(9) 08/06/2021		12.56%	L+ 8.00%		8/6/2026	15,604	15,374	14,421
									19,480	18,272	
<b>Construction Supply Investments, LLC</b>	(10) Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors	Member Units	(8) 12/29/2016	861,618						3,335	21,165
<b>Dalton US Inc.</b>	(10) Provider of Supplemental Labor Services	Secured Debt	(9) 08/16/2022		11.90%	SF+ 8.00%		8/16/2027	79	63	78
		Secured Debt	(9) 08/16/2022			SF+ 8.00%		8/16/2027	—	(5)	(5)
		Secured Debt	(9) 08/16/2022		12.56%	SF+ 8.00%		8/16/2027	1,035	1,016	1,020
		Common Stock	08/16/2022	14						14	14
									1,088	1,107	
<b>DMA Industries, LLC</b>	Distributor of aftermarket ride control products										

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		Secured Debt	11/19/2021		12.00%			11/19/2026	5,300	5,217	5,300
		Preferred Equity	11/19/2021	1,486						1,486	1,820
										6,703	7,120
<b>DTE Enterprises, LLC</b>	(10) Industrial Powertrain Repair and Services										
		Secured Debt (9)	04/13/2018			L+ 7.50%		4/13/2023	—	(1)	(1)
		Secured Debt (9)	04/13/2018		12.24%	L+ 7.50%		4/13/2023	6,119	6,110	5,978
		Class A Preferred Member Units	04/13/2018	776,316	8.00%		8.00%			776	380
		Class AA Preferred Member Units (non-voting) (8)	04/13/2018		10.00%		10.00%			1,161	1,161
										8,046	7,518
<b>Dynamic Communities, LLC</b>	(10) Developer of Business Events and Online Community Groups										
		Secured Debt (9)	12/20/2022		9.18%	SF+ 4.50%	9.18%	12/31/2026	1,875	1,717	1,717
		Secured Debt (9)	12/20/2022		11.18%	SF+ 6.50%	11.18%	12/31/2026	1,875	1,642	1,642
		Preferred Equity	12/20/2022	125,000						128	128
		Preferred Equity	12/20/2022	2,376,241						—	—
		Common Equity	12/20/2022	1,250,000						—	—
										3,487	3,487
<b>Elgin AcquireCo, LLC</b>	Manufacturer and Distributor of Engine and Chassis Components										
		Secured Debt (9)	10/03/2022			SF+ 6.00%		10/3/2027	—	(1)	(1)
		Secured Debt	10/03/2022		12.00%			10/3/2027	1,227	1,192	1,192
		Secured Debt	10/03/2022		9.00%			10/3/2052	415	411	411
		Common Stock	10/03/2022	25						497	497
		Common Stock (23)	10/03/2022	61						102	102
										2,201	2,201
<b>Emerald Technologies Acquisition Co, Inc.</b>	(11) Design & Manufacturing										
		Secured Debt (9)	02/10/2022		10.67%	SF+ 6.25%		2/10/2028	2,453	2,411	2,328
<b>Engineering Research &amp; Consulting, LLC</b>	(10) Provider of Engineering & Consulting Services to US Department of Defense										
		Secured Debt (9)	05/23/2022		11.68%	SF+ 6.50%		5/23/2027	41	27	41
		Secured Debt (9)	05/23/2022		10.92%	SF+ 6.50%		5/23/2028	5,159	5,070	5,159
										5,097	5,200
<b>EPIC Y-Grade Services, LP</b>	(11) NGL Transportation & Storage										
		Secured Debt (9)	06/22/2018		10.70%	L+ 6.00%		6/30/2027	6,840	6,777	6,156
<b>Event Holdeo, LLC</b>	(10) Event and Learning Management Software for Healthcare Organizations and Systems										
		Secured Debt (9) (23)	12/22/2021		10.67%	L+ 7.00%		12/22/2026	308	305	292
		Secured Debt (9) (23)	12/22/2021		10.67%	L+ 7.00%		12/22/2026	3,692	3,663	3,507
										3,968	3,799
<b>Flip Electronics LLC</b>	(10) Distributor of Hard-to-Find and Obsolete Electronic Components										
		Secured Debt (9)	03/24/2022		11.21%	SF+ 7.50%		1/2/2026	818	818	818
		Secured Debt (9)	01/04/2021		12.19%	SF+ 7.50%		1/2/2026	12,327	12,055	12,327
										12,873	13,145

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<b>Hawk Ridge Systems, LLC</b>	Value-Added Reseller of Engineering Design and Manufacturing Solutions	Secured Debt	(9)	12/02/2016		10.13%	L+ 6.00%	1/15/2026	796	796	796	
		Secured Debt		12/02/2016		9.00%		1/15/2026	8,200	8,147	8,200	
		Preferred Member Units	(8)	12/02/2016	56						713	4,370
		Preferred Member Units	(23)	12/02/2016	56						38	230
											9,694	13,596
<b>HDC/HW Intermediate Holdings</b>	(10) Managed Services and Hosting Provider	Secured Debt	(9)	12/21/2018		14.34%	SF+ 9.50% 2.00%	12/21/2023	180	179	175	
		Secured Debt	(9)	12/21/2018		14.34%	SF+ 9.50% 2.00%	12/21/2023	1,780	1,772	1,731	
										1,951	1,906	
<b>HEADLANDS OP-CO LLC</b>	(10) Clinical Trial Sites Operator	Secured Debt	(9)	08/01/2022			SF+ 6.50%	8/1/2027	—	(18)	(18)	
		Secured Debt	(9)	08/01/2022			SF+ 6.50%	8/1/2027	—	(18)	(18)	
		Secured Debt	(9)	08/01/2022		10.62%	SF+ 6.50%	8/1/2027	4,975	4,884	4,975	
										4,848	4,939	
<b>Hybrid Promotions, LLC</b>	(10) Wholesaler of Licensed, Branded and Private Label Apparel	Secured Debt		06/30/2021		12.07%	SF+ 8.25%	6/30/2026	7,875	7,762	6,826	
<b>IG Parent Corporation</b>	(11) Software Engineering	Secured Debt	(9) (37)	07/30/2021		10.17%	SF+ 5.75%	7/30/2026	465	447	465	
		Secured Debt	(9)	07/30/2021		10.17%	SF+ 5.75%	7/30/2028	8,291	8,186	8,291	
										8,633	8,756	
<b>Implus Footcare, LLC</b>	(10) Provider of Footwear and Related Accessories	Secured Debt	(9)	06/01/2017		13.98%	L+ 7.75% 1.50%	4/30/2024	16,921	16,914	15,961	
<b>Independent Pet Partners Intermediate Holdings, LLC</b>	(10) Omnichannel Retailer of Specialty Pet Products	Secured Debt	(14)	12/10/2020		6.00%		11/20/2023	10,902	10,443	4,515	
		Secured Debt		11/28/2022		14.42%	SF+ 10.00%	14.42% 2/27/2023	481	459	459	
		Preferred Stock (non-voting)		12/10/2020		6.00%		6.00%		2,470	—	
		Preferred Stock (non-voting)		12/10/2020						—	—	
		Member Units		11/20/2018	1,191,667					1,192	—	
		Warrants		11/20/2018	185,757				11/19/2028	—	—	
								14,564	4,974			
<b>Industrial Services Acquisition, LLC</b>	(10) Industrial Cleaning Services	Secured Debt	(9)	08/13/2021		11.50%	L+ 6.75%	8/13/2026	387	359	387	
		Secured Debt	(9)	08/13/2021		11.50%	L+ 6.75%	8/13/2026	10,871	10,738	10,871	
		Preferred Member Units	(8) (23)	01/31/2018	336	10.00%		10.00%		301	338	
		Preferred Member Units	(8) (23)	05/17/2019	187	20.00%		20.00%		215	217	
		Member Units	(23)	06/17/2016	2,100					2,100	1,400	
										13,713	13,213	
<b>Infolinks Media Buyco, LLC</b>	(10) Exclusive Placement Provider to the Advertising Ecosystem	Secured Debt	(9)	11/01/2021			L+ 5.50%	11/1/2026	—	(48)	(48)	

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		Secured Debt	(9) 11/01/2021		10.23%	L+ 5.50%		11/1/2026	10,742	10,576	10,742
										10,528	10,694
<b>Interface Security Systems, L.L.C.</b>	(10) Commercial Security & Alarm Services	Secured Debt	(38) 12/09/2021		14.22%	L+ 10.00%		8/7/2023	1,682	1,682	1,682
		Secured Debt	(9) (14) 08/07/2019		12.07%	L+ 7.00%	1.00%	8/7/2023	7,334	7,254	1,085
		Common Stock	12/07/2021	2,143						—	—
										8,936	2,767
<b>Intermedia Holdings, Inc.</b>	(11) Unified Communications as a Service	Secured Debt	(9) 08/03/2018		10.38%	L+ 6.00%		7/19/2025	5,621	5,613	4,342
<b>Invincible Boat Company, L.L.C.</b>	(10) Manufacturer of Sport Fishing Boats	Secured Debt	(9) 08/28/2019		10.14%	L+ 6.50%		8/28/2025	622	618	622
		Secured Debt	(9) 08/28/2019		10.17%	L+ 6.50%		8/28/2025	17,148	17,050	17,148
										17,668	17,770
<b>INW Manufacturing, LLC</b>	(11) Manufacturer of Nutrition and Wellness Products	Secured Debt	(9) 05/19/2021		10.48%	L+ 5.75%		3/25/2027	6,984	6,825	5,972
<b>Iron-Main Investments, LLC</b>	Consumer Reporting Agency Providing Employment Background Checks and Drug Testing	Secured Debt	08/02/2021		12.50%			11/15/2026	1,133	1,108	1,108
		Secured Debt	09/01/2021		12.50%			11/15/2026	788	771	771
		Secured Debt	11/15/2021		12.50%			11/15/2026	2,236	2,236	2,236
		Secured Debt	11/15/2021		12.50%			11/15/2026	4,928	4,813	4,813
		Common Stock	08/03/2021	44,944						449	449
										9,377	9,377
<b>Isagenix International, LLC</b>	(11) Direct Marketer of Health & Wellness Products	Secured Debt	(9) (14) 06/21/2018		9.93%	L+ 7.75%		6/14/2025	5,053	5,034	1,537
<b>Jackmont Hospitality, Inc.</b>	(10) Franchisee of Casual Dining Restaurants	Secured Debt	(9) 10/26/2022		12.23%	L+ 7.50%		11/4/2024	1,000	965	1,000
		Secured Debt	(9) 11/08/2021		12.23%	L+ 7.50%		11/4/2024	4,126	4,126	4,126
		Preferred Equity	(8) 11/08/2021	5,653,333	12.00%		12.00%			242	1,247
										5,333	6,373
<b>Joerns Healthcare, LLC</b>	(11) Manufacturer and Distributor of Health Care Equipment & Supplies	Secured Debt	11/15/2021		18.00%			1/31/2024	1,935	1,935	1,935
		Secured Debt	(14) 08/21/2019		19.75%		19.75%	8/21/2024	3,351	3,325	418
		Common Stock	08/21/2019	392,514						3,678	—
										8,938	2,353
<b>Johnson Downie Opco, LLC</b>	Executive Search Services	Secured Debt	(9) 12/10/2021			L+ 11.50%		12/10/2026	—	(3)	—
		Secured Debt	(9) 12/10/2021		15.63%	L+ 11.50%		12/10/2026	1,111	1,093	1,111
		Preferred Equity	(8) 12/10/2021	350						350	620
										1,440	1,731



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JorVet Holdings, LLC	Supplier and Distributor of Veterinary Equipment and Supplies	Secured Debt	03/28/2022		12.00%			3/28/2027	2,850	2,802	2,802
		Preferred Equity	(8)	03/28/2022	11,934					1,193	1,193
										3,995	3,995
JTI Electrical & Mechanical, LLC	(10) Electrical, Mechanical and Automation Services	Secured Debt	(9)	12/22/2021		L+ 6.00%		12/22/2026	—	(11)	(11)
		Secured Debt	(9)	12/22/2021		10.73%	L+ 6.00%	12/22/2026	3,059	3,010	3,059
		Common Equity		12/22/2021	140,351					140	240
										3,139	3,288
KMS, LLC	(10) Wholesaler of Closeout and Value-priced Products	Secured Debt	(9)	10/04/2021		12.00%	L+ 7.25%	10/4/2026	1,330	1,250	1,244
		Secured Debt	(9)	10/04/2021		12.00%	L+ 7.25%	10/4/2026	9,381	9,238	8,778
										10,488	10,022
Lightbox Holdings, L.P.	(11) Provider of Commercial Real Estate Software	Secured Debt		05/09/2019		9.73%	L+ 5.00%	5/9/2026	5,826	5,783	5,622
LL Management, Inc.	(10) Medical Transportation Service Provider	Secured Debt	(9)	05/02/2019		11.21%	SF+ 7.25%	9/25/2023	8,003	7,987	7,945
		Secured Debt	(9)	05/02/2019		11.67%	SF+ 7.25%	9/25/2023	6,164	6,148	6,119
		Secured Debt	(9)	05/12/2022		11.67%	SF+ 7.25%	9/25/2023	8,884	8,809	8,820
										22,944	22,884
LLFlex, LLC	(10) Provider of Metal-Based Laminates	Secured Debt	(9)	08/16/2021		12.74%	L+ 9.00%	8/16/2026	4,938	4,856	4,833
Logix Acquisition Company, LLC	(10) Competitive Local Exchange Carrier	Secured Debt	(9)	01/08/2018		10.13%	L+ 5.75%	12/22/2024	9,506	9,476	7,843
Mako Steel, LP	(10) Self-Storage Design & Construction	Secured Debt	(9) (31)	03/15/2021		11.79%	L+ 7.25%	3/15/2026	3,448	3,395	3,426
		Secured Debt	(9)	03/15/2021		11.09%	L+ 7.25%	3/15/2026	17,070	16,845	16,959
										20,240	20,385
MB2 Dental Solutions, LLC	(11) Dental Partnership Organization	Secured Debt	(9)	01/28/2021		10.42%	SF+ 6.00%	1/29/2027	8,359	8,223	8,359
		Secured Debt	(9)	01/28/2021		10.42%	SF+ 6.00%	1/29/2027	7,876	7,783	7,876
										16,006	16,235
MetalForming AcquireCo, LLC	Distributor of Sheet Metal Folding and Metal Forming Equipment	Secured Debt		10/19/2022				10/19/2024	—	(1)	(1)
		Secured Debt		10/19/2022		12.75%		10/19/2027	1,748	1,697	1,697
		Preferred Equity	(8)	10/19/2022	434,331	8.00%	8.00%			441	441
		Common Stock		10/19/2022	112,865					113	113
										2,250	2,250
Microbe Formulas, LLC	(10) Nutritional Supplements Provider										

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(dollars in thousands)**

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4) (7)	Fair Value (18) (7)
		Secured Debt	(9) 04/04/2022		9.86%	SF+ 6.25%		4/3/2028	—	3,085	3,034
		Secured Debt	(9) 04/04/2022			SF+ 6.25%		4/3/2028	3,142	3,078	3,027
<b>Mills Fleet Farm Group, LLC</b>	(10) Omnichannel Retailer of Work, Farm and Lifestyle Merchandise	Secured Debt	(9) 10/24/2018		10.66%	L+ 6.25%		10/24/2024	18,769	18,559	18,338
<b>MonitorUS Holding, LLC</b>	(10) (13) SaaS Provider of Media Intelligence Services (21)	Secured Debt	(9) 05/24/2022			L+ 7.00%		5/24/2027	—	(19)	(19)
		Secured Debt	(9) 05/24/2022		11.73%	L+ 7.00%		5/24/2027	2,882	2,828	3,139
		Secured Debt	(9) 05/24/2022		11.73%	L+ 7.00%		5/24/2027	4,906	4,820	4,906
		Common Stock	08/30/2022	12,798,820						256	256
										7,885	8,282
<b>NinjaTrader, LLC</b>	(10) Operator of Futures Trading Platform	Secured Debt	(9) 12/18/2019			L+ 6.25%		12/18/2024	—	(1)	—
		Secured Debt	(9) 12/18/2019			L+ 6.25%		12/18/2024	—	(23)	(23)
		Secured Debt	(9) 12/18/2019		9.99%	L+ 6.25%		12/18/2024	11,634	11,524	11,634
										11,500	11,611
<b>NTM Acquisition Corp.</b>	(11) Provider of B2B Travel Information Content	Secured Debt	(9) 07/12/2016		9.50%	L+ 6.25%	1.00%	6/7/2024	4,036	4,034	3,915
<b>NWN Corporation</b>	(10) Value Added Reseller and Provider of Managed Services to a Diverse Set of Industries	Secured Debt	(9) (39) 05/07/2021		10.85%	SF+ 8.00%		5/7/2026	1,570	1,519	1,482
		Secured Debt	(9) 05/07/2021		12.56%	SF+ 8.00%		5/7/2026	20,786	20,476	19,620
		Secured Debt	12/16/2022		20.00%		20.00%	8/6/2026	3,226	3,065	3,065
										25,060	24,167
<b>OVG Business Services, LLC</b>	(10) Venue Management Services	Secured Debt	(9) 11/29/2021		10.64%	L+ 6.25%		11/19/2028	17,413	17,265	16,368
<b>Paragon Healthcare, Inc.</b>	(10) Infusion Therapy Treatment Provider	Secured Debt	(9) 01/19/2022		10.26%	SF+ 5.75%		1/19/2027	71	57	70
		Secured Debt	(9) (29) 01/19/2022		9.96%	SF+ 5.75%		1/19/2027	356	343	349
		Secured Debt	(9) 01/19/2022		9.81%	SF+ 5.75%		1/19/2027	2,363	2,304	2,317
										2,704	2,736
<b>PTL US Bidco, Inc</b>	(13) Manufacturers of Equipment, Including Drilling Rigs and Equipment, and Providers of Supplies and Services to Companies Involved in the Drilling, Evaluation and Completion of Oil and Gas Wells.	Secured Debt	(9) 08/19/2022			SF+ 7.25%		8/19/2027	—	(12)	(12)
		Secured Debt	(9) 08/19/2022		11.80%	SF+ 7.25%		8/19/2027	1,852	1,817	1,828
										1,805	1,816
<b>RA Outdoors LLC</b>	(10) Software Solutions Provider for Outdoor Activity Management	Secured Debt	(9) 04/08/2021			SF+ 6.75%		4/8/2026	—	(11)	(11)

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)	
		Secured Debt	(9)	04/08/2021	10.56%	SF+	6.75%	4/8/2026	12,917	12,789	11,685	
										12,778	11,674	
<b>Research Now Group, Inc. and Survey Sampling International, LLC</b> (11)	Provider of Outsourced Online Surveying	Secured Debt	(9)	12/29/2017	8.84%	L+	5.50%	12/20/2024	9,820	9,820	7,434	
<b>RM Bidder, LLC</b> (10)	Scripted and Unscripted TV and Digital Programming Provider	Member Units		11/12/2015	1,854					31	13	
		Warrants	(26)	11/12/2015	218,601			10/20/2025		284	—	
										315	13	
<b>Roof Opco, LLC</b> (10)	Residential Re-Roofing/Repair	Secured Debt	(9)	08/27/2021	10.97%	SF+	6.50%	8/27/2026	389	375	389	
		Secured Debt	(9)	08/27/2021	10.32%	SF+	6.50%	8/27/2026	2,917	2,835	2,917	
		Secured Debt	(9)	08/27/2021	10.32%	SF+	6.50%	8/27/2026	3,967	3,906	3,967	
										7,116	7,273	
<b>Rug Doctor, LLC.</b> (10)	Carpet Cleaning Products and Machinery	Secured Debt	(9)	07/16/2021	13.02%	SF+	6.25%	2.00%	11/16/2024	6,250	6,212	5,597
		Secured Debt	(9)	07/16/2021	13.02%	SF+	6.25%	2.00%	11/16/2024	9,250	9,190	8,293
										15,402	13,890	
<b>Savers, Inc.</b> (11)	For-Profit Thrift Retailer	Secured Debt	(9)	05/14/2021	10.34%	SF+	5.50%	4/26/2028	4,281	4,270	4,149	
<b>SIB Holdings, LLC</b> (10)	Provider of Cost Reduction Services	Secured Debt	(9)	10/29/2021	11.01%	L+	6.25%	10/29/2026	522	511	491	
		Secured Debt	(9)	10/29/2021	11.01%	L+	6.25%	10/29/2026	1,954	1,908	1,803	
		Secured Debt	(9)	10/29/2021	11.01%	L+	6.25%	10/29/2026	9,726	9,576	8,974	
		Common Equity		10/29/2021	119,048					250	183	
										12,245	11,451	
<b>Slick Innovations, LLC</b>	Text Message Marketing Platform	Secured Debt		09/13/2018	14.00%			12/22/2027	3,460	3,334	3,460	
		Common Stock	(8)	09/13/2018	17,500					114	400	
										3,448	3,860	
<b>South Coast Terminals Holdings, LLC</b> (10)	Specialty Toll Chemical Manufacturer	Secured Debt	(9)	12/10/2021		L+	5.75%	12/13/2026	—	(6)	(6)	
		Secured Debt	(9)	12/10/2021	9.69%	L+	5.75%	12/13/2026	3,523	3,467	3,523	
		Common Equity		12/10/2021	60,606					61	92	
										3,522	3,609	
<b>SPAU Holdings, LLC</b> (10)	Digital Photo Product Provider	Secured Debt	(9)	07/01/2022		SF+	7.50%	7/1/2027	—	(18)	(18)	
		Secured Debt	(9)	07/01/2022	11.06%	SF+	7.50%	7/1/2027	4,975	4,887	4,975	
		Common Stock		07/01/2022	200,000					200	200	
										5,069	5,157	
<b>Tex Tech Tennis, LLC</b> (10)	Sporting Goods & Textiles	Preferred Equity	(23)	07/07/2021	1,000,000					1,000	1,830	

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(dollars in thousands)**

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
<b>The Affiliati Network, LLC</b>	Performance Marketing Solutions	Secured Debt	08/09/2021		13.00%			8/9/2026	30	26	26
		Secured Debt	08/09/2021		13.00%			8/9/2026	2,380	2,341	2,341
		Preferred Stock	(8)	08/09/2021	320,000					1,600	1,600
										3,967	3,967
<b>U.S. TelePacific Corp.</b>	(11) Provider of Communications and Managed Services	Secured Debt	(9)	05/17/2017	11.57%	SF+ 1.25%	7.25%	5/2/2026	13,425	13,358	5,018
<b>USA DeBusk LLC</b>	(10) Provider of Industrial Cleaning Services	Secured Debt	(9)	10/22/2019	9.82%	L+ 5.75%		9/8/2026	18,013	17,828	18,013
<b>Vida Capital, Inc</b>	(11) Alternative Asset Manager	Secured Debt		10/10/2019	10.38%	L+ 6.00%		10/1/2026	6,263	6,208	4,885
<b>Vistar Media, Inc.</b>	(10) Operator of Digital Out-of-Home Advertising Platform	Preferred Stock		04/03/2019	70,207					767	2,250
<b>Volusion, LLC</b>	Provider of Online Software-as-a-Service eCommerce Solutions	Secured Debt	(17)	01/26/2015	11.50%			1/26/2020	7,172	7,172	6,392
		Unsecured Convertible Debt		05/16/2018	8.00%			11/16/2023	175	175	—
		Preferred Member Units		01/26/2015	2,090,001					6,000	—
		Warrants	(27)	01/26/2015	784,867			1/26/2025		1,104	—
										14,451	6,392
<b>VORTEQ Coil Finishers, LLC</b>	(10) Specialty Coating of Aluminum and Light-Gauge Steel	Common Equity	(8)	11/30/2021	769,231					769	2,910
<b>Wall Street Prep, Inc.</b>	(10) Financial Training Services	Secured Debt	(9)	07/19/2021		L+ 7.00%		7/19/2026	—	(7)	(7)
		Secured Debt	(9)	07/19/2021	10.74%	L+ 7.00%		7/19/2026	5,328	5,252	5,216
		Common Stock		07/19/2021	500,000					500	530
										5,745	5,739
<b>Watterson Brands, LLC</b>	(10) Facility Management Services	Secured Debt	(9)	12/17/2021	10.73%	L+ 6.00%		12/17/2026	51	46	51
		Secured Debt	(9)	12/17/2021	10.73%	L+ 6.00%		12/17/2026	53	45	53
		Secured Debt	(9)	12/17/2021	10.73%	L+ 6.00%		12/17/2026	4,142	4,089	4,141
										4,180	4,245
<b>West Star Aviation Acquisition, LLC</b>	(10) Aircraft, Aircraft Engine and Engine Parts	Secured Debt	(9)	03/01/2022		SF+ 6.00%		3/1/2028	—	(6)	(6)
		Secured Debt	(9)	03/01/2022	8.59%	SF+ 6.00%		3/1/2028	2,978	2,926	2,948
		Common Stock		03/01/2022	200,000					200	250
										3,120	3,192

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(dollars in thousands)**

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (22)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Winter Services LLC	(10) Provider of Snow Removal and Ice Management Services	Secured Debt	(9) 11/19/2021			L+	7.00%	11/19/2026	—	(43)	—
		Secured Debt	(9) 11/19/2021			L+	7.00%	11/19/2026	—	(43)	(43)
		Secured Debt	(9) 11/19/2021		10.74%	L+	7.00%	11/19/2026	12,500	12,305	12,487
									12,219	12,444	
World Micro Holdings, LLC	Supply Chain Management	Secured Debt	12/12/2022		13.00%			12/12/2027	1,970	1,930	1,930
		Preferred Equity	12/12/2022	530						530	530
									2,460	2,460	
Xenon Arc, Inc.	(10) Tech-enabled Distribution Services to Chemicals and Food Ingredients Primary Producers	Secured Debt	12/17/2021			L+	5.25%	12/17/2026	—	(6)	(6)
		Secured Debt	12/17/2021		10.84%	L+	5.25%	12/17/2027	1,200	1,169	1,192
		Secured Debt	12/17/2021		8.63%	L+	5.25%	12/17/2027	2,370	2,332	2,354
									3,495	3,540	
YS Garments, LLC	(11) Designer and Provider of Branded Activewear	Secured Debt	(9) 08/22/2018		9.51%	L+	5.50%	8/9/2024	6,329	6,310	6,064
Zips Car Wash, LLC	(10) Express Car Wash Operator	Secured Debt	(9) 02/11/2022		11.67%	SF+	7.25%	3/1/2024	2,388	2,357	2,388
		Secured Debt	(9) (32) 02/11/2022		11.67%	SF+	7.25%	3/1/2024	599	594	597
									2,951	2,985	
<b>Subtotal Non-Control/Non-Affiliate Investments (121.5% of net assets at fair value)</b>									<b>\$ 787,201</b>	<b>\$ 740,840</b>	
<b>Total Portfolio Investments, December 31, 2022 (175.2% of net assets at fair value)</b>									<b>\$ 1,059,886</b>	<b>\$ 1,068,143</b>	
<b>Short-Term Investments (16)</b>											
<b>US Bank Money Market Account (21)</b>									<b>\$ 8,347</b>	<b>\$ 8,347</b>	
<b>Total Short-Term Investments</b>									<b>\$ 8,347</b>	<b>\$ 8,347</b>	

- (1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See *Note C—Fair Value Hierarchy for Investments—Portfolio Composition* for a description of Lower Middle Market portfolio investments. All of the Company’s investments, unless otherwise noted, are encumbered as security for one of the Company’s Credit Facilities.
- (2) Debt investments are income producing, unless otherwise noted by footnote (14), as described below. Equity and warrants are non-income producing, unless otherwise noted by footnote (8), as described below.
- (3) See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* and Schedule 12-14 for a summary of geographic location of portfolio companies.
- (4) Principal is net of repayments. Cost is net of repayments and accumulated unearned income.

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
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- (5) Control investments are defined by the 1940 Act as investments in which more than 25% of the voting securities are owned or where the ability to nominate greater than 50% of the board representation is maintained.
- (6) Affiliate investments are defined by the 1940 Act as investments in which between 5% and 25% (inclusive) of the voting securities are owned and the investments are not classified as Control investments.
- (7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.
- (8) Income producing through dividends or distributions.
- (9) Index based floating interest rate is subject to contractual minimum interest rate. As noted in this schedule, 93% of the loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.00%, with a weighted-average LIBOR floor of 1.04%.
- (10) Private Loan portfolio investment. See *Note C—Fair Value Hierarchy for Investments—Portfolio Composition* for a description of Private Loan portfolio investments.
- (11) Middle Market portfolio investment. See *Note C—Fair Value Hierarchy for Investments—Portfolio Composition* for a description of Middle Market portfolio investments.
- (12) Other Portfolio investment. See *Note C—Fair Value Hierarchy for Investments—Portfolio Composition* for a description of Other Portfolio investments.
- (13) Investment is not a qualifying asset as defined under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets.
- (14) Non-accrual and non-income producing debt investment.
- (15) All of the Company’s portfolio investments are generally subject to restrictions on resale as “restricted securities.”
- (16) Short-term investments represent an investment in a fund that invests in highly liquid investments with average original maturity dates of three months or less. These short-term investments are included as Cash and cash equivalents on the Consolidated Balance Sheets.
- (17) Maturity date is under on-going negotiations with the portfolio company and other lenders, if applicable.
- (18) Investment fair value was determined using significant unobservable inputs, unless otherwise noted. See *Note C — Fair Value Hierarchy for Investments—Portfolio Composition* for further discussion. Negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par.
- (19) Investments may have a portion, or all, of their income received from Paid-in-Kind (“PIK”) interest or dividends. PIK interest income and cumulative dividend income represent income not paid currently in cash. The difference between the Total Rate and PIK Rate represents the cash rate as of December 31, 2022.
- (20) All portfolio company headquarters are based in the United States, unless otherwise noted.
- (21) Effective yield as of December 31, 2022 was approximately 0.005% on the US Bank Money Market Account.
- (22) Investment date represents the date of initial investment in the security position.
- (23) Shares/Units represent ownership in a related Real Estate or HoldCo entity.
- (24) Investment is not unitized. Presentation is made in percent of fully diluted ownership unless otherwise indicated.
- (25) A majority of the variable rate loans in the Company’s Investment Portfolio bear interest at a rate that may be determined by reference to either LIBOR (“L”), SOFR (“SF”) or an alternate Base rate (commonly based on the Federal Funds Rate or the Prime rate (“P”)), which typically resets every one, three, or six months at the borrower’s option. SOFR based contracts may include a credit spread adjustment (the “Adjustment”) that is charged in addition to the stated spread. The Adjustment is applied when the SOFR rate, plus the Adjustment, exceeds the stated floor rate, as applicable. As of December 31, 2022, SOFR based contracts in the portfolio had Adjustments ranging from 0.10% to 0.26%.
- (26) Warrants are presented in equivalent units with a strike price of \$14.28 per unit.
- (27) Warrants are presented in equivalent shares/units with a strike price of \$0.01 per share/unit.
- (28) Index based floating interest rate is subject to contractual maximum base rate of 2.50%.

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments (Continued)**  
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- (29) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR-5.75% (Floor 1.00%). Delayed draw term loan facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.
- (30) The security has an effective contractual interest rate of 2.00% PIK + LIBOR+6.50%, Floor 1.00%, but the issuer may, in its discretion, elect to pay the PIK interest in cash. The rate presented represents the effective current yield based on actual payments received during the period.
- (31) As of December 31, 2022, borrowings under the loan facility bore interest at LIBOR-7.25% (Floor 0.75%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.
- (32) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR-7.25% (Floor 1.00%). Each new draw on the delayed draw term loan facility has a different floating rate reset date. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.
- (33) The position is unfunded and no interest income is being earned as of December 31, 2022. The position may earn a nominal unused facility fee on committed amounts.
- (34) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR-6.25% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.
- (35) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR-6.25% (Floor 1.00%). Due to an amendment and subsequent funding during the quarter, the term loan facility has different floating rate reset dates. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.
- (36) As of December 31, 2022, borrowings under the loan facility bore interest at LIBOR-8.00% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.
- (37) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR-5.75% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.
- (38) As of December 31, 2022, borrowings under the loan facility bore interest at LIBOR+0.00%. RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.
- (39) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR+8.00% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements**

**(Unaudited)**

**NOTE A — ORGANIZATION AND BASIS OF PRESENTATION**

**1. Organization**

MSC Income Fund, Inc. (“MSIF” or, together with its consolidated subsidiaries, “MSC Income Fund” or the “Company”) is a principal investment firm primarily focused on providing debt capital to middle market (“Middle Market”) companies and customized debt and equity financing to lower middle market (“LMM”) companies. The portfolio investments of MSC Income Fund are typically made to support leveraged buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in a variety of industry sectors. MSC Income Fund seeks to partner with private equity funds in its Private Loan (as defined below) and Middle Market investment strategies. MSC Income Fund invests primarily in secured debt investments of Middle Market companies generally headquartered in the United States and in secured debt investments, equity investments, warrants and other securities of LMM companies based in the United States. MSC Income Fund seeks to partner with entrepreneurs, business owners and management teams and generally provides “one-stop” financing alternatives within its LMM investment strategy.

MSIF was formed in November 2011 to operate as an externally managed business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). MSIF has elected to be treated for U.S. federal income tax purposes as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). As a result, MSIF generally does not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that it distributes to its stockholders.

On October 28, 2020, MSIF’s stockholders approved the appointment of MSC Adviser I, LLC (the “Adviser”), which is wholly-owned by Main Street Capital Corporation (“Main Street”), a New York Stock Exchange listed BDC, as MSIF’s investment adviser and administrator, under an Investment Advisory and Administrative Services Agreement dated October 30, 2020 (the “Investment Advisory Agreement”). In such role, the Adviser has the responsibility to manage the business of MSC Income Fund, including the responsibility to identify, evaluate, negotiate and structure prospective investments, make investment and portfolio management decisions, monitor MSC Income Fund’s investment portfolio and provide ongoing administrative services.

MSIF has certain direct and indirect wholly-owned subsidiaries that have elected to be taxable entities (the “Taxable Subsidiaries”). The primary purpose of the Taxable Subsidiaries is to permit MSIF to hold equity investments in portfolio companies which are “pass-through” entities for tax purposes. MSIF also has certain direct and indirect wholly-owned subsidiaries formed for financing purposes (the “Structured Subsidiaries”).

Unless otherwise noted or the context otherwise indicates, the terms “we,” “us,” “our,” the “Company” and “MSC Income Fund” refer to MSIF and its consolidated subsidiaries, which include the Taxable Subsidiaries and the Structured Subsidiaries.

**2. Basis of Presentation**

MSC Income Fund’s consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). The Company is an investment company following accounting and reporting guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, Financial Services—Investment Companies (“ASC 946”). For each of the periods presented herein, MSC Income Fund’s consolidated financial statements include the accounts of MSIF and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of MSC Income Fund’s investments in Private Loan portfolio companies, investments in LMM portfolio companies, investments in Middle Market portfolio companies and Other Portfolio investments (see *Note C — Fair Value Hierarchy for Investments — Portfolio Composition — Investment Portfolio Composition* for additional discussion of MSC Income Fund’s Investment Portfolio and definitions for the defined terms Private Loan and Other Portfolio). MSC Income Fund’s results of operations for the three and nine months ended September 30, 2023 and 2022, cash flows for the nine months ended September 30, 2023 and 2022, and financial position as of September 30, 2023 and December 31, 2022, are presented on a consolidated basis. The effects of all intercompany transactions between MSIF and its consolidated subsidiaries have been eliminated in consolidation.



MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

The accompanying unaudited consolidated financial statements of MSC Income Fund are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6, 10 and 12 of Regulation S-X. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. The unaudited consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2022. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and nine months ended September 30, 2023 are not necessarily indicative of the operating results to be expected for the full year. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the consolidated financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

***Principles of Consolidation***

Under ASC 946, MSC Income Fund is precluded from consolidating other entities in which MSC Income Fund has equity investments, including those in which it has a controlling interest, unless the other entity is another investment company. An exception to this general principle in ASC 946 occurs if MSC Income Fund holds a controlling interest in an operating company that provides all or substantially all of its services directly to MSC Income Fund. Accordingly, as noted above, MSC Income Fund's consolidated financial statements include the financial position and operating results for the Taxable Subsidiaries and the Structured Subsidiaries. MSC Income Fund has determined that none of its portfolio investments qualify for this exception. Therefore, MSC Income Fund's Investment Portfolio is carried on the Consolidated Balance Sheets at fair value, as discussed further in *Note B.1. — Summary of Significant Accounting Policies — Valuation of the Investment Portfolio*, with any adjustments to fair value recognized as "Net Unrealized Appreciation (Depreciation)" until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss)," in both cases on the Consolidated Statements of Operations.

***Portfolio Investment Classification***

MSC Income Fund classifies its Investment Portfolio in accordance with the requirements of the 1940 Act. Under the 1940 Act, (a) "Control Investments" are defined as investments in which MSC Income Fund owns more than 25% of the voting securities or has rights to maintain greater than 50% of the board representation, (b) "Affiliate Investments" are defined as investments in which MSC Income Fund owns between 5% and 25% (inclusive) of the voting securities and does not have rights to maintain greater than 50% of the board representation and (c) "Non-Control/Non-Affiliate Investments" are defined as investments that are neither Control Investments nor Affiliate Investments. For purposes of determining the classification of its Investment Portfolio, MSC Income Fund has excluded consideration of any voting securities or board appointment rights held by Main Street and third-party investment funds advised by the Adviser.

**NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Valuation of the Investment Portfolio**

MSC Income Fund accounts for its Investment Portfolio at fair value. As a result, MSC Income Fund follows the provisions of ASC 820 *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 requires MSC Income Fund to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact.

MSC Income Fund's portfolio strategy calls for it to invest primarily in debt securities issued by Middle Market companies and illiquid debt and equity securities issued by privately held, LMM companies. The Middle Market companies in which MSC Income Fund invests are generally larger in size than the LMM companies and their debt

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

securities can be more liquid than the debt securities issued by LMM companies. MSC Income Fund categorizes some of its investments in Middle Market companies and LMM companies as Private Loan portfolio investments, which are primarily debt securities in privately held companies that have primarily been originated directly by our Adviser or, to a lesser extent, by the 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, MSC Income Fund’s 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 made in companies that are consistent with the size of companies MSC Income Fund invests in through its Middle Market portfolio and LMM portfolio. MSC Income Fund’s portfolio also includes Other Portfolio investments which primarily consist of investments that are not consistent with the typical profiles for its Private Loan, LMM or Middle Market portfolio investments, including investments which may be managed by third parties. MSC Income Fund’s portfolio investments may be subject to restrictions on resale.

LMM investments and Other Portfolio investments generally have no established trading market, while Private Loan investments may include investments which have no established market or have established markets that are not active. Middle Market portfolio investments generally have established markets that are not active. MSC Income Fund determines in good faith the fair value of its Investment Portfolio pursuant to a valuation policy in accordance with ASC 820, with such valuation process approved by its Board of Directors and in accordance with the 1940 Act. MSC Income Fund’s valuation policies and processes are intended to provide a consistent basis for determining the fair value of MSC Income Fund’s Investment Portfolio.

For Private Loan and Middle Market portfolio investments in debt securities for which it has determined that third-party quotes or other independent pricing are not available or appropriate, MSC Income Fund generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value the investment in a current hypothetical sale using the yield-to-maturity model (“Yield-to-Maturity”) valuation method. For LMM portfolio investments, MSC Income Fund generally reviews external events, including private mergers, sales and acquisitions involving comparable companies, and includes these events in the valuation process by using an enterprise value waterfall methodology (“Waterfall”) for its LMM equity investments and an income approach using a Yield-to-Maturity valuation method for its LMM debt investments. For Middle Market portfolio investments in debt securities for which it has determined that third-party quotes or other independent prices are available, MSC Income Fund primarily uses quoted prices in the valuation process. MSC Income Fund determines the appropriateness of the use of third-party broker quotes, if any, in determining fair value based on its understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or binding offer, the depth and consistency of broker quotes and the correlation of changes in broker quotes with underlying performance of the portfolio company and other market indices. For its Other Portfolio equity investments, MSC Income Fund generally calculates the fair value of the investment primarily based on the net asset value (“NAV”) of the fund and adjusts the fair value for other factors deemed relevant that would affect the fair value of the investment. All of the valuation approaches for MSC Income Fund’s portfolio investments estimate the value of the investment as if MSC Income Fund was to sell, or exit, the investment as of the measurement date.

These valuation approaches consider the value associated with MSC Income Fund’s ability to control the capital structure of the portfolio company, as well as the timing of a potential exit. For valuation purposes, “control” portfolio investments are composed of debt and equity securities in companies for which MSC Income Fund has a controlling interest in the equity ownership of the portfolio company or the ability to nominate a majority of the portfolio company’s board of directors. For valuation purposes, “non-control” portfolio investments are generally composed of debt and equity securities in companies for which MSC Income Fund does not have a controlling interest in the equity ownership of the portfolio company or the ability to nominate a majority of the portfolio company’s board of directors.

Under the Waterfall valuation method, MSC Income Fund estimates the enterprise value of a portfolio company using a combination of market and income approaches or other appropriate valuation methods, such as considering recent transactions in the equity securities of the portfolio company or third-party valuations of the portfolio company, and then performs a Waterfall calculation by allocating the enterprise value over the portfolio company’s securities in order of their preference relative to one another. The enterprise value is the fair value at which an enterprise could be sold in a transaction between two willing parties, other than through a forced or liquidation sale. Typically, privately held companies are bought and sold based on multiples of earnings before interest, taxes, depreciation and amortization (“EBITDA”), cash flows, net

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

income, revenues, or in limited cases, book value. There is no single methodology for estimating enterprise value. For any one portfolio company, enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In estimating the enterprise value of a portfolio company, MSC Income Fund analyzes various factors including the portfolio company's historical and projected financial results. Due to SEC deadlines for MSC Income Fund's quarterly and annual financial reporting, the operating results of a portfolio company used in the current period valuation are generally the results from the period ended three months prior to such valuation date and may include unaudited, projected, budgeted or pro forma financial information and may require adjustments for non-recurring items or to normalize the operating results that may require significant judgment in determining. In addition, projecting future financial results requires significant judgment regarding future growth assumptions. In evaluating the operating results, MSC Income Fund also analyzes the impact of exposure to litigation, loss of customers or other contingencies. After determining the appropriate enterprise value, MSC Income Fund allocates the enterprise value to investments in order of the legal priority of the various components of the portfolio company's capital structure. In applying the Waterfall valuation method, MSC Income Fund assumes the loans are paid-off at the principal amount in a change in control transaction and are not assumed by the buyer, which MSC Income Fund believes is consistent with its past transaction history and standard industry practices.

Under the Yield-to-Maturity valuation method, MSC Income Fund also uses the income approach to determine the fair value of debt securities based on projections of the discounted future free cash flows that the debt security will likely generate, including analyzing the discounted cash flows of interest and principal amounts for the debt security, as set forth in the associated loan agreements, as well as the financial position and credit risk of the portfolio company. MSC Income Fund's estimate of the expected repayment date of its debt securities is generally the maturity date of the instrument, as MSC Income Fund generally intends to hold its loans and debt securities to maturity. The Yield-to-Maturity analysis also considers changes in leverage levels, credit quality, portfolio company performance, changes in market-based interest rates and other factors. MSC Income Fund will generally use the value determined by the Yield-to-Maturity analysis as the fair value for that security; however, because of MSC Income Fund's general intent to hold its loans to maturity, the fair value will not exceed the principal amount of the debt security valued using the Yield-to-Maturity valuation method. A change in the assumptions that MSC Income Fund uses to estimate the fair value of its debt securities using the Yield-to-Maturity valuation method could have a material impact on the determination of fair value. If there is deterioration in credit quality or if a debt security is in workout status, MSC Income Fund may consider other factors in determining the fair value of the debt security, including the value attributable to the debt security from the enterprise value of the portfolio company or the proceeds that would most likely be received in a liquidation analysis.

Under the NAV valuation method, for an investment in an investment fund that does not have a readily determinable fair value, MSC Income Fund measures the fair value of the investment predominately based on the NAV of the investment fund as of the measurement date and adjusts the investment's fair value for factors known to MSC Income Fund that would affect that fund's NAV, including, but not limited to, fair values for individual investments held by the fund if MSC Income Fund holds the same investment or for a publicly traded investment. In addition, in determining the fair value of the investment, MSC Income Fund considers whether adjustments to the NAV are necessary in certain circumstances, based on the analysis of any restrictions on redemption of MSC Income Fund's investment as of the measurement date, recent actual sales or redemptions of interests in the investment fund, and expected future cash flows available to equity holders, including the rate of return on those cash flows compared to an implied market return on equity required by market participants, or other uncertainties surrounding MSC Income Fund's ability to realize the full NAV of its interests in the investment fund.

Pursuant to its internal valuation process and the requirements under the 1940 Act, MSC Income Fund performs valuation procedures on each of its portfolio investments quarterly. In addition to its internal valuation process, in arriving at estimates of fair value for its investments in its Private Loan portfolio companies, MSC Income Fund, among other things, consults with a nationally recognized independent financial advisory services firm (the "Financial Advisory Firm"). The Financial Advisory Firm analyzes and provides observations and recommendations and an assurance certification regarding MSC Income Fund's determinations of the fair value of its Private Loan portfolio company investments. The Financial Advisory Firm is generally consulted relative to MSC Income Fund's investments in each Private Loan portfolio company at least once every calendar year, and for MSC Income Fund's investments in new Private Loan portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain instances, MSC Income Fund may determine that it is not cost-effective, and as a result is not in its stockholders' best interest, to consult with the

**MSC INCOME FUND, INC.****Notes to the Consolidated Financial Statements (Continued)****(Unaudited)**

Financial Advisory Firm on its investments in one or more Private Loan portfolio companies. Such instances include, but are not limited to, situations where the fair value of MSC Income Fund's investment in a Private Loan portfolio company is determined to be insignificant relative to the total Investment Portfolio. MSC Income Fund consulted with and received an assurance certification from the Financial Advisory Firm in arriving at its determination of fair value for its investments in a total of 14 and 13 Private Loan portfolio companies for the three months ended September 30, 2023 and 2022, respectively, representing 21% and 18% of the total Private Loan portfolio at fair value as of September 30, 2023 and 2022, respectively. A total of 56 Private Loan portfolio companies were reviewed by the Financial Advisory Firm for the trailing twelve months ended September 30, 2023, representing 79% of the total Private Loan portfolio at fair value as of September 30, 2023. Excluding its investments in Private Loan portfolio companies that, as of September 30, 2023, had not been in the Investment Portfolio for at least twelve months subsequent to the initial investment and its investments in Private Loan portfolio companies that were not reviewed because the investment is valued based upon third-party quotes or other independent pricing, the percentage of the Private Loan portfolio reviewed and certified by the Financial Advisory Firm for the trailing twelve months ended September 30, 2023 was 91% of the total Private Loan portfolio at fair value.

For valuation purposes, all of MSC Income Fund's Private Loan portfolio investments are non-control investments. For Private Loan portfolio investments for which it has determined that third-party quotes or other independent pricing are not available or appropriate, MSC Income Fund generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value such Private Loan debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method and such Private Loan equity investments in a current hypothetical sale using the Waterfall valuation method.

In addition to its internal valuation process, in arriving at estimates of fair value for its investments in its LMM portfolio companies, MSC Income Fund, among other things, consults with the Financial Advisory Firm. The Financial Advisory Firm analyzes and provides observations, recommendations and an assurance certification regarding MSC Income Fund's determinations of the fair value of its LMM portfolio company investments. The Financial Advisory Firm is generally consulted relative to MSC Income Fund's investments in each LMM portfolio company at least once every calendar year, and for MSC Income Fund's investments in new LMM portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain instances, MSC Income Fund may determine that it is not cost-effective, and as a result is not in its stockholders' best interest, to consult with the Financial Advisory Firm on its investments in one or more LMM portfolio companies. Such instances include, but are not limited to, situations where the fair value of MSC Income Fund's investment in a LMM portfolio company is determined to be insignificant relative to the total Investment Portfolio. MSC Income Fund consulted with and received an assurance certification from the Financial Advisory Firm in arriving at MSC Income Fund's determination of fair value for its investments in a total of 12 and 11 LMM portfolio companies for the three months ended September 30, 2023 and 2022, respectively, representing 25% of the total LMM portfolio at fair value as of both September 30, 2023 and September 30, 2022. A total of 46 LMM portfolio companies were reviewed by the Financial Advisory Firm for the trailing twelve months ended September 30, 2023, representing 95% of the total LMM portfolio at fair value as of September 30, 2023. Excluding its investments in LMM portfolio companies that, as of September 30, 2023, had not been in the Investment Portfolio for at least twelve months subsequent to the initial investment or whose primary purpose is to own real estate for which a third-party appraisal is obtained on at least an annual basis, the percentage of the LMM portfolio reviewed and certified by the Financial Advisory Firm for the trailing twelve months ended September 30, 2023 was 100% of the total LMM portfolio at fair value.

For valuation purposes, all of MSC Income Fund's Middle Market portfolio investments are non-control investments. To the extent sufficient observable inputs are available to determine fair value, MSC Income Fund uses observable inputs to determine the fair value of these investments through obtaining third-party quotes or other independent pricing. For Middle Market portfolio investments for which it has determined that third-party quotes or other independent pricing are not available or appropriate, MSC Income Fund generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value such Middle Market debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method and such Middle Market equity investments in a current hypothetical sale using the Waterfall valuation method. MSC Income Fund generally consults on a limited basis with the Financial Advisory Firm in connection with determining the fair value of its Middle Market portfolio investments due to the nature of these investments. The vast majority (93% and 91% as of September 30, 2023 and December 31, 2022, respectively) of the Middle Market portfolio investments (i) are valued using third-party quotes or other independent pricing services, (ii) MSC Income Fund has consulted with and received an assurance certification from the Financial

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

Advisory Firm within the last twelve months or (iii) are new investments that have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment.

For valuation purposes, all of MSC Income Fund's Other Portfolio investments are non-control investments. MSC Income Fund's Other Portfolio investments comprised 2.4% and 2.7% of MSC Income Fund's Investment Portfolio at fair value as of September 30, 2023 and December 31, 2022, respectively. Similar to the LMM investment portfolio, market quotations for Other Portfolio equity investments are generally not readily available. For its Other Portfolio equity investments, MSC Income Fund generally determines the fair value of these investments using the NAV valuation method.

Due to the inherent uncertainty in the valuation process, MSC Income Fund's determination of fair value for its Investment Portfolio may differ materially from the values that would have been determined had a ready market for the securities existed. In addition, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. MSC Income Fund determines the fair value of each individual investment and records changes in fair value as unrealized appreciation or depreciation.

MSC Income Fund uses an internally developed portfolio investment rating system in connection with its investment oversight, portfolio management and analysis and investment valuation procedures for its Private Loan, LMM and Middle Market portfolio companies. This system takes into account both quantitative and qualitative factors of each Private Loan, LMM and Middle Market portfolio company.

In December 2020, the SEC adopted Rule 2a-5 under the 1940 Act, which permits a BDC's board of directors to designate its executive officers or investment adviser as a valuation designee to determine the fair value for its investment portfolio, subject to the active oversight of the board. MSC Income Fund's Board of Directors has approved policies and procedures pursuant to Rule 2a-5 (the "Valuation Procedures") and has designated the Adviser, led by a group of Main Street's and the Adviser's executive officers, to serve as the Board of Directors' valuation designee. MSC Income Fund believes its Investment Portfolio as of September 30, 2023 and December 31, 2022 approximates fair value as of those dates based on the markets in which it operates and other conditions in existence on those reporting dates.

**2. Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from these estimates under different conditions or assumptions. Additionally, as explained in *Note B.1. — Summary of Significant Accounting Policies — Valuation of the Investment Portfolio*, the consolidated financial statements include investments in the Investment Portfolio whose values have been estimated by MSC Income Fund pursuant to valuation policies and procedures approved and overseen by MSC Income Fund's Board of Directors, in the absence of readily ascertainable market values. Because of the inherent uncertainty of the Investment Portfolio valuations, those estimated values may differ materially from the values that would have been determined had a ready market for the securities existed.

Macroeconomic factors, including pandemics, risk of recession, inflation, supply chain constraints or disruptions, geopolitical disruptions and rising market index interest rates, and the related effect on the U.S. and global economies, have impacted, and may continue to impact, the businesses and operating results of certain of MSC Income Fund's portfolio companies. As a result of these and other current effects of macroeconomic factors, as well as the uncertainty regarding the extent and duration of their impact, the valuation of MSC Income Fund's Investment Portfolio has and may continue to experience increased volatility.

**3. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and highly liquid investments with an original maturity of three months or less at the date of purchase. Cash and cash equivalents are carried at cost, which approximates fair value. At

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

September 30, 2023, the Company had \$19.6 million of cash equivalents invested in AAA-rated money market funds. These highly liquid, short-term investments are included in the Consolidated Schedule of Investments.

At September 30, 2023 and December 31, 2022, cash balances totaling \$3.2 million and \$11.7 million, respectively, exceeded Federal Deposit Insurance Corporation insurance protection levels, subjecting the Company to risk related to the uninsured balance.

**4. Interest, Dividend and Fee Income**

MSC Income Fund records interest and dividend income on the accrual basis to the extent amounts are expected to be collected. Dividend income is recorded when dividends are declared by the portfolio company or at such other time that an obligation exists for the portfolio company to make a distribution. MSC Income Fund evaluates accrued interest and dividend income periodically for collectability. When a loan or debt security becomes 90 days or more past due, and if MSC Income Fund otherwise does not expect the debtor to be able to service its debt obligation, MSC Income Fund will generally place the loan or debt security on non-accrual status and cease recognizing interest income on that loan or debt security until the borrower has demonstrated the ability and intent to pay contractual amounts due. If a loan or debt security's status significantly improves regarding the debtor's ability to service the debt obligation, or if a loan or debt security is sold or written off, MSC Income Fund removes it from non-accrual status.

As of September 30, 2023, investments on non-accrual status comprised 1.7% of MSC Income Fund's total Investment Portfolio at fair value and 5.2% at cost. As of December 31, 2022, investments on non-accrual status comprised 0.8% of MSC Income Fund's total Investment Portfolio at fair value and 4.8% at cost.

MSC Income Fund holds certain debt and preferred equity instruments in its Investment Portfolio that contain payment-in-kind ("PIK") interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed in *Note B.7. — Summary of Significant Accounting Policies — Income Taxes* below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though MSC Income Fund may not have collected the PIK interest and cumulative dividends in cash. MSC Income Fund stops accruing PIK interest and cumulative dividends and writes off any accrued and uncollected interest and dividends in arrears when it determines that such PIK interest and dividends in arrears are no longer collectible. For the three months ended September 30, 2023 and 2022, (i) 4.6% and 2.3%, respectively, of MSC Income Fund's total investment income was attributable to PIK interest income not paid currently in cash and (ii) 0.1% and 0.4%, respectively, of MSC Income Fund's total investment income was attributable to cumulative dividend income not paid currently in cash. For the nine months ended September 30, 2023 and 2022, (i) 3.9% and 2.5%, respectively, of MSC Income Fund's total investment income was attributable to PIK interest income not paid currently in cash and (ii) 0.1% and 0.8%, respectively, of MSC Income Fund's total investment income was attributable to cumulative dividend income not paid currently in cash.

MSC Income Fund may periodically provide services, including structuring and advisory services, to its portfolio companies or other third parties. For services that are separately identifiable and evidence exists to substantiate fair value, fee income is recognized as earned. Fees received in connection with debt financing transactions are generally deferred and accreted into income over the life of the financing.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

A presentation of total investment income MSC Income Fund received from its Investment Portfolio in each of the periods presented is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(dollars in thousands)			
Interest, fee and dividend income:				
Interest income	\$ 29,400	\$ 23,346	\$ 86,791	\$ 64,577
Dividend income	2,399	2,166	7,862	7,430
Fee income	552	539	1,973	1,784
Total interest, fee and dividend income	<u>\$ 32,351</u>	<u>\$ 26,051</u>	<u>\$ 96,626</u>	<u>\$ 73,791</u>

**5. Deferred Financing Costs**

Deferred financing costs include commitment fees and other direct costs incurred in connection with arranging MSC Income Fund's borrowings. These costs were incurred in connection with MSC Income Fund's multi-year revolving Credit Facilities (as defined below in *Note D — Debt*) and have been capitalized as an asset and reflected in the Consolidated Balance Sheets as Deferred financing costs. Deferred financing costs incurred in connection with the Series A Notes (as defined below in *Note D — Debt*) are a direct deduction from the principal amount outstanding.

**6. Unearned Income—Debt Origination Fees and Original Issue Discount and Discounts / Premiums to Par Value**

MSC Income Fund capitalizes debt origination fees received in connection with financings and reflects such fees as unearned income netted against the applicable debt investments. The unearned income from the fees is accreted into income over the life of the financing.

In connection with its portfolio debt investments, MSC Income Fund sometimes receives nominal cost warrants or warrants with an exercise price below the fair value of the underlying equity (together, "nominal cost equity") that are valued as part of the negotiation process with the particular portfolio company. When MSC Income Fund receives nominal cost equity, it allocates its cost basis in its investment between its debt security and its nominal cost equity at the time of origination based on amounts negotiated with the particular portfolio company. The allocated amounts are based upon the fair value of the nominal cost equity, which is then used to determine the allocation of cost to the debt security. Any discount recorded on a debt investment resulting from this allocation is reflected as unearned income, which is netted against the applicable debt investment, and accreted into interest income over the life of the debt investment. The actual collection of this interest is deferred until the time of debt principal repayment.

MSC Income Fund may also purchase debt securities at a discount or at a premium to the par value of the debt security. In the case of a purchase at a discount, MSC Income Fund records the investment at the par value of the debt security net of the discount, and the discount is accreted into interest income over the life of the debt investment. In the case of a purchase at a premium, MSC Income Fund records the investment at the par value of the debt security plus the premium, and the premium is amortized as a reduction to interest income over the life of the debt investment.

To maintain RIC tax treatment (as discussed in *Note B.7. — Summary of Significant Accounting Policies — Income Taxes* below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though MSC Income Fund may not have collected the interest income. For the three months ended September 30, 2023 and 2022, 2.6% and 2.3%, respectively, of MSC Income Fund's total investment income was attributable to interest income from the accretion of discounts associated with debt investments, net of any premium amortization. For each of the nine months ended September 30, 2023 and 2022, 2.6% of MSC Income Fund's total investment income was attributable to interest income from the accretion of discounts associated with debt investments, net of any premium amortization.

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

**7. Income Taxes**

MSIF has elected to be treated for U.S. federal income tax purposes as a RIC. MSIF's taxable income includes the taxable income generated by MSIF and certain of its subsidiaries, including the Structured Subsidiaries, which are treated as disregarded entities for tax purposes. As a RIC, MSIF generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that MSIF distributes to its stockholders. MSIF must generally distribute at least 90% of its "investment company taxable income" (which is generally its net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses) and 90% of its tax-exempt income to maintain its RIC status (pass-through tax treatment for amounts distributed). As part of maintaining RIC status, undistributed taxable income (subject to a 4% non-deductible U.S. federal excise tax) pertaining to a given fiscal year may be distributed up to twelve months subsequent to the end of that fiscal year, provided such dividends are declared on or prior to the later of (i) the filing of the U.S. federal income tax return for the applicable fiscal year or (ii) the fifteenth day of the ninth month following the close of the year in which such taxable income was generated.

The Taxable Subsidiaries primarily hold certain equity investments for MSC Income Fund. The Taxable Subsidiaries permit MSC Income Fund to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes and to continue to comply with the "source-of-income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are consolidated with MSC Income Fund for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in MSC Income Fund's consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSIF for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities, as a result of their ownership of certain portfolio investments. The taxable income, or loss, of the Taxable Subsidiaries may differ from their book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at corporate income tax rates based on their taxable income. The income tax expense, or benefit, if any, and the related tax assets and liabilities, of the Taxable Subsidiaries are reflected in MSC Income Fund's consolidated financial statements.

The Taxable Subsidiaries use the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements, using statutory tax rates in effect for the year in which the temporary differences are expected to reverse. A valuation allowance is provided, if necessary, against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. MSC Income Fund's net assets as included on the Consolidated Balance Sheets and Consolidated Statements of Changes in Net Assets include an adjustment to classification as a result of permanent book-to-tax differences, which include differences in the book and tax treatment of income and expenses.

Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. Taxable income generally excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

**8. Net Realized Gains or Losses and Net Unrealized Appreciation or Depreciation**

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption of an investment or a financial instrument and the cost basis of the investment or financial instrument, without regard to unrealized appreciation or depreciation previously recognized, and includes investments written-off during the period net of recoveries and realized gains or losses from in-kind redemptions. Net unrealized appreciation or depreciation reflects the net change in the fair value of the Investment Portfolio and financial instruments and the reclassification of any prior period unrealized appreciation or depreciation on exited investments and financial instruments to realized gains or losses.

**9. Fair Value of Financial Instruments**

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. MSC Income Fund believes that the carrying amounts of its financial instruments, consisting of cash and cash



MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

equivalents, receivables, payables and other liabilities approximate the fair values of such items due to the short-term nature of these instruments.

To estimate the fair value of MSC Income Fund's Series A Notes as disclosed in *Note D — Debt*, MSC Income Fund uses the Yield-to-Maturity valuation method based on projections of the discounted future free cash flows that the debt security will likely generate, including both the discounted cash flows of the associated interest and principal amounts for the debt security.

**10. Earnings per Share**

Net increase in net assets resulting from operations per share and net investment income per share are computed utilizing the weighted-average number of shares of common stock outstanding for the period.

**11. Recently Issued or Adopted Accounting Standards**

In March 2020, the FASB issued ASU 2020-04, *Reference rate reform (Topic 848) — Facilitation of the effects of reference rate reform on financial reporting*. The amendments in this update provide optional expedients and exceptions for applying U.S. GAAP to certain contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform and became effective upon issuance for all entities. The Company has agreements that have LIBOR as a reference rate with certain portfolio companies and also with certain lenders. Many of these agreements include language for choosing an alternative successor rate if LIBOR reference is no longer considered to be appropriate. Contract modifications are required to be evaluated in determining whether the modifications result in the establishment of new contracts or the continuation of existing contracts. The Company adopted this amendment in March 2020 and plans to apply the amendments in this update to account for contract modifications due to changes in reference rates when LIBOR reference is no longer used.

In November 2022, the FASB issued ASU 2022-06, *Reference rate reform (Topic 848) — Deferral of the Sunset Date of Topic 848*, which deferred the sunset date of Topic 848 from December 31, 2022 to December 31, 2024 after which entities will no longer be permitted to apply the relief in Topic 848. The Company utilized the optional expedients and exceptions provided by ASU 2020-04 and extended by ASU 2022-06 during the nine months ended September 30, 2023 and the year ended December 31, 2022, the effect of which was not material to the consolidated financial statements and the notes thereto. The Company will continue to utilize the optional expedients provided by ASU 2020-04 and extended by ASU 2022-06 through December 31, 2024. The Company does not expect ASU 2022-06 to have a material impact to the consolidated financial statements and the notes thereto.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in this update provide that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments in this update also require additional disclosures for equity securities subject to contractual sales restrictions. ASU 2022-03 is effective for years beginning after December 15, 2023, though early adoption is permitted. The Company elected to early adopt ASU 2022-03 as of December 31, 2022 and it did not have a material impact on the consolidated financial statements and the notes thereto.

From time to time, new accounting pronouncements are issued by the FASB or other standards-setting bodies that are adopted by the Company as of the specified effective date. The Company believes that the impact of recently issued standards and any that are not yet effective will not have a material impact on its consolidated financial statements upon adoption.

**NOTE C — FAIR VALUE HIERARCHY FOR INVESTMENTS—PORTFOLIO COMPOSITION**

ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. MSC Income Fund accounts for its investments at fair value.

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

**Fair Value Hierarchy**

In accordance with ASC 820, MSC Income Fund has categorized its investments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical investments (Level 1) and the lowest priority to unobservable inputs (Level 3).

Investments recorded on MSC Income Fund's Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 — Investments whose values are based on unadjusted quoted prices for identical assets in an active market that MSC Income Fund has the ability to access (examples include investments in active exchange-traded equity securities and investments in most U.S. government and agency securities).

Level 2 — Investments whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investment. Level 2 inputs include the following:

- Quoted prices for similar assets in active markets (for example, investments in restricted stock);
- Quoted prices for identical or similar assets in non-active markets (for example, investments in thinly traded public companies);
- Pricing models whose inputs are observable for substantially the full term of the investment (for example, market interest rate indices); and
- Pricing models whose inputs are derived principally from, or corroborated by, observable market data through correlation or other means for substantially the full term of the investment.

Level 3 — Investments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (for example, investments in illiquid securities issued by privately held companies). These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the investment.

As required by ASC 820, when the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized within the Level 3 tables below may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

As of September 30, 2023 and December 31, 2022, MSC Income Fund's Private Loan portfolio investments primarily consisted of investments in interest-bearing secured debt investments. The fair value determination for these investments consisted of a combination of observable inputs in non-active markets for which sufficient observable inputs were not available to determine the fair value of these investments and unobservable inputs. As a result, all of MSC Income Fund's Private Loan portfolio investments were categorized as Level 3 as of September 30, 2023 and December 31, 2022.

As of September 30, 2023 and December 31, 2022, all of MSC Income Fund's LMM portfolio investments consisted of illiquid securities issued by privately held companies and the fair value determination for these investments primarily consisted of unobservable inputs. As a result, all of MSC Income Fund's LMM portfolio investments were categorized as Level 3 as of September 30, 2023 and December 31, 2022.

As of September 30, 2023 and December 31, 2022, MSC Income Fund's Middle Market portfolio investments consisted primarily of investments in secured and unsecured debt investments and independently rated debt investments. The fair value determination for these investments consisted of a combination of observable inputs in non-active markets

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

for which sufficient observable inputs were not available to determine the fair value of these investments and unobservable inputs. As a result, all of MSC Income Fund's Middle Market portfolio investments were categorized as Level 3 as of September 30, 2023 and December 31, 2022.

As of September 30, 2023 and December 31, 2022, MSC Income Fund's Other Portfolio investments consisted of illiquid securities issued by privately held entities and the fair value determination for these investments primarily consisted of unobservable inputs. As a result, all of MSC Income Fund's Other Portfolio investments were categorized as Level 3 as of September 30, 2023 and December 31, 2022.

The fair value determination of each portfolio investment categorized as Level 3 required one or more of the following unobservable inputs:

- Financial information obtained from each portfolio company, including unaudited statements of operations and balance sheets for the most recent period available as compared to budgeted numbers;
- Current and projected financial condition of the portfolio company;
- Current and projected ability of the portfolio company to service its debt obligations;
- Type and amount of collateral, if any, underlying the investment;
- Current financial ratios (e.g., fixed charge coverage ratio, interest coverage ratio and net debt/ EBITDA ratio) applicable to the investment;
- Current liquidity of the investment and related financial ratios (e.g., current ratio and quick ratio);
- Pending debt or capital restructuring of the portfolio company;
- Projected operating results of the portfolio company;
- Current information regarding any offers to purchase the investment;
- Current ability of the portfolio company to raise any additional financing as needed;
- Changes in the economic environment which may have a material impact on the operating results of the portfolio company;
- Internal occurrences that may have an impact (both positive and negative) on the operating performance of the portfolio company;
- Qualitative assessment of key management;
- Contractual rights, obligations or restrictions associated with the investment; and
- Other factors deemed relevant.

The use of significant unobservable inputs creates uncertainty in the measurement of fair value as of the reporting date. The significant unobservable inputs used in the fair value measurement of MSC Income Fund's LMM equity securities, which are generally valued through an average of the discounted cash flow technique and the market comparable/enterprise value technique (unless one of these approaches is determined to not be appropriate), are (i) EBITDA multiples and (ii) the weighted-average cost of capital ("WACC"). Significant increases (decreases) in EBITDA multiple inputs in isolation would result in a significantly higher (lower) fair value measurement. On the contrary, significant increases (decreases) in WACC inputs in isolation would result in a significantly lower (higher) fair value measurement. The significant unobservable inputs used in the fair value measurement of MSC Income Fund's Private

**MSC INCOME FUND, INC.**
**Notes to the Consolidated Financial Statements (Continued)**
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Loan, LMM and Middle Market securities are (i) risk adjusted discount rates used in the Yield-to-Maturity valuation technique (see *Note B.1. — Summary of Significant Accounting Policies — Valuation of the Investment Portfolio*) and (ii) the percentage of expected principal recovery. Significant increases (decreases) in any of these discount rates in isolation would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in any of these expected principal recovery percentages in isolation would result in a significantly higher (lower) fair value measurement. However, due to the nature of certain investments, fair value measurements may be based on other criteria, such as third-party appraisals of collateral and fair values as determined by independent third parties, which are not presented in the tables below.

The following tables provide a summary of the significant unobservable inputs used to fair value MSC Income Fund's Level 3 portfolio investments as of September 30, 2023 and December 31, 2022:

Type of Investment	Fair Value as of September 30, 2023 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	\$ 236,631	Discounted cash flow	WACC	10.7% - 22.5%	14.4 %	15.6 %
		Market comparable / Enterprise value	EBITDA multiple (1)	4.5x - 9.0x (2)	7.2x	6.4x
Debt investments	\$ 791,484	Discounted cash flow	Risk adjusted discount factor (4)	9.8% - 17.7% (2)	13.6 %	13.0 %
			Expected principal recovery percentage	0.7% - 100.0%	99.2 %	100.0 %
Debt investments	\$ 75,698	Market approach	Third-party quote	4.5 - 98.4	86.7	94.0
Total Level 3 investments	<u>\$ 1,103,813</u>					

(1) EBITDA may include proforma adjustments and/or other add-backs based on specific circumstances related to each investment.

(2) Range excludes outliers that are greater than one standard deviation from the mean. Including these outliers, the range for EBITDA multiple is 2.0x - 15.7x and the range for risk adjusted discount factor is 7.5% - 33.5%.

(3) Does not include investments for which the valuation technique does not include the use of the applicable fair value input.

(4) Discount rate includes the effect of the standard LIBOR and SOFR base rate, as applicable.

Type of Investment	Fair Value as of December 31, 2022 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	\$ 215,861	Discounted cash flow	WACC	10.4% - 22.5%	14.3 %	15.7 %
		Market comparable / Enterprise value	EBITDA multiple (1)	4.3x - 8.5x (2)	7.2x	6.4x
Debt investments	\$ 743,887	Discounted cash flow	Risk adjusted discount factor (4)	8.5% - 18.2% (2)	13.0 %	12.4 %
			Expected principal recovery percentage	0.7% - 100.0%	99.1 %	100.0 %
Debt investments	\$ 108,395	Market approach	Third-party quote	5.6 - 98.5	85.7	90.0
Total Level 3 investments	<u>\$ 1,068,143</u>					

(1) EBITDA may include proforma adjustments and/or other add-backs based on specific circumstances related to each investment.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

- (2) Range excludes outliers that are greater than one standard deviation from the mean. Including these outliers, the range for EBITDA multiple is 2.0x - 15.7x and the range for risk adjusted discount factor is 6.5% - 43.3%.
- (3) Does not include investments for which the valuation technique does not include the use of the applicable fair value input.
- (4) Discount rate includes the effect of the standard LIBOR and SOFR base rate, as applicable.

The following tables provide a summary of changes in fair value of MSC Income Fund's Level 3 portfolio investments for the nine months ended September 30, 2023 and 2022 (amounts in thousands):

Type of Investment	Fair Value as of December 31, 2022	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of September 30, 2023
Debt	\$ 852,282	\$ —	\$ (146,652)	\$ 155,357	\$ 25,417	\$ (7,776)	\$ (11,446)	\$ 867,182
Equity	214,687	—	(12,686)	8,713	621	11,854	12,551	235,740
Equity Warrant	1,174	—	—	523	—	299	(1,105)	891
	<u>\$ 1,068,143</u>	<u>\$ —</u>	<u>\$ (159,338)</u>	<u>\$ 164,593</u>	<u>\$ 26,038</u>	<u>\$ 4,377</u>	<u>\$ —</u>	<u>\$ 1,103,813</u>

- (1) Includes the impact of non-cash conversions. These transactions represent non-cash investing activities. See additional cash flow information in the Consolidated Statements of Cash Flows.

Type of Investment	Fair Value as of December 31, 2021	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of September 30, 2022
Debt	\$ 879,970	\$ —	\$ (124,061)	\$ 168,053	\$ 855	\$ (33,407)	\$ (1,733)	\$ 889,677
Equity	196,374	—	(18,520)	5,011	(8,806)	30,562	1,733	206,354
Equity Warrant	792	—	—	—	—	(655)	—	137
	<u>\$ 1,077,136</u>	<u>\$ —</u>	<u>\$ (142,581)</u>	<u>\$ 173,064</u>	<u>\$ (7,951)</u>	<u>\$ (3,500)</u>	<u>\$ —</u>	<u>\$ 1,096,168</u>

- (1) Includes the impact of non-cash conversions. These transactions represent non-cash investing activities. See additional cash flow information in the Consolidated Statements of Cash Flows.

At September 30, 2023 and December 31, 2022, MSC Income Fund's investments at fair value were categorized as follows in the fair value hierarchy for ASC 820 purposes:

At September 30, 2023	Fair Value	Fair Value Measurements (in thousands)		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Private Loan portfolio investments	\$ 608,953	\$ —	\$ —	\$ 608,953
LMM portfolio investments	367,565	—	—	367,565
Middle Market portfolio investments	101,104	—	—	101,104
Other Portfolio investments	26,191	—	—	26,191
Total investments	<u>\$ 1,103,813</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,103,813</u>

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

At December 31, 2022	Fair Value	Fair Value Measurements (in thousands)		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Private Loan portfolio investments	\$ 559,763	\$ —	\$ —	\$ 559,763
LMM portfolio investments	352,661	—	—	352,661
Middle Market portfolio investments	126,744	—	—	126,744
Other Portfolio investments	28,975	—	—	28,975
Total investments	\$ 1,068,143	\$ —	\$ —	\$ 1,068,143

**Investment Portfolio Composition**

MSC Income Fund’s principal investment objective is to maximize its portfolio’s total return by generating current income from its debt investments and current income and capital appreciation from its equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. MSC Income Fund seeks to achieve its investment objective through its Private Loan, LMM and Middle Market investment strategies.

MSC Income Fund’s private loan (“Private Loan”) investment strategy is focused on investments in privately held companies that are generally consistent with the size of its LMM portfolio companies or Middle Market portfolio companies, and its Private Loan investments generally range in size from \$1 million to \$20 million. MSC Income Fund’s Private Loan investments primarily consist of debt securities that have primarily been originated directly by the Adviser or, to a lesser extent, by the 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. MSC Income Fund’s 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. MSC Income Fund may have the option to co-invest with Main Street and the private equity sponsor in the equity securities of its Private Loan portfolio companies.

MSC Income Fund’s LMM investment strategy is focused on investments in secured debt, equity warrants and direct equity investments in privately held, LMM companies based in the United States. MSC Income Fund’s LMM portfolio companies generally have annual revenues between \$10 million and \$150 million, and its LMM investments generally range in size from \$1 million to \$20 million. The LMM debt investments are typically secured by a first priority lien on the assets of the portfolio company, can include either fixed or floating rate terms and generally have a term of between five and seven years from the original investment date. In most LMM portfolio investments, MSC Income Fund receives nominally priced equity warrants and/or makes direct equity investments in connection with a debt investment.

MSC Income Fund’s Middle Market investment strategy is focused on investments in syndicated loans to or debt securities in Middle Market companies, which MSC Income Fund defines as companies with annual revenues between \$150 million and \$1.5 billion, and its Middle Market investments generally range in size from \$1 million to \$20 million. MSC Income Fund’s Middle Market portfolio debt investments are generally secured by a first priority lien on the assets of the portfolio company and typically have an expected duration of between three and seven years from the original investment date.

MSC Income Fund’s other portfolio (“Other Portfolio”) investments primarily consist of investments that are not consistent with the typical profiles for its Private Loan, LMM or Middle Market portfolio investments, including investments which may be managed by third parties. In the Other Portfolio, MSC Income Fund may incur indirect fees and expenses in connection with investments managed by third parties, such as investments in other investment companies or private funds. For Other Portfolio investments, MSC Income Fund generally receives distributions related to the assets held by the portfolio company. Those assets are typically expected to be liquidated over a five to ten-year period.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

Investment income, consisting of interest, dividends and fees, can fluctuate dramatically due to various factors, including the level of new investment activity, repayments of debt investments or sales of equity interests. Investment income in any given year could also be highly concentrated among several portfolio companies. For the three and nine months ended September 30, 2023 and 2022, MSC Income Fund did not record investment income from any single portfolio company in excess of 10% of total investment income.

The following tables provide a summary of MSC Income Fund's investments in the Private Loan, LMM and Middle Market portfolios as of September 30, 2023 and December 31, 2022 (this information excludes Other Portfolio investments, which are discussed further below).

	As of September 30, 2023		
	Private Loan	LMM (a)	Middle Market
	(dollars in millions)		
Number of portfolio companies	78	49	18
Fair value	\$ 609.0	\$ 367.6	\$ 101.1
Cost	\$ 611.3	\$ 301.4	\$ 130.0
Debt investments as a % of portfolio (at cost)	95.9 %	70.1 %	93.9 %
Equity investments as a % of portfolio (at cost)	4.1 %	29.9 %	6.1 %
% of debt investments at cost secured by first priority lien	99.4 %	100.0 %	100.0 %
Weighted-average annual effective yield (b)	13.1 %	12.9 %	12.8 %
Average EBITDA (c)	\$ 32.6	\$ 8.6	\$ 74.6

- (a) At September 30, 2023, MSC Income Fund had equity ownership in all of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was 9%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2023, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield on MSC Income Fund's debt portfolio as of September 30, 2023 including debt investments on non-accrual status was 12.3% for its Private Loan portfolio, 12.9% for its LMM portfolio and 10.2% for its Middle Market portfolio. The weighted-average annual effective yield is not reflective of what an investor in shares of MSC Income Fund's common stock will realize on its investment because it does not reflect MSC Income Fund's utilization of debt capital in its capital structure, MSC Income Fund's expenses or any sales load paid by an investor.
- (c) The average EBITDA is calculated using a weighted-average for the Private Loan and Middle Market portfolios and a simple average for the LMM portfolio. These calculations exclude certain portfolio companies, including one Private Loan portfolio company, as EBITDA is not a meaningful valuation metric for MSC Income Fund's investment in this portfolio company, and those portfolio companies whose primary purpose is to own real estate.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

	As of December 31, 2022		
	Private Loan	LMM (a)	Middle Market
	(dollars in millions)		
Number of portfolio companies	70	48	21
Fair value	\$ 559.8	\$ 352.7	\$ 126.7
Cost	\$ 563.0	\$ 312.5	\$ 159.7
Debt investments as a % of portfolio (at cost)	96.2 %	73.2 %	95.0 %
Equity investments as a % of portfolio (at cost)	3.8 %	26.8 %	5.0 %
% of debt investments at cost secured by first priority lien	99.4 %	99.9 %	98.5 %
Weighted-average annual effective yield (b)	11.8 %	12.1 %	11.3 %
Average EBITDA (c)	\$ 36.8	\$ 8.6	\$ 79.2

- (a) At December 31, 2022, MSC Income Fund had equity ownership in all of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was 9%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2022, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield on MSC Income Fund's debt portfolio as of December 31, 2022 including debt investments on non-accrual status was 11.4% for its Private Loan portfolio, 11.7% for its LMM portfolio and 9.7% for its Middle Market portfolio. The weighted-average annual effective yield is not reflective of what an investor in shares of MSC Income Fund's common stock will realize on its investment because it does not reflect MSC Income Fund's utilization of debt capital in its capital structure, MSC Income Fund's expenses or any sales load paid by an investor.
- (c) The average EBITDA is calculated using a weighted-average for the Private Loan and Middle Market portfolios and a simple average for the LMM portfolio. These calculations exclude certain portfolio companies, including one Private Loan portfolio company, as EBITDA is not a meaningful valuation metric for MSC Income Fund's investment in this portfolio company, and those portfolio companies whose primary purpose is to own real estate.

For the three months ended September 30, 2023 and 2022, MSC Income Fund achieved an annualized total return on investments of 2.0% and 10.5%, respectively. For the nine months ended September 30, 2023 and 2022, MSC Income Fund achieved an annualized total return on investments of 12.9% and 8.6%, respectively. For the year ended December 31, 2022, MSC Income Fund achieved a total return on investments of 9.1%. Total return on investments is calculated using the interest, dividend and fee income, as well as the realized and unrealized change in fair value of the Investment Portfolio for the specified period. MSC Income Fund's total return on investments is not reflective of what an investor in shares of MSC Income Fund's common stock will realize on its investment because it does not reflect MSC Income Fund's utilization of debt capital in its capital structure, MSC Income Fund's expenses or any sales load paid by an investor.

As of September 30, 2023, MSC Income Fund had Other Portfolio investments in four entities, collectively totaling \$26.2 million in fair value and \$22.4 million in cost basis and which comprised 2.4% and 2.1% of MSC Income Fund's Investment Portfolio at fair value and cost, respectively. As of December 31, 2022, MSC Income Fund had Other Portfolio investments in four entities, collectively totaling \$29.0 million in fair value and \$24.7 million in cost basis and which comprised 2.7% and 2.3% of MSC Income Fund's Investment Portfolio at fair value and cost, respectively.



MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

The following tables summarize the composition of MSC Income Fund's total combined Private Loan, LMM and Middle Market portfolio investments at cost and fair value by type of investment as a percentage of the total combined Private Loan, LMM and Middle Market portfolio investments, as of September 30, 2023 and December 31, 2022 (this information excludes Other Portfolio investments, which are discussed above).

<b>Cost:</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
First lien debt	87.7 %	88.5 %
Equity	11.7	10.8
Second lien debt	0.4	0.3
Equity warrants	0.2	0.2
Other	—	0.2
	100.0 %	100.0 %
<b>Fair Value:</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
First lien debt	80.1 %	81.4 %
Equity	19.4	17.9
Second lien debt	0.4	0.3
Equity warrants	0.1	0.1
Other	—	0.3
	100.0 %	100.0 %

The following tables summarize the composition of MSC Income Fund's total combined Private Loan, LMM and Middle Market portfolio investments by geographic region of the United States and other countries at cost and fair value as a percentage of the total combined Private Loan, LMM and Middle Market portfolio investments, as of September 30, 2023 and December 31, 2022 (this information excludes Other Portfolio investments). The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

<b>Cost:</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Northeast	22.8 %	20.3 %
Southwest	22.4	22.2
Southeast	19.6	17.8
West	17.8	22.9
Midwest	15.5	15.1
Other Non-United States	1.1	0.9
Canada	0.8	0.8
	100.0 %	100.0 %
<b>Fair Value:</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Southwest	25.6 %	25.3 %
Northeast	23.0	20.3
West	16.8	21.1
Southeast	16.7	15.2
Midwest	16.1	15.9
Other Non-United States	1.0	1.0
Canada	0.8	1.2
	100.0 %	100.0 %

**MSC INCOME FUND, INC.****Notes to the Consolidated Financial Statements (Continued)****(Unaudited)**

MSC Income Fund's Private Loan, LMM and Middle Market portfolio investments are in companies conducting business in a variety of industries. The following tables summarize the composition of MSC Income Fund's total combined Private Loan, LMM and Middle Market portfolio investments by industry at cost and fair value as of September 30, 2023 and December 31, 2022 (this information excludes Other Portfolio investments).

<b>Cost:</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Commercial Services & Supplies	10.4 %	11.3 %
Internet Software & Services	8.6	7.8
Health Care Providers & Services	6.2	4.9
Machinery	5.3	5.9
Professional Services	5.2	3.7
IT Services	5.1	4.9
Diversified Consumer Services	5.0	4.7
Distributors	4.3	5.0
Leisure Equipment & Products	3.7	3.7
Electrical Equipment	3.4	1.8
Textiles, Apparel & Luxury Goods	3.1	2.0
Computers & Peripherals	2.9	1.9
Specialty Retail	2.8	4.0
Communications Equipment	2.7	3.5
Media	2.6	2.4
Construction & Engineering	2.5	2.5
Diversified Telecommunication Services	2.4	3.4
Containers & Packaging	2.3	3.4
Aerospace & Defense	2.2	3.6
Building Products	2.1	2.4
Hotels, Restaurants & Leisure	2.0	2.0
Household Products	2.0	1.5
Diversified Financial Services	1.7	1.7
Internet & Catalog Retail	1.6	1.3
Software	1.4	1.3
Health Care Equipment & Supplies	1.3	1.2
Energy Equipment & Services	1.2	1.2
Food Products	0.9	1.1
Other (1)	5.1	5.9
	100.0 %	100.0 %

(1) Includes various industries with each industry individually less than 1.0% of the total combined Private Loan, LMM and Middle Market portfolio investments at each date.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

Fair Value:	September 30, 2023	December 31, 2022
Commercial Services & Supplies	8.4 %	10.3 %
Internet Software & Services	7.3	6.7
Machinery	6.8	7.5
Diversified Consumer Services	6.3	5.9
Health Care Providers & Services	5.8	4.6
Professional Services	5.1	2.8
IT Services	5.0	4.7
Distributors	4.6	5.5
Computers & Peripherals	4.3	2.8
Electrical Equipment	3.5	1.9
Leisure Equipment & Products	3.4	3.7
Construction & Engineering	3.0	2.9
Textiles, Apparel & Luxury Goods	2.9	2.0
Specialty Retail	2.7	3.1
Media	2.7	2.6
Containers & Packaging	2.7	3.8
Diversified Telecommunication Services	2.3	3.6
Construction Materials	2.2	2.1
Aerospace & Defense	2.1	3.5
Building Products	2.0	2.5
Household Products	1.9	1.3
Software	1.7	1.7
Internet & Catalog Retail	1.6	1.9
Air Freight & Logistics	1.6	1.2
Diversified Financial Services	1.6	1.8
Hotels, Restaurants & Leisure	1.5	1.5
Communications Equipment	1.2	1.3
Energy Equipment & Services	1.0	1.0
Other (1)	4.8	5.8
	100.0 %	100.0 %

(1) Includes various industries with each industry individually less than 1.0% of the total combined Private Loan, LMM and Middle Market portfolio investments at each date.

At September 30, 2023 and December 31, 2022, MSC Income Fund had no portfolio investment that was greater than 10% of the Investment Portfolio at fair value.

**Unconsolidated Significant Subsidiaries**

In accordance with Rules 3-09 and 4-08(g) of Regulation S-X, MSC Income Fund must determine which of its unconsolidated controlled portfolio companies, if any, are considered “significant subsidiaries.” In evaluating its unconsolidated controlled portfolio companies in accordance with Regulation S-X, there are two tests that MSC Income Fund must utilize to determine if any of MSC Income Fund’s Control Investments (as defined in *Note A — Organization and Basis of Presentation*, including those unconsolidated portfolio companies defined as Control Investments in which MSC Income Fund does not own greater than 50% of the voting securities nor have rights to maintain greater than 50% of the board representation) are considered significant subsidiaries: the investment test and the income test. The investment

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

test is generally measured by dividing MSC Income Fund's investment in the Control Investment by the value of MSC Income Fund's total investments. The income test is generally measured by dividing the absolute value of the combined sum of total investment income, net realized gain (loss) and net unrealized appreciation (depreciation) from the relevant Control Investment for the period being tested by the absolute value of MSC Income Fund's change in net assets resulting from operations for the same period. Rules 3-09 and 4-08(g) of Regulation S-X require MSC Income Fund to include (1) separate audited financial statements of an unconsolidated majority-owned subsidiary (Control Investments in which MSC Income Fund owns greater than 50% of the voting securities) in an annual report and (2) summarized financial information of a Control Investment in a quarterly report, respectively, if certain thresholds of the investment or income tests are exceeded and the unconsolidated portfolio company qualifies as a significant subsidiary.

As of September 30, 2023 and December 31, 2022, MSC Income Fund had no single investment that qualified as a significant subsidiary under either the investment or income tests.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

NOTE D — DEBT

Summary of debt as of September 30, 2023 is as follows:

	Outstanding Balance	Unamortized Debt Issuance Costs <sup>(1)</sup>	Recorded Value	Estimated Fair Value <sup>(2)</sup>
(dollars in thousands)				
SPV Facility	\$ 264,688	\$ —	\$ 264,688	\$ 264,688
Series A Notes	150,000	(920)	149,080	138,513
Corporate Facility	92,000	—	92,000	92,000
Total Debt	<u>\$ 506,688</u>	<u>\$ (920)</u>	<u>\$ 505,768</u>	<u>\$ 495,201</u>

- (1) The unamortized debt issuance costs for the Credit Facilities are reflected as Deferred financing costs on the Consolidated Balance Sheets, while the deferred debt issuance costs related to the Series A Notes are reflected as contra liabilities to the Series A Notes on the Consolidated Balance Sheets.
- (2) Estimated fair value for outstanding debt if MSC Income Fund had adopted the fair value option under ASC 825. See discussion of the methods used to estimate the fair value of MSC Income Fund's debt in *Note B.9. — Summary of Significant Accounting Policies — Fair Value of Financial Instruments*

Summary of debt as of December 31, 2022 is as follows:

	Outstanding Balance	Unamortized Debt Issuance Costs <sup>(1)</sup>	Recorded Value	Estimated Fair Value <sup>(2)</sup>
(dollars in thousands)				
SPV Facility	\$ 223,688	\$ —	\$ 223,688	\$ 223,688
Series A Notes	150,000	(1,144)	148,856	132,955
Corporate Facility	98,000	—	98,000	98,000
Total Debt	<u>\$ 471,688</u>	<u>\$ (1,144)</u>	<u>\$ 470,544</u>	<u>\$ 454,643</u>

- (1) The unamortized debt issuance costs for the Credit Facilities are reflected as Deferred financing costs on the Consolidated Balance Sheets, while the deferred debt issuance costs related to the Series A Notes are reflected as contra liabilities to the Series A Notes on the Consolidated Balance Sheets.
- (2) Estimated fair value for outstanding debt if MSC Income Fund had adopted the fair value option under ASC 825. See discussion of the methods used to estimate the fair value of MSC Income Fund's debt in *Note B.9. — Summary of Significant Accounting Policies — Fair Value of Financial Instruments*

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

Summarized interest expense for the three and nine months ended September 30, 2023 and 2022 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(dollars in thousands)			
SPV Facility	\$ 5,933	\$ 3,944	\$ 16,127	\$ 9,218
Series A Notes	1,590	1,573	4,769	4,577
Corporate Facility	1,880	1,284	5,703	2,833
Total Interest Expense	\$ 9,403	\$ 6,801	\$ 26,599	\$ 16,628

**Corporate Facility**

MSC Income Fund is a party to a senior secured revolving credit agreement dated March 6, 2017 (as amended, the “Corporate Facility”) with EverBank (formerly known as TIAA Bank), as administrative agent, and with EverBank and other financial institutions as lenders. As of September 30, 2023, the Corporate Facility included (i) total commitments of \$165.0 million, (ii) an accordion feature with the right to request an increase in commitments under the facility from new and existing lenders on the same terms and conditions as the existing commitments up to \$200.0 million of total commitments and (iii) a revolving period and maturity date to September 1, 2025 and March 1, 2026, respectively, with two, one-year extension options subject to lender approval.

Borrowings under the Corporate Facility bear interest, subject to MSC Income Fund’s election, on a per annum basis at a rate equal to (i) SOFR plus 2.50% or (ii) the base rate plus 1.40%. The base rate is defined as the higher of (a) the Prime rate, (b) the Federal Funds Rate (as defined in the credit agreement) plus 0.5% or (c) SOFR plus 1.1%. Additionally, MSC Income Fund pays an annual unused commitment fee of 0.30% per annum on the unused lender commitments if more than 50% or more of the lender commitments are being used and an annual unused commitment fee of 0.625% per annum on the unused lender commitments if less than 50% of the lender commitments are being used. Borrowings under the Corporate Facility are secured by a first lien on all of the assets of MSIF and its subsidiaries, other than the assets of Structured Subsidiaries or immaterial subsidiaries, as well as all of the assets, and a pledge of equity ownership interests, of any future subsidiaries of MSIF (other than Structured Subsidiaries or immaterial subsidiaries). In connection with the Corporate Facility, MSIF has made customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. Effective April 27, 2023, the reference rate changed from LIBOR to SOFR plus an applicable credit spread adjustment of 0.10%.

As of September 30, 2023, the interest rate on the Corporate Facility was 7.83%. The average interest rate for borrowings under the Corporate Facility was 7.75% and 4.61% per annum for the three months ended September 30, 2023 and 2022, respectively, and 7.39% and 3.45% per annum for the nine months ended September 30, 2023 and 2022, respectively. As of September 30, 2023, MSC Income Fund was in compliance with all financial covenants of the Corporate Facility.

**SPV Facility**

On February 3, 2021, MSIF Funding LLC (“MSIF Funding”), a wholly-owned Structured Subsidiary that primarily holds originated loan investments, entered into a senior secured revolving credit facility (as amended, the “SPV Facility”) and, together with the Corporate Facility, the “Credit Facilities”) by and among JPMorgan Chase Bank, National Association (“JPM”), as administrative agent, and U.S. Bank, N.A., as collateral agent and collateral administrator, JPM and other financial institutions as lenders and MSIF as portfolio manager. In August 2023, the SPV facility was amended to extend the revolving period expiration date from February 3, 2024 to February 3, 2027 and the maturity date from February 3, 2025 to February 3, 2028. Additionally, total commitments were reduced from \$325.0 million to \$300.0 million. Advances under the SPV Facility bear interest at a per annum rate equal to the three month SOFR in effect, plus the applicable margin of 3.00% per annum. MSIF Funding also pays a commitment fee of 0.75% per annum on the average daily unused amount of the financing commitments until February 2, 2027. As of September 30, 2023, the SPV Facility included total commitments of \$300.0 million and an accordion feature, with the right to request an increase of total

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

commitments and borrowing availability up to \$450.0 million. The SPV Facility is secured by a collateral loan on the assets of MSIF Funding. In connection with the SPV Facility, MSIF Funding has made customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

As of September 30, 2023, the interest rate on the SPV Facility was 8.25%. The average interest rate for borrowings under the SPV Facility was 8.25% and 5.18% per annum for the three months ended September 30, 2023 and 2022, respectively, and 7.99% and 4.07% per annum for the nine months ended September 30, 2023 and 2022, respectively. As of September 30, 2023, MSC Income Fund was in compliance with all financial covenants of the SPV Facility.

**Series A Notes**

Pursuant to a Master Note Purchase Agreement dated October 21, 2021 (the "Note Purchase Agreement"), MSC Income Fund issued \$7.5 million of 4.04% Series A Senior Notes due 2026 (the "Series A Notes") upon entering into the Note Purchase Agreement and an additional \$72.5 million on January 21, 2022. The Series A Notes bear a fixed interest rate of 4.04% per year and will mature on October 30, 2026, unless redeemed, purchased or prepaid prior to such date by the Company in accordance with their terms.

Interest on the Series A Notes is due semiannually on April 30 and October 30 each year, beginning on April 30, 2022. The Series A Notes may be redeemed in whole or in part at any time or from time to time at MSC Income Fund's option at par plus accrued interest to the prepayment date and, if applicable, a make-whole premium. In addition, MSC Income Fund is obligated to offer to prepay the Series A Notes at par plus accrued and unpaid interest up to, but excluding, the date of prepayment, if certain change in control events occur. In the event that a Below Investment Grade Event (as defined in the Note Purchase Agreement) occurs, the Series A Notes will bear interest at a fixed rate of 5.04% per year from the date of the occurrence of the Below Investment Grade Event to and until the date on which the Below Investment Grade Event ends. The Series A Notes are general unsecured obligations of MSIF that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by MSIF.

The Note Purchase Agreement also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness of MSIF or subsidiary guarantors subject to a cure pass-through, certain judgments and orders and certain events of bankruptcy. As of September 30, 2023, MSC Income Fund was in compliance with all financial covenants of the Note Purchase Agreement.

## MSC INCOME FUND, INC.

## Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

## NOTE E — FINANCIAL HIGHLIGHTS

The following is a schedule of financial highlights of MSC Income Fund for the nine months ended September 30, 2023 and 2022:

Per Share Data:	Nine Months Ended September 30,	
	2023	2022
NAV at the beginning of the period	\$ 7.61	\$ 7.68
Net investment income (1)	0.53	0.48
Net realized gain (loss) (1)(2)	(0.31)	0.10
Net unrealized appreciation (depreciation) (1)(2)	0.38	(0.14)
Income tax provision (1)(2)	(0.04)	(0.02)
Net increase in net assets resulting from operations (1)	0.56	0.42
Dividends paid from net investment income	(0.53)	(0.40)
Dividends paid from capital gains	—	(0.08)
Dividends paid or accrued (3)	(0.53)	(0.48)
Accretive effect of stock repurchases (repurchasing shares below NAV) (4)	0.02	—
Other (5)	0.01	—
NAV at the end of the period	\$ 7.67	\$ 7.62
Shares outstanding at the end of the period	80,013,948	80,059,079

(1) Based on weighted-average number of common shares outstanding for the period.

(2) Net realized gains or losses, net unrealized appreciation or depreciation, and income taxes can fluctuate significantly from period to period.

(3) Represents stockholder dividends paid or accrued for the period.

(4) Shares repurchased in connection with the Dutch Auction Tender Offers. See *Note G — Share Repurchases* for additional information.

(5) Includes the impact of the different share amounts as a result of calculating certain per share data based on the weighted-average basic shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date.



MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
	(dollars in thousands)	
NAV at end of period	\$ 613,569	\$ 609,748
Average NAV	\$ 611,329	\$ 611,601
Average outstanding debt	\$ 482,021	\$ 497,038
<b>Ratios to average NAV:</b>		
Ratio of total expenses, including income tax expense, to average NAV(1)(2)(3)(5)	9.35 %	6.03 %
Ratio of operating expenses to average NAV(2)(3)(5)	8.83 %	5.73 %
Ratio of operating expenses, excluding interest expense, to average NAV(2)(3)(5)	4.48 %	3.01 %
Ratio of operating expenses, excluding interest expense and incentive fees, to average NAV(2)(3)(5)	3.03 %	3.01 %
Ratio of net investment income to average NAV(2)(5)	6.97 %	6.34 %
Portfolio turnover ratio(2)	12.32 %	14.13 %
Total return based on change in NAV(2)(4)(5)	7.36 %	5.43 %

(1) Total expenses are the sum of operating expenses and net income tax provision or benefit. Net income tax provision or benefit includes the accrual of net deferred tax provision or benefit relating to the net unrealized appreciation or depreciation on portfolio investments held in Taxable Subsidiaries and due to the change in the loss carryforwards, which are non-cash in nature and may vary significantly from period to period. MSC Income Fund is required to include net deferred tax provision or benefit in calculating its total expenses even though these net deferred taxes are not currently payable or receivable.

(2) Not annualized.

(3) Unless otherwise noted, operating expenses include interest, incentive fees, management fees and general and administrative expenses.

(4) Total return is calculated based on the change in NAV per share and stockholder distributions declared per share during the reporting period, divided by the NAV per share at the beginning of the period. The total return does not reflect the sales load from the sale of MSC Income Fund's common stock.

(5) Net of expense waivers of \$6.3 million and \$3.4 million for the nine months ended September 30, 2023 and September 30, 2022, respectively. Excluding these expense waivers, the expense and income ratios are as follows:

	Nine Months Ended September 30,	
	2023	2022
Ratio of total expenses, including income tax expense, to average NAV(1)(2)(3)	10.39 %	6.58 %
Ratio of operating expenses to average NAV(2)(3)	9.87 %	6.28 %
Ratio of operating expenses, excluding interest expense, to average NAV(2)(3)	5.52 %	3.56 %
Ratio of operating expenses, excluding interest expense and incentive fees, to average NAV(2)(3)	4.06 %	3.56 %
Ratio of net investment income to average NAV(2)	5.95 %	5.77 %
Total return based on change in NAV(2)(4)	6.33 %	4.87 %

See footnotes (1), (2), (3) and (4) immediately prior to this table.

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

**NOTE F — DIVIDENDS, DISTRIBUTIONS AND TAXABLE INCOME**

MSC Income Fund currently pays quarterly dividends to its stockholders. Future quarterly dividends, if any, will be determined by its Board of Directors on a quarterly basis. MSC Income Fund paid or accrued dividends to its common stockholders of \$14.0 million, or \$0.175 per share, during the three months ended September 30, 2023, and \$42.0 million, or \$0.525 per share, during the nine months ended September 30, 2023, compared to \$2.8 million, or \$0.16 per share, during the three months ended September 30, 2022, and \$38.8 million, or \$0.485 per share, during the nine months ended September 30, 2022.

MSIF has elected to be treated for U.S. federal income tax purposes as a RIC. MSIF's taxable income includes the taxable income generated by MSIF and certain of its subsidiaries, including the Structured Subsidiaries, which are treated as disregarded entities for tax purposes. As a RIC, MSIF generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that MSIF distributes to its stockholders. MSIF must generally distribute at least 90% of its "investment company taxable income" (which is generally its net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses) and 90% of its tax-exempt income to maintain its RIC status (pass-through tax treatment for amounts distributed). As part of maintaining RIC status, undistributed taxable income (subject to a 4% non-deductible U.S. federal excise tax) pertaining to a given fiscal year may be distributed up to twelve months subsequent to the end of that fiscal year, provided such dividends are declared on or prior to the later of (i) filing of the U.S. federal income tax return for the applicable fiscal year or (ii) the fifteenth day of the ninth month following the close of the year in which such taxable income was generated.

The determination of the tax attributes for MSC Income Fund's distributions is made annually, based upon its taxable income for the full year and distributions paid for the full year. Therefore, a determination made on an interim basis may not be representative of the actual tax attributes of distributions for a full year. Ordinary dividend distributions from a RIC do not qualify for the 20% maximum tax rate (plus a 3.8% Medicare surtax, if applicable) on dividend income from domestic corporations and qualified foreign corporations, except to the extent that the RIC received the income in the form of qualifying dividends from domestic corporations and qualified foreign corporations. The tax attributes for distributions will generally include both ordinary income and qualified dividends, but may also include either one or both of capital gains and return of capital.

**MSC INCOME FUND, INC.****Notes to the Consolidated Financial Statements (Continued)****(Unaudited)**

Listed below is a reconciliation of “Net increase in net assets resulting from operations” to taxable income and to total distributions declared to common stockholders for the nine months ended September 30, 2023 and 2022.

	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(estimated, dollars in thousands)</b>	
Net increase in net assets resulting from operations	\$ 44,869	\$ 33,303
Net unrealized (appreciation) depreciation	(30,415)	11,452
Income tax provision	3,189	1,880
Pre-tax book income not consolidated for tax purposes	(676)	(11,403)
Book income and tax income differences, including debt origination, structuring fees, dividends, realized gains and changes in estimates	20,099	893
Estimated taxable income (1)	37,066	36,125
Taxable income earned in prior year and carried forward for distribution in current year	20,674	23,276
Taxable income earned prior to period end and carried forward for distribution next period	(29,705)	(33,421)
Dividend accrued as of period end and paid in the following period	14,002	12,809
Taxable income earned to be carried forward	(15,703)	(20,612)
Total distributions accrued or paid to common stockholders	<u>\$ 42,037</u>	<u>\$ 38,789</u>

(1) MSIF’s taxable income for each period is an estimate and will not be finally determined until MSIF files its tax return for each year. Therefore, the final taxable income, and the taxable income earned in each period and carried forward for distribution in the following period, may be different than this estimate.

The Taxable Subsidiaries primarily hold certain equity investments for MSC Income Fund. The Taxable Subsidiaries permit MSC Income Fund to hold equity investments in portfolio companies which are “pass-through” entities for tax purposes and to continue to comply with the “source-of-income” requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are consolidated with MSIF for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in MSC Income Fund’s consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSIF for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities, as a result of their ownership of certain portfolio investments. The taxable income, or loss, of the Taxable Subsidiaries may differ from their book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at corporate income tax rates based on their taxable income. The income tax expense, or benefit, if any, and the related tax assets and liabilities, of the Taxable Subsidiaries are reflected in MSC Income Fund’s consolidated financial statements.

The income tax expense (benefit) for MSC Income Fund is generally composed of (i) deferred tax expense (benefit), which is primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation or depreciation, changes in valuation allowance and other temporary book tax differences, and (ii) current tax expense, which is primarily the result of current U.S. federal income and state taxes and excise taxes on MSC Income Fund’s estimated undistributed taxable income. The income tax expense, or benefit, and the related tax assets and liabilities generated by the Taxable Subsidiaries, if any, are reflected in MSC Income Fund’s Consolidated Statements of Operations. MSC Income Fund’s provision for income taxes was comprised of the following for the three and nine months ended September 30, 2023 and 2022:

**MSC INCOME FUND, INC.**
**Notes to the Consolidated Financial Statements (Continued)**
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(dollars in thousands)			
<b>Current tax expense (benefit):</b>				
Federal	\$ (39)	\$ 190	\$ 15	\$ 194
State	337	169	565	484
Excise	133	219	374	881
Total current tax expense	431	578	954	1,559
<b>Deferred tax expense (benefit):</b>				
Federal	292	131	2,533	298
State	(750)	13	(298)	23
Total deferred tax expense (benefit)	(458)	144	2,235	321
Total income tax provision (benefit)	\$ (27)	\$ 722	\$ 3,189	\$ 1,880

The net deferred tax liability at September 30, 2023 and December 31, 2022 was \$2.6 million and \$0.4 million, respectively, with the change primarily related to changes in net unrealized appreciation or depreciation, changes in loss carryforwards and other temporary book-tax differences relating to portfolio investments held by the Taxable Subsidiaries.

At September 30, 2023, for U.S. federal income tax purposes, the Taxable Subsidiaries had net operating loss carryforwards generated in 2020 and future periods that are not subject to expiration. The net operating losses will carryforward indefinitely until utilized. The net capital loss carryforwards of MSC Income Fund, if not utilized, will expire in various taxable years 2023 through 2027. Additionally, the Taxable Subsidiaries have interest expense limitation carryforwards which have an indefinite carryforward period.

**NOTE G — SHARE REPURCHASES**

Due to the impacts of the COVID-19 pandemic, MSC Income Fund's Board of Directors determined that it was in the best interest of the Company to suspend its share repurchase program from March 31, 2020 to March 8, 2021 in order to preserve financial flexibility and liquidity. On March 8, 2021, MSC Income Fund announced that the Board of Directors approved the reinstatement of the share repurchase program.

Under the terms of the reinstated share repurchase program, MSC Income Fund offers to purchase shares at the NAV per share on the repurchase date. The amount of shares of MSC Income Fund's common stock to be repurchased during any calendar quarter may be equal to the lesser of (i) the number of shares of common stock MSC Income Fund could repurchase with the proceeds it received from the issuance of common stock under MSC Income Fund's dividend reinvestment plan or (ii) 2.5% of the weighted-average number of shares of common stock outstanding in the prior four calendar quarters. Upon resuming making offers to repurchase shares pursuant to the share repurchase program in April 2021, MSC Income Fund has limited repurchase offers to the number of shares of common stock it can repurchase with 90% of the cash retained as a result of issuances of common stock under MSC Income Fund's dividend reinvestment plan. At the discretion of the Board of Directors, MSC Income Fund may also use cash on hand, cash available from borrowings and cash from the sale of investments as of the end of the applicable period to repurchase shares. MSC Income Fund's Board of Directors may amend, suspend or terminate the share repurchase program upon 30 days' notice.

On May 15, 2023, MSC Income Fund commenced a modified "Dutch Auction" tender offer (the "May Dutch Auction Tender Offer") pursuant to the Offer to Purchase, dated May 15, 2023, which expired on June 13, 2023. Pursuant to the May Dutch Auction Tender Offer, MSC Income Fund repurchased 406,904 shares, representing 0.5% of its then outstanding shares, on June 21, 2023 at a price of \$5.50 per share for an aggregate cost of \$2.2 million, excluding fees and expenses related to the May Dutch Auction Tender Offer.

On August 16, 2023, MSC Income Fund and Main Street commenced a modified "Dutch Auction" tender offer (the "August Dutch Auction Tender Offer" and, together with the May Dutch Auction Tender Offer, the "Dutch Auction

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

Tender Offers”) pursuant to the Offer to Purchase, dated August 16, 2023, which expired on September 20, 2023. The August Dutch Auction Tender Offer was a simultaneous combined offer by MSC Income Fund and by Main Street to purchase shares of MSC Income Fund common stock. Pursuant to the August Dutch Auction Tender Offer, MSC Income Fund repurchased 432,920 shares, representing 0.5% of its then outstanding shares for purchase at a price of \$6.50 per share (the “August Clearing Price”), for an aggregate cost of \$2.8 million and Main Street purchased 115,385 shares at the August Clearing Price for an aggregate cost of \$0.8 million.

Since inception of its share repurchase program, MSC Income Fund has funded the repurchase of \$46.6 million in shares of common stock, including the shares repurchased by MSC Income Fund under the Dutch Auction Tender Offers, as of September 30, 2023. For the three months ended September 30, 2023 and 2022, MSC Income Fund funded \$7.0 million and \$4.0 million, respectively, for shares of its common stock tendered for repurchase under the plan and the August Dutch Auction Tender Offer. For the nine months ended September 30, 2023 and 2022, MSC Income Fund funded \$17.5 million and \$12.0 million, respectively, for shares of its common stock tendered for repurchase under the plan and the Dutch Auction Tender Offers.

**NOTE H — DIVIDEND REINVESTMENT PLAN**

MSC Income Fund’s dividend reinvestment plan (the “DRIP”) provides for the reinvestment of dividends on behalf of stockholders. As a result, if MSC Income Fund declares a cash dividend, stockholders who have “opted in” to the DRIP will have their cash dividend automatically reinvested into additional shares of MSC Income Fund common stock. The number of shares of common stock to be issued to a stockholder under the DRIP shall be determined by dividing the total dollar amount of the distribution payable to such stockholder by a price per share of common stock determined by MSC Income Fund’s Board of Directors or a committee thereof, in its sole discretion, that is (i) not less than the NAV per share of common stock determined in good faith by the Board of Directors or a committee thereof, in its sole discretion, within 48 hours prior to the payment of the distribution and (ii) not more than 2.5% greater than the NAV per share as of such date.

Summarized DRIP information for the nine months ended September 30, 2023 and 2022 is as follows:

	Nine Months Ended September 30,	
	2023	2022
	(dollars in thousands)	
DRIP participation	\$ 13,864	\$ 13,304
Shares issued for DRIP	1,767,289	1,690,381

**NOTE I — COMMITMENTS AND CONTINGENCIES**

At September 30, 2023, MSC Income Fund had the following outstanding commitments (in thousands):

<i>Investments with equity capital commitments that have not yet funded:</i>	Amount
Freeport First Lien Loan Fund III LP	\$ 7,172
HPEP 3, L.P.	1,555
Brightwood Capital Fund III, LP	100
<b>Total Equity Commitments</b>	<b>\$ 8,827</b>
<i>Investments with commitments to fund revolving loans that have not been fully drawn or term loans with additional commitments not yet funded:</i>	
Power System Solutions	\$ 3,989

## MSC INCOME FUND, INC.

## Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

Insight Borrower Corporation	3,888
AB Centers Acquisition Corporation	3,698
Mako Steel, LP	3,245
HEADLANDS OP-CO LLC	3,000
NWN Corporation	2,907
Winter Services LLC	2,778
SI East, LLC	1,875
American Health Staffing Group, Inc.	1,667
IG Parent Corporation	1,667
Infolinks Media Buyco, LLC	1,265
Burning Glass Intermediate Holding Company, Inc.	1,239
Bettercloud, Inc.	1,216
Bluestem Brands, Inc.	1,119
Dalton US Inc.	1,100
IG Investor, LLC	1,000
NexRev LLC	1,000
Roof Opco, LLC	972
Bond Brand Loyalty ULC	900
Classic H&G Holdco, LLC	860
Richardson Sales Solutions	833
Engineering Research & Consulting, LLC	828
GRT Rubber Technologies LLC	812
CaseWorthy, Inc.	800
VVS Holdco, LLC	800
Cody Pools, Inc.	786
Invincible Boat Company, LLC.	768
Acumera, Inc.	768
NinjaTrader, LLC	750
RA Outdoors LLC	747
Evergreen North America Acquisitions, LLC	710
Channel Partners Intermediateco, LLC	667
Centre Technologies Holdings, LLC	600
Paragon Healthcare, Inc.	571
JTI Electrical & Mechanical, LLC	561
Hawk Ridge Systems, LLC	550
ITA Holdings Group, LLC	543
Wall Street Prep, Inc.	500
Imaging Business Machines, L.L.C.	494
Microbe Formulas, LLC	434
Watterson Brands, LLC	433
Xenon Arc, Inc.	423
Trantech Radiator Topco, LLC	400
Chamberlin Holding LLC	400
AMEREQUIP LLC.	391
South Coast Terminals Holdings, LLC	381
PTL US Bidco, Inc	365
Escalent, Inc.	349
West Star Aviation Acquisition, LLC	333
AVEX Aviation Holdings, LLC	307
Gamber-Johnson Holdings, LLC	300

**MSC INCOME FUND, INC.****Notes to the Consolidated Financial Statements (Continued)****(Unaudited)**

Career Team Holdings, LLC	300
Archer Systems, LLC	232
Batjer TopCo, LLC	230
SPAU Holdings, LLC	220
Metalforming Holdings, LLC	205
Mystic Logistics Holdings, LLC	200
Johnson Downie Opco, LLC	200
Orttech Holdings, LLC	200
Inspire Aesthetics Management, LLC	187
Analytical Systems Keco Holdings, LLC	160
ATS Operating, LLC	150
Elgin AcquireCo, LLC	123
Gulf Publishing Holdings, LLC	100
Clad-Rex Steel, LLC	100
Adams Publishing Group, LLC	93
AAC Holdings, Inc.	71
Jackmont Hospitality, Inc.	67
SIB Holdings, LLC	28
Interface Security Systems, L.L.C	1
Total Loan Commitments	\$ 59,856
Total Commitments	\$ 68,683

MSC Income Fund will fund its unfunded commitments from the same sources it uses to fund its investment commitments that are funded at the time they are made (which are typically through existing cash and cash equivalents and borrowings under the Credit Facilities). MSC Income Fund follows a process to manage its liquidity and ensure that it has available capital to fund its unfunded commitments as necessary. MSC Income Fund had no unrealized appreciation or depreciation on the outstanding unfunded commitments as of September 30, 2023.

MSC Income Fund may, from time to time, be involved in litigation arising out of its operations in the normal course of business or otherwise. Furthermore, third parties may try to impose liability on MSC Income Fund in connection with the activities of its portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, MSC Income Fund does not expect any current matters will materially affect its financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on MSC Income Fund's financial condition or results of operations in any future reporting period.

**NOTE J — RELATED PARTY TRANSACTIONS****1. Advisory Agreements and Conditional Expense Reimbursement Waivers**

On October 30, 2020, MSC Income Fund entered into the Investment Advisory Agreement with the Adviser, which states that the Adviser will oversee the management of MSC Income Fund's activities and is responsible for making investment decisions with respect to, and providing day-to-day management and administration of, MSC Income Fund's Investment Portfolio. The Investment Advisory Agreement was most recently re-approved by the Board of Directors, including a majority of members whom are not "interested" persons (as defined by the 1940 Act) of MSC Income Fund or the Adviser, on August 10, 2023.

Pursuant to the Investment Advisory Agreement, MSC Income Fund pays the Adviser a base management fee and incentive fees as compensation for the services described above. The base management fee is calculated at an annual rate of 1.75% of MSC Income Fund's average gross assets. The term "gross assets" means total assets of MSC Income Fund as disclosed on MSC Income Fund's Consolidated Balance Sheets. "Average gross assets" are calculated based on MSC

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

Income Fund's gross assets at the end of the two most recently completed calendar quarters. The base management fee is payable quarterly in arrears. The base management fee is expensed as incurred. For each of the three months ended September 30, 2023 and 2022, MSC Income Fund incurred base management fees of \$5.0 million. For the nine months ended September 30, 2023 and 2022, MSC Income Fund incurred base management fees of \$14.8 million and \$14.9 million, respectively.

The incentive fee under the Investment Advisory Agreement consists of two parts. The first part, referred to as the subordinated incentive fee on income, is calculated and payable quarterly in arrears based on Pre-Incentive Fee Net Investment Income (as defined below) for the immediately preceding quarter. The subordinated incentive fee on income is equal to 20.0% of MSC Income Fund's Pre-Incentive Fee Net Investment Income for the immediately preceding quarter, expressed as a quarterly rate of return on adjusted capital at the beginning of the most recently completed calendar quarter, exceeding 1.875% (or 7.5% annualized), subject to a "catch up" feature (as described below).

For this purpose, Pre-Incentive Fee Net Investment Income means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that MSC Income Fund receives from portfolio companies) accrued during the calendar quarter, minus MSC Income Fund's operating expenses for the quarter (including the management fee, expenses payable under any proposed administration agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding taxes and the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount debt instruments and PIK interest and zero coupon securities), accrued income that MSC Income Fund has not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. For purposes of this fee, adjusted capital means cumulative gross proceeds generated from sales of MSC Income Fund's common stock (including proceeds from MSC Income Fund's DRIP) reduced for non-liquidating distributions, other than distributions of profits, paid to MSC Income Fund's stockholders and amounts paid for share repurchases pursuant to MSC Income Fund's share repurchase program. The subordinated incentive fee on income is expensed in the quarter in which it is incurred.

The calculation of the subordinated incentive fee on income for each quarter is as follows:

- No subordinated incentive fee on income shall be payable to the Adviser in any calendar quarter in which MSC Income Fund's Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 1.875% (or 7.5% annualized) on adjusted capital;
- 100% of MSC Income Fund's Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than or equal to 2.34375% in any calendar quarter (9.375% annualized) shall be payable to the Adviser. This portion of the subordinated incentive fee on income is referred to as the "catch up" and is intended to provide the Adviser with an incentive fee of 20.0% on all of MSC Income Fund's Pre-Incentive Fee Net Investment Income as if the hurdle rate did not apply when the Pre-Incentive Fee Net Investment Income exceeds 2.34375% (9.375% annualized) in any calendar quarter; and
- For any quarter in which MSC Income Fund's Pre-Incentive Fee Net Investment Income exceeds 2.34375% (9.375% annualized), the subordinated incentive fee on income shall equal 20.0% of the amount of MSC Income Fund's Pre-Incentive Fee Net Investment Income, as the hurdle rate and catch-up will have been achieved.

The second part of the incentive fee, referred to as the incentive fee on capital gains, is an incentive fee on realized capital gains earned from the portfolio of MSC Income Fund and is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement). This fee equals 20.0% of MSC Income Fund's incentive fee capital gains, which equals MSC Income Fund's realized capital gains on a cumulative basis from inception, calculated as of the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. At the end of each reporting period, MSC Income Fund estimates the incentive fee on capital gains and accrues the fee based on a hypothetical liquidation of its portfolio. Therefore, the accrual includes both net realized gains and net unrealized gains (the



**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

net unrealized difference between the fair value and the par value of its portfolio), if any. The incentive fee accrued pertaining to the unrealized gain is neither earned nor payable to the Adviser until such time it is realized.

For the three months ended September 30, 2023, MSC Income Fund incurred subordinated incentive fees on income of \$2.6 million. For the three months ended September 30, 2022, MSC Income Fund did not incur any subordinated incentive fees on income. For the nine months ended September 30, 2023, MSC Income Fund incurred subordinated incentive fees on income of \$8.9 million. MSC Income Fund did not incur any subordinated incentive fees on income for the nine months ended September 30, 2022. For the three months and nine months ended September 30, 2023 and 2022, MSC Income Fund did not incur any capital gains incentive fees.

Pursuant to the Investment Advisory Agreement, MSC Income Fund is required to pay or reimburse the Adviser for administrative services expenses, which include all costs and expenses related to MSC Income Fund's day-to-day administration and management not related to advisory services, whether such administrative services were performed by a third-party service provider or the Adviser or its affiliates (to the extent performed by the Adviser or its affiliates, the "Internal Administrative Services"). Internal Administrative Services include, but are not limited to, the cost of an Adviser's personnel performing accounting and compliance functions and other administrative services on behalf of MSC Income Fund.

The Adviser waived reimbursement of all Internal Administrative Services expenses from October 30, 2020 through December 31, 2021. On January 1, 2022, the Adviser assumed responsibility of certain administrative services that were previously provided for MSC Income Fund by a third-party sub-administrator. After December 31, 2021, the Adviser continued to waive reimbursement of all Internal Administrative Services expenses, except for the cost of the services previously provided by the sub-administrator. For the three months ended September 30, 2023 and 2022, MSC Income Fund incurred Internal Administrative Services expenses before expense waivers of \$2.2 million and \$1.4 million, respectively. For the three months ended September 30, 2023 and 2022, the Adviser waived the reimbursements of Internal Administrative Services expenses of \$2.0 million and \$1.3 million, respectively. For the nine months ended September 30, 2023 and 2022, MSC Income Fund incurred Internal Administrative Services expenses of \$6.8 million and \$3.9 million, respectively. For the nine months ended September 30, 2023 and 2022, the Adviser waived the reimbursements of Internal Administrative Services expenses of \$6.3 million and \$3.4 million, respectively. Waived Internal Administrative Services expenses are permanently waived and are not subject to future reimbursement.

**2. Offering Costs**

In accordance with MSC Income Fund's previous investment advisory agreement with the previous investment adviser ("HMS Adviser"), MSC Income Fund reimbursed HMS Adviser for any offering costs that were paid on MSC Income Fund's behalf, which consisted of, among other costs, actual legal, accounting, bona fide out-of-pocket itemized and detailed due diligence costs, printing, filing fees, transfer agent costs, postage, escrow fees, advertising and sales literature and other costs incurred in connection with the offering of MSC Income Fund's common stock, including through MSC Income Fund's DRIP. HMS Adviser was responsible for the payment of offering costs to the extent they exceeded 1.5% of the aggregate gross stock offering proceeds. Pursuant to the transaction whereby the Adviser became the investment adviser to MSC Income Fund, HMS Adviser agreed to permanently waive reimbursement of organizational and offering expenses except for \$0.6 million which remained payable to HMS Adviser and would be reimbursed as part of future issuances of common stock by MSC Income Fund. As of June 30, 2023, MSC Income Fund's reimbursement obligation to HMS Adviser for organizational and offering expenses was fully repaid. For the three months ended September 30, 2022, MSC Income Fund reimbursed HMS Adviser \$0.08 million in connection with stock issuances. For the nine months ended September 30, 2023 and September 30, 2022, the Company reimbursed HMS Adviser \$0.13 million and \$0.21 million, respectively, in connection with stock issuances.

**3. Indemnification**

The Investment Advisory Agreement provides that the Adviser and its officers, directors, controlling persons and any other person or entity affiliated with it acting as MSC Income Fund's agent are entitled to indemnification (including reasonable attorneys' fees and amounts reasonably paid in settlement) for any liability or loss suffered by such indemnitee, and such indemnitee will be held harmless for any loss or liability suffered by MSC Income Fund, if (i) the indemnitee has

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

determined, in good faith, that the course of conduct which caused the loss or liability was in MSC Income Fund's best interests, (ii) the indemnitee was acting on behalf of or performing services for MSC Income Fund, (iii) the liability or loss suffered was not the result of negligence, willful malfeasance, bad faith or misconduct by the indemnitee or an affiliate thereof acting as MSC Income Fund's agent and (iv) the indemnification or agreement to hold the indemnitee harmless is only recoverable out of MSC Income Fund's net assets and not from MSC Income Fund's stockholders.

**4. Co-Investment**

In the ordinary course of business, MSC Income Fund enters into transactions with other parties that may be considered related party transactions. MSC Income Fund has implemented certain policies and procedures, both written and unwritten, to ensure that it does not engage in any prohibited transactions with any persons affiliated with MSC Income Fund. If such affiliations are found to exist, MSC Income Fund seeks the Board of Directors and/or appropriate Board of Directors committee review and approval for such transactions and otherwise comply with, or seek, orders for exemptive relief from the SEC, as appropriate.

MSC Income Fund has received an exemptive order from the SEC permitting co-investments among MSC Income Fund, Main Street and other funds and clients advised by the Adviser in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act. MSC Income Fund has made co-investments, and in the future intends to continue to make co-investments with Main Street and other funds and clients advised by the Adviser, in accordance with the conditions of the order. The order requires, among other things, that the Adviser and Main Street consider whether each such investment opportunity is appropriate for MSC Income Fund, Main Street and the other funds and clients advised by the Adviser, as applicable, and if it is appropriate, to propose an allocation of the investment opportunity between such parties. Because the Adviser is wholly-owned by Main Street and is not managing MSC Income Fund's investment activities as its sole activity, this may provide the Adviser an incentive to allocate opportunities to other participating funds and clients instead of MSC Income Fund. However, the Adviser has policies and procedures in place to manage this conflict, including oversight by the independent members of the Board of Directors. Additional information regarding the operation of the co-investment program is set forth in the order granting exemptive relief, which may be reviewed on the SEC's website at [www.sec.gov](http://www.sec.gov). In addition to the co-investment program described above, MSC Income Fund also co-invests in syndicated deals and other transactions where price is the only negotiated point by MSC Income Fund and its affiliates.

**5. Other Related Party Transactions**

On May 2, 2022, the Company sold 94,697 shares of its common stock to Main Street at \$7.92 per share, the price at which the Company issued new shares in connection with reinvestments of the May 2, 2022 dividend pursuant to the DRIP, for total proceeds to the Company of \$750,000. 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, and were unanimously approved by the Board of Directors, 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.

On May 1, 2023, the Company sold 255,754 shares of its common stock to Main Street at \$7.82 per share, the price at which the Company issued new shares in connection with reinvestments of the May 1, 2023 dividend pursuant to the DRIP, for total proceeds to the Company of \$2.0 million. 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, and were unanimously approved by the Board of Directors, 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.

On August 1, 2023, the Company sold 348,542 shares of its common stock to Main Street at \$7.89 per share, the price at which the Company issued new shares in connection with reinvestments of the August 1, 2023 dividend pursuant to the DRIP, for total proceeds to the Company of \$2.8 million. 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, and were unanimously

**MSC INCOME FUND, INC.**

**Notes to the Consolidated Financial Statements (Continued)**

**(Unaudited)**

approved by the Board of Directors, 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.

In September 2023, pursuant to the August Dutch Auction Tender Offer, Main Street purchased 115,385 shares of MSC Income Fund common stock from MSC Income Fund stockholders at the August Clearing Price, or \$6.50 per share, for an aggregate cost of \$0.8 million. See *Note G – Share Repurchases* for more information. The August Dutch Auction Tender Offer, including Main Street’s participation, were unanimously approved by the Board of Directors, 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.

**NOTE K — SUBSEQUENT EVENTS**

On November 1, 2023, the Company sold 475,888 shares of its common stock to Main Street at \$7.88 per share, the price at which the Company issued new shares in connection with reinvestments of the November 1, 2023 dividend pursuant to the DRIP, for total proceeds to the Company of \$3.8 million. 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, and were unanimously approved by the Board of Directors, 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.

On November 1, 2023, the Company repurchased 530,290 shares of its common stock validly tendered and not withdrawn on the terms set forth in the tender offer statement on Schedule TO and Offer to Purchase filed with the SEC on September 21, 2023. The shares were repurchased at a price of \$7.73 per share, which was the Company’s NAV per share as of November 1, 2023, for an aggregate purchase price of \$4.1 million (an amount equal to 90% of the proceeds the Company received from the issuance of shares under the Company’s DRIP from the November 1, 2023 dividend payment).

On November 9, 2023, the Board of Directors declared a quarterly cash dividend of \$0.175 per share payable January 31, 2024 to stockholders of record as of December 29, 2023. Additionally, the Board of Directors approved a repurchase offer pursuant to the Company’s share repurchase program in an amount equal to 90% of the proceeds resulting from shares issued in lieu of cash distributions from the January 31, 2024 dividend payment.

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates**  
**September 30, 2023**  
**(dollars in thousands)**  
**(unaudited)**

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2022 Fair Value	Gross Additions(3)	Gross Reductions(4)	September 30, 2023 Fair Value (13)
<b>Control Investments</b>													
Copper Trail Fund Investments					LP Interests (CTMH, LP)	(9)	\$ —	\$ —	\$ 38	\$ 588	\$ —	\$ —	\$ 588
GRT Rubber Technologies LLC	11.48%	SF+	6.00%		Secured Debt (12)	(8)	—	—	59	330	508	—	838
	13.48%	SF+	8.00%		Secured Debt	(8)	—	(37)	1,998	19,943	38	37	19,944
					Member Units	(8)	—	—	62	21,890	—	—	21,890
Harris Preston Fund Investments					LP Interests (2717 MH, L.P.)	(8)	2,223	(1,106)	141	7,552	2,796	4,452	5,896
Volusion, LLC	10.00%				Secured Debt	(8)	—	—	46	—	900	—	900
					Secured Debt	(8)	(1,366)	780	71	6,392	—	6,392	—
					Unsecured Convertible Debt	(8)	(175)	175	—	—	175	—	—
					Preferred Member Units	(8)	—	—	—	—	—	—	—
					Preferred Member Units	(8)	—	(596)	—	—	4,906	896	4,010
					Preferred Member Units	(8)	—	—	—	—	—	—	—
					Common Stock	(8)	—	(1,104)	—	—	1,104	1,104	—
					Warrants	(8)	—	1,104	—	—	—	—	—
<b>Other</b>													
<b>Amounts related to investments transferred to or from other 1940 Act classification during the period</b>													
							1,541	(649)	(94)	(6,392)	6,392	—	—
<b>Total Control Investments</b>							<b>\$ 2,223</b>	<b>\$ (1,433)</b>	<b>\$ 2,321</b>	<b>\$ 50,303</b>	<b>\$ 16,819</b>	<b>\$ 13,056</b>	<b>\$ 54,066</b>
<b>Affiliate Investments</b>													
AFG Capital Group, LLC					Preferred Member Units	(8)	\$ 1,800	\$ (2,050)	\$ —	\$ 2,350	\$ 1,800	\$ 4,150	\$ —
Analytical Systems Keco Holdings, LLC	15.38%	SF+	10.00%		Secured Debt (12)	(8)	—	—	2	(2)	41	—	39
	15.38%	SF+	10.00%		Secured Debt	(8)	—	—	143	1,135	16	118	1,033
	14.13%				Preferred Member Units	(8)	—	—	—	—	—	—	—
					Preferred Member Units	(8)	—	260	—	880	260	—	1,140
					Warrants	(8)	—	—	—	—	—	—	—
ATX Networks Corp.		L+	7.50%		Secured Debt	(6)	—	(102)	856	6,368	545	6,913	—
					Unsecured Debt	(6)	—	(276)	1,135	2,614	1,135	3,749	—
					Common Stock	(6)	3,178	(3,290)	—	3,290	3,178	6,468	—
Barfly Ventures, LLC					Member Units	(5)	—	(94)	—	1,107	—	94	1,013
Batjer TopCo, LLC					Secured Debt (12)	(8)	—	1	—	(1)	1	—	—
	10.00%				Secured Debt (12)	(8)	—	—	1	—	70	—	70
	10.00%				Secured Debt	(8)	—	16	98	1,205	20	50	1,175
					Preferred Stock	(8)	—	225	70	455	225	—	680
Brewer Crane Holdings, LLC	15.44%	L+	10.00%		Secured Debt	(9)	—	(29)	169	1,491	8	123	1,376
					Preferred Member Units	(9)	—	(370)	23	1,770	—	370	1,400
Centre Technologies Holdings, LLC		SF+	9.00%		Secured Debt (12)	(8)	—	—	2	—	—	—	—
	14.48%	SF+	9.00%		Secured Debt	(8)	—	33	406	3,731	663	—	4,394
					Preferred Member Units	(8)	—	430	23	2,170	430	—	2,600
Chamberlin Holding LLC		SF+	6.00%		Secured Debt (12)	(8)	—	35	5	—	—	—	—

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates (Continued)**  
**September 30, 2023**  
**(dollars in thousands)**  
**(unaudited)**

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2022 Fair Value	Gross Additions(3)	Gross Reductions(4)	September 30, 2023 Fair Value (13)
	13.49%	SF+	8.00%		Secured Debt	(8)	—	(4)	416	4,236	4	138	4,102
					Member Units	(8)	—	750	698	5,728	752	—	6,480
					Member Units	(8)	—	65	17	678	65	—	743
Charps, LLC					Preferred Member Units	(5)	—	170	167	3,330	170	—	3,500
Clad-Rex Steel, LLC					Secured Debt (12)	(5)	—	—	—	—	—	—	—
	11.50%				Secured Debt	(5)	—	(37)	220	2,620	—	457	2,163
	10.00%				Secured Debt	(5)	—	—	20	260	—	7	253
					Member Units	(5)	—	(660)	69	2,060	—	660	1,400
					Member Units	(5)	—	55	—	152	130	—	282
Cody Pools, Inc.					Secured Debt (12)	(8)	—	2	—	—	—	—	—
	12.50%				Secured Debt	(8)	—	25	330	—	7,872	495	7,377
		L+	10.50%		Secured Debt	(8)	—	(11)	26	273	14	—	287
		L+	10.50%		Secured Debt	(8)	—	(96)	500	6,882	—	6,882	—
					Preferred Member Units	(8)	—	2,740	653	14,550	2,740	—	17,290
Colonial Electric Company LLC					Secured Debt	(6)	—	—	12	—	400	400	—
	12.00%				Secured Debt	(6)	—	(77)	542	5,729	26	313	5,442
					Preferred Member Units	(6)	—	360	—	—	600	—	600
					Preferred Member Units	(6)	—	(370)	(295)	2,290	—	370	1,920
Datacom, LLC					Secured Debt	(8)	—	—	3	25	89	55	59
	7.50%				Secured Debt	(8)	—	(14)	89	865	17	36	846
	10.00%				Preferred Member Units	(8)	—	(270)	—	300	—	270	30
Digital Products Holdings LLC	15.38%	SF+	10.00%		Secured Debt	(5)	—	(17)	436	3,878	—	209	3,669
					Preferred Member Units	(5)	—	—	38	2,459	—	—	2,459
Direct Marketing Solutions, Inc.	14.00%				Secured Debt	(9)	—	(1)	4	—	226	1	225
	14.00%				Secured Debt	(9)	—	(15)	550	5,352	15	282	5,085
					Preferred Stock	(9)	—	(220)	43	5,558	—	218	5,340
Flame King Holdings, LLC		L+	6.50%		Secured Debt	(9)	—	(15)	121	1,900	15	1,915	—
		L+	9.00%		Secured Debt	(9)	—	(123)	478	5,300	123	5,423	—
					Preferred Equity	(9)	—	2,570	619	4,400	2,570	—	6,970
Freeport Financial Funds					LP Interests (Freeport First Lien Loan Fund III LP) (12)	(5)	—	—	446	5,848	—	975	4,873
Gamber-Johnson Holdings, LLC		SF+	7.50%		Secured Debt (12)	(5)	—	—	1	—	—	—	—
	10.50%	SF+	7.50%		Secured Debt	(5)	—	(68)	1,338	16,020	68	1,968	14,120
					Member Units	(5)	—	7,680	1,240	12,720	7,680	—	20,400
GFG Group, LLC	8.00%				Secured Debt	(5)	—	(16)	201	2,836	16	216	2,636
					Preferred Member Units	(5)	—	810	82	1,790	810	—	2,600
Gulf Publishing Holdings, LLC		SF+	9.50%		Secured Debt (12)	(8)	—	—	—	—	—	—	—
	12.50%				Secured Debt	(8)	—	—	57	571	—	—	571
					Preferred Equity	(8)	—	(250)	—	950	—	250	700
					Member Units	(8)	—	—	—	—	—	—	—
HPEP 3, L.P.					LP Interests (HPEP 3, L.P.) (12)	(8)	—	283	—	4,331	283	508	4,106
IG Investor, LLC					Secured Debt (12)	(6)	—	—	3	—	172	200	(28)
	13.00%				Secured Debt	(6)	—	—	366	—	9,162	—	9,162
					Common Equity	(6)	—	—	—	—	3,774	174	3,600

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates (Continued)**  
**September 30, 2023**  
**(dollars in thousands)**  
**(unaudited)**

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2022 Fair Value	Gross Additions(3)	Gross Reductions(4)	September 30, 2023 Fair Value (13)
Independent Pet Partners Intermediate Holdings, LLC					Common Equity	(6)	—	(280)	—	—	6,540	280	6,260
Integral Energy Services	13.01%	SF+	7.50%		Secured Debt	(8)	—	(876)	1,842	18,425	58	876	17,607
					Common Stock	(8)	—	(1,160)	38	1,490	—	1,160	330
Kickhaefer Manufacturing Company, LLC	12.00%				Secured Debt	(5)	—	—	513	5,093	56	199	4,950
	9.00%				Secured Debt	(5)	—	—	66	961	—	7	954
					Preferred Equity	(5)	—	410	—	1,800	410	—	2,210
					Member Units	(5)	—	2	23	713	3	1	715
Market Force Information, LLC					Secured Debt	(9)	(6,465)	6,060	—	403	6,060	6,463	—
					Member Units	(9)	(4,160)	4,160	—	—	4,160	4,160	—
MH Corbin Holding LLC	13.00%				Secured Debt	(5)	—	307	145	1,137	308	169	1,276
					Preferred Member Units	(5)	—	80	—	—	80	—	80
					Preferred Member Units	(5)	—	—	—	—	—	—	—
Mystic Logistics Holdings, LLC	10.00%				Secured Debt (12)	(6)	—	—	1	—	—	—	—
					Secured Debt	(6)	—	—	109	1,436	—	—	1,436
					Common Stock	(6)	—	1,080	785	5,708	1,080	—	6,788
NexRev LLC	10.00%				Secured Debt (12)	(8)	—	—	—	—	—	—	—
					Secured Debt	(8)	—	708	223	2,119	725	413	2,431
					Preferred Member Units	(8)	—	1,310	43	280	1,310	—	1,590
NuStep, LLC	11.98%	SF+	6.50%		Secured Debt	(5)	—	(2)	92	1,100	1	203	898
	12.00%				Secured Debt	(5)	—	—	422	4,603	3	—	4,606
					Preferred Member Units	(5)	—	300	—	2,010	300	—	2,310
					Preferred Member Units	(5)	—	—	—	1,290	—	—	1,290
Oneliance, LLC	16.48%	SF+	11.00%		Secured Debt	(7)	—	(7)	172	1,380	4	27	1,357
					Preferred Stock	(7)	—	—	—	264	18	—	282
Orttech Holdings, LLC	16.48%	SF+	11.00%		Secured Debt (12)	(5)	—	2	1	(2)	2	—	—
					Secured Debt	(5)	—	64	716	5,814	86	350	5,550
					Preferred Stock	(5)	—	1,320	227	2,940	1,320	—	4,260
Robbins Bros. Jewelry, Inc.	12.50%				Secured Debt	(9)	—	—	3	(8)	2	—	(6)
					Secured Debt	(9)	—	(43)	382	3,902	13	167	3,748
					Preferred Equity	(9)	—	(1,340)	—	1,650	—	1,340	310
SI East, LLC	11.25%				Secured Debt (12)	(7)	—	6	8	—	625	—	625
	12.49%				Secured Debt	(7)	—	170	690	—	18,179	—	18,179
					Secured Debt	(7)	—	(134)	1,403	29,929	—	29,929	—
					Preferred Member Units	(7)	—	1,188	348	4,550	1,290	—	5,840
Student Resource Center, LLC	8.50%		8.50%		Secured Debt	(6)	—	(126)	364	5,063	243	8	5,298
					Preferred Equity	(6)	—	139	—	—	139	—	139
Tedder Industries, LLC	12.00%				Secured Debt	(9)	—	(14)	42	460	—	14	446
	12.00%				Secured Debt	(9)	—	(102)	349	3,780	3	102	3,681
					Preferred Member Units	(9)	—	(1,020)	—	1,920	—	1,020	900
					Preferred Member Units	(9)	—	44	—	—	150	—	150
					Preferred Member Units	(9)	—	180	—	—	300	—	300
Trantech Radiator Topco, LLC	12.00%				Secured Debt (12)	(7)	—	(2)	3	—	2	2	—
					Secured Debt	(7)	—	(10)	191	1,980	10	10	1,980

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates (Continued)**  
**September 30, 2023**  
**(dollars in thousands)**  
**(unaudited)**

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2022 Fair Value	Gross Additions(3)	Gross Reductions(4)	September 30, 2023 Fair Value (13)	
VVS Holdco LLC	11.50%	SF+	6.00%		Common Stock	(7)	—	1,400	22	1,950	1,400	—	3,350	
					Secured Debt (12)	(5)	—	—	6	(5)	4	—	(1)	
					Secured Debt	(5)	—	—	686	7,421	45	551	6,915	
					Preferred Equity	(5)	—	(30)	54	2,990	—	30	2,960	
<b>Other</b>														
Amounts related to investments transferred to or from other 1940 Act classification during the period							(1,541)	649	(151)	—	—	—	—	—
<b>Total Affiliate investments</b>							\$ (7,188)	\$ 22,468	\$ 22,241	\$ 277,000	\$ 91,114	\$ 92,225	\$ 275,889	

- (1) The principal amount, the ownership detail for equity investments and if the investment is income producing is included in the Consolidated Schedule of Investments included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q.
- (2) Represents the total amount of interest, fees and dividends credited to income for the portion of the period for which an investment was included in Control or Affiliate categories, respectively. For investments transferred between Control and Affiliate categories during the period, any income or investment balances related to the time period it was in the category other than the one shown at period end is included in "Amounts related to investments transferred from other 1940 Act classifications during the period."
- (3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest, and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in net unrealized depreciation as well as the movement of an existing portfolio company into this category and out of a different category.
- (4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increases in net unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
- (5) Portfolio company located in the Midwest region as determined by location of the corporate headquarters. The fair value as of September 30, 2023 for affiliate investments located in this region was \$98,341. This represented 16.0% of net assets as of September 30, 2023.
- (6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of September 30, 2023 for affiliate investments located in this region was \$40,617. This represented 6.6% of net assets as of September 30, 2023.
- (7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of September 30, 2023 for affiliate investments located in this region was \$31,613. This represented 5.2% of net assets as of September 30, 2023.

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates (Continued)**  
**September 30, 2023**  
**(dollars in thousands)**  
**(unaudited)**

- (8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of September 30, 2023 for control investments located in this region was \$53,478. This represented 8.7% of net assets as of September 30, 2023. The fair value as of September 30, 2023 for affiliate investments located in this region was \$75,393. This represented 12.3% of net assets as of September 30, 2023.
- (9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of September 30, 2023 for control investments located in this region was \$588. This represented 0.1% of net assets as of September 30, 2023. The fair value as of September 30, 2023 for affiliate investments located in this region was \$29,925. This represented 4.9% of net assets as of September 30, 2023.
- (10) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities," unless otherwise noted.
- (11) This schedule should be read in conjunction with the Consolidated Schedule of Investments and Notes to the Consolidated Financial Statements included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q. Supplemental information can be located within the Consolidated Schedule of Investments including end of period interest rate, preferred dividend rate, maturity date, investments not paid currently in cash and investments whose value was determined using significant unobservable inputs.
- (12) Investment has an unfunded commitment as of September 30, 2023 (see Note I). The fair value of the investment includes the impact of the fair value of any unfunded commitments.
- (13) Negative fair value is the result of the capitalized discount being greater than the principal amount outstanding on the loan.



**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates**  
**September 30, 2022**  
**(dollars in thousands)**  
**(unaudited)**

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment (1)(10)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income (2)	December 31, 2021 Fair Value	Gross Additions (3)	Gross Reductions (4)	September 30, 2022 Fair Value
<b>Control Investments</b>													
GRT Rubber Technologies LLC	10.56%	L+	8.00%		Secured Debt	(8)	\$ —	\$ (20)	\$ 1,365	\$ 19,152	\$ 812	\$ 20	\$ 19,944
					Member Units	(8)	—	—	1,230	22,750	—	—	22,750
Harris Preston Fund Investments					LP Interests (2717 MH, L.P.)	(8)	—	1,979	—	3,971	3,171	—	7,142
Copper Trail Fund Investments					LP Interests (CTMH, LP)	(9)	—	—	—	710	—	—	710
<b>Other Amounts related to investments transferred to or from other 1940 Act classification during the period</b>													
							—	—	—	—	—	—	—
<b>Total Control Investments</b>							\$ —	\$ 1,959	\$ 2,595	\$ 46,583	\$ 3,983	\$ 20	\$ 50,546
<b>Affiliate Investments</b>													
AFG Capital Group, LLC					Secured Debt	(8)	\$ —	\$ —	\$ 1	\$ 36	\$ —	\$ 36	\$ —
					Preferred Member Units	(8)	—	260	50	1,930	260	—	2,190
Analytical Systems Keco Holdings, LLC		L+	10.00%		Secured Debt	(8)	—	—	2	(4)	1	—	(3)
	12.63%	L+	10.00%		Secured Debt	(8)	—	—	127	1,182	17	52	1,147
	12.63%				Preferred Member Units	(8)	—	—	—	—	—	—	—
					Preferred Member Units	(8)	—	(260)	—	1,220	—	260	960
					Warrants	(8)	—	—	—	—	—	—	—
ATX Networks Corp.	11.14%	L+	7.50%		Secured Debt	(6)	—	405	559	7,121	633	1,019	6,735
	10.00%			10.00%	Unsecured Debt	(6)	—	263	240	1,977	504	—	2,481
					Common Stock	(6)	—	—	—	—	—	—	—
Barfly Ventures, LLC					Member Units	(5)	—	463	—	643	464	—	1,107
Barjer TopCo, LLC					Secured Debt	(8)	—	—	—	—	50	51	(1)
	11.00%				Secured Debt	(8)	—	—	81	—	1,203	—	1,203
					Preferred Stock	(8)	—	—	—	—	455	—	455
Brewer Crane Holdings, LLC	12.56%	L+	10.00%		Secured Debt	(9)	—	—	166	2,005	8	493	1,520
					Preferred Member Units	(9)	—	(510)	199	1,930	—	510	1,420
Centre Technologies Holdings, LLC		L+	9.00%		Secured Debt	(8)	—	—	6	—	360	360	—
	11.63%	L+	9.00%		Secured Debt	(8)	—	115	321	2,216	1,610	97	3,729
					Preferred Member Units	(8)	—	509	23	1,460	580	—	2,040
Chamberlin Holding LLC		L+	6.00%		Secured Debt	(8)	—	—	2	—	—	—	—
	10.63%	L+	8.00%		Secured Debt	(8)	—	(32)	347	4,454	32	120	4,366
					Member Units	(8)	—	(450)	334	6,030	—	450	5,580
					Member Units	(8)	—	(27)	14	385	113	27	471
Chaps, LLC					Secured Debt	(5)	—	—	—	—	—	—	—
					Preferred Member Units	(5)	—	(200)	106	3,500	—	200	3,300
Clad-Rex Steel, LLC	12.13%	L+	9.50%		Secured Debt	(5)	—	—	217	2,620	—	—	2,620
	10.00%				Secured Debt	(5)	—	—	20	268	—	6	262
					Member Units	(5)	—	(190)	149	2,560	—	190	2,370
					Member Units	(5)	—	20	—	133	19	—	152
Cody Pools, Inc.		L+	10.50%		Secured Debt	(8)	—	10	13	(6)	641	635	—
	13.63%	L+	10.50%		Secured Debt	(8)	—	(22)	694	7,187	22	251	6,958
					Preferred Member Units	(8)	—	2,390	928	11,910	2,390	—	14,300

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates (Continued)**  
**September 30, 2022**  
**(dollars in thousands)**  
**(unaudited)**

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment (1) (10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income (2)	December 31, 2021 Fair Value	Gross Additions (3)	Gross Reductions (4)	September 30, 2022 Fair Value
Colonial Electric Company LLC	12.00%				Secured Debt	(6)	—	—	12	—	400	400	—
					Secured Debt	(6)	—	—	573	6,007	28	236	5,799
					Preferred Member Units	(6)	—	20	317	2,280	20	—	2,300
Datacom, LLC	7.50%				Secured Debt	(8)	—	—	—	—	25	—	25
					Secured Debt	(8)	—	14	73	852	32	23	861
					Preferred Member Units	(8)	—	10	8	290	10	—	300
Digital Products Holdings LLC	12.63%	L+	10.00%		Secured Debt	(5)	—	—	368	4,186	17	248	3,955
					Preferred Member Units	(5)	—	—	38	2,459	—	—	2,497
Direct Marketing Solutions, Inc.	13.63%	L+	11.00%		Secured Debt	(9)	—	5	19	(7)	758	151	600
					Secured Debt	(9)	—	(21)	459	4,705	21	232	4,494
					Preferred Stock	(9)	—	970	257	4,590	970	—	5,560
Flame King Holdings, LLC	9.25%	L+	6.50%		Secured Debt	(9)	—	16	116	1,581	319	—	1,900
					Secured Debt	(9)	—	131	525	5,145	155	—	5,300
	13.75%	L+	11.00%		Preferred Equity	(9)	—	860	227	2,600	860	—	3,460
					LP Interests (Freeport First Lien Loan Fund III LP)	(5)	—	(57)	288	7,231	—	1,056	6,175
Gamber-Johnson Holdings, LLC	10.63%	L+	8.00%		Secured Debt	(5)	—	—	1	—	—	—	—
					Secured Debt	(5)	—	8	422	5,400	620	—	6,020
					Member Units	(5)	—	(810)	179	12,430	—	810	11,620
GFG Group, LLC	9.00%				Secured Debt	(5)	—	(19)	255	3,136	19	219	2,936
					Preferred Member Units	(5)	—	40	104	1,750	40	—	1,790
Gulf Publishing Holdings, LLC	12.50%	L+	9.50%		Secured Debt	(8)	—	—	2	64	—	64	—
					Secured Debt	(8)	(1,455)	962	126	2,429	—	2,429	—
					Secured Debt	(8)	—	(29)	—	—	600	29	571
					Member Units	(8)	—	—	—	—	—	—	—
					Member Units	(8)	—	(420)	—	—	1,400	420	980
HPEP 3, L.P.				LP Interests (HPEP 3, L.P.)	(8)	779	254	(81)	4,712	587	968	4,331	
Kickhafer Manufacturing Company, LLC	9.00%				Secured Debt	(5)	—	—	471	5,040	26	—	5,066
					Secured Debt	(5)	—	—	66	970	—	7	963
					Member Units	(5)	—	(770)	—	3,080	—	770	2,310
					Member Units	(5)	—	—	21	615	—	—	615
Market Force Information, LLC	12.00%			12.00%	Secured Debt	(9)	—	(1,516)	—	2,234	—	1,516	718
					Member Units	(9)	—	—	—	—	—	—	—
MH Corbin Holding LLC	13.00%				Secured Debt	(5)	—	(305)	199	1,484	2	809	677
					Preferred Member Units	(5)	—	—	—	—	—	—	—
					Preferred Member Units	(5)	—	—	—	—	—	—	—
Mystic Logistics Holdings, LLC	10.00%				Secured Debt	(6)	—	—	1	—	—	—	—
					Secured Debt	(6)	—	—	115	1,595	—	159	1,436
					Common Stock	(6)	—	2,965	739	2,210	2,965	—	5,175
NexRev LLC	11.00%				Secured Debt	(8)	—	—	7	199	—	159	40
					Secured Debt	(8)	—	(236)	394	3,311	—	1,048	2,263
					Preferred Member Units	(8)	—	(723)	15	670	333	723	280
NuStep, LLC	9.13%	L+	6.50%		Secured Debt	(5)	—	—	49	430	667	—	1,097
					Secured Debt	(5)	—	(2)	403	4,310	294	2	4,602

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates (Continued)**  
**September 30, 2022**  
**(dollars in thousands)**  
**(unaudited)**

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment (1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income (2)	December 31, 2021 Fair Value	Gross Additions (3)	Gross Reductions (4)	September 30, 2022 Fair Value
Oneliance, LLC	13.56%	L+	11.00%		Preferred Member Units	(5)	—	(830)	—	3,380	—	830	2,550
					Secured Debt	(7)	—	—	136	1,374	4	—	1,378
					Preferred Stock	(7)	—	—	—	264	—	—	264
Orttech Holdings, LLC	13.63%	L+	11.00%		Secured Debt	(5)	—	—	5	41	—	44	(3)
					Secured Debt	(5)	—	—	587	5,937	21	150	5,808
					Preferred Stock	(5)	—	—	145	2,500	—	—	2,500
Robbins Bros. Jewelry, Inc.		L+	11.00%		Secured Debt	(9)	—	—	3	—	2	10	(8)
	13.63%	L+	11.00%		Secured Debt	(9)	—	—	392	—	3,973	50	3,923
					Preferred Equity	(9)	—	460	62	—	1,690	—	1,690
SI East, LLC	10.25%				Secured Debt	(7)	—	—	64	750	1,250	1,250	750
	10.25%				Secured Debt	(7)	—	134	1,885	21,200	10,375	496	31,079
					Preferred Member Units	(7)	—	1,120	189	3,860	1,120	—	4,980
Sonic Systems International, LLC	9.78%	L+	7.50%		Secured Debt	(8)	—	118	1,129	13,738	4,504	—	18,242
					Common Stock	(8)	—	66	38	1,250	400	—	1,650
Tedder Industries, LLC	12.00%				Secured Debt	(9)	—	—	41	259	201	—	460
	12.00%				Secured Debt	(9)	—	(16)	387	3,754	41	16	3,779
					Preferred Member Units	(9)	—	(483)	—	2,145	122	483	1,784
Trantech Radiator Topco, LLC					Secured Debt	(7)	—	4	3	(6)	6	—	—
	12.00%				Secured Debt	(7)	—	(13)	205	2,180	13	113	2,080
					Common Stock	(7)	—	(310)	22	2,160	—	310	1,850
VVS Holdco LLC	8.63%	L+	6.00%		Secured Debt	(5)	—	—	11	292	201	300	193
	11.50%				Secured Debt	(5)	—	—	697	7,375	34	—	7,409
					Preferred Equity	(5)	—	60	75	2,960	60	—	3,020
<b>Other Amounts related to investments transferred to or from other 1940 Act classification during the period</b>													
							—	—	—	—	—	—	—
<b>Total Affiliate investments</b>							\$ (676)	\$ 4,401	\$ 17,443	\$ 234,158	\$ 44,547	\$ 21,287	\$ 257,418

- (1) The principal amount, the ownership detail for equity investments and if the investment is income producing is included in the Consolidated Schedule of Investments included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q.
- (2) Represents the total amount of interest, fees and dividends credited to income for the portion of the period for which an investment was included in Control or Affiliate categories, respectively. For investments transferred between Control and Affiliate categories during the period, any income or investment balances related to the time period it was in the category other than the one shown at period end is included in "Amounts related to investments transferred from other 1940 Act classifications during the period."
- (3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest, and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in net unrealized depreciation as well as the movement of an existing portfolio company into this category and out of a different category.

**MSC INCOME FUND, INC.**  
**Consolidated Schedule of Investments In and Advances to Affiliates (Continued)**  
**September 30, 2022**  
**(dollars in thousands)**  
**(unaudited)**

- (4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increases in net unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
- (5) Portfolio company located in the Midwest region as determined by location of the corporate headquarters. The fair value as of September 30, 2022 for affiliate investments located in this region was \$81,573. This represented 11.9% of net assets as of September 30, 2022.
- (6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of September 30, 2022 for affiliate investments located in this region was \$23,926. This represented 3.5% of net assets as of September 30, 2022.
- (7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of September 30, 2022 for affiliate investments located in this region was \$42,381. This represented 6.2% of net assets as of September 30, 2022.
- (8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of September 30, 2022 for control investments located in this region was \$49,836. This represented 7.3% of net assets as of September 30, 2022. The fair value as of September 30, 2022 for affiliate investments located in this region was \$72,938. This represented 10.7% of net assets as of September 30, 2022.
- (9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of September 30, 2022 for control investments located in this region was \$710. This represented 0.1% of net assets as of September 30, 2022. The fair value as of September 30, 2022 for affiliate investments located in this region was \$36,600. This represented 5.3% of net assets as of September 30, 2022.
- (10) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities," unless otherwise noted.
- (11) This schedule should be read in conjunction with the Consolidated Schedule of Investments and Notes to the Consolidated Financial Statements included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q. Supplemental information can be located within the Consolidated Schedule of Investments including end of period interest rate, preferred dividend rate, maturity date, investments not paid currently in cash and investments whose value was determined using significant unobservable inputs.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This Quarterly Report on Form 10-Q contains forward-looking statements regarding the plans and objectives of management for future operations and which relate to future events or our future performance or financial condition. Any such forward-looking statements may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and we cannot assure you that the projections included in these forward-looking statements will come to pass. Our actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors, including, without limitation the factors referenced in Item 1A entitled "Risk Factors" below in Part II of this Quarterly Report on Form 10-Q, if any, and discussed in Item 1A entitled "Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission ("SEC") on March 14, 2023 and elsewhere in this Quarterly Report on Form 10-Q and our other SEC filings. Other factors that could cause actual results to differ materially include changes in the economy and future changes in laws or regulations and conditions in our operating areas.*

*We have based the forward-looking statements included in this Quarterly Report on Form 10-Q on information available to us on the date of this Quarterly Report on Form 10-Q, and we assume no obligation to update any such forward-looking statements, unless we are required to do so by applicable law. However, you are advised to refer to any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including subsequent periodic and current reports.*

*This discussion should be read in conjunction with our consolidated financial statements as of December 31, 2022, and for the year then ended, and Management's Discussion and Analysis of Financial Condition and Results of Operations, both contained in our Annual Report on Form 10-K for the year ended December 31, 2022, as well as the consolidated financial statements (unaudited) and notes to the consolidated financial statements (unaudited) contained in this report.*

### ORGANIZATION

MSC Income Fund, Inc. ("MSIF" or, together with its consolidated subsidiaries, "MSC Income Fund" or the "Company") is a principal investment firm primarily focused on providing debt capital to middle market ("Middle Market") companies and customized debt and equity financing to lower middle market ("LMM") companies. The portfolio investments of MSC Income Fund are typically made to support leveraged buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in a variety of industry sectors. MSC Income Fund seeks to partner with private equity funds in its Private Loan (as defined below) and Middle Market investment strategies. MSC Income Fund invests primarily in secured debt investments of Middle Market companies generally headquartered in the United States and in secured debt investments, equity investments, warrants and other securities of LMM companies based in the United States. MSC Income Fund seeks to partner with entrepreneurs, business owners and management teams and generally provides "one-stop" financing alternatives within its LMM investment strategy.

MSIF was formed in November 2011 to operate as an externally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSIF has elected to be treated for U.S. federal income tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, MSIF generally does not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that it distributes to its stockholders.

On October 28, 2020, MSIF's stockholders approved the appointment of MSC Adviser I, LLC (our "Adviser"), which is wholly-owned by Main Street Capital Corporation ("Main Street"), a New York Stock Exchange listed BDC, as MSIF's investment adviser and administrator under an Investment Advisory and Administrative Services Agreement dated October 30, 2020 (our "Investment Advisory Agreement"). In such role, the Adviser has the responsibility to manage the business of MSC Income Fund, including the responsibility to identify, evaluate, negotiate and structure prospective investments, make investment and portfolio management decisions, monitor MSC Income Fund's Investment Portfolio and provide ongoing administrative services.

MSIF has certain direct and indirect wholly-owned subsidiaries that have elected to be taxable entities (the “Taxable Subsidiaries”). The primary purpose of the Taxable Subsidiaries is to permit MSIF to hold equity investments in portfolio companies which are “pass-through” entities for tax purposes. MSIF also has certain direct and indirect wholly-owned subsidiaries formed for financing purposes (the “Structured Subsidiaries”).

Unless otherwise noted or the context otherwise indicates, the terms “we,” “us,” “our,” the “Company” and “MSC Income Fund” refer to MSIF and its consolidated subsidiaries, which include the Taxable Subsidiaries and the Structured Subsidiaries.

## OVERVIEW OF OUR BUSINESS

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), LMM and Middle Market investment strategies. Our private loan (“Private Loan”) investment strategy involves investments in companies that are consistent with the size of the companies in our LMM and Middle Market investment strategies. Our LMM investment strategy involves investments in companies that generally have annual revenues between \$10 million and \$150 million. Our Middle Market investment strategy involves investments in companies that are generally larger in size than our LMM companies, with annual revenues typically between \$150 million and \$1.5 billion. Our Private Loan, LMM and Middle Market 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. 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 size, 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 co-invest with Main Street and the private equity sponsor in the equity securities of our Private Loan portfolio companies.

We seek to fill the financing gap for LMM businesses, which, historically, have had limited access to financing from commercial banks and other traditional sources. The underserved nature of the LMM creates the opportunity for us to meet the financing needs of LMM companies while also negotiating favorable transaction terms and equity participation. Our ability to invest across a company’s capital structure, from secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing options, or a “one stop” financing solution. Providing customized, “one-stop” financing solutions is important to LMM portfolio companies. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. Our LMM portfolio debt investments are generally secured by a first lien on the assets of the portfolio company and typically have a term of between five and seven years from the original investment date.

Our Middle Market portfolio investments primarily consist of direct investments in or secondary purchases of interest-bearing syndicated loans or debt securities in privately held companies based in the United States that are generally larger in size than the companies included in our LMM portfolio. Our Middle Market portfolio debt investments are generally secured by a first priority lien on the assets of the portfolio company and typically have an expected duration of between three and seven years from the original investment date.

Our other portfolio (“Other Portfolio”) investments primarily consist of investments that are not consistent with the typical profiles for our Private Loan, LMM or Middle Market portfolio investments, including investments which may be managed by third parties. In our Other Portfolio, we may incur indirect fees and expenses in connection with investments managed by third parties, such as investments in other investment companies or private funds.

Our portfolio investments are generally made through MSIF, the Taxable Subsidiaries and the Structured Subsidiaries. MSIF, the Taxable Subsidiaries and the Structured Subsidiaries share the same investment strategies and criteria. An investor’s return in MSIF will depend, in part, on the Taxable Subsidiaries’ and the Structured Subsidiaries’ investment returns as they are wholly-owned subsidiaries of MSIF.

The level of new portfolio investment activity will fluctuate from period to period based upon our view of the current economic fundamentals, our ability to identify new investment opportunities that meet our investment criteria, and

our ability to consummate the identified opportunities and our available liquidity. The level of new investment activity, and associated interest and fee income, will directly impact future investment income. In addition, the level of dividends paid by portfolio companies and the portion of our portfolio debt investments on non-accrual status will directly impact future investment income. While we intend to grow our portfolio and our investment income over the long term, our growth and our operating results may be more limited during depressed economic periods. However, we intend to appropriately manage our cost structure and liquidity position based on applicable economic conditions and our investment outlook. The level of realized gains or losses and unrealized appreciation or depreciation on our investments will also fluctuate depending upon portfolio activity, economic conditions and the performance of our individual portfolio companies. The changes in realized gains and losses and unrealized appreciation or depreciation could have a material impact on our operating results.

We have received an exemptive order from the SEC permitting co-investments among us, Main Street and other funds and clients advised by our Adviser in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act. We have made co-investments with, and in the future intend to continue to make co-investments with Main Street and other funds and clients advised by our Adviser, in accordance with the conditions of the order. The order requires, among other things, that we and our Adviser consider whether each such investment opportunity is appropriate for us and the other funds and clients advised by our Adviser, as applicable, and if it is appropriate, to propose an allocation of the investment opportunity between such parties. Because our Adviser is wholly-owned by Main Street and is not managing our investment activities as its sole activity, this may provide our Adviser an incentive to allocate opportunities to other participating funds and clients instead of us. However, our Adviser has policies and procedures in place to manage this conflict, including oversight by the independent members of our Board of Directors. In addition to the co-investment program described above, we also co-invest in syndicated deals and other transactions where price is the only negotiated point by us and our affiliates.

## INVESTMENT PORTFOLIO SUMMARY

The following tables provide a summary of our investments in the Private Loan, LMM and Middle Market portfolios as of September 30, 2023 and December 31, 2022 (this information excludes Other Portfolio investments, which are discussed further below).

	As of September 30, 2023		
	Private Loan	LMM (a)	Middle Market
	(dollars in millions)		
Number of portfolio companies	78	49	18
Fair value	\$ 609.0	\$ 367.6	\$ 101.1
Cost	\$ 611.3	\$ 301.4	\$ 130.0
Debt investments as a % of portfolio (at cost)	95.9 %	70.1 %	93.9 %
Equity investments as a % of portfolio (at cost)	4.1 %	29.9 %	6.1 %
% of debt investments at cost secured by first priority lien	99.4 %	100.0 %	100.0 %
Weighted-average annual effective yield (b)	13.1 %	12.9 %	12.8 %
Average EBITDA (c)	\$ 32.6	\$ 8.6	\$ 74.6

- (a) At September 30, 2023, we had equity ownership in all of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was 9%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2023, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield on our debt portfolio as of September 30, 2023 including debt investments on non-accrual status was 12.3% for our Private Loan portfolio, 12.9% for our LMM portfolio and 10.2% for our Middle Market portfolio. The weighted-average annual effective yield is not reflective of what an investor in shares of our common stock will realize on its investment because it does not reflect our utilization of debt capital in our capital structure, our expenses or any sales load paid by an investor.
- (c) The average EBITDA is calculated using a weighted-average for the Private Loan and Middle Market portfolios and a simple average for the LMM portfolio. These calculations exclude certain portfolio companies, including one Private

Loan portfolio company, as EBITDA is not a meaningful valuation metric for our investment in this portfolio company, and those portfolio companies whose primary purpose is to own real estate.

	As of December 31, 2022					
	Private Loan		LMM (a)		Middle Market	
	(dollars in millions)					
Number of portfolio companies	70		48		21	
Fair value	\$	559.8	\$	352.7	\$	126.7
Cost	\$	563.0	\$	312.5	\$	159.7
Debt investments as a % of portfolio (at cost)	96.2 %		73.2 %		95.0 %	
Equity investments as a % of portfolio (at cost)	3.8 %		26.8 %		5.0 %	
% of debt investments at cost secured by first priority lien	99.4 %		99.9 %		98.5 %	
Weighted-average annual effective yield (b)	11.8 %		12.1 %		11.3 %	
Average EBITDA (c)	\$	36.8	\$	8.6	\$	79.2

- (a) At December 31, 2022, we had equity ownership in all of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was 9%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2022, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield on our debt portfolio as of December 31, 2022 including debt investments on non-accrual status was 11.4% for our Private Loan portfolio, 11.7% for our LMM portfolio and 9.7% for our Middle Market portfolio. The weighted-average annual effective yield is not reflective of what an investor in shares of our common stock will realize on its investment because it does not reflect our utilization of debt capital in our capital structure, our expenses or any sales load paid by an investor.
- (c) The average EBITDA is calculated using a weighted-average for the Private Loan and Middle Market portfolios and a simple average for the LMM portfolio. These calculations exclude certain portfolio companies, including one Private Loan portfolio company, as EBITDA is not a meaningful valuation metric for our investment in this portfolio company, and those portfolio companies whose primary purpose is to own real estate.

For the three months ended September 30, 2023 and 2022, we achieved an annualized total return on investments of 12.0% and 10.5%, respectively. For the nine months ended September 30, 2023 and 2022, we achieved an annualized total return on investments of 12.9% and 8.6%, respectively. For the year ended December 31, 2022, we achieved a total return on investments of 9.1%. Total return on investments is calculated using the interest, dividend and fee income, as well as the realized and unrealized change in fair value of the Investment Portfolio for the specified period. Our total return on investments is not reflective of what an investor in shares of our common stock will realize on its investment because it does not reflect our utilization of debt capital in our capital structure, our expenses or any sales load paid by an investor.

As of September 30, 2023, we had Other Portfolio investments in four entities, collectively totaling \$26.2 million in fair value and \$22.4 million in cost basis and which comprised 2.4% and 2.1% of our Investment Portfolio at fair value and cost, respectively. As of December 31, 2022, we had Other Portfolio investments in four entities, collectively totaling \$29.0 million in fair value and \$24.7 million in cost basis and which comprised 2.7% and 2.3% of our Investment Portfolio at fair value and cost, respectively.

## CRITICAL ACCOUNTING POLICIES

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods reported. Actual results could materially differ from those estimates. Critical accounting policies are those that require management to make subjective or complex judgments about the effect of matters that are inherently uncertain and may change in subsequent periods. Changes that may be required in the underlying assumptions or estimates in these areas could have a material impact on our current and future financial condition and results of operations.



Management has discussed the development and selection of each critical accounting policy and estimate with the Audit Committee of the Board of Directors. Our critical accounting policies and estimates include the Investment Portfolio Valuation and Revenue Recognition policies described below. Our significant accounting policies are described in greater detail in *Note B — Summary of Significant Accounting Policies* to the consolidated financial statements included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q.

### ***Investment Portfolio Valuation***

The most significant determination inherent in the preparation of our consolidated financial statements is the valuation of our Investment Portfolio and the related amounts of unrealized appreciation and depreciation. We consider this determination to be a critical accounting estimate, given the significant judgments and subjective measurements required. As of both September 30, 2023 and December 31, 2022, our Investment Portfolio valued at fair value represented 96% of our total assets. We are required to report our investments at fair value. We follow the provisions of FASB ASC 820, Fair Value Measurements and Disclosures (“ASC 820”). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 requires us to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact. See *Note B.1. — Summary of Significant Accounting Policies — Valuation of the Investment Portfolio* included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q for a detailed discussion of our Investment Portfolio valuation process and procedures.

Due to the inherent uncertainty in the valuation process, our determination of fair value for our Investment Portfolio may differ materially from the values that would have been determined had a ready market for the securities existed. In addition, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. We determine the fair value of each individual investment and record changes in fair value as unrealized appreciation or depreciation.

In December 2020, the SEC adopted Rule 2a-5 under the 1940 Act, which permits a BDC’s board of directors to designate its executive officers or investment adviser as a valuation designee to determine the fair value for its investment portfolio, subject to the active oversight of the board. Our Board of Directors has approved policies and procedures pursuant to Rule 2a-5 (the “Valuation Procedures”) and has designated our Adviser, led by a group of Main Street’s and our Adviser’s executive officers, to serve as the Board of Directors’ valuation designee. We believe our Investment Portfolio as of September 30, 2023 and December 31, 2022 approximates fair value as of those dates based on the markets in which we operate and other conditions in existence on those reporting dates.

### ***Revenue Recognition***

#### ***Interest and Dividend Income***

We record interest and dividend income on the accrual basis to the extent amounts are expected to be collected. Dividend income is recorded as dividends are declared by the portfolio company or at the point an obligation exists for the portfolio company to make a distribution. We evaluate accrued interest and dividend income periodically for collectability. When a loan or debt security becomes 90 days or more past due, and if we otherwise do not expect the debtor to be able to service its debt obligation, we will generally place the loan or debt security on non-accrual status and cease recognizing interest income on that loan or debt security until the borrower has demonstrated the ability and intent to pay contractual amounts due. If a loan or debt security’s status significantly improves regarding the debtor’s ability to service the debt obligation, or if a loan or debt security is sold or written off, we remove it from non-accrual status.

#### ***Fee Income***

We may periodically provide services, including structuring and advisory services to our portfolio companies or other third parties. For services that are separately identifiable and evidence exists to substantiate fair value, fee income is recognized as earned, which is generally when the investment or other applicable transaction closes. Fees received in connection with debt financing transactions for services that do not meet these criteria are treated as debt origination fees and are generally deferred and accreted into income over the life of the financing.

### Payment-in-Kind (“PIK”) Interest and Cumulative Dividends

We hold certain debt and preferred equity instruments in our Investment Portfolio that contain PIK interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed in *Note B.7. — Summary of Significant Accounting Policies — Income Taxes* included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though we may not have collected the PIK interest and cumulative dividends in cash. We stop accruing PIK interest and cumulative dividends and write off any accrued and uncollected interest and dividends in arrears when we determine that such PIK interest and dividends in arrears are no longer collectible. For the three months ended September 30, 2023 and 2022, (i) 4.6% and 2.3%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) 0.1% and 0.4%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash. For the nine months ended September 30, 2023 and 2022, (i) 3.9% and 2.5%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) 0.1% and 0.8%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash.

### INVESTMENT PORTFOLIO COMPOSITION

The following tables summarize the composition of our total combined Private Loan, LMM and Middle Market portfolio investments at cost and fair value by type of investment as a percentage of the total combined Private Loan, LMM and Middle Market portfolio investments as of September 30, 2023 and December 31, 2022 (this information excludes Other Portfolio investments).

<b>Cost:</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
First lien debt	87.7 %	88.5 %
Equity	11.7	10.8
Second lien debt	0.4	0.3
Equity warrants	0.2	0.2
Other	—	0.2
	<u>100.0 %</u>	<u>100.0 %</u>
<b>Fair Value:</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
First lien debt	80.1 %	81.4 %
Equity	19.4	17.9
Second lien debt	0.4	0.3
Equity warrants	0.1	0.1
Other	—	0.3
	<u>100.0 %</u>	<u>100.0 %</u>

Our Private Loan, LMM and Middle Market portfolio investments carry a number of risks including: (1) investing in companies which may have limited operating histories and financial resources; (2) holding investments that generally are not publicly traded and which may be subject to legal and other restrictions on resale; and (3) other risks common to investing in below investment-grade debt and equity investments in our Investment Portfolio. Please see *Item 1A. Risk Factors — Risks Related to our Investments* contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for a more complete discussion of the risks involved with investing in our Investment Portfolio.

### PORTFOLIO ASSET QUALITY

We utilize an internally developed investment rating system to rate the performance of each Private Loan, LMM and Middle Market portfolio company and to monitor our expected level of returns on each of our Private Loan, LMM and Middle Market investments in relation to our expectations for the portfolio company. The investment rating system takes

into consideration various factors, including each investment’s expected level of returns, the collectability of our debt investments and the ability to receive a return of the invested capital in our equity investments, comparisons to competitors and other industry participants, the portfolio company’s future outlook and other factors that are deemed to be significant to the portfolio company.

As of September 30, 2023, investments on non-accrual status comprised 1.7% of our total Investment Portfolio at fair value and 5.2% at cost. As of December 31, 2022, investments on non-accrual status comprised 0.8% of our total Investment Portfolio at fair value and 4.8% at cost.

The operating results of our portfolio companies are impacted by changes in the broader fundamentals of the United States economy. In periods during which the United States economy contracts, it is likely that the financial results of small to mid-sized companies, like those in which we invest, could experience deterioration or limited growth from current levels, which could ultimately lead to difficulty in meeting their debt service requirements, to an increase in defaults on our debt investments or in realized losses on our investments and to difficulty in maintaining historical dividend payment rates and unrealized appreciation on our equity investments. Consequently, we can provide no assurance that the performance of certain portfolio companies will not be negatively impacted by future economic cycles or other conditions, which could also have a negative impact on our future results.

## DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

### Comparison of the three months ended September 30, 2023 and 2022

Set forth below is a comparison of the results of operations for the three months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Net Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Total investment income	\$ 32,351	\$ 26,051	\$ 6,300	24 %
Total expenses, net of expense waivers	(18,229)	(12,869)	(5,360)	42 %
Net investment income	14,122	13,182	940	7 %
Net realized gain from investments	435	7,238	(6,803)	NM
Net unrealized depreciation from investments	(1,202)	(4,435)	3,233	NM
Income tax benefit (provision)	27	(722)	749	NM
Net increase in net assets resulting from operations	\$ 13,382	\$ 15,263	\$ (1,881)	(12)%

NM — Net Change % not meaningful

### Investment Income

Total investment income for the three months ended September 30, 2023 was \$32.4 million, a 24% increase from the \$26.1 million of total investment income for the corresponding period of 2022. The following table provides a summary of the changes in the comparable period activity.

	Three Months Ended September 30,		Net Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Interest income	\$ 29,400	\$ 23,346	\$ 6,054	26 % (a)
Dividend income	2,399	2,166	233	11 %
Fee income	552	539	13	2 %
Total investment income	\$ 32,351	\$ 26,051	\$ 6,300	24 %

(a) The increase in interest income was primarily due to an increase in interest rates on floating rate Investment Portfolio debt investments primarily resulting from increases in benchmark index rates.

*Expenses*

Total expenses, net of expense waivers, for the three months ended September 30, 2023 were \$18.2 million, a 42% increase from \$12.9 million in the corresponding period of 2022. The following table provides a summary of the changes in the comparable period activity.

	Three Months Ended September 30,		Net Change	
	2023	2022	Amount	%
(dollars in thousands)				
Interest expense	\$ 9,403	\$ 6,801	\$ 2,602	38 % (a)
Base management fees	4,994	4,974	20	—%
Incentive fees	2,572	—	2,572	NM (b)
Internal administrative services fees	2,168	1,405	763	54 % (c)
General and administrative	1,106	941	165	18 %
Total expenses before expense waivers	20,243	14,121	6,122	43 %
Waiver of internal administrative services expenses	(2,014)	(1,252)	(762)	61 %
Total expenses	\$ 18,229	\$ 12,869	\$ 5,360	42 %

- (a) The increase in interest expense was primarily related to higher floating interest rates on our Credit Facilities (as defined in the *Liquidity and Capital Resources* section below) based upon the increases in benchmark index rates.
- (b) The increase in incentive fees was due to the increased Pre-Incentive Fee Net Investment Income resulting from MSC Income Fund's more favorable operating results for the three months ended September 30, 2023 compared to the corresponding period of 2022.
- (c) The increase in internal administrative service fees related primarily to increased expenses incurred by the Adviser associated with its activities and services under the Investment Advisory Agreement. Consistent with prior practices, the vast majority of such internal administrative service fees, or all fees other than \$0.2 million, were waived by the Adviser. The only fees not waived are the cost of services previously provided by a sub-administrator prior to January 1, 2022 (see *Note J.1. — Related Party Transactions — Advisory Agreements and Conditional Expense Reimbursement Waivers* included in *Item 1. Consolidated Financial Statements*).

*Net Investment Income*

Net investment income for the three months ended September 30, 2023 increased to \$14.1 million, or \$0.18 per share, compared to net investment income of \$13.2 million, or \$0.16 per share, for the corresponding period of 2022. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by the increase in total expenses, including incentive fees, each as discussed above. Net investment income per share for the three months ended September 30, 2023 and 2022 did not include significant amounts of items considered less consistent or non-recurring in nature.

### Net Realized Gain (Loss) from Investments

The following table provides a summary of the primary components of the total net realized gain on investments of \$0.4 million for the three months ended September 30, 2023.

	Three Months Ended September 30, 2023							
	Full Exits		Partial Exits		Restructures		Other (a)	Total
	Net Gain/(Loss)	# of Investments	Net Gain/(Loss)	# of Investments	Net Gain/(Loss)	# of Investments	Net Gain/(Loss)	Net Gain/(Loss)
	(dollars in thousands)							
Private Loan portfolio	\$ —	—	\$ —	—	\$ —	—	\$ (4)	\$ (4)
LMM portfolio	—	—	—	—	—	—	—	—
Middle Market portfolio	(353)	1	—	—	—	—	245	(108)
Other Portfolio	—	—	547	1	—	—	—	547
Total net realized gain/(loss)	\$ (353)	1	\$ 547	1	\$ —	—	\$ 241	\$ 435

(a) Other activity includes realized gains and losses from transactions involving five portfolio companies which are not considered to be significant individually or in the aggregate.

### Net Unrealized Appreciation (Depreciation)

The following table provides a summary of the total net unrealized depreciation of \$1.2 million for the three months ended September 30, 2023.

	Three Months Ended September 30, 2023				
	Private Loan	LMM(a)	Middle Market	Other	Total
	(dollars in thousands)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains / income) losses recognized during the current period	\$ 3	\$ (105)	\$ 353	\$ (547)	\$ (296)
Net unrealized appreciation (depreciation) relating to portfolio investments	(7,033)	5,832	(22)	317	(906)
Total net unrealized appreciation (depreciation) relating to portfolio investments	\$ (7,030)	\$ 5,727	\$ 331	\$ (230)	\$ (1,202)

(a) Includes unrealized appreciation on 21 LMM portfolio investments and unrealized depreciation on 11 LMM portfolio investments.

### Income Tax Benefit (Provision)

The income tax benefit for the three months ended September 30, 2023 of \$0.03 million principally consisted of a deferred tax benefit of \$0.46 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences, partially offset by a current tax provision of \$0.43 million related to a \$0.3 million provision for current federal and state income taxes and a \$0.13 million provision for excise tax on our estimated undistributed taxable income. The income tax provision for the three months ended September 30, 2022 of \$0.7 million principally consisted of (i) a current tax provision of \$0.6 million related to a \$0.4 million provision for current federal and state income taxes and a \$0.2 million provision for excise tax on our estimated undistributed taxable income and (ii) a deferred tax provision of \$0.1 million which is primarily the result of the net activity relating to our portfolio

investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences.

*Net Increase in Net Assets Resulting from Operations*

The net increase in net assets resulting from operations for the three months ended September 30, 2023 was \$13.4 million, or \$0.17 per share, compared with \$15.3 million, or \$0.19 per share, during the three months ended September 30, 2022. The tables above provide a summary of the reasons for the change in net increase in net assets resulting from operations for the three months ended September 30, 2023 as compared to the three months ended September 30, 2022.

**Comparison of the nine months ended September 30, 2023 and 2022**

Set forth below is a comparison of the results of operations for the nine months ended September 30, 2023 and 2022.

	Nine Months Ended September 30,		Net Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Total investment income	\$ 96,626	\$ 73,791	\$ 22,835	31 %
Total expenses, net of expense waivers	(53,997)	(35,021)	(18,976)	54 %
Net investment income	42,629	38,770	3,859	10 %
Net realized gain (loss) from investments	(24,986)	7,865	(32,851)	NM
Net unrealized appreciation (depreciation) from investments	30,415	(11,452)	41,867	NM
Income tax provision	(3,189)	(1,880)	(1,309)	NM
Net increase in net assets resulting from operations	<u>\$ 44,869</u>	<u>\$ 33,303</u>	<u>\$ 11,566</u>	<u>35 %</u>

NM — Net change % not meaningful

*Investment Income*

Total investment income for the nine months ended September 30, 2023 was \$96.6 million, a 31% increase from the \$73.8 million of total investment income for the corresponding period of 2022. The following table provides a summary of the changes in the comparable period activity.

	Nine Months Ended September 30,		Net Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Interest income	\$ 86,791	\$ 64,577	\$ 22,214	34 % (a)
Dividend income	7,862	7,430	432	6 %
Fee income	1,973	1,784	189	11 %
Total investment income	<u>\$ 96,626</u>	<u>\$ 73,791</u>	<u>\$ 22,835</u>	<u>31 % (b)</u>

- (a) The increase in interest income was primarily due to (i) an increase in interest rates on floating rate Investment Portfolio debt investments primarily resulting from increases in benchmark index rates and (ii) increased accelerated OID income recognized on the repayment of certain Investment Portfolio debt investments.
- (b) The increase in total investment income includes a net increase of \$2.2 million due to the impact of certain income considered less consistent or non-recurring, including (i) a \$1.4 million increase in accelerated prepayment, repricing and other activity related to certain Investment Portfolio debt investments and (ii) an \$0.8 million increase in dividend income.

*Expenses*

Total expenses, net of fee and expense waivers, for the nine months ended September 30, 2023 were \$54.0 million, a 54% increase from \$35.0 million in the corresponding period of 2022. The following table provides a summary of the changes in the comparable period activity.

	Nine Months Ended September 30,		Net Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Interest expense	\$ 26,599	\$ 16,628	\$ 9,971	60 % (a)
Base management fees	14,761	14,919	(158)	(1)%
Incentive fees	8,891	—	8,891	NM (b)
Internal administrative services fees	6,752	3,888	2,864	74 % (c)
General and administrative	3,291	3,017	274	9 %
Total expenses before expense waivers	60,294	38,452	21,842	57 %
Waiver of internal administrative services expenses	(6,297)	(3,431)	(2,866)	84 %
Total expenses	\$ 53,997	\$ 35,021	\$ 18,976	54 %

- (a) The increase in interest expense was primarily related to higher floating interest rates on our Credit Facilities (as defined in the *Liquidity and Capital Resources* section below) due to increases in benchmark index rates, partially offset by lower weighted average outstanding debt balances.
- (b) The increase in incentive fees was due to the increased Pre-Incentive Fee Net Investment Income resulting from MSC Income Fund's more favorable operating results for the nine months ended September 30, 2023.
- (c) The increase in internal administrative service fees related primarily to increased expenses incurred by the Adviser associated with its activities and services under the Investment Advisory Agreement. Consistent with prior practice, the vast majority of such internal administrative service fees, or all fees other than \$0.5 million, were waived by the Adviser. The only fees not waived are the cost of services previously provided by a sub-administrator prior to January 1, 2022 and assumed by the Adviser thereafter (see *Note J.1. — Related Party Transactions — Advisory Agreements and Conditional Expense Reimbursement Waivers* included in *Item 1. Consolidated Financial Statements*).

*Net Investment Income*

Net investment income for the nine months ended September 30, 2023 increased 10% to \$42.6 million, or \$0.53 per share, compared to net investment income of \$38.8 million, or \$0.48 per share, for the corresponding period of 2022. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by increase in total expenses, including incentive fees. The increase in net investment income and net investment income per share includes a \$2.2 million, or \$0.03 per share, increase in investment income considered to be less consistent or non-recurring, each as discussed above.

*Net Realized Gain (Loss) from Investments*

The following table provides a summary of the primary components of the total net realized loss on investments of \$25.0 million for the nine months ended September 30, 2023.

	Nine Months Ended September 30, 2023							
	Full Exits		Partial Exits		Restructures		Other (a)	Total
	Net Gain/(Loss)	# of Investments	Net Gain/(Loss)	# of Investments	Net Gain/(Loss)	# of Investments	Net Gain/(Loss)	Net Gain/(Loss)
	(dollars in thousands)							
Private Loan portfolio	\$ 868	1	\$ —	—	\$ (10,459)	1	\$ (16)	\$ (9,607)
LMM portfolio	(8,823)	2	—	—	(1,542)	1	—	(10,365)
Middle Market portfolio	3,127	3	—	—	(10,607)	2	242	(7,238)
Other Portfolio	—	—	2,224	1	—	—	—	2,224
<b>Total net realized gain (loss)</b>	<b>\$ (4,828)</b>	<b>6</b>	<b>\$ 2,224</b>	<b>1</b>	<b>\$ (22,608)</b>	<b>4</b>	<b>\$ 226</b>	<b>\$ (24,986)</b>

(a) Other activity includes realized gains and losses from transactions involving ten portfolio companies which are not considered to be significant individually or in the aggregate.

*Net Unrealized Appreciation (Depreciation)*

The following table provides a summary of the total net unrealized appreciation of \$30.4 million for the nine months ended September 30, 2023.

	Nine Months Ended September 30, 2023				
	Private Loan	LMM(a)	Middle Market	Other	Total
	(dollars in thousands)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains / income) losses recognized during the current period	\$ 10,520	\$ 9,957	\$ 7,785	\$ (2,224)	\$ 26,038
Net unrealized appreciation (depreciation) relating to portfolio investments	(9,660)	16,123	(3,736)	1,650	4,377
<b>Total net unrealized appreciation (depreciation) relating to portfolio investments</b>	<b>\$ 860</b>	<b>\$ 26,080</b>	<b>\$ 4,049</b>	<b>\$ (574)</b>	<b>\$ 30,415</b>

(a) Includes unrealized appreciation on 25 LMM portfolio investments and unrealized depreciation on 17 LMM portfolio investments.

*Income Tax Provision*

The income tax provision for the nine months ended September 30, 2023 of \$3.2 million principally consisted of (i) a deferred tax provision of \$2.2 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences and (ii) a current tax provision of \$1.0 million related to a \$0.6 million provision for current federal and state income taxes and \$0.4 million provision for excise tax on our estimated undistributed taxable income. The income tax provision for the nine months ended September 30, 2022 of \$1.9 million consisted of (i) a current tax provision of \$1.6 million related to a \$0.9 million provision for excise tax on our estimated undistributed taxable income and \$0.7 million provision for current federal and state income taxes and (ii) a deferred tax provision of \$0.3 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences.



*Net Increase in Net Assets Resulting from Operations*

The net increase in net assets resulting from operations for the nine months ended September 30, 2023 was \$44.9 million, or \$0.56 per share, compared with \$33.3 million, or \$0.42 per share, during the nine months ended September 30, 2022. The tables above provide a summary of the reasons for the change in net increase in net assets resulting from operations for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022.

## **LIQUIDITY AND CAPITAL RESOURCES**

### *Cash Flows*

For the nine months ended September 30, 2023, we realized a net increase in cash and cash equivalents of \$1.8 million as the result of \$9.0 million of cash provided by our operating activities, partially offset by \$7.2 million of cash used in our financing activities.

The \$9.0 million of cash provided by our operating activities resulted primarily from (i) cash proceeds totaling \$133.2 million from the sales and repayments of debt investments and sales of and return of capital from equity investments and (ii) cash flows that we generated from the operating profits earned totaling \$33.4 million, which is our net investment income, excluding the non-cash effects of the accretion of unearned income, payment-in-kind interest income, cumulative dividends and the amortization expense for deferred financing costs, partially offset by the funding of new portfolio investments of \$156.5 million.

The \$7.2 million of cash used in our financing activities principally consisted of (i) \$27.0 million in cash dividends paid to stockholders, (ii) \$17.5 million for the repurchases of common stock and (iii) \$2.4 million for the payment of deferred financing costs and offering costs, partially offset by (i) \$35.0 million net cash proceeds related to our Credit Facilities and (ii) \$4.7 million cash proceeds related to common stock issuance.

### *Share Repurchase Program*

On March 31, 2020, our Board of Directors unanimously approved a temporary suspension of the share repurchase program commencing with the second quarter of 2020. Our Board of Directors determined that it was the best interest of the Company to suspend the share repurchase program in order to preserve the financial flexibility and liquidity given the prolonged impact of COVID-19.

On March 2, 2021, our Board of Directors unanimously approved the reinstatement of the share repurchase program commencing in April 2021 with repurchases effectuated via tender offers, and we have conducted quarterly tender offers pursuant to the share repurchase program since then. The quarterly tender offers are generally equal to 90% of the aggregate dividend reinvestment plan proceeds resulting from dividend payments. See *Item 2. Unregistered Sales of Equity Securities and Use of Proceeds* of Part II of this Quarterly Report on Form 10-Q for more information regarding repurchases of our common stock during the three months ended September 30, 2023.

### *Dutch Auction Tender Offers*

On May 15, 2023 we commenced a modified “Dutch Auction” tender offer (the “May Dutch Auction Tender Offer”) pursuant to the Offer to Purchase, dated May 15, 2023, which expired on June 13, 2023. Pursuant to the May Dutch Auction Tender Offer, we repurchased 406,904 shares, representing 0.5% of our then outstanding shares, on June 21, 2023 at a price of \$5.50 per share for an aggregate cost of \$2.2 million, excluding fees and expenses related to the May Dutch Auction Tender Offer.

On August 16, 2023, we and Main Street commenced a modified “Dutch Auction” tender offer (the “August Dutch Auction Tender Offer” and, together with the May Dutch Auction Tender Offer, the “Dutch Auction Tender Offers”) pursuant to the Offer to Purchase, dated August 16, 2023, which expired on September 20, 2023. The August Dutch Auction Tender Offer was a simultaneous combined offer by us and by Main Street to purchase shares of our common stock. Pursuant to the August Dutch Auction Tender Offer, we repurchased 432,920 shares, representing 0.5% of our then outstanding shares for purchase at a price of \$6.50 per share (the “August Clearing Price”), for an aggregate cost of \$2.8 million, and Main Street purchased 115,385 shares at the August Clearing Price for an aggregate cost of \$0.8 million.

### *Capital Resources*

As of September 30, 2023, we had \$23.1 million in cash and cash equivalents and \$108.3 million of unused capacity under the Credit Facilities, which we maintain to support our investment and operating activities. As of September 30, 2023, our NAV totaled \$613.6 million, or \$7.67 per share.

As of September 30, 2023, we had \$92.0 million outstanding and \$73.0 million of undrawn commitments under our Corporate Facility and \$264.7 million outstanding and \$35.3 million of undrawn commitments under our SPV Facility, both of which we estimated approximated fair value. Availability under our Credit Facilities is subject to certain leverage

and borrowing base limitations, various covenants, reporting requirements and other customary requirements for similar credit facilities. For further information on our Credit Facilities, including key terms and financial covenants, refer to *Note D — Debt* included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q.

We closed our continuous follow-on public offering of shares to new investors effective September 2017. As such, our ability to raise additional equity is limited.

As a BDC, we generally are required to maintain a coverage ratio, or BDC asset coverage ratio, of total assets to total senior securities, which include borrowings and any preferred stock we may issue in the future, of at least 200% (or 150% if certain requirements are met in the future). This requirement limits the amount that we may borrow. As of September 30, 2023, our BDC asset coverage ratio was 221%. The combination of these factors limits our access to capital to fund future investment activities or operating requirements, including our ability to grow the Investment Portfolio. We anticipate that we will continue to fund our investment activities and operating requirements through existing cash and cash equivalents, cash flows generated through our ongoing operating activities, including cash proceeds from the repayments and from the sales of investments in our portfolio companies, and utilization of available borrowings under our Credit Facilities. Our primary uses of funds will be investments in portfolio companies, operating expenses, cash distributions to holders of our common stock and share repurchases under our share repurchase programs.

We periodically invest excess cash balances into marketable securities and idle funds investments. The primary investment objective of marketable securities and idle funds investments is to generate incremental cash returns on excess cash balances prior to utilizing those funds for investment in our Private Loan, LMM and Middle Market portfolio investments. Marketable securities and idle funds investments generally consist of debt investments, independently rated debt investments, certificates of deposit with financial institutions, diversified bond funds and publicly traded debt and equity investments.

In order to satisfy the Code requirements applicable to a RIC, we intend to distribute to our stockholders, after consideration and application of our ability under the Code to carry forward certain excess undistributed taxable income from one tax year into the next tax year, substantially all of our taxable income.

Although we have been able to secure access to additional liquidity, including through the Credit Facilities and the Note Purchase Agreement, there is no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

#### *Recently Issued or Adopted Accounting Standards*

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by us as of the specified effective date. We believe that the impact of recently issued standards and any that are not yet effective will not have a material impact on our consolidated financial statements upon adoption. For a description of recently issued or adopted accounting standards, see *Note B.11. — Summary of Significant Accounting Policies — Recently Issued or Adopted Accounting Standards* included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q.

#### *Inflation*

Inflation has not historically had a significant effect on our results of operations in any of the reporting periods presented herein. However, our portfolio companies have experienced, specifically including over the last few years, as a result of recent geopolitical events, supply chain and labor issues, and may continue to experience, the increasing impacts of inflation on their operating results, including periodic escalations in their costs for labor, raw materials and third-party services and required energy consumption. These issues and challenges related to inflation are receiving significant attention from our investment teams and the management teams of our portfolio companies as we work to manage these growing challenges. Prolonged or more severe impacts of inflation to our portfolio companies could continue to affect their operating profits and, thereby, increase their borrowing costs, and as a result negatively impact their ability to service their debt obligations and/or reduce their available cash for distributions. In addition, these factors could have a negative effect on the fair value of our investments in these portfolio companies. The combined impacts therefrom in turn could negatively affect our results of operations.

#### *Off-Balance Sheet Arrangements*

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and fund equity

capital and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the Consolidated Balance Sheets. At September 30, 2023, we had a total of \$68.7 million in outstanding commitments comprised of (i) 70 investments with commitments to fund revolving loans that had not been fully drawn or term loans with additional commitments not yet funded and (ii) three investments with equity capital commitments that had not been fully called.

*Contractual Obligations*

As of September 30, 2023, we had \$506.7 million in total borrowings outstanding under our Credit Facilities and Series A Notes. The Corporate Facility will mature on March 1, 2026. The SPV Facility will mature on February 3, 2028. The Series A Notes will mature on October 30, 2026. See further discussion of the terms of our Credit Facilities, Series A Notes and other debt in *Note D — Debt* included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q.

A summary of our significant contractual payment obligations for the repayment of outstanding borrowings at September 30, 2023 is as follows:

	2023	2024	2025	2026	2027	Thereafter	Total
	(dollars in thousands)						
SPV Facility <sup>(1)</sup>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 264,688	\$ 264,688
Series A Notes	—	—	—	150,000	—	—	150,000
Interest due on Series A Notes	3,030	6,060	6,060	6,060	—	—	21,210
Corporate Facility <sup>(2)</sup>	—	—	—	92,000	—	—	92,000
<b>Total</b>	<b>\$ 3,030</b>	<b>\$ 6,060</b>	<b>\$ 6,060</b>	<b>\$ 248,060</b>	<b>\$ —</b>	<b>\$ 264,688</b>	<b>\$ 527,898</b>

(1) As of September 30, 2023, \$35.3 million remained available to borrow under the SPV Facility; however, our borrowing ability is limited to leverage and borrowing base restrictions imposed by the SPV Facility and the 1940 Act, as discussed above.

(2) As of September 30, 2023, \$73.0 million remained available to borrow under the Corporate Facility; however, our borrowing ability is limited to leverage and borrowing base restrictions imposed by the Corporate Facility and the 1940 Act, as discussed above.

*Related Party Transactions and Agreements*

We have entered into agreements with our Adviser and/or certain of its affiliates and other parties whereby we pay certain fees and reimbursements to these entities. These included payments for selling commissions and fees and for reimbursement of offering costs. In addition, we make payments for certain services that include the identification, execution and management of our investments and also the management of our day-to-day operations provided to us by our Adviser, pursuant to various agreements that we have entered into. See *Note J — Related Party Transactions* included in *Item 1. Consolidated Financial Statements* of this Quarterly Report on Form 10-Q for additional information regarding these related party transactions and agreements.

*Recent Developments*

On November 1, 2023, we sold 475,888 shares of our common stock to Main Street at \$7.88 per share, the price at which we issued new shares in connection with reinvestments of the November 1, 2023 dividend pursuant to the DRIP, for total proceeds to us of \$3.8 million. 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, and were unanimously approved by the Board of Directors, including each director who is not an “interested person,” as such term is defined in Section 2(a)(19) of the 1940 Act, of us or our Adviser.

On November 1, 2023, we repurchased 530,290 shares of our common stock validly tendered and not withdrawn on the terms set forth in our tender offer statement on Schedule TO and Offer to Purchase filed with the SEC on September 21, 2023. The shares were repurchased at a price of \$7.73 per share, which was our NAV per share as of

November 1, 2023, for an aggregate purchase price of \$4.1 million (an amount equal to 90% of the proceeds we received from the issuance of shares under the our DRIP from the November 1, 2023 dividend payment).

On November 9, 2023, our Board of Directors declared a quarterly cash dividend of \$0.175 per share payable January 31, 2024 to stockholders of record as of December 29, 2023. Additionally, our Board of Directors approved a repurchase offer pursuant to our share repurchase program in an amount equal to 90% of the proceeds resulting from shares issued in lieu of cash distributions from the January 31, 2024 dividend payment.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

We are subject to financial market risks, including changes in interest rates, and changes in interest rates may affect both our interest expense on the debt outstanding under our Credit Facilities and our interest income from portfolio investments. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks. Our investment income will be affected by changes in various interest rate indices, including LIBOR, SOFR and Prime rates, to the extent that any debt investments include floating interest rates. See *Risk Factors — Risks Related to our Investments — The interest rates of some of our investments are priced using a spread over LIBOR, which will be phased out in the future.*, *Risk Factors — Risks Related to our Business and Structure — We are subject to risks associated with the interest rate environment and changes in interest rates will affect our cost of capital, net investment income and the value of our investments.* and *Risk Factors — Risks Related to Leverage — Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.* included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for more information regarding risks associated with our debt investments and borrowings that utilize LIBOR, SOFR or Prime as a reference rate.

The majority of our debt investments are made with either fixed interest rates or floating rates that are subject to contractual minimum interest rates for the term of the investment. As of September 30, 2023, 81% of our debt Investment Portfolio (at cost) bore interest at floating rates, 92% of which were subject to contractual minimum interest rates. As of September 30, 2023, 29% of our debt obligations bore interest at fixed rates. Our interest expense will be affected by changes in the published SOFR rate in connection with our Credit Facilities; however, the interest rates on our outstanding Series A Notes are fixed for the life of such debt. As of September 30, 2023, we had not entered into any interest rate hedging arrangements. Due to our limited use of derivatives, we have claimed an exclusion from the definition of the term “commodity pool operator” under the Commodity Exchange Act and, therefore, are not subject to registration or regulation as a pool operator under such Act. The Company intends to operate as a “limited derivatives user” under Rule 18f-4 under the 1940 Act.

The following table shows the approximate annualized increase or decrease in the components of net investment income due to hypothetical base rate changes in interest rates, assuming no changes in our investments and borrowings as of September 30, 2023.

Basis Point Change	Increase (Decrease) in Interest Income	(Increase) Decrease in Interest Expense	Increase (Decrease) in Net Investment Income	Increase (Decrease) in Net Investment Income per Share
	(dollars in thousands, except per share amounts)			
(200)	\$ (14,887)	\$ 7,134	\$ (7,753)	\$ (0.10)
(175)	(13,026)	6,242	(6,784)	(0.08)
(150)	(11,165)	5,350	(5,815)	(0.07)
(125)	(9,304)	4,459	(4,845)	(0.06)
(100)	(7,443)	3,567	(3,876)	(0.05)
(75)	(5,582)	2,675	(2,907)	(0.04)
(50)	(3,722)	1,783	(1,939)	(0.02)
(25)	(1,861)	892	(969)	(0.01)
25	1,861	(892)	969	0.01
50	3,722	(1,783)	1,939	0.02
75	5,582	(2,675)	2,907	0.04
100	7,443	(3,567)	3,876	0.05
125	9,304	(4,459)	4,845	0.06
150	11,165	(5,350)	5,815	0.07
175	13,026	(6,242)	6,784	0.08
200	14,887	(7,134)	7,753	0.10

Although we believe that this analysis is indicative of the impact of interest rate changes to our Net Investment Income as of September 30, 2023, the analysis does not take into consideration future changes in the credit market, credit quality, or other business or economic developments that could affect our Net Investment Income. Accordingly, we can

offer no assurances that actual results would not differ materially from the analysis above. The hypothetical results assume that all LIBOR, SOFR and Prime rate changes would be effective on the first day of the period. However, the contractual LIBOR, SOFR and Prime rate reset dates would vary throughout the period. The majority of our investments are based on contracts which reset quarterly while our Corporate Facility and our SPV Facility reset on a monthly and quarterly basis, respectively. The hypothetical results would also be impacted by the changes in the amount of debt outstanding under our Credit Facilities (with an increase (decrease) in the debt outstanding under the Credit Facilities resulting in an (increase) decrease in the hypothetical interest expense).

**Item 4. Controls and Procedures**

As of the end of the period covered by this quarterly report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer, Chief Compliance Officer and Chief Accounting Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15 of the Exchange Act). Based on that evaluation, our Chief Executive Officer, Chief Financial Officer, Chief Compliance Officer and Chief Accounting Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them of material information relating to us that is required to be disclosed in the reports we file or submit under the Exchange Act. There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. *Legal Proceedings*

We, the Adviser and/or Main Street may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise. Furthermore, third parties may seek to impose liability on us, the Adviser and/or Main Street in connection with the activities of our portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, we do not expect any current matters will materially affect our, the Adviser's or Main Street's financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on our, the Adviser's or Main Street's financial condition or results of operations in any future reporting period.

### Item 1A. *Risk Factors*

You should carefully consider the risks described below and all other information contained in this Quarterly Report on Form 10-Q, including our interim consolidated financial statements and the related notes thereto, before making a decision to purchase our securities. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may have a material adverse effect on our business, financial condition and/or operating results, as well as the market price of our securities.

In addition to the other information set forth in this report, you should carefully consider the risk factors described in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 that we filed with the SEC on March 14, 2023 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 that we filed with the SEC on May 12, 2023, which could materially affect our business, financial condition and/or operating results.

There are no material changes to the risk factors as previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

### Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

#### *Sales of Unregistered Securities*

During the three months ended September 30, 2023, we issued 594,294 shares of our common stock under our dividend reinvestment plan. These issuances were not subject to the registration requirements of the Securities Act of 1933, as amended. The aggregate value of the shares of common stock issued during the three months ended September 30, 2023 under the DRIP was \$4.7 million.

On August 1, 2023, we sold 348,542 shares of our common stock to Main Street at \$7.89 per share, the price at which we issued new shares in connection with reinvestments of the August 1, 2023 dividend pursuant to the DRIP, for total proceeds to the Company of \$2.8 million. The sale of shares was exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.



*Issuer Purchases of Equity Securities*

The following chart summarizes repurchases of our common stock for the three months ended September 30, 2023.

<b>Period</b>	<b>Total number of shares purchased</b>	<b>Average price paid per share</b>	<b>Total number of shares purchased as part of publicly announced plans or programs</b>	<b>Approximate dollar value of shares that may yet be purchased under the plans or programs</b>
July 1 through July 31, 2023	—	\$ —	—	—
August 1 through August 31, 2023(a)	545,659	7.74	545,659	N/A
September 1 through September 30, 2023(b)	432,920	6.50	432,920	N/A
<b>Total</b>	<u>978,579</u>		<u>978,579</u>	

(a) Shares repurchased under the quarterly share repurchase program at NAV (see *Note G — Share Repurchases* included in *Item 1. Consolidated Financial Statements* for more information).

(b) Shares repurchased under the August Dutch Auction Tender Offer (see *Liquidity and Capital Resources* included in *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* for more information).

**Item 6. Exhibits**

Listed below are the exhibits which are filed as part of this report (according to the number assigned to them in Item 601 of Regulation S-K):

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
10.1	<a href="#">Second Amendment to Loan and Security Agreement, dated August 31, 2023, by and among MSIF Funding, LLC, as borrower; MSC Income Fund, Inc., as portfolio manager; U.S. Bank Trust Company, National Association, as collateral agent and collateral administrator; U.S. Bank National Association, as securities intermediary; and JPMorgan Chase Bank, National Association, as administrative agent and lender (filed as Exhibit 10.1 to the Registrant's current report on Form 8-K filed on August 31, 2023 (File No. 814-00939) and incorporated herein by reference).</a>
31.1	<a href="#">Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</a>
31.2	<a href="#">Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</a>
32.1	<a href="#">Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).</a>
32.2	<a href="#">Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).</a>
101	The following financial information from our Quarterly Report on Form 10-Q for the third quarter of fiscal year 2023, filed with the SEC on November 13, 2023, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets at September 30, 2023 and December 31, 2022, (ii) the Consolidated Statements of Operations for the three and nine months ended September 30, 2023 and 2022, (iii) the Consolidated Statements of Changes in Net Assets for the periods ended September 30, 2023 and 2022, (iv) the Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 and 2022, (v) the Consolidated Schedule of Investments for the periods ended September 30, 2023 and December 31, 2022, (vi) the Notes to Consolidated Financial Statements and (vii) the Consolidated Schedule 12-14 for the nine months ended September 30, 2023 and 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**MSC INCOME FUND, INC.**

Date: November 13, 2023

/s/ DWAYNE L. HYZAK

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Dwayne L. Hyzak  
*Chief Executive Officer*  
*(principal executive officer)*

Date: November 13, 2023

/s/ JESSE E. MORRIS

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Jesse E. Morris  
*Chief Financial Officer and Chief Operating Officer*  
*(principal financial officer)*

Date: November 13, 2023

/s/ CORY E. GILBERT

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Cory E. Gilbert  
*Vice President and Chief Accounting Officer*  
*(principal accounting officer)*

**CERTIFICATION PURSUANT TO  
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS AMENDED**

I, Dwayne L. Hyzak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 of MSC Income Fund, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated this November 13, 2023.

By: /s/ DWAYNE L. HYZAK

Dwayne L. Hyzak

*Chief Executive Officer*

**CERTIFICATION PURSUANT TO  
RULE 13a-14(a) and 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS AMENDED**

I, Jesse E. Morris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 of MSC Income Fund, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated this November 13, 2023.

By: /s/ JESSE E. MORRIS

Jesse E. Morris

*Chief Financial Officer and Chief Operating Officer*

**Certification of Chief Executive Officer  
Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the accompanying Quarterly Report of MSC Income Fund, Inc. (the "Registrant") on Form 10-Q for the quarterly period ended September 30, 2023 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Dwayne L. Hyzak, the Chief Executive Officer of the Registrant, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ DWAYNE L. HYZAK

Name: Dwayne L. Hyzak

Date: November 13, 2023

**Certification of Chief Financial Officer  
Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the accompanying Quarterly Report of MSC Income Fund, Inc. (the "Registrant") on Form 10-Q for the quarterly period ended September 30, 2023 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Jesse E. Morris, the Chief Financial Officer of the Registrant, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ JESSE E. MORRIS

Name: Jesse E. Morris

Date: November 13, 2023