

**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 **June 30, 2024**

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, 8th 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 August 12, 2024 was 80,434,964.

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

	June 30, 2024	December 31, 2023
	(Unaudited)	
ASSETS		
Investments at fair value:		
Control investments (cost: \$42,638 and \$43,159 as of June 30, 2024 and December 31, 2023, respectively)	\$ 56,842	\$ 53,644
Affiliate investments (cost: \$241,874 and \$231,378 as of June 30, 2024 and December 31, 2023, respectively)	302,759	291,279
Non-Control/Non-Affiliate investments (cost: \$804,126 and \$763,781 as of June 30, 2024 and December 31, 2023, respectively)	788,707	747,972
Total investments (cost: \$1,088,638 and \$1,038,318 as of June 30, 2024 and December 31, 2023, respectively)	1,148,308	1,092,895
Cash and cash equivalents	29,484	30,786
Interest and dividend receivable	9,835	10,541
Receivable for securities sold	7,693	171
Deferred financing costs (net of accumulated amortization of \$5,569 and \$4,168 as of June 30, 2024 and December 31, 2023, respectively)	2,040	3,416
Prepays and other assets	13,658	2,091
Total assets	\$ 1,211,018	\$ 1,139,900
LIABILITIES		
Credit Facilities	\$ 401,688	\$ 335,688
Series A Notes due 2026 (par: \$150,000 as of both June 30, 2024 and December 31, 2023)	149,304	149,155
Accounts payable and other liabilities	738	255
Payable for securities purchased	—	206
Interest payable	6,820	6,266
Dividend payable	14,425	14,019
Management and incentive fees payable	8,770	8,745
Deferred tax liability, net	6,098	3,259
Total liabilities	587,843	517,593
Commitments and contingencies (Note 1)		
NET ASSETS		
Common stock, \$0.001 par value per share (450,000,000 shares authorized; 80,141,342 and 80,108,865 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively)	80	80
Additional paid-in capital	687,532	686,136
Total overdistributed earnings	(64,437)	(63,909)
Total net assets	623,175	622,307
Total liabilities and net assets	\$ 1,211,018	\$ 1,139,900
NET ASSET VALUE PER SHARE	\$ 7.78	\$ 7.77

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
INVESTMENT INCOME:				
Interest, fee and dividend income:				
Control investments	\$ 1,014	\$ 708	\$ 1,824	\$ 1,517
Affiliate investments	8,243	7,405	15,171	15,299
Non-Control/Non-Affiliate investments	24,689	25,115	50,900	47,458
Total investment income	33,946	33,228	67,895	64,274
EXPENSES:				
Interest	(9,546)	(8,862)	(19,095)	(17,196)
Base management fees	(5,179)	(4,912)	(10,207)	(9,767)
Incentive fees	(3,591)	(3,599)	(7,228)	(6,319)
Internal administrative services expenses	(2,520)	(2,545)	(4,787)	(4,584)
General and administrative	(1,106)	(1,306)	(2,139)	(2,185)
Total expenses before expense waivers	(21,942)	(21,224)	(43,456)	(40,051)
Waiver of internal administrative services expenses	2,361	2,394	4,472	4,283
Total expenses, net of expense waivers	(19,581)	(18,830)	(38,984)	(35,768)
NET INVESTMENT INCOME	14,365	14,398	28,911	28,506
NET REALIZED GAIN (LOSS):				
Control investments	47	1,046	57	1,677
Affiliate investments	—	(8,823)	—	(7,186)
Non-Control/Non-Affiliate investments	267	(21,075)	(1,627)	(19,912)
Total net realized gain (loss)	314	(28,852)	(1,570)	(25,421)
NET UNREALIZED APPRECIATION (DEPRECIATION):				
Control investments	3,297	(12)	3,719	(698)
Affiliate investments	1,003	16,367	984	17,688
Non-Control/Non-Affiliate investments	1,926	19,402	390	14,628
Total net unrealized appreciation	6,226	35,757	5,093	31,618
INCOME TAXES:				
Federal and state income, excise and other taxes	(547)	(214)	(877)	(524)
Deferred taxes	(2,229)	(1,833)	(2,840)	(2,693)
Income tax provision	(2,776)	(2,047)	(3,717)	(3,217)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 18,129	\$ 19,256	\$ 28,717	\$ 31,486
NET INVESTMENT INCOME PER SHARE—BASIC AND DILUTED	\$ 0.18	\$ 0.18	\$ 0.36	\$ 0.36
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE—BASIC AND DILUTED	\$ 0.23	\$ 0.24	\$ 0.36	\$ 0.39
WEIGHTED-AVERAGE SHARES OUTSTANDING—BASIC AND DILUTED	80,333,327	80,299,938	80,296,060	80,218,416

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			
Balances at December 31, 2022	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)
Balances at March 31, 2023	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)
Balances at June 30, 2023	80,049,691	\$ 80	\$ 684,831	\$ (71,128)	\$ 613,783
Balances at December 31, 2023	80,108,865	\$ 80	\$ 686,136	\$ (63,909)	\$ 622,307
Issuance of common stock	314,070	—	2,500	—	2,500
Dividend reinvestment	564,969	1	4,492	—	4,493
Common stock repurchased	(875,316)	(1)	(6,546)	—	(6,547)
Net increase resulting from operations	—	—	—	10,589	10,589
Dividends to stockholders	—	—	—	(14,821)	(14,821)
Balances at March 31, 2024	80,112,588	\$ 80	\$ 686,582	\$ (68,141)	\$ 618,521
Issuance of common stock	315,259	—	2,500	—	2,500
Dividend reinvestment	583,875	1	4,631	—	4,632
Common stock repurchased	(870,380)	(1)	(6,181)	—	(6,182)
Net increase resulting from operations	—	—	—	18,129	18,129
Dividends to stockholders	—	—	—	(14,425)	(14,425)
Balances at June 30, 2024	80,141,342	\$ 80	\$ 687,532	\$ (64,437)	\$ 623,175

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

MSC INCOME FUND, INC.
Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	\$ 28,717	\$ 31,486
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Investments in portfolio companies	(183,263)	(112,086)
Proceeds from sales and repayments of debt investments in portfolio companies	122,437	95,363
Proceeds from sales and return of capital of equity investments in portfolio companies	8,738	11,451
Net unrealized appreciation	(5,093)	(31,618)
Net realized loss on portfolio investments	1,570	25,421
Amortization of deferred financing costs	1,551	757
Amortization of deferred offering costs	—	63
Accretion of unearned income	(3,908)	(4,521)
Payment-in-kind interest	(2,862)	(3,073)
Cumulative dividends	(51)	(86)
Deferred tax provision	2,840	2,693
Changes in other assets and liabilities:		
Interest and dividend receivable	(4)	1,474
Prepaid and other assets	(11,567)	(6)
Management and incentive fees payable	25	1,469
Interest payable	554	1,180
Accounts payable and other liabilities	482	(966)
Net cash provided by (used in) operating activities	(39,834)	19,001
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common stock	5,000	2,000
Redemption of common stock	(12,729)	(10,508)
Payment of offering costs	—	(63)
Dividends paid	(19,713)	(17,671)
Proceeds from Credit Facilities	191,000	74,000
Repayments on Credit Facilities	(125,000)	(58,000)
Payment of deferred financing costs	(26)	(10)
Net cash provided by (used in) financing activities	38,532	(10,252)
Net increase (decrease) in cash and cash equivalents	(1,302)	8,749
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30,786	21,312
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 29,484	\$ 30,061
Supplemental cash flow disclosures:		
Interest paid	\$ 16,990	\$ 15,261
Taxes paid	\$ 438	\$ 1,716
Non-cash financing activities:		
Dividends declared and unpaid	\$ 14,425	\$ 14,009
Value of shares issued pursuant to the DRIP	\$ 9,125	\$ 9,174

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

MSC INCOME FUND, INC.
Consolidated Schedule of Investments
June 30, 2024
(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)
Control Investments (5)											
Copper Trail Fund Investments	(12) (13) Investment Partnership	LP Interests (CTMH, LP)	(8) (24) 7/17/2017	38.8%					\$ 693	\$ 568	
GRT Rubber Technologies LLC	Manufacturer of Engineered Rubber Products	Secured Debt	12/21/2018		11.48%	SF+ 6.00%		10/29/2026	1,550	1,536	1,550
		Secured Debt	12/19/2014		13.48%	SF+ 8.00%		10/29/2026	19,944	19,827	19,944
		Member Units	12/19/2014	2,896						6,435	21,889
										27,798	43,383
Harris Preston Fund Investments	(12) (13) Investment Partnership	LP Interests (2717 MH, L.P.)	(8) (24) 10/1/2017	49.3%					3,345	8,991	
Volusion, LLC	Provider of Online Software-as-a-Service eCommerce Solutions	Secured Debt	3/31/2023		10.00%			3/31/2025	900	900	900
		Preferred Member Units	3/31/2023	2,184,683						2,798	3,000
		Preferred Member Units	3/31/2023	61,077						—	—
		Preferred Member Units	1/26/2015	2,090,001						6,000	—
		Common Stock	3/31/2023	772,620						1,104	—
										10,802	3,900
										\$ 42,638	\$ 56,842
Subtotal Control Investments (9.1% of net assets at fair value)											
Affiliate Investments (6)											
Analytical Systems Keco Holdings, LLC	Manufacturer of Liquid and Gas Analyzers	Secured Debt	(9) 8/16/2019		15.38%	SF+ 10.00%		8/16/2024	\$ 55	\$ 55	\$ 55
		Secured Debt	(9) 8/16/2019		15.38%	SF+ 10.00%		8/16/2024	983	981	981
		Preferred Member Units	5/20/2021	607						607	1,400
		Preferred Member Units	8/16/2019	800	14.13%					800	—
		Warrants	(27) 8/16/2019	105				8/16/2029		79	—
										2,522	2,436
Barfly Ventures, LLC	(10) Casual Restaurant Group	Member Units	(8) 10/26/2020	12						528	1,573
Batjer TopCo, LLC	HVAC Mechanical Contractor	Secured Debt	3/7/2022		10.00%			3/7/2027	50	49	49
		Secured Debt	3/7/2022		10.00%			3/7/2027	30	30	30
		Secured Debt	3/7/2022		10.00%			3/7/2027	1,175	1,162	1,162

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
June 30, 2024
(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 Stock (8)	3/7/2022	453						455	630
Brewer Crane Holdings, LLC	Provider of Crane Rental and Operating Services									1,696	1,871
		Secured Debt (9)	1/9/2018		15.48%	SF+ 10.00%		1/9/2025	1,316	1,316	1,316
		Preferred Member Units (8)	1/9/2018	737						1,070	1,330
										2,386	2,646
Centre Technologies Holdings, LLC	Provider of IT Hardware Services and Software Solutions										
		Secured Debt (9) (30)	1/4/2019			SF+ 10.00%		1/4/2028	—	—	—
		Secured Debt (9)	1/4/2019		15.48%	SF+ 10.00%		1/4/2028	5,116	5,058	5,116
		Preferred Member Units	1/4/2019	3,327						1,531	2,880
										6,589	7,996
Chamberlin Holding LLC	Roofing and Waterproofing Specialty Contractor										
		Secured Debt (9) (30)	2/26/2018			SF+ 6.00%		2/26/2026	—	(37)	—
		Secured Debt (9)	2/26/2018		13.49%	SF+ 8.00%		2/26/2026	3,905	3,903	3,905
		Member Units (8)	2/26/2018	1,087						2,860	7,510
		Member Units (8) (23)	11/2/2018	261,786						443	788
										7,169	12,203
Charps, LLC	Pipeline Maintenance and Construction										
		Preferred Member Units (8)	2/3/2017	457						491	3,900
Clad-Rex Steel, LLC	Specialty Manufacturer of Vinyl-Clad Metal										
		Secured Debt (30)	10/28/2022					1/15/2027	—	—	—
		Secured Debt	12/20/2016		11.50%			1/15/2027	1,990	1,985	1,948
		Secured Debt	12/20/2016		10.00%			12/20/2036	248	246	246
		Member Units (8)	12/20/2016	179						1,820	1,550
		Member Units (23)	12/20/2016	200						127	237
										4,178	3,981
Cody Pools, Inc.	Designer of Residential and Commercial Pools										
		Secured Debt (30)	3/6/2020					12/17/2026	—	(4)	—
		Secured Debt	3/6/2020		12.50%			12/17/2026	6,881	6,863	6,881
		Preferred Member Units (8) (23)	3/6/2020	147						2,079	18,621
										8,938	25,502
Colonial Electric Company LLC	Provider of Electrical Contracting Services										
		Secured Debt (30)	3/31/2021					3/31/2026	—	—	—
		Secured Debt	3/31/2021		12.00%			3/31/2026	4,535	4,494	4,535
		Preferred Member Units (8)	3/31/2021	4,320						1,920	2,940
										6,414	7,475

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
June 30, 2024
(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)
Compass Systems & Sales, LLC	Designer of End-to-End Material Handling Solutions	Secured Debt	11/22/2023		13.50%			11/22/2028	400	388	388
		Secured Debt	11/22/2023		13.50%			11/22/2028	4,300	4,188	4,188
		Preferred Equity	11/22/2023	1,863						1,863	1,980
									6,439	6,556	
Datacom, LLC	Technology and Telecommunications Provider	Secured Debt	3/1/2022		7.50%			12/31/2025	30	29	29
		Secured Debt	3/31/2021		10.00%			12/31/2025	913	883	840
		Preferred Member Units	3/31/2021	1,000						290	20
										1,202	889
Digital Products Holdings LLC	Designer and Distributor of Consumer Electronics	Secured Debt (9)	4/1/2018		15.38%	SF+ 10.00%		4/27/2026	3,355	3,335	3,318
		Preferred Member Units (8)	4/1/2018	964						2,375	2,460
										5,710	5,778
Direct Marketing Solutions, Inc.	Provider of Omni-Channel Direct Marketing Services	Secured Debt (30)	2/13/2018					2/13/2026	—	(3)	—
		Secured Debt	12/27/2022		14.00%			2/13/2026	4,835	4,815	4,835
		Preferred Stock	2/13/2018	2,100						2,100	4,900
										6,912	9,735
Flame King Holdings, LLC	Propane Tank and Accessories Distributor	Preferred Equity (8)	10/29/2021	2,340						2,600	8,940
Freeport Financial Funds	(12) (13) Investment Partnership	LP Interests (Freeport First Lien Loan Fund III LP) (8) (24)	7/31/2015	6.0%						3,051	2,596
Gamber-Johnson Holdings, LLC	Manufacturer of Ruggedized Computer Mounting Systems	Secured Debt (9) (29) (30)	6/24/2016			SF+ 7.50%		1/1/2028	—	—	—
		Secured Debt (9) (29)	12/15/2022		10.50%	SF+ 7.50%		1/1/2028	12,320	12,173	12,320
		Member Units (8)	6/24/2016	2,261						4,423	26,640
										16,596	38,960
GFG Group, LLC	Grower and Distributor of a Variety of Plants and Products to Other Wholesalers, Retailers and Garden Centers	Secured Debt	3/31/2021		8.00%			3/31/2026	2,336	2,311	2,336

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
June 30, 2024
(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	3/31/2021	56						1,225	2,460
										3,536	4,796
Gulf Publishing Holdings, LLC	Energy Industry Focused Media and Publishing										
		Secured Debt	9/29/2017			SF+ 9.50%		7/1/2027	—	—	—
		Secured Debt	7/1/2022		12.50%		12.50%	7/1/2027	600	600	487
		Preferred Equity	7/1/2022	15,930						1,400	—
		Member Units	4/29/2016	920						920	—
										2,920	487
Harris Preston Fund Investments	(12) (13) Investment Partnership										
		LP Interests (HPEP 3, L.P.)	8/9/2017	8.2%						2,296	4,322
IG Investor, LLC	Military and Other Tactical Gear										
		Secured Debt	6/21/2023					6/21/2028	—	(24)	(24)
		Secured Debt	6/21/2023		13.00%			6/21/2028	9,096	8,881	8,881
		Common Equity	6/21/2023	3,600						3,600	3,600
										12,457	12,457
Independent Pet Partners Intermediate Holdings, LLC	(10) Omnichannel Retailer of Specialty Pet Products										
		Common Equity	4/7/2023	6,436,566						6,540	6,470
Integral Energy Services	(10) Nuclear Power Staffing Services										
		Secured Debt	8/20/2021		13.06%	SF+ 7.50%		8/20/2026	15,090	14,955	14,839
		Preferred Equity	12/7/2023	3,725	10.00%		10.00%			283	520
		Common Stock	8/20/2021	11,647						1,584	640
										16,822	15,999
Kickhaefer Manufacturing Company, LLC	Precision Metal Parts Manufacturing										
		Secured Debt	10/31/2018		12.00%			10/31/2026	4,350	4,337	4,337
		Secured Debt	10/31/2018		9.00%			10/31/2048	996	987	987
		Preferred Equity	10/31/2018	145						3,060	2,980
		Member Units	10/31/2018	200						248	623
										8,632	8,927
MH Corbin Holding LLC	Manufacturer and Distributor of Traffic Safety Products										
		Secured Debt	8/31/2015		14.00%			12/31/2025	1,310	1,310	1,216
		Preferred Member Units	3/15/2019	16,500						1,100	80
		Preferred Member Units	9/1/2015	1,000						1,500	—

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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)
										3,910	1,296
Mystic Logistics Holdings, LLC	Logistics and Distribution Services Provider for Large Volume Mailers										
		Secured Debt	(30) 8/18/2014					1/31/2027	—	—	—
		Secured Debt	8/18/2014		10.00%			1/31/2027	1,436	1,432	1,436
		Common Stock	(8) 8/18/2014	1,468						680	6,530
										2,112	7,966
Nello Industries Investco, LLC	Manufacturer of Steel Poles and Towers For Critical Infrastructure										
		Secured Debt	(9) 6/4/2024		11.88%	SF+ 6.50%		6/4/2025		2,729	2,729
		Secured Debt	6/4/2024		13.50%			6/4/2029		6,017	6,017
		Common Equity	6/4/2024	91						3,030	3,030
										11,776	11,776
NexRev LLC	Provider of Energy Efficiency Products & Services										
		Secured Debt	2/28/2018		10.00%			2/28/2025		400	400
		Secured Debt	2/28/2018		10.00%			2/28/2025	2,453	2,443	2,453
		Preferred Member Units	(8) 2/28/2018	25,786,046						2,053	2,050
										4,896	4,903
NuStep, LLC	Designer, Manufacturer and Distributor of Fitness Equipment										
		Secured Debt	(9) 1/31/2017		11.98%	SF+ 6.50%		1/31/2025	900	899	899
		Secured Debt	1/31/2017		12.00%			1/31/2025	4,610	4,608	4,608
		Preferred Member Units	11/2/2022	515						515	1,290
		Preferred Member Units	1/31/2017	102						2,550	2,550
										8,572	9,347
Oneliance, LLC	Construction Cleaning Company										
		Secured Debt	(9) 8/6/2021		15.48%	SF+ 10.00%		8/6/2026	1,300	1,289	1,300
		Preferred Stock	8/6/2021	282						282	410
										1,571	1,710
Orttech Holdings, LLC	Distributor of Industrial Clutches, Brakes and Other Components										
		Secured Debt	(9) (30) 7/30/2021			SF+ 11.00%		7/31/2026	—	(1)	—
		Secured Debt	(9) 7/30/2021		16.48%	SF+ 11.00%		7/31/2026	5,490	5,444	5,490
		Preferred Stock	(8) (23) 7/30/2021	2,500						2,500	3,770
										7,943	9,260

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Pinnacle TopCo, LLC	Manufacturer and Distributor of Garbage Can Liners, Poly Bags, Produce Bags, and Other Similar Products	Secured Debt (30)	12/21/2023					12/31/2028	—	(9)	(9)
		Secured Debt	12/21/2023		13.00%			12/31/2028	7,660	7,490	7,490
		Preferred Equity (8)	12/21/2023	110						3,135	3,840
										<u>10,616</u>	<u>11,321</u>
Robbins Bros. Jewelry, Inc.	Bridal Jewelry Retailer	Secured Debt (14) (30)	12/15/2021					12/15/2026	—	(5)	(5)
		Secured Debt	12/15/2021		12.50%		10.00%	12/15/2026	3,740	3,699	1,932
		Preferred Equity	12/15/2021	1,230						1,230	—
										<u>4,924</u>	<u>1,927</u>
SI East, LLC	Rigid Industrial Packaging Manufacturing	Secured Debt	8/31/2018		11.75%			6/16/2028	750	745	750
		Secured Debt (33)	6/16/2023		12.62%			6/16/2028	22,554	22,531	22,554
		Preferred Member Units (8)	8/31/2018	55						508	5,890
										<u>23,784</u>	<u>29,194</u>
Student Resource Center, LLC	(10) Higher Education Services	Secured Debt (14)	12/31/2022		8.50%		8.50%	12/31/2027	5,918	5,425	1,826
		Preferred Equity	12/31/2022	6,564,055						—	—
										<u>5,425</u>	<u>1,826</u>
Tedder Industries, LLC	Manufacturer of Firearm Holsters and Accessories	Secured Debt (14) (17)	8/31/2018		12.00%		12.00%	8/31/2023	460	460	432
		Secured Debt (14) (17)	8/31/2018		12.00%		12.00%	8/31/2023	3,800	3,800	1,164
		Preferred Member Units	8/28/2023	1,651						165	—
		Preferred Member Units	2/1/2023	1,411						141	—
		Preferred Member Units	8/31/2018	136						2,311	—
										<u>6,877</u>	<u>1,596</u>
Trantech Radiator Topco, LLC	Transformer Cooling Products and Services	Secured Debt (30)	5/31/2019					5/31/2027	—	(1)	—
		Secured Debt	5/31/2019		13.50%			5/31/2027	1,980	1,959	1,980
		Common Stock (8)	5/31/2019	154						1,164	2,440
										<u>3,122</u>	<u>4,420</u>
VVS Holdco LLC	Omnichannel Retailer of Animal Health Products	Secured Debt (9) (30)	12/1/2021			SF+ 6.00%		12/1/2024	—	—	—
		Secured Debt	12/1/2021		11.50%			12/1/2026	6,760	6,662	6,662
		Preferred Equity (8) (23)	12/1/2021	3,060						3,060	3,060
										<u>9,722</u>	<u>9,722</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)	
Subtotal Affiliate Investments (48.6% of net assets at fair value)									\$	241,874	\$	302,759
Non-Control/Non-Affiliate Investments (7)												
AAC Holdings, Inc.	(11) Substance Abuse Treatment Service Provider											
		Secured Debt	1/31/2023		18.00%		18.00%	6/25/2025	\$ 165	\$ 164	\$ 163	
		Secured Debt	12/11/2020		18.00%		18.00%	6/25/2025	5,488	5,404	5,426	
		Common Stock	12/11/2020	593,927						3,148	—	
		Warrants	(27) 12/11/2020	197,717				12/11/2025		—	—	
										8,716	5,589	
AB Centers Acquisition Corporation	(10) Applied Behavior Analysis Therapy Provider											
		Secured Debt	(9) (30) 9/6/2022			P+ 5.00%		9/6/2028	—	(18)	—	
		Secured Debt	(9) (26) 9/6/2022		11.44%	SF+ 6.00%		9/6/2028	2,341	2,310	2,341	
		Secured Debt	(9) 9/6/2022		11.44%	SF+ 6.00%		9/6/2028	2,293	2,216	2,293	
		Secured Debt	(9) 6/21/2023		11.44%	SF+ 6.00%		9/6/2028	768	743	768	
										5,251	5,402	
Acumera, Inc.	(10) Managed Security Service Provider											
		Secured Debt	(9) (30) 6/7/2023			SF+ 7.00%		6/7/2028	—	(7)	(7)	
		Secured Debt	(9) 6/7/2023		12.44%	SF+ 7.00%		6/7/2028	11,771	11,686	11,771	
		Warrants	(31) 6/7/2023	14,953				5/19/2028		—	90	
										11,679	11,854	
Adams Publishing Group, LLC	(10) Local Newspaper Operator											
		Secured Debt	(9) (29) 3/11/2022		11.00%	SF+ 7.00%	1.00%	3/11/2027	941	941	905	
		Secured Debt	(9) (29) 3/11/2022		11.00%	SF+ 7.00%	1.00%	3/11/2027	2,392	2,388	2,299	
										3,329	3,204	
ADS Tactical, Inc.	(11) Value-Added Logistics and Supply Chain Provider to the Defense Industry											
		Secured Debt	(9) 3/29/2021		13.25%	P+ 4.75%		3/19/2026	2,771	2,750	2,783	
AMEREQUIP LLC	(10) Full Services Provider Including Design, Engineering and Manufacturing of Commercial and Agricultural Equipment											
		Common Stock	(8) 8/31/2022	11						83	90	
American Health Staffing Group, Inc.	(10) Healthcare Temporary Staffing											
		Secured Debt	(9) (30) 11/19/2021			P+ 5.00%		11/19/2026	—	(8)	(8)	
		Secured Debt	(9) 11/19/2021		11.61%	SF+ 6.00%		11/19/2026	8,125	8,086	8,125	
										8,078	8,117	
American Nuts, LLC	(10) Roaster, Mixer and Packager of Bulk Nuts and Seeds											
		Secured Debt	(9) 3/11/2022		15.20%	SF+ 9.75%	15.20%	4/10/2026	5,222	5,205	4,332	
		Secured Debt	(9) (14) 3/11/2022		17.20%	SF+ 11.75%	17.20%	4/10/2026	4,270	4,244	2,639	
										9,449	6,971	

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American Teleconferencing Services, Ltd.	(11) Provider of Audio Conferencing and Video Collaboration Solutions	Secured Debt	(14) (17) 9/17/2021					4/7/2023	2,425	2,375	59	
		Secured Debt	(14) (17) 5/19/2016					6/8/2023	11,693	11,451	282	
										13,826	341	
ArborWorks, LLC	(10) Vegetation Management Services	Secured Debt	(9) 11/6/2023		15.00%			11/6/2028	2,027	2,027	2,027	
		Secured Debt	(9) 11/6/2023		11.99%	SF+ 6.50%	11.99%	11/6/2028	4,033	4,033	4,033	
		Preferred Equity	11/6/2023	17,265							7,468	6,667
		Preferred Equity	11/6/2023	17,265							—	—
		Common Equity	11/9/2021	2,070							124	—
									13,652	12,727		
Archer Systems, LLC	(10) Mass Tort Settlement Administration Solutions Provider	Common Stock	8/11/2022	62,402						62	100	
ATS Operating, LLC	(10) For-Profit Thrift Retailer	Secured Debt	(9) (28) 1/18/2022		12.06%	SF+ 6.50%		1/18/2027	105	105	105	
		Secured Debt	(9) 1/18/2022		11.06%	SF+ 5.50%		1/18/2027	925	914	925	
		Secured Debt	(9) 1/18/2022		13.06%	SF+ 7.50%		1/18/2027	925	914	925	
		Common Stock	1/18/2022	100,000							100	100
									2,033	2,055		
AVEX Aviation Holdings, LLC	(10) Specialty Aircraft Dealer & MRO Provider	Secured Debt	(9) (30) 12/23/2022			SF+ 7.25%		12/23/2027	—	(15)	(15)	
		Secured Debt	(9) 12/23/2022		12.74%	SF+ 7.25%		12/23/2027	3,387	3,302	3,386	
		Common Equity	(8) 12/15/2021	137							134	124
									3,421	3,495		
Berry Aviation, Inc.	(10) Charter Airline Services	Preferred Member Units	3/8/2024	286,109						286	878	
		Preferred Member Units	(23) 11/12/2019	122,416						—	10	
		Preferred Member Units	(23) 7/6/2018	1,548,387						—	110	
											286	998
Bettercloud, Inc.	(10) SaaS Provider of Workflow Management and Business Application Solutions	Secured Debt	(9) (30) 6/30/2022			SF+ 10.25%		6/30/2028	—	(16)	(16)	
		Secured Debt	(9) 6/30/2022		15.60%	SF+ 10.25%	9.25%	6/30/2028	8,809	8,705	8,385	
										8,689	8,369	

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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)
Binswanger Enterprises, LLC	(10)	Glass Repair and Installation Service Provider	Member Units	3/10/2017	1,050,000						1,050	580
Bluestem Brands, Inc.	(11)	Multi-Channel Retailer of General Merchandise	Secured Debt	1/9/2024		13.94%	SF+ 8.50%	12.94%	8/28/2025	194	60	178
			Secured Debt	10/19/2022		16.00%	P+ 7.50%	15.00%	8/28/2025	3,028	3,028	2,770
			Secured Debt	8/28/2020		13.94%	SF+ 8.50%	12.94%	8/28/2025	4,207	3,762	3,850
			Common Stock	10/1/2020	700,446						—	—
			Warrants	10/19/2022	175,110				10/19/2032		1,111	—
											7,961	6,798
Boccella Precast Products LLC		Manufacturer of Precast Hollow Core Concrete	Secured Debt	9/23/2021		10.00%			2/28/2027	80	80	66
			Member Units	6/30/2017	540,000						564	80
											644	146
Bond Brand Loyalty ULC	(10) (13) (21)	Provider of Loyalty Marketing Services	Secured Debt	5/1/2023			SF+ 7.00%		5/1/2028	—	(14)	(14)
			Secured Debt	5/1/2023		11.45%	SF+ 6.00%		5/1/2028	4,010	3,948	4,009
			Secured Debt	5/1/2023		13.45%	SF+ 8.00%		5/1/2028	4,010	3,948	4,009
			Preferred Equity	5/1/2023	360						360	310
			Common Equity	5/1/2023	360						—	—
											8,242	8,314
BP Loenbro Holdings Inc.	(10)	Specialty Industrial Maintenance Services	Secured Debt	2/1/2024		11.44%	SF+ 6.00%		2/1/2029	706	683	699
			Secured Debt	2/1/2024			SF+ 6.00%		2/1/2029	—	(12)	(12)
			Secured Debt	2/1/2024		11.43%	SF+ 6.00%		2/1/2029	11,360	11,150	11,246
			Common Equity	2/1/2024	1,000,000						1,000	1,000
											12,821	12,933
Brightwood Capital Fund Investments	(12) (13)	Investment Partnership	LP Interests (Brightwood Capital Fund III, LP)	7/21/2014	0.5%						2,051	1,205
			LP Interests (Brightwood Capital Fund IV, LP)	10/26/2016	1.2%						8,637	8,616
											10,688	9,821
Buca C, LLC		Casual Restaurant Group	Secured Debt	6/28/2024		14.00%		14.00%	4/1/2025	39	39	39
			Secured Debt	6/30/2015		14.00%		14.00%	8/31/2023	13,386	11,738	8,344
			Preferred Member Units	6/30/2015	4	6.00%		6.00%			3,040	—

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Burning Glass Intermediate Holding Company, Inc.	(10)	Provider of Skills-Based Labor Market Analytics									14,817	8,383
			Secured Debt	(9) (30) 6/14/2021			SF+ 5.00%		6/10/2026	—	(11)	—
			Secured Debt	(9) 6/14/2021		10.44%	SF+ 5.00%		6/10/2028	12,847	12,713	12,847
											12,702	12,847
CAI Software LLC		Provider of Specialized Enterprise Resource Planning Software										
			Preferred Equity	12/13/2021	454,344						454	472
			Preferred Equity	12/13/2021	126,446						—	—
											454	472
Career Team Holdings, LLC		Provider of Workforce Training and Career Development Services										
			Secured Debt	(9) 12/17/2021		11.38%	SF+ 6.00%		12/17/2026	100	96	96
			Secured Debt	12/17/2021		13.00%			12/17/2026	2,205	2,172	2,172
			Common Stock	12/17/2021	50,000						500	500
											2,768	2,768
CaseWorthy, Inc.	(10)	SaaS Provider of Case Management Solutions										
			Common Equity	12/30/2022	80,000						80	160
Central Moloney, LLC	(10)	Manufacturer of Electricity Transformers and Related Equipment										
			Secured Debt	(9) 2/9/2024		12.08%	SF+ 6.75%		10/20/2028	13,337	13,092	13,203
Channel Partners Intermediatco, LLC	(10)	Outsourced Consumer Services Provider										
			Secured Debt	(9) (28) 2/7/2022		12.58%	SF+ 7.00%		2/7/2027	429	415	404
			Secured Debt	(9) 2/7/2022		12.55%	SF+ 7.00%		2/7/2027	3,343	3,307	3,151
			Secured Debt	(9) 6/24/2022		12.55%	SF+ 7.00%		2/7/2027	185	183	175
			Secured Debt	(9) 3/27/2023		12.55%	SF+ 7.00%		2/7/2027	448	440	422
											4,345	4,152
Clarius BIGS, LLC	(10)	Prints & Advertising Film Financing										
			Secured Debt	(14) (17) 9/23/2014					1/5/2015	2,694	2,350	16
Classic H&G Holdings, LLC		Provider of Engineered Packaging Solutions										
			Preferred Member Units	(8) 3/12/2020	39						—	617
Computer Data Source, LLC	(10)	Third Party Maintenance Provider to the Data Center Ecosystem										

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		Secured Debt	(9) (28) 8/6/2021		13.47%	SF+ 8.00%		8/6/2026	5,000	4,909	4,926
		Secured Debt	(9) (30) 3/29/2024			SF+ 8.00%		8/6/2026	—	(56)	(56)
		Secured Debt	(9) 8/6/2021		13.47%	SF+ 8.00%		8/6/2026	15,203	15,004	14,978
										19,857	19,848
Construction Supply Investments, LLC	(10) Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors	Member Units	12/29/2016	861,618						3,335	22,430
Coregistics Buyer LLC	(10) (21) Contract Packaging Service Provider	Secured Debt	(9) 6/29/2024			SF+ 6.50%		6/28/2029		105	105
		Secured Debt	(9) 6/29/2024		11.83%	SF+ 6.50%		6/28/2029		2,816	2,816
		Secured Debt	(9) 6/29/2024		12.01%	SF+ 6.75%		6/28/2029		8,439	8,439
										11,360	11,360
CQ Fluency, LLC	(10) Global Language Services Provider	Secured Debt	(9) (30) 12/27/2023			SF+ 7.00%		6/27/2027	—	(38)	(38)
		Secured Debt	(9) (30) 12/27/2023			SF+ 7.00%		6/27/2027	—	(38)	(38)
		Secured Debt	(9) 12/27/2023		12.44%	SF+ 7.00%		6/27/2027	7,406	7,218	7,334
										7,142	7,258
Creative Foam Corporation	(10) Manufacturer of Custom Engineered Die Cut, Formed Foam, Nonwoven, and Multi-material Component Solutions for the Automotive and Healthcare Markets	Secured Debt	(9) (30) 6/27/2024			SF+ 5.75%		6/27/2029	—	(31)	(31)
		Secured Debt	(9) 6/27/2024		11.09%	SF+ 5.75%		6/27/2029	10,938	10,722	10,722
										10,691	10,691
Dalton US Inc.	(10) Provider of Supplemental Labor Services	Common Stock	8/16/2022							52	60
DMA Industries, LLC	Distributor of Aftermarket Ride Control Products	Secured Debt	6/18/2024		12.00%			6/19/2029	140	137	140
		Secured Debt	11/19/2021		12.00%			6/19/2029	4,200	4,157	4,200
		Preferred Equity	11/19/2021	2,253						2,253	2,253
										6,547	6,593
DTE Enterprises, LLC	(10) Industrial Powertrain Repair and Services										

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		Class AA Preferred Member Units (non-voting) (8)	4/13/2018		10.00%		10.00%			1,316	855
		Class A Preferred Member Units	4/13/2018	776,316	8.00%		8.00%			776	—
										2,092	855
Dynamic Communities, LLC	(10) Developer of Business Events and Online Community Groups										
		Secured Debt (9)	12/20/2022		11.44%	SF+ 6.00%	11.44%	12/31/2026	2,183	2,025	2,025
		Secured Debt (9)	12/20/2022		13.44%	SF+ 8.00%	13.44%	12/31/2026	2,250	2,017	1,997
		Preferred Equity	12/20/2022	125,000						128	60
		Preferred Equity	12/20/2022	2,376,241						—	—
		Common Equity	12/20/2022	1,250,000						—	—
										4,170	4,082
Dynata, LLC	(11) Provider of Outsourced Online Surveying										
		Secured Debt (9)	6/17/2024		14.21%	SF+ 8.75%		8/6/2024	300	295	303
Elgin AcquireCo, LLC	Manufacturer and Distributor of Engine and Chassis Components										
		Secured Debt (9) (30)	10/3/2022			SF+ 6.00%		10/3/2027	—	—	—
		Secured Debt	10/3/2022		12.00%			10/3/2027	1,197	1,173	1,173
		Secured Debt	10/3/2022		9.00%			10/3/2052	411	407	407
		Common Stock	10/3/2022	19						374	370
		Common Stock (23)	10/3/2022	61						102	114
										2,056	2,064
Emerald Technologies Acquisition Co, Inc.	(11) Design & Manufacturing										
		Secured Debt (9)	2/10/2022		11.75%	SF+ 6.25%		12/29/2027	2,359	2,330	2,123
Engineering Research & Consulting, LLC	(10) Provider of Engineering & Consulting Services to US Department of Defense										
		Secured Debt (9) (28)	5/23/2022		14.00%	P+ 5.50%		5/23/2027	103	94	103
		Secured Debt (9)	5/23/2022		11.94%	SF+ 6.50%		5/23/2028	5,069	5,005	4,998
										5,099	5,101
Escalet, Inc.	(10) Market Research and Consulting Firm										
		Secured Debt (9) (30)	4/7/2023			SF+ 8.00%		4/7/2029	—	(8)	(8)
		Secured Debt (9)	4/7/2023		13.43%	SF+ 8.00%		4/7/2029	6,890	6,724	6,890
		Common Equity	4/7/2023	170,998						174	200
										6,890	7,082

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Event Holdco, LLC	(10) Event and Learning Management Software for Healthcare Organizations and Systems	Secured Debt (9)	12/22/2021		13.60%	SF+ 8.00%		12/22/2026	308	306	308
		Secured Debt (9)	12/22/2021		13.60%	SF+ 8.00%	8.00%	12/22/2026	3,831	3,813	3,809
										4,119	4,117
FCC Intermediate Holdco, LLC (SupplyCore)	Supply Chain Management Services	Secured Debt	5/28/2024		13.00%			5/29/2029	8,200	7,014	7,014
		Warrants (27)	5/28/2024	3					980	980	980
										7,994	7,994
Garyline, LLC	(10) Manufacturer of Consumer Plastic Products	Secured Debt (9) (28)	11/10/2023		11.93%	SF+ 6.50%		11/10/2028	840	772	837
		Secured Debt (9)	11/10/2023		11.93%	SF+ 6.50%		11/10/2028	9,616	9,364	9,577
		Common Equity	11/10/2023							210	240
										10,346	10,654
Hawk Ridge Systems, LLC	Value-Added Reseller of Engineering Design and Manufacturing Solutions	Secured Debt (9)	12/2/2016		11.48%	SF+ 6.00%		1/15/2026	522	522	522
		Secured Debt	12/2/2016		12.50%			1/15/2026	9,744	9,709	9,744
		Preferred Member Units (8)	12/2/2016	56						713	4,510
		Preferred Member Units (23)	12/2/2016	56						38	240
										10,982	15,016
HDC/HW Intermediate Holdings	(10) Managed Services and Hosting Provider	Secured Debt (9)	3/7/2024		9.10%	SF+ 3.50%	2.50%	6/21/2026	1,344	1,272	1,272
		Secured Debt (14)	3/7/2024		2.50%		2.50%	6/21/2026	914	401	359
		Common Equity	3/7/2024	35,971						—	—
										1,673	1,631
HEADLANDS OP-CO LLC	(10) Clinical Trial Sites Operator	Secured Debt (9) (30)	8/1/2022			SF+ 6.50%		8/1/2027	—	(12)	(12)
		Secured Debt (9)	8/1/2022		11.84%	SF+ 6.50%		8/1/2027	1,985	1,957	1,985
		Secured Debt (9) (30)	6/3/2024			SF+ 6.50%		8/1/2027	—	(19)	(19)
		Secured Debt (9)	8/1/2022		11.84%	SF+ 6.50%		8/1/2027	4,900	4,839	4,900
		Secured Debt (9)	6/3/2024		11.83%	SF+ 6.50%		8/1/2027	2,400	2,377	2,400
										9,142	9,254
Hybrid Promotions, LLC	(10) Wholesaler of Licensed, Branded and Private Label Apparel	Secured Debt (9)	6/30/2021		15.81%	SF+ 8.25%	2.00%	6/30/2026	8,040	7,919	7,995

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IG Parent Corporation	(11) Software Engineering	Secured Debt	(9) (30) 7/30/2021			SF+ 5.75%		7/30/2026	—	(10)	—
		Secured Debt	(9) 7/30/2021		11.19%	SF+ 5.75%		7/30/2028	6,154	6,096	6,154
		Secured Debt	(9) 7/30/2021		11.19%	SF+ 5.75%		7/30/2028	1,932	1,914	1,932
										8,000	8,086
Imaging Business Machines, L.L.C.	(10) Technology Hardware & Equipment	Secured Debt	(9) (28) 6/8/2023		12.28%	SF+ 7.00%		6/30/2028	395	395	395
		Secured Debt	(9) 6/8/2023		12.25%	SF+ 7.00%		6/30/2028	10,332	10,051	10,332
		Common Equity	6/8/2023	422						580	570
										11,026	11,297
Implus Footcare, LLC	(10) Provider of Footwear and Related Accessories	Secured Debt	(9) 6/1/2017		14.24%	SF+ 7.75%	1.00%	7/31/2025	17,042	17,042	16,315
Infinity X1 Holdings, LLC	Manufacturer and Supplier of Personal Lighting Products	Secured Debt	3/31/2023		13.00%			3/31/2028	3,875	3,818	3,818
		Preferred Equity	(8) 3/31/2023	21,840						1,092	1,092
										4,910	4,910
Insight Borrower Corporation	(10) Test, Inspection, and Certification Instrument Provider	Secured Debt	(9) (30) 7/19/2023			SF+ 6.25%		7/19/2028		(36)	(36)
		Secured Debt	(9) (30) 7/19/2023			SF+ 6.25%		7/19/2029		(30)	(30)
		Secured Debt	(9) 7/19/2023		11.58%	SF+ 6.25%		7/19/2029	8,331	8,121	8,010
		Common Equity	7/19/2023	47,847						239	130
										8,294	8,074
Inspire Aesthetics Management, LLC	(10) Surgical and Non-Surgical Plastic Surgery and Aesthetics Provider	Secured Debt	(9) (28) 4/3/2023		13.44%	SF+ 8.00%		4/3/2028	676	661	619
		Secured Debt	(9) 4/3/2023		13.43%	SF+ 8.00%		4/3/2028	6,225	6,100	5,694
		Secured Debt	(9) 6/14/2023		13.43%	SF+ 8.00%		4/3/2028	1,253	1,229	1,147
		Common Equity	4/3/2023	101,719						322	70
										8,312	7,530
Interface Security Systems, L.L.C	(10) Commercial Security & Alarm Services	Secured Debt	(17) (28) 12/9/2021		15.44%	SF+ 10.00%	15.43%	8/7/2023	1,922	1,922	1,767
		Secured Debt	(9) (14) 8/7/2019		12.44%	SF+ 7.00%	12.44%	8/7/2023	7,334	7,254	100
		Common Stock	(17) 12/7/2021	2,143						—	—
										9,176	1,867
Invincible Boat Company, LLC.	(10) Manufacturer of Sport Fishing Boats										

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		Secured Debt	(9) (30) (28) 8/28/2019			SF+ 6.50%		8/28/2025	—	(2)	(2)
		Secured Debt	(9) 8/28/2019		11.98%	SF+ 6.50%		8/28/2025	16,812	16,770	16,517
INW Manufacturing, LLC	(11) Manufacturer of Nutrition and Wellness Products									16,768	16,515
		Secured Debt	(9) 5/19/2021		11.35%	SF+ 5.75%		3/25/2027	6,469	6,368	5,434
Iron-Main Investments, LLC	Consumer Reporting Agency Providing Employment Background Checks and Drug Testing										
		Secured Debt	8/2/2021		13.50%			1/31/2028	1,128	1,111	1,111
		Secured Debt	9/1/2021		13.50%			1/31/2028	735	723	723
		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	4,406	4,334	4,334
		Secured Debt	1/31/2023		13.50%			1/31/2028	2,541	2,443	2,443
		Preferred Equity	6/26/2024	177,800					178	178	178
		Common Stock	8/3/2021	50,753						689	670
										11,714	11,695
Isagenix International, LLC	(11) Direct Marketer of Health & Wellness Products										
		Secured Debt	(9) 4/13/2023		11.93%	SF+ 6.50%	9.43%	4/14/2028	2,829	2,616	2,489
		Common Equity	4/13/2023	186,322						—	—
										2,616	2,489
Island Pump and Tank, LLC	(10) Provider of Facility and Maintenance Services to Fuel Retailers in Northeast U.S.										
		Secured Debt	(9) (30) 5/20/2024			SF+ 6.50%		5/17/2029	—	(9)	(9)
		Secured Debt	(9) 5/20/2024		11.10%	SF+ 5.50%		5/17/2029	1,735	1,703	1,703
		Secured Debt	(9) 5/20/2024		12.10%	SF+ 6.50%		5/17/2029	1,735	1,703	1,703
		Secured Debt	(9) 5/20/2024		13.10%	SF+ 7.50%		5/17/2029	1,735	1,703	1,703
										5,100	5,100
ITA Holdings Group, LLC	Air Ambulance Services										
		Secured Debt	(9) 6/21/2023		16.46%	SF+ 9.00%	2.00%	6/21/2027	298	293	293
		Secured Debt	(9) 6/21/2023		16.46%	SF+ 9.00%	2.00%	6/21/2027	180	176	176
		Secured Debt	(9) 6/21/2023		15.46%	SF+ 8.00%	2.00%	6/21/2027	1,102	894	894
		Secured Debt	(9) 6/21/2023		17.46%	SF+ 10.00%	2.00%	6/21/2027	1,102	894	894
		Warrants	(27) 6/21/2023	48,327				6/21/2033		523	660
										2,780	2,917
Jackmont Hospitality, Inc.	(10) Franchisee of Casual Dining Restaurants										
		Secured Debt	(9) (26) 10/26/2022		12.47%	SF+ 7.00%		11/4/2024	1,650	1,640	1,647
		Secured Debt	(9) 2/27/2024		15.46%	SF+ 10.00%		11/4/2024	851	831	849
		Secured Debt	(9) 11/8/2021		12.48%	SF+ 7.00%		11/4/2024	3,843	3,843	3,835
		Preferred Equity	11/8/2021	5,653,333						216	1,740

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JDC Power Services, LLC	(10) Provider of Electrical Equipment and Maintenance Services for Datacenters									6,530	8,071
		Secured Debt	(9) (30) 6/28/2024			SF+ 6.75%		6/28/2029	—	(52)	(52)
		Secured Debt	(9) 6/28/2024		12.08%	SF+ 6.75%		6/28/2029	17,895	17,455	17,455
										17,403	17,403
Joerns Healthcare, LLC	(11) Manufacturer and Distributor of Health Care Equipment & Supplies										
		Secured Debt	(9) (14) 8/21/2019		21.59%	SF+ 16.00%	21.59%	8/21/2024	942	942	—
		Secured Debt	(9) (14) 8/21/2019		21.59%	SF+ 16.00%	21.59%	8/21/2024	906	906	—
		Secured Debt	(9) 3/30/2024		14.35%	SF+ 8.75%	6.00%	3/29/2029	1,640	1,640	1,640
		Secured Debt	(9) 3/30/2024		14.35%	SF+ 8.75%	14.35%	3/29/2029	997	997	997
		Common Stock	8/21/2019	392,514						3,678	—
		Common Stock	3/29/2024	4,535,784						166	166
										8,329	2,803
Johnson Downie Opco, LLC	Executive Search Services										
		Secured Debt	(30) 12/10/2021					12/10/2026	—	(4)	—
		Secured Debt	(9) (14) 12/10/2021		15.00%			12/10/2026	2,390	2,357	2,390
		Preferred Equity	(8) 12/10/2021	368						404	1,450
										2,757	3,840
JorVet Holdings, LLC	Supplier and Distributor of Veterinary Equipment and Supplies										
		Secured Debt	3/28/2022		12.00%			3/28/2027	2,778	2,748	2,748
		Preferred Equity	(8) 3/28/2022	11,934						1,193	1,193
										3,941	3,941
JTI Electrical & Mechanical, LLC	(10) Electrical, Mechanical and Automation Services										
		Secured Debt	(9) (28) 12/22/2021		11.83%	SF+ 6.25%		12/22/2026	702	695	671
		Secured Debt	(9) 12/22/2021		11.83%	SF+ 6.25%		12/22/2026	2,961	2,930	2,832
		Secured Debt	(9) 2/1/2024		11.83%	SF+ 6.25%		12/22/2026	277	270	265
		Common Equity	12/22/2021	140,351						140	90
										4,035	3,858
KMS, LLC	(10) Wholesaler of Closeout and Value-priced Products										
		Secured Debt	(9) 10/4/2021		12.73%	SF+ 7.25%		10/4/2026	1,286	1,238	1,210
		Secured Debt	(9) 10/4/2021		12.73%	SF+ 7.25%		10/4/2026	9,262	9,175	8,718
										10,413	9,928
Lightbox Holdings, L.P.	(11) Provider of Commercial Real Estate Software										

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		Secured Debt	5/9/2019		10.46%	SF+ 5.00%		5/9/2026	5,735	5,712	5,563
LL Management, Inc.	(10) Medical Transportation Service Provider										
		Secured Debt	(9) 5/2/2019		12.68%	SF+ 7.25%		12/31/2025	7,894	7,804	7,894
		Secured Debt	(9) 5/2/2019		12.68%	SF+ 7.25%		12/31/2025	5,207	5,147	5,207
		Secured Debt	(9) 2/26/2021		12.68%	SF+ 7.25%		12/31/2025	865	855	865
		Secured Debt	(9) 5/12/2022		12.67%	SF+ 7.25%		12/31/2025	8,758	8,655	8,758
									22,461	22,724	
LLFlex, LLC	(10) Provider of Metal-Based Laminates										
		Secured Debt	(9) 8/16/2021		14.98%	SF+ 9.00%	0.50%	8/16/2026	4,897	4,850	4,333
Logix Acquisition Company, LLC	(10) Competitive Local Exchange Carrier										
		Secured Debt	(9) 1/8/2018		13.25%	P+ 4.75%		12/22/2024	11,552	11,419	8,971
Mako Steel, LP	(10) Self-Storage Design & Construction										
		Secured Debt	(9) (30) 3/15/2021			SF+ 6.75%		3/15/2026	—	(28)	—
		Secured Debt	(9) 3/15/2021		12.99%	SF+ 7.50%		3/15/2026	16,363	16,245	16,363
		Secured Debt	(9) 3/28/2024		12.99%	SF+ 7.50%		3/15/2026	5,000	4,874	5,000
									21,091	21,363	
Metalfarming Holdings, LLC	Distributor of Sheet Metal Folding and Metal Forming Equipment										
		Secured Debt	(30) 10/19/2022					10/19/2024	—	—	—
		Secured Debt	10/19/2022		10.75%			10/19/2027	1,663	1,630	1,630
		Preferred Equity	(8) 10/19/2022	434,331	8.00%		8.00%			434	452
		Common Stock	(8) 10/19/2022	112,865						113	230
									2,177	2,312	
Microbe Formulas, LLC	(10) Nutritional Supplements Provider										
		Secured Debt	(9) (30) 4/4/2022			SF+ 6.25%		4/3/2028	—	(5)	(5)
		Secured Debt	(9) 4/4/2022		11.42%	SF+ 6.00%		4/3/2028	2,584	2,550	2,584
									2,545	2,579	
Mills Fleet Farm Group, LLC	(10) Omnichannel Retailer of Work, Farm and Lifestyle Merchandise										
		Secured Debt	(9) 10/24/2018		12.56%	SF+ 7.00%		12/31/2026	18,152	17,911	17,862
Mini Melts of America, LLC	(10) Manufacturer and Distributor of Branded Premium Banded Ice Cream										
		Secured Debt	(9) (28) 11/30/2023		11.58%	SF+ 6.25%		11/30/2028	885	860	885
		Secured Debt	(9) (26) 11/30/2023		11.59%	SF+ 6.25%		11/30/2028	675	658	675

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		Secured Debt (9)	11/30/2023		10.60%	SF+ 5.25%		11/30/2028	3,217	3,149	3,217
		Secured Debt (9)	11/30/2023		12.60%	SF+ 7.25%		11/30/2028	3,217	3,146	3,217
		Common Equity	11/30/2023	300,000						300	300
										8,113	8,294
MonitorUS Holding, LLC	(10) (13) (21) SaaS Provider of Media Intelligence Services	Secured Debt	5/24/2022		14.00%		4.00%	5/24/2027	1,143	1,130	1,123
		Secured Debt	5/24/2022		14.00%		4.00%	5/24/2027	2,972	2,937	3,155
		Secured Debt	5/24/2022		14.00%		4.00%	5/24/2027	5,057	5,000	5,057
		Unsecured Debt	11/14/2023		8.00%		8.00%	3/31/2025	46	46	46
		Common Stock	8/30/2022	12,798,820						256	197
										9,369	9,578
NinjaTrader, LLC	(10) Operator of Futures Trading Platform	Secured Debt (9) (30)	12/18/2019			SF+ 7.00%		12/18/2026	—	(4)	(4)
		Secured Debt (9)	12/18/2019		12.45%	SF+ 7.00%		12/18/2026	14,683	14,528	14,673
										14,524	14,669
Obra Capital, Inc.	(10) Provider of Asset Management Services Specialized in Insurance-Linked Strategies	Secured Debt (9) (30)	6/21/2024			SF+ 7.50%		12/21/2028	—	(15)	(15)
		Secured Debt	6/21/2024		12.95%	SF+ 7.50%		6/21/2029	11,979	11,626	11,626
										11,611	11,611
OnPoint	(10) Environmental & Facilities Services	Secured Debt (9)	4/1/2024		12.33%	SF+ 7.00%		11/16/2027	2,910	2,884	2,884
Peaches Holding Corporation	Wholesale Provider of Consumer Packaging Solutions	Common Equity	5/22/2024	806					1,805	1,805	1,805
Power System Solutions	(10) Backup Power Generation	Secured Debt (9) (30)	6/7/2023			SF+ 6.50%		6/7/2028	—	(31)	(31)
		Secured Debt (9)	6/7/2023		11.84%	SF+ 6.50%		6/7/2028	2,653	2,586	2,653
		Secured Debt (9)	6/7/2023		11.82%	SF+ 6.50%		6/7/2028	7,899	7,713	7,899
		Common Equity	6/7/2023	532						532	920
										10,800	11,441
PrimeFlight Aviation Services	(10) Air Freight & Logistics	Secured Debt (9)	5/1/2023		10.83%	SF+ 5.50%		5/1/2029	5,940	5,763	5,913
		Secured Debt (9)	9/7/2023		10.83%	SF+ 5.50%		5/1/2029	567	549	565
		Secured Debt (9)	1/30/2024		10.83%	SF+ 5.50%		5/1/2029	571	558	569
		Secured Debt (9)	6/28/2024		10.58%	SF+ 5.25%		5/1/2029	648	638	638
										7,508	7,685

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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)
PTL US Bideo, Inc	(10) (13) (21) 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) (28) 8/19/2022		12.24%	SF+ 6.75%		8/19/2027	323	315	322
		Secured Debt	(9) 8/19/2022		12.34%	SF+ 6.75%		8/19/2027	1,422	1,403	1,418
										1,718	1,740
Purge Rite, LLC	(10) HVAC Flushing and Filtration Services	Secured Debt	(9) (30) 10/2/2023			SF+ 8.00%		10/2/2028	—	(17)	(17)
		Secured Debt	(9) 10/2/2023		13.57%	SF+ 8.00%		10/2/2028	3,906	3,823	3,906
		Preferred Equity	10/2/2023	13,021						1,289	1,289
		Common Equity	4/1/2024	13,021					13	13	110
									5,108	5,288	
RA Outdoors LLC	(10) Software Solutions Provider for Outdoor Activity Management	Secured Debt	(9) (28) 4/8/2021		12.19%	SF+ 6.75%		4/8/2026	1,235	1,229	1,181
		Secured Debt	(9) 4/8/2021		12.19%	SF+ 6.75%		4/8/2026	12,917	12,848	12,353
										14,077	13,534
Richardson Sales Solutions	(10) Business Services	Secured Debt	(9) (28) 8/24/2023		11.82%	SF+ 6.50%		8/24/2028	1,333	1,287	1,333
		Secured Debt	(9) 8/24/2023		11.82%	SF+ 6.50%		8/24/2028	10,420	10,160	10,420
										11,447	11,753
Roof Opco, LLC	(10) Residential Re-Roofing/Repair	Secured Debt	(9) (30) 8/27/2021			SF+ 6.50%		8/27/2026	—	(8)	—
		Secured Debt	(9) 8/27/2021		12.56%	SF+ 7.00% 0.50%		8/27/2026	4,219	4,146	4,211
		Secured Debt	(9) 8/27/2021		14.56%	SF+ 9.00% 0.50%		8/27/2026	4,219	4,146	4,158
									8,284	8,369	
Rug Doctor, LLC.	(10) Carpet Cleaning Products and Machinery	Secured Debt	(9) 7/16/2021		13.52%	SF+ 6.00% 2.00%		11/16/2025	6,476	6,460	6,476
		Secured Debt	(9) 7/16/2021		13.52%	SF+ 6.00% 2.00%		11/16/2025	8,652	8,629	8,652
										15,089	15,128
Slick Innovations, LLC	Text Message Marketing Platform	Secured Debt	(8) 9/13/2018		14.00%			12/22/2027	4,520	4,388	4,520
		Common Stock	(8) 9/13/2018	17,500					—	—	490
										4,388	5,010
South Coast Terminals Holdings, LLC	(10) Specialty Toll Chemical Manufacturer	Secured Debt	(9) (30) 12/10/2021			SF+ 6.00%		12/13/2026	—	(4)	(4)
		Secured Debt	(9) 12/10/2021		11.44%	SF+ 6.00%		12/13/2026	2,839	2,811	2,839

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
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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)
		Common Equity	12/10/2021	61						61	59
										2,868	2,894
SPAU Holdings, LLC	(10) Digital Photo Product Provider	Secured Debt (9)	7/1/2022		12.98%	SF+ 7.50%		7/1/2027	480	468	480
		Secured Debt (9)	7/1/2022		12.98%	SF+ 7.50%		7/1/2027	4,900	4,842	4,900
		Common Stock	7/1/2022	200,000						200	190
										5,510	5,570
Tex Tech Tennis, LLC	(10) Sporting Goods & Textiles	Preferred Equity (23)	7/7/2021	1,000,000						1,000	2,680
The Affiliati Network, LLC	Performance Marketing Solutions	Secured Debt (30)	8/9/2021					8/9/2026	—	(2)	(2)
		Secured Debt	8/9/2021		10.00%			8/9/2026	1,580	1,565	1,549
		Preferred Stock	9/1/2023	59,027						59	59
		Preferred Stock (8)	8/9/2021	320,000						1,600	1,600
										3,222	3,206
Titan Meter Midco Corp.	(10) Value Added Distributor of a Variety of Metering and Measurement Products and Solutions to the Energy Industry	Secured Debt (9) (30)	3/11/2024			SF+ 6.50%		3/11/2029	—	(45)	(45)
		Secured Debt (9)	3/11/2024		11.83%	SF+ 6.50%		3/11/2029	13,114	12,685	12,853
		Preferred Equity	3/11/2024	468,750						469	469
										13,109	13,277
U.S. TelePacific Corp.	(11) Provider of Communications and Managed Services	Secured Debt (9) (14)	6/1/2023		12.50%	SF+ 7.15%	6.00%	5/2/2027	6,782	2,485	2,765
		Secured Debt (14)	6/1/2023					5/2/2027	692	15	—
										2,500	2,765
Urgent DSO LLC	General and Emergency Dentistry Practice	Secured Debt	2/16/2024		13.50%			2/28/2029	2,200	2,138	2,138
		Preferred Equity (8)	2/16/2024	1,000	9.00%		9.00%			1,034	1,034
										3,172	3,172
UserZoom Technologies, Inc.	(10) Provider of User Experience Research Automation Software	Secured Debt (9)	1/11/2023		12.81%	SF+ 7.50%		4/5/2029		2,931	3,000
Vistar Media, Inc.	(10) Operator of Digital Out-of-Home Advertising Platform	Preferred Stock	4/3/2019	70,207						767	2,320

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Consolidated Schedule of Investments (Continued)
June 30, 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)
Vitesse Systems	(10) Component Manufacturing and Machining Platform	Secured Debt	(9) (32) 12/22/2023		12.59%			12/22/2028	1,591	1,551	1,580
		Secured Debt	(9) 12/22/2023		12.46%	SF+ 7.00%		12/22/2028	12,438	12,162	12,353
										13,713	13,933
VORTEQ Coil Finishers, LLC	(10) Specialty Coating of Aluminum and Light-Gauge Steel	Common Equity	(8) 11/30/2021	769,231						769	1,910
Wall Street Prep, Inc.	(10) Financial Training Services	Secured Debt	(9) (30) 7/19/2021			SF+ 7.00%		7/19/2026	—	(4)	(4)
		Secured Debt	(9) 7/19/2021		12.45%	SF+ 7.00%		7/19/2026	4,268	4,227	4,268
		Common Stock	7/19/2021	500,000						500	1,090
									4,723	5,354	
Watterson Brands, LLC	(10) Facility Management Services	Secured Debt	(9) (28) 12/17/2021		11.73%	SF+ 6.25%		12/17/2026	303	300	303
		Secured Debt	(9) 12/17/2021		11.73%	SF+ 6.25%		12/17/2026	52	47	52
		Secured Debt	(9) 12/17/2021		11.73%	SF+ 6.25%		12/17/2026	2,155	2,138	2,155
		Secured Debt	(9) 12/17/2021		11.73%	SF+ 6.25%		12/17/2026	1,945	1,929	1,945
									4,414	4,455	
West Star Aviation Acquisition, LLC	(10) Aircraft, Aircraft Engine and Engine Parts	Secured Debt	(9) (26) 3/1/2022		10.33%	SF+ 5.00%		3/1/2028	662	651	662
		Secured Debt	(9) 3/1/2022		10.33%	SF+ 5.00%		3/1/2028	2,933	2,893	2,932
		Secured Debt	(9) 11/3/2023		10.33%	SF+ 5.00%		3/1/2028	1,459	1,432	1,459
		Common Stock	(8) 3/1/2022	200,000						200	590
									5,176	5,643	
Winter Services LLC	(10) Provider of Snow Removal and Ice Management Services	Secured Debt	(9) (28) 11/19/2021		13.56%	SF+ 8.00%		11/19/2026	833	772	819
		Secured Debt	(9) 11/19/2021		13.56%	SF+ 8.00%		11/19/2026	2,343	2,301	2,302
		Secured Debt	(9) 1/16/2024		12.56%	SF+ 7.00%		11/19/2026	9,050	8,874	8,891
		Secured Debt	(9) 1/16/2024		14.56%	SF+ 9.00%		11/19/2026	9,050	8,874	8,891
									20,821	20,903	
World Micro Holdings, LLC	Supply Chain Management	Secured Debt	12/12/2022		13.00%			12/12/2027	1,627	1,605	1,605
		Preferred Equity	(8) 12/12/2022	530						530	530
									2,135	2,135	
Xenon Arc, Inc.	(10) Tech-enabled Distribution Services to Chemicals and Food Ingredients Primary Producers	Secured Debt	(9) 12/17/2021		11.44%	SF+ 6.00%		12/20/2028	1,182	1,160	1,182

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Consolidated Schedule of Investments (Continued)
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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)	12/17/2021	11.43%	SF+ 6.00%		12/20/2028	2,340	2,313	2,340
										3,473	3,522
YS Garments, LLC	(11) Designer and Provider of Branded Activewear	Secured Debt	(9)	8/22/2018	12.92%	SF+ 7.50%		8/9/2026	5,200	5,124	4,820
Zips Car Wash, LLC	(10) Express Car Wash Operator	Secured Debt	(9) (26)	2/11/2022	12.69%	SF+ 7.25%	1.50%	12/31/2024	2,360	2,360	2,262
		Secured Debt	(9) (26)	2/11/2022	12.69%	SF+ 7.25%	1.50%	12/31/2024	592	592	568
										2,952	2,830
ZRG Partners, LLC	(10) Talent Advisory Services Provider	Secured Debt	(9) (30)	6/14/2024		SF+ 6.00%		6/14/2029	—	(31)	(31)
		Secured Debt	(9) (30)	6/14/2024		SF+ 6.00%		6/14/2029	—	(27)	(27)
		Secured Debt	(9)	6/14/2024	11.26%	SF+ 6.00%		6/14/2029	998	978	978
		Secured Debt	(9)	6/14/2024	11.33%	SF+ 6.00%		6/14/2029	7,153	7,013	7,013
										7,933	7,933
Subtotal Non-Control/Non-Affiliate Investments (126.6% of net assets at fair value)									\$	804,126	\$ 788,707
Total Portfolio Investments, June 30, 2024 (184.3% of net assets at fair value)									\$	1,088,638	\$ 1,148,308
First American Treasury Obligations Fund Class Z (16)									\$	15,016	\$ 15,016
Total money market funds									\$	15,016	\$ 15,016

- (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. 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.

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
June 30, 2024
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- (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, 96% of the loans (based on the par amount) contain Term SOFR (“SOFR”) floors which range between 0.75% and 5.25%, with a weighted-average floor of 1.24%.
- (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) Effective yield as of June 30, 2024 was approximately 5.17% on the First American Treasury Obligations Fund Class Z.
- (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 June 30, 2024.
- (20) All portfolio company headquarters are based in the United States, unless otherwise noted.
- (21) Portfolio company headquarters are located outside of the United States.
- (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 (defined below) bear interest at a rate that may be determined by reference to either 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 June 30, 2024, SOFR based contracts in the portfolio had Adjustments ranging from 0.10% to 0.43%.
- (26) 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 June 30, 2024.
- (27) Warrants are presented in equivalent shares/units with a strike price of \$0.01 per share/unit.
- (28) 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 June 30, 2024.
- (29) Index based floating interest rate is subject to contractual maximum base rate of 3.00%.
- (30) The position is unfunded and no interest income is being earned as of June 30, 2024. The position may earn a nominal unused facility fee on committed amounts.
- (31) Warrants are presented in equivalent shares/units with a strike price of \$1.00 per share/unit.

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Consolidated Schedule of Investments (Continued)
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- (32) RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. As of June 30, 2024, the facility had contracts running under the terms SF+7.00% (Floor 1.00%) and P+6.00% (Floor 2.00%). The rate presented represents a weighted-average rate for borrowings under the facility, as of June 30, 2024.
- (33) The Company has entered into an intercreditor agreement that entitles the Company to the “last out” tranche of the first lien secured loans, whereby the “first out” tranche will receive priority as to the “last out” tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of 11.75% per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

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Consolidated Schedule of Investments
December 31, 2023
(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)
Control Investments (5)											
Copper Trail Fund Investments	(12) (13) Investment Partnership	LP Interests (CTMH, LP)	(8) (24) 7/17/2017	38.8%					\$ 693	\$	568
GRT Rubber Technologies LLC	Manufacturer of Engineered Rubber Products	Secured Debt	12/21/2018		11.48%	SF+ 6.00%		10/29/2026	1,182	1,173	1,182
		Secured Debt	12/19/2014		13.48%	SF+ 8.00%		10/29/2026	19,944	19,803	19,944
		Member Units	12/19/2014	2,896						6,435	21,890
										27,411	43,016
Harris Preston Fund Investments	(12) (13) Investment Partnership	LP Interests (2717 MH, L.P.)	(8) (24) 10/1/2017	49.3%					3,345		6,050
Volusion, LLC	Provider of Online Software-as-a-Service eCommerce Solutions	Secured Debt	3/31/2023		10.00%			3/31/2025	900	900	900
		Preferred Member Units	3/31/2023	2,184,683						3,706	3,110
		Preferred Member Units	3/31/2023	61,077						—	—
		Preferred Member Units	1/26/2015	2,090,001						6,000	—
		Common Stock	3/31/2023	772,620						1,104	—
										11,710	4,010
Subtotal Control Investments (8.6% of net assets at fair value)									\$ 43,159	\$	\$ 53,644
Affiliate Investments (6)											
Analytical Systems Keco Holdings, LLC	Manufacturer of Liquid and Gas Analyzers	Secured Debt	(9) 8/16/2019		15.38%	SF+ 10.00%		8/16/2024	\$ 55	\$ 54	\$ 54
		Secured Debt	(9) 8/16/2019		15.38%	SF+ 10.00%		8/16/2024	1,031	1,020	1,020
		Preferred Member Units	5/20/2021	607						607	1,210
		Preferred Member Units	8/16/2019	800	14.13%					800	—
		Warrants	(27) 8/16/2019	105				8/16/2029		79	—
										2,560	2,284
Barfly Ventures, LLC	(10) Casual Restaurant Group	Member Units	10/26/2020	12						528	1,380
Batjer TopCo, LLC	HVAC Mechanical Contractor	Secured Debt	(37) 3/7/2022					3/7/2027	—	(1)	—
		Secured Debt	3/7/2022		10.00%			3/7/2027	30	30	30
		Secured Debt	3/7/2022		10.00%			3/7/2027	1,175	1,160	1,175
		Preferred Stock	(8) 3/7/2022	453						455	680
										1,644	1,885
Brewer Crane Holdings, LLC	Provider of Crane Rental and Operating Services	Secured Debt	(9) 1/9/2018		15.46%	L+ 10.00%		1/9/2025	1,375	1,375	1,374
		Preferred Member Units	(8) 1/9/2018	737						1,070	1,400
										2,445	2,774
Centre Technologies Holdings, LLC	Provider of IT Hardware Services and Software Solutions										

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Consolidated Schedule of Investments (Continued)
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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) (37) 1/4/2019			SF+ 9.00%		1/4/2026	—	—	—
		Secured Debt	(9) 1/4/2019		14.48%	SF+ 9.00%		1/4/2026	4,394	4,364	4,394
		Preferred Member Units	1/4/2019	3,327						1,531	2,760
										5,895	7,154
Chamberlin Holding LLC	Roofing and Waterproofing Specialty Contractor										
		Secured Debt	(9) (37) 2/26/2018			SF+ 6.00%		2/26/2026	—	(49)	—
		Secured Debt	(9) 2/26/2018		13.49%	SF+ 8.00%		2/26/2026	3,905	3,903	3,905
		Member Units	(8) 2/26/2018	1,087						2,860	7,330
		Member Units	(8) (23) 11/2/2018	261,786						443	715
										7,157	11,950
Charps, LLC	Pipeline Maintenance and Construction										
		Preferred Member Units	(8) 2/3/2017	457						491	3,920
Clad-Rex Steel, LLC	Specialty Manufacturer of Vinyl-Clad Metal										
		Secured Debt	12/20/2016		11.50%			1/15/2024	2,140	2,140	2,103
		Secured Debt	12/20/2016		10.00%			12/20/2036	253	251	251
		Member Units	(8) 12/20/2016	179						1,820	1,300
		Member Units	(23) 12/20/2016	200						127	282
										4,338	3,936
Cody Pools, Inc.	Designer of Residential and Commercial Pools										
		Secured Debt	(37) 3/6/2020					12/17/2026	—	(2)	—
		Secured Debt	3/6/2020		12.50%			12/17/2026	7,111	7,089	7,111
		Preferred Member Units	(8) (23) 3/6/2020	147						2,079	18,120
										9,166	25,231
Colonial Electric Company LLC	Provider of Electrical Contracting Services										
		Secured Debt	(37) 3/31/2021					3/31/2026	—	—	—
		Secured Debt	3/31/2021		12.00%			3/31/2026	5,513	5,448	5,407
		Preferred Member Units	6/27/2023	240						240	600
		Preferred Member Units	3/31/2021	4,320						1,920	1,920
										7,608	7,927
Compass Systems & Sales, LLC	Designer of End-to-End Material Handling Solutions										
		Secured Debt	(37) 11/22/2023					11/22/2028	—	—	—
		Secured Debt	11/22/2023		13.50%			11/22/2028	4,300	4,175	4,175
		Preferred Equity	11/22/2023	1,863						1,863	1,863
										6,038	6,038
Datacom, LLC	Technology and Telecommunications Provider										
		Secured Debt	3/1/2022		7.50%			12/31/2025	50	49	49
		Secured Debt	3/31/2021		10.00%			12/31/2025	928	887	844
		Preferred Member Units	3/31/2021	1,000						290	10
										1,226	903
Digital Products Holdings LLC	Designer and Distributor of Consumer Electronics										
		Secured Debt	(9) 4/1/2018		15.38%	SF+ 10.00%		4/27/2026	3,718	3,689	3,673
		Preferred Member Units	(8) 4/1/2018	964						2,375	2,459

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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)
Direct Marketing Solutions, Inc.	Provider of Omni-Channel Direct Marketing Services									6,064	6,132
		Secured Debt	2/13/2018		14.00%			2/13/2026	217	213	217
		Secured Debt	12/27/2022		14.00%			2/13/2026	5,002	4,974	5,002
		Preferred Stock	(8) 2/13/2018	2,100						2,100	5,180
										7,287	10,399
Flame King Holdings, LLC	Propane Tank and Accessories Distributor	Preferred Equity	(8) 10/29/2021	2,340						2,600	6,970
Freeport Financial Funds	(12) (13) Investment Partnership	LP Interests (Freeport First Lien Loan Fund III LP)	(8) (24) 7/31/2015	6.0%					4,160	4,160	3,705
Gamber-Johnson Holdings, LLC	Manufacturer of Ruggedized Computer Mounting Systems	Secured Debt	(9) (36) (37) 6/24/2016			SF+ 7.50%		1/1/2028	—	—	—
		Secured Debt	(9) (36) 12/15/2022		10.50%	SF+ 7.50%		1/1/2028	13,520	13,336	13,520
		Member Units	(8) 6/24/2016	2,261						4,423	24,180
										17,759	37,700
GFG Group, LLC	Grower and Distributor of a Variety of Plants and Products to Other Wholesalers, Retailers and Garden Centers	Secured Debt	3/31/2021		8.00%			3/31/2026	2,336	2,304	2,336
		Preferred Member Units	(8) 3/31/2021	56						1,225	2,870
										3,529	5,206
Gulf Publishing Holdings, LLC	Energy Industry Focused Media and Publishing	Secured Debt	(9) (37) 9/29/2017			SF+ 9.50%		7/1/2027	—	—	—
		Secured Debt	7/1/2022		12.50%			7/1/2027	600	600	571
		Preferred Equity	7/1/2022	15,930						1,400	620
		Member Units	4/29/2016	920						920	—
										2,920	1,191
Harris Preston Fund Investments	(12) (13) Investment Partnership	LP Interests (HPEP 3, L.P.)	(24) 8/9/2017	8.2%					2,296	2,296	4,225
IG Investor, LLC	Military and Other Tactical Gear	Secured Debt	(37) 6/21/2023					6/21/2028	—	(27)	(27)
		Secured Debt	6/21/2023		13.00%			6/21/2028	9,316	9,069	9,069
		Common Equity	6/21/2023	3,600						3,600	3,600
										12,642	12,642
Independent Pet Partners Intermediate Holdings, LLC	(10) Omnichannel Retailer of Specialty Pet Products	Common Equity	4/7/2023	6,436,566						6,540	6,320
Integral Energy Services	(10) Nuclear Power Staffing Services	Secured Debt	(9) 8/20/2021		13.16%	SF+ 7.50%		8/20/2026	16,925	16,737	16,232

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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 Equity	12/7/2023	3,725	10.00%		10.00%			265	350
		Common Stock	8/20/2021	11,647						1,584	190
										18,586	16,772
Kickhaefer Manufacturing Company, LLC	Precision Metal Parts Manufacturing										
		Secured Debt	10/31/2018		12.00%			10/31/2026	4,950	4,933	4,933
		Secured Debt	10/31/2018		9.00%			10/31/2048	960	951	951
		Preferred Equity	10/31/2018	145						3,060	2,420
		Member Units (23)	10/31/2018	200						248	683
										9,192	8,987
MH Corbin Holding LLC	Manufacturer and Distributor of Traffic Safety Products										
		Secured Debt (17)	8/31/2015		13.00%			12/31/2022	1,350	1,350	1,256
		Preferred Member Units	3/15/2019	16,500						1,100	80
		Preferred Member Units	9/1/2015	1,000						1,500	—
										3,950	1,336
Mystic Logistics Holdings, LLC	Logistics and Distribution Services Provider for Large Volume Mailers										
		Secured Debt (37)	8/18/2014					1/31/2024	—	—	—
		Secured Debt	8/18/2014		10.00%			1/31/2024	1,436	1,436	1,436
		Common Stock (8)	8/18/2014	1,468						680	6,598
										2,116	8,034
NexRev LLC	Provider of Energy Efficiency Products & Services										
		Secured Debt (37)	2/28/2018					2/28/2025	—	—	—
		Secured Debt	2/28/2018		10.00%			2/28/2025	2,453	2,435	2,435
		Preferred Member Units (8)	2/28/2018	25,786,046						2,053	1,590
										4,488	4,025
NuStep, LLC	Designer, Manufacturer and Distributor of Fitness Equipment										
		Secured Debt (9)	1/31/2017		11.98%	SF+ 6.50%		1/31/2025	900	899	899
		Secured Debt	1/31/2017		12.00%			1/31/2025	4,610	4,606	4,606
		Preferred Member Units	11/2/2022	515						515	1,290
		Preferred Member Units	1/31/2017	102						2,550	2,310
										8,570	9,105
Oneliance, LLC	Construction Cleaning Company										
		Secured Debt (9)	8/6/2021		16.48%	SF+ 11.00%		8/6/2026	1,360	1,346	1,339
		Preferred Stock	8/6/2021	282						282	282
										1,628	1,621
Orttech Holdings, LLC	Distributor of Industrial Clutches, Brakes and Other Components										
		Secured Debt (9) (37)	7/30/2021			SF+ 11.00%		7/31/2026	—	(2)	—
		Secured Debt (9)	7/30/2021		16.48%	SF+ 11.00%		7/31/2026	5,510	5,452	5,510
		Preferred Stock (8) (23)	7/30/2021	2,500						2,500	4,260
										7,950	9,770
Pinnacle TopCo, LLC	Manufacturer and Distributor of Garbage Can Liners, Poly Bags, Produce Bags, and Other Similar Products										
		Secured Debt	12/21/2023		8.00%			12/31/2028	115	105	105
		Secured Debt	12/21/2023		13.00%			12/31/2028	7,660	7,472	7,472

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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 Equity	12/21/2023	110						3,135	3,135
										10,712	10,712
Robbins Bros. Jewelry, Inc.	Bridal Jewelry Retailer	Secured Debt	(37) 12/15/2021					12/15/2026	—	(6)	(6)
		Secured Debt	12/15/2021		12.50%			12/15/2026	3,790	3,745	3,421
		Preferred Equity	12/15/2021	1,230						1,230	—
										4,969	3,415
SI East, LLC	Rigid Industrial Packaging Manufacturing	Secured Debt	8/31/2018		11.25%			6/16/2028	375	370	375
		Secured Debt	6/16/2023		12.47%			6/16/2028	18,179	18,019	18,179
		Preferred Member Units	(8) 8/31/2018	55						508	6,390
										18,897	24,944
Student Resource Center, LLC	(10) Higher Education Services	Secured Debt	(14) 12/31/2022		8.50%		8.50%	12/31/2027	5,918	5,426	3,543
		Preferred Equity	12/31/2022	6,564,055						—	—
										5,426	3,543
Tedder Industries, LLC	Manufacturer of Firearm Holsters and Accessories	Secured Debt	(17) 8/31/2018		12.00%			8/31/2023	460	460	432
		Secured Debt	(17) 8/31/2018		12.00%			8/31/2023	3,800	3,800	3,565
		Preferred Member Units	8/28/2023	1,651						165	—
		Preferred Member Units	2/1/2023	1,411						141	—
		Preferred Member Units	8/31/2018	136						2,311	—
										6,877	3,997
Trantech Radiator Topco, LLC	Transformer Cooling Products and Services	Secured Debt	(37) 5/31/2019					5/31/2024	—	(1)	—
		Secured Debt	5/31/2019		12.00%			5/31/2024	1,980	1,975	1,980
		Common Stock	(8) 5/31/2019	154						1,164	3,180
										3,138	5,160
VVS Holdco LLC	Omnichannel Retailer of Animal Health Products	Secured Debt	(9) (17) (37) 12/1/2021			SF+ 6.00%		12/1/2023	—	—	—
		Secured Debt	12/1/2021		11.50%			12/1/2026	7,050	6,926	6,926
		Preferred Equity	(8) (23) 12/1/2021	3,060						3,060	3,060
										9,986	9,986
Subtotal Affiliate Investments (46.8% of net assets at fair value)										\$ 231,378	\$ 291,279
Non-Control/Non-Affiliate Investments (7)											
AAC Holdings, Inc.	(11) Substance Abuse Treatment Service Provider	Secured Debt	1/31/2023		18.00%		18.00%	6/25/2025	\$ 151	\$ 149	\$ 149
		Secured Debt	12/11/2020		18.00%		18.00%	6/25/2025	5,014	4,888	4,958
		Common Stock	12/11/2020	593,927						3,148	—
		Warrants	(27) 12/11/2020	197,717				12/11/2025		—	—
										8,185	5,107
AB Centers Acquisition Corporation	(10) Applied Behavior Analysis Therapy Provider	Secured Debt	(9) (37) 9/6/2022			P+ 5.00%		9/6/2028	—	(20)	—
		Secured Debt	(9) 9/6/2022		11.43%	SF+ 6.00%		9/6/2028	1,081	1,066	1,081

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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)		11.43%	SF+ 6.00%		9/6/2028	2,304	2,219	2,304	
		Secured Debt	(9)	6/21/2023		11.43%	SF+ 6.00%	9/6/2028	772	743	772	
Acumera, Inc.	(10) Managed Security Service Provider									4,008	4,157	
		Secured Debt	(9) (37)	6/7/2023		SF+ 7.50%		6/7/2028	—	(8)	(8)	
		Secured Debt	(9)	6/7/2023		12.98%	SF+ 7.50%	6/7/2028	11,922	11,825	11,922	
		Warrants	(40)	6/7/2023	14,953			5/19/2028		—	90	
										11,817	12,004	
Adams Publishing Group, LLC	(10) Local Newspaper Operator											
		Secured Debt	(9) (36)	3/11/2022		11.00%	SF+ 7.00%	1.00%	3/11/2027	936	936	917
		Secured Debt	(9) (36)	3/11/2022		11.00%	SF+ 7.00%	1.00%	3/11/2027	2,531	2,527	2,481
										3,463	3,398	
ADS Tactical, Inc.	(11) Value-Added Logistics and Supply Chain Provider to the Defense Industry											
		Secured Debt	(9)	3/29/2021		11.22%	SF+ 5.75%	3/19/2026	4,250	4,210	4,214	
AMEREQUIP LLC	(10) Full Services Provider Including Design, Engineering and Manufacturing of Commercial and Agricultural Equipment											
		Secured Debt	(9) (37)	8/31/2022			SF+ 7.40%	8/31/2027	—	—	—	
		Secured Debt	(9)	8/31/2022		12.76%	SF+ 7.40%	8/31/2027	1,538	1,538	1,538	
		Common Stock	(8)	8/31/2022	11					83	100	
										1,621	1,638	
American Health Staffing Group, Inc.	(10) Healthcare Temporary Staffing											
		Secured Debt	(9) (37)	11/19/2021			P+ 5.00%	11/19/2026	—	(10)	(10)	
		Secured Debt	(9)	11/19/2021		13.50%	P+ 5.00%	11/19/2026	8,188	8,140	8,188	
										8,130	8,178	
American Nuts, LLC	(10) Roaster, Mixer and Packager of Bulk Nuts and Seeds											
		Secured Debt	(9)	3/11/2022		15.29%	SF+ 9.75%	15.29%	4/10/2026	4,833	4,812	4,102
		Secured Debt	(9)	3/11/2022		15.29%	SF+ 9.75%	15.29%	4/10/2026	—	—	—
		Secured Debt	(9) (14)	3/11/2022		17.29%	SF+ 11.75%	17.29%	4/10/2026	4,270	4,244	2,522
		Secured Debt	(9) (14)	3/11/2022		17.29%	SF+ 11.75%	17.29%	4/10/2026	—	—	—
										9,056	6,624	
American Teleconferencing Services, Ltd.	(11) Provider of Audio Conferencing and Video Collaboration Solutions											
		Secured Debt	(14) (17)	9/17/2021				4/7/2023	2,425	2,375	109	
		Secured Debt	(14) (17)	5/19/2016				6/8/2023	11,693	11,451	526	
										13,826	635	
ArborWorks, LLC	(10) Vegetation Management Services											
		Secured Debt		11/6/2023		15.00%		15.00%	11/6/2028	1,007	1,007	1,007
		Secured Debt	(9)	11/6/2023		12.04%	SF+ 6.50%	12.04%	11/6/2028	3,765	3,765	3,765
		Preferred Equity		11/6/2023	17,265					7,468	7,468	
		Preferred Equity		11/6/2023	17,265					—	—	
		Common Equity		11/9/2021	2,070					124	—	
										12,364	12,240	
Archer Systems, LLC	(10) Mass Tort Settlement Administration Solutions Provider											

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		Common Stock	8/11/2022	62,402						62	100
ATS Operating, LLC	(10) For-Profit Thrift Retailer	Secured Debt	(9) 1/18/2022		12.16%	SF+ 6.50%		1/18/2027	50	50	50
		Secured Debt	(9) 1/18/2022		11.16%	SF+ 5.50%		1/18/2027	925	911	925
		Secured Debt	(9) 1/18/2022		13.16%	SF+ 7.50%		1/18/2027	925	911	925
		Common Stock	1/18/2022	100,000						100	90
										1,972	1,990
AVEX Aviation Holdings, LLC	(10) Specialty Aircraft Dealer & MRO Provider	Secured Debt	(9) (37) 12/23/2022			SF+ 7.25%		12/23/2027	—	(17)	(5)
		Secured Debt	(9) 12/23/2022		12.76%	SF+ 7.25%		12/23/2027	3,417	3,321	3,344
		Common Equity	(8) 12/15/2021	137						134	124
										3,438	3,463
Berry Aviation, Inc.	(10) Charter Airline Services	Preferred Member Units	(23) 11/12/2019	122,416						—	200
		Preferred Member Units	(8) (23) 7/6/2018	1,548,387						—	2,560
										—	2,760
Bettercloud, Inc.	(10) SaaS Provider of Workflow Management and Business Application Solutions	Secured Debt	(9) (37) 6/30/2022			SF+ 7.25%		6/30/2028	—	(18)	(18)
		Secured Debt	(9) 6/30/2022		12.64%	SF+ 7.25%	6.25%	6/30/2028	8,535	8,419	7,998
										8,401	7,980
Binswanger Enterprises, LLC	(10) Glass Repair and Installation Service Provider	Member Units	3/10/2017	1,050,000						1,050	120
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	2,035	2,035	1,907
		Secured Debt	(9) 8/28/2020		13.96%	SF+ 8.50%	12.96%	8/28/2025	3,941	3,305	3,695
		Common Stock	10/1/2020	700,446						—	533
		Warrants	(27) 10/19/2022	175,110				10/19/2032		1,111	129
										6,451	6,264
Boccella Precast Products LLC	Manufacturer of Precast Hollow Core Concrete	Secured Debt	9/23/2021		10.00%			2/28/2027	80	80	80
		Member Units	6/30/2017	540,000						564	498
										644	578
Bond Brand Loyalty ULC	(10) (13) (21) Provider of Loyalty Marketing Services	Secured Debt	(9) (37) 5/1/2023			SF+ 7.00%		5/1/2028	—	(16)	(16)
		Secured Debt	(9) 5/1/2023		11.54%	SF+ 6.00%		5/1/2028	4,040	3,970	4,040
		Secured Debt	(9) 5/1/2023		13.54%	SF+ 8.00%		5/1/2028	4,040	3,970	4,040
		Preferred Equity	5/1/2023	360						360	310
		Common Equity	5/1/2023	360						—	—
										8,284	8,374
Brightwood Capital Fund Investments	(12) (13) Investment Partnership										

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		LP Interests (Brightwood Capital Fund III, LP)	(24) 7/21/2014	0.5%					2,270	2,270	1,360
		LP Interests (Brightwood Capital Fund IV, LP)	(8) (24) 10/26/2016	1.2%					8,737	8,737	8,716
									11,007	11,007	10,076
Buca C, LLC	Casual Restaurant Group	Secured Debt	(17) 6/30/2015		12.00%			8/31/2023	11,490	11,490	8,218
		Preferred Member Units	6/30/2015	4	6.00%		6.00%			3,040	—
									14,530	14,530	8,218
Burning Glass Intermediate Holding Company, Inc.	(10) Provider of Skills-Based Labor Market Analytics	Secured Debt	(9) 6/14/2021		10.46%	SF+ 5.00%		6/10/2026	310	296	310
		Secured Debt	(9) 6/14/2021		10.46%	SF+ 5.00%		6/10/2028	13,121	12,970	13,121
									13,266	13,266	13,431
CAI Software LLC	Provider of Specialized Enterprise Resource Planning Software	Preferred Equity	12/13/2021	379,338						379	379
		Preferred Equity	12/13/2021	126,446						—	—
									379	379	379
Career Team Holdings, LLC	Provider of Workforce Training and Career Development Services	Secured Debt	(9) 12/17/2021		11.38%	SF+ 6.00%		12/17/2026	100	96	96
		Secured Debt	12/17/2021		13.00%			12/17/2026	2,225	2,185	2,185
		Common Stock	12/17/2021	50,000						500	500
									2,781	2,781	2,781
CaseWorthy, Inc.	(10) SaaS Provider of Case Management Solutions	Secured Debt	(9) (37) 5/18/2022			SF+ 6.00%		5/18/2027	—	(3)	(3)
		Secured Debt	(9) 5/18/2022		11.61%	SF+ 6.00%		5/18/2027	2,581	2,561	2,581
		Secured Debt	(9) 5/18/2022		11.61%	SF+ 6.00%		5/18/2027	1,985	1,971	1,985
		Common Equity	12/30/2022	80,000						80	80
									4,609	4,609	4,643
Channel Partners Intermediatco, LLC	(10) Outsourced Consumer Services Provider	Secured Debt	(9) (44) 2/7/2022		12.60%	SF+ 7.00%		2/7/2027	190	175	183
		Secured Debt	(9) 2/7/2022		12.66%	SF+ 7.00%		2/7/2027	3,360	3,317	3,224
		Secured Debt	(9) 6/24/2022		12.66%	SF+ 7.00%		2/7/2027	186	184	179
		Secured Debt	(9) 3/27/2023		12.66%	SF+ 7.00%		2/7/2027	450	440	432
									4,116	4,116	4,018
Clarius BIGS, LLC	(10) Prints & Advertising Film Financing	Secured Debt	(14) (17) 9/23/2014					1/5/2015	2,694	2,350	16
Classic H&G Holdings, LLC	Provider of Engineered Packaging Solutions	Secured Debt	(9) 3/12/2020		11.69%	SF+ 6.00%		3/12/2025	1,140	1,133	1,140
		Secured Debt	(9) 3/12/2020		8.00%			3/12/2025	4,819	4,781	4,819
		Preferred Member Units	(8) 3/12/2020	39						1,440	4,000
									7,354	7,354	9,959
Computer Data Source, LLC	(10) Third Party Maintenance Provider to the Data Center Ecosystem	Secured Debt	(9) (30) 8/6/2021		13.52%	SF+ 8.00%		8/6/2026	4,167	4,123	4,040

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		Secured Debt	(9) 8/6/2021		13.52%	SF+ 8.00%		8/6/2026	15,260	15,098	14,797
										19,221	18,837
Construction Supply Investments, LLC (10)	Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors	Member Units	12/29/2016	861,618						3,335	23,135
CQ Fluency, LLC	(10) Global Language Services Provider	Secured Debt	(9) (37) 12/27/2023			SF+ 7.00%		6/27/2027	—	(44)	(44)
		Secured Debt	(9) (37) 12/27/2023			SF+ 7.00%		6/27/2027	—	(44)	(44)
		Secured Debt	(9) 12/27/2023		12.45%	SF+ 7.00%		6/27/2027	7,500	7,280	7,280
										7,192	7,192
Dalton US Inc.	(10) Provider of Supplemental Labor Services	Common Stock	8/16/2022	37						52	60
DMA Industries, LLC	Distributor of Aftermarket Ride Control Products	Secured Debt	11/19/2021		12.00%			11/19/2026	4,700	4,642	4,700
		Preferred Equity	11/19/2021	1,486						1,486	1,920
										6,128	6,620
DTE Enterprises, LLC	(10) Industrial Powertrain Repair and Services	Class AA Preferred Member Units (non-voting)	(8) 4/13/2018		10.00%		10.00%			1,284	1,283
		Class A Preferred Member Units	4/13/2018	776,316	8.00%		8.00%			776	260
										2,060	1,543
Dynamic Communities, LLC	(10) Developer of Business Events and Online Community Groups	Secured Debt	(9) 12/20/2022		10.45%	SF+ 5.00%	10.45%	12/31/2026	2,070	1,912	1,912
		Secured Debt	(9) 12/20/2022		12.45%	SF+ 7.00%	12.45%	12/31/2026	2,113	1,879	1,859
		Preferred Equity	12/20/2022	125,000						128	60
		Preferred Equity	12/20/2022	2,376,241						—	—
		Common Equity	12/20/2022	1,250,000						—	—
										3,919	3,831
Elgin AcquireCo, LLC	Manufacturer and Distributor of Engine and Chassis Components	Secured Debt	(9) (37) 10/3/2022			SF+ 6.00%		10/3/2027	—	—	—
		Secured Debt	10/3/2022		12.00%			10/3/2027	1,227	1,200	1,200
		Secured Debt	10/3/2022		9.00%			10/3/2052	412	409	409
		Common Stock	10/3/2022	19						374	390
		Common Stock	(23) 10/3/2022	61						102	109
										2,085	2,108
Emerald Technologies Acquisition Co, Inc.	(11) Design & Manufacturing	Secured Debt	(9) 2/10/2022		11.79%	SF+ 6.25%		12/29/2027	2,391	2,357	2,175
Engineering Research & Consulting, LLC	(10) Provider of Engineering & Consulting Services to US Department of Defense	Secured Debt	(9) (37) 5/23/2022			P+ 5.50%		5/23/2027	—	(11)	—
		Secured Debt	(9) 5/23/2022		11.98%	SF+ 6.50%		5/23/2028	5,095	5,023	5,095
										5,012	5,095

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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)
Escalent, Inc.	(10) Market Research and Consulting Firm	Secured Debt	(9) (37) 4/7/2023			SF+ 8.00%		4/7/2029	—	(9)	(9)
		Secured Debt	(9) 4/7/2023		13.45%	SF+ 8.00%		4/7/2029	6,924	6,742	6,924
		Common Equity	4/7/2023	170,998						174	190
										<u>6,907</u>	<u>7,105</u>
Event Holdco, LLC	(10) Event and Learning Management Software for Healthcare Organizations and Systems	Secured Debt	(9) 12/22/2021		12.61%	SF+ 7.00%		12/22/2026	308	306	302
		Secured Debt	(9) 12/22/2021		12.61%	SF+ 7.00%		12/22/2026	3,681	3,659	3,614
										<u>3,965</u>	<u>3,916</u>
Garyline, LLC	(10) Manufacturer of Consumer Plastic Products	Secured Debt	(9) (37) 11/10/2023			SF+ 6.75%		11/10/2028	—	(76)	(76)
		Secured Debt	(9) 11/10/2023		12.22%	SF+ 6.75%		11/10/2028	9,664	9,384	9,384
		Common Equity	11/10/2023	210,084						210	210
										<u>9,518</u>	<u>9,518</u>
Hawk Ridge Systems, LLC	Value-Added Reseller of Engineering Design and Manufacturing Solutions	Secured Debt	(9) 12/2/2016		11.65%	SF+ 6.00%		1/15/2026	494	492	494
		Secured Debt	12/2/2016		12.50%			1/15/2026	9,744	9,697	9,744
		Preferred Member Units	12/2/2016	56						713	4,370
		Preferred Member Units	(23) 12/2/2016	56						38	230
										<u>10,940</u>	<u>14,838</u>
HDC/HW Intermediate Holdings	(10) Managed Services and Hosting Provider	Secured Debt	(9) (17) 12/21/2018		14.34%	SF+ 9.50%	14.34%	12/21/2023	205	205	186
		Secured Debt	(9) (17) 12/21/2018		14.34%	SF+ 9.50%	14.34%	12/21/2023	2,036	2,036	1,849
										<u>2,241</u>	<u>2,035</u>
HEADLANDS OP-CO LLC	(10) Clinical Trial Sites Operator	Secured Debt	(9) (37) 8/1/2022			SF+ 6.50%		8/1/2027	—	(14)	(14)
		Secured Debt	(9) 8/1/2022		11.86%	SF+ 6.50%		8/1/2027	1,995	1,962	1,995
		Secured Debt	(9) 8/1/2022		11.86%	SF+ 6.50%		8/1/2027	4,925	4,854	4,925
										<u>6,802</u>	<u>6,906</u>
Hybrid Promotions, LLC	(10) Wholesaler of Licensed, Branded and Private Label Apparel	Secured Debt	(9) 6/30/2021		15.91%	SF+ 8.25%	2.00%	6/30/2026	7,964	7,813	7,313
IG Parent Corporation	(11) Software Engineering	Secured Debt	(9) (37) 7/30/2021			SF+ 5.75%		7/30/2026	—	(13)	—
		Secured Debt	(9) 7/30/2021		10.96%	SF+ 5.50%		7/30/2028	6,266	6,200	6,266
		Secured Debt	(9) 7/30/2021		10.96%	SF+ 5.50%		7/30/2028	1,942	1,921	1,942
										<u>8,108</u>	<u>8,208</u>
Imaging Business Machines, L.L.C.	(10) Technology Hardware & Equipment	Secured Debt	(9) (29) 6/8/2023		12.41%	SF+ 7.00%		6/30/2028	791	791	786
		Secured Debt	(9) 6/8/2023		12.45%	SF+ 7.00%		6/30/2028	10,384	10,068	10,318
		Common Equity	6/8/2023	422						580	550
										<u>11,439</u>	<u>11,654</u>
Implus Footcare, LLC	(10) Provider of Footwear and Related Accessories	Secured Debt	(9) 6/1/2017		14.25%	SF+ 7.75%	1.00%	7/31/2024	17,012	17,010	15,816

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Industrial Services Acquisition, LLC	(10) Industrial Cleaning Services	Secured Debt	(9) (32) 8/13/2021		12.22%	SF+ 6.75%		8/13/2026	752	734	752
		Secured Debt	(9) 8/13/2021		12.22%	SF+ 6.75%		8/13/2026	11,436	11,330	11,436
		Preferred Member Units	(8) (23) 1/31/2018	336	10.00%		10.00%			321	415
		Preferred Member Units	(8) (23) 5/17/2019	187	20.00%		20.00%			240	279
		Member Units	(23) 6/17/2016	2,100						2,100	1,610
									14,725	14,492	
Infinity X1 Holdings, LLC	Manufacturer and Supplier of Personal Lighting Products	Secured Debt	3/31/2023		13.00%			3/31/2028	4,388	4,314	4,314
		Preferred Equity	3/31/2023	20,000						1,000	1,000
									5,314	5,314	
Infolinks Media Buyco, LLC	(10) Exclusive Placement Provider to the Advertising Ecosystem	Secured Debt	(9) 11/1/2021		11.21%	SF+ 5.75%		11/1/2026	1,881	1,829	1,881
		Secured Debt	(9) 11/1/2021		11.21%	SF+ 5.75%		11/1/2026	9,690	9,579	9,690
										11,408	11,571
Insight Borrower Corporation	(10) Test, Inspection, and Certification Instrument Provider	Secured Debt	(9) (37) 7/19/2023			SF+ 6.25%		7/19/2028	—	(40)	(40)
		Secured Debt	(9) (37) 7/19/2023			SF+ 6.25%		7/19/2029	—	(33)	(33)
		Secured Debt	(9) 7/19/2023		11.65%	SF+ 6.25%		7/19/2029	8,373	8,143	8,287
		Common Equity	(9) 7/19/2023	47,847						239	239
								8,309	8,453		
Inspire Aesthetics Management, LLC	(10) Surgical and Non-Surgical Plastic Surgery and Aesthetics Provider	Secured Debt	(9) (31) 4/3/2023		13.53%	SF+ 8.00%		4/3/2028	676	659	664
		Secured Debt	(9) 4/3/2023		13.55%	SF+ 8.00%		4/3/2028	6,256	6,115	6,144
		Secured Debt	(9) 6/14/2023		13.55%	SF+ 8.00%		4/3/2028	1,260	1,231	1,237
		Common Equity	4/3/2023	101,719						322	190
								8,327	8,235		
Interface Security Systems, L.L.C.	(10) Commercial Security & Alarm Services	Secured Debt	(17) (28) 12/9/2021		15.48%	SF+ 10.00%		8/7/2023	1,835	1,835	1,781
		Secured Debt	(9) (14) (17) 8/7/2019		12.46%	SF+ 7.00%	12.46%	8/7/2023	7,334	7,254	433
		Common Stock	12/7/2021	2,143						—	—
								9,089	2,214		
Intermedia Holdings, Inc.	(11) Unified Communications as a Service	Secured Debt	(9) 8/3/2018		11.47%	SF+ 6.00%		7/19/2025	5,544	5,539	5,370
Invincible Boat Company, LLC.	(10) Manufacturer of Sport Fishing Boats	Secured Debt	(9) 8/28/2019		12.00%	SF+ 6.50%		8/28/2025	519	516	509
		Secured Debt	(9) 8/28/2019		12.00%	SF+ 6.50%		8/28/2025	16,812	16,751	16,515
									17,267	17,024	
INW Manufacturing, LLC	(11) Manufacturer of Nutrition and Wellness Products	Secured Debt	(9) 5/19/2021		11.36%	SF+ 5.75%		3/25/2027	6,656	6,537	5,325

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Iron-Main Investments, LLC	Consumer Reporting Agency Providing Employment Background Checks and Drug Testing	Secured Debt	8/2/2021		13.50%			1/31/2028	1,128	1,108	1,108
		Secured Debt	9/1/2021		13.50%			1/31/2028	735	722	722
		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	4,815	4,815
		Secured Debt	1/31/2023		13.50%			1/31/2028	2,641	2,525	2,525
		Common Stock	8/3/2021	50,753						689	670
									12,095	12,076	
Isagenix International, LLC	(11) Direct Marketer of Health & Wellness Products	Secured Debt	(9) 4/13/2023		11.04%	SF+ 5.50%	8.54%	4/14/2028	2,615	2,374	2,301
		Common Equity	4/13/2023	186,322						—	—
									2,374	2,301	
ITA Holdings Group, LLC	Air Ambulance Services	Secured Debt	(9) 6/21/2023		16.59%	SF+ 9.00%	2.00%	6/21/2027	207	201	201
		Secured Debt	(9) 6/21/2023		16.59%	SF+ 9.00%	2.00%	6/21/2027	178	174	174
		Secured Debt	(9) 6/21/2023		15.59%	SF+ 8.00%	2.00%	6/21/2027	1,084	842	842
		Secured Debt	(9) 6/21/2023		17.59%	SF+ 10.00%	2.00%	6/21/2027	1,091	848	848
		Warrants	(27) 6/21/2023	48,327				6/21/2033		523	523
										2,588	2,588
Jackmont Hospitality, Inc.	(10) Franchisee of Casual Dining Restaurants	Secured Debt	(9) (26) 10/26/2022		12.46%	SF+ 7.00%		11/4/2024	1,675	1,649	1,675
		Secured Debt	(9) 11/8/2021		12.46%	SF+ 7.00%		11/4/2024	3,948	3,948	3,948
		Preferred Equity	11/8/2021	5,653,333						216	2,190
									5,813	7,813	
Joerns Healthcare, LLC	(11) Manufacturer and Distributor of Health Care Equipment & Supplies	Secured Debt	(9) (14) 11/15/2021		23.63%	SF+ 18.00%	23.63%	1/31/2024	2,048	2,048	1,747
		Secured Debt	(9) (14) 8/21/2019		21.63%	SF+ 16.00%	21.63%	8/21/2024	1,708	1,701	121
		Secured Debt	(9) (14) 8/21/2019		21.63%	SF+ 16.00%	21.63%	8/21/2024	1,643	1,635	117
		Common Stock	8/21/2019	392,514						3,678	—
										9,062	1,985
Johnson Downie Opco, LLC	Executive Search Services	Secured Debt	(37) 12/10/2021					12/10/2026	—	(4)	—
		Secured Debt	12/10/2021		15.00%			12/10/2026	2,690	2,645	2,690
		Preferred Equity	12/10/2021	368						404	1,070
									3,045	3,760	
JorVet Holdings, LLC	Supplier and Distributor of Veterinary Equipment and Supplies	Secured Debt	3/28/2022		12.00%			3/28/2027	2,850	2,814	2,814
		Preferred Equity	(8) 3/28/2022	11,934						1,193	1,193
									4,007	4,007	
JTI Electrical & Mechanical, LLC	(10) Electrical, Mechanical and Automation Services	Secured Debt	(9) (41) 12/22/2021		11.64%	SF+ 6.00%		12/22/2026	261	253	261
		Secured Debt	(9) 12/22/2021		11.61%	SF+ 6.00%		12/22/2026	3,000	2,963	3,000

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		Common Equity	12/22/2021	140,351						140	140
										3,356	3,401
KMS, LLC	(10) Wholesaler of Closeout and Value-priced Products										
		Secured Debt	(9) 10/4/2021		14.75%	SF+ 9.25%		10/4/2026	1,292	1,235	1,180
		Secured Debt	(9) 10/4/2021		14.75%	SF+ 9.25%		10/4/2026	9,310	9,205	8,475
										10,440	9,655
Lightbox Holdings, L.P.	(11) Provider of Commercial Real Estate Software										
		Secured Debt	5/9/2019		10.62%	SF+ 5.00%		5/9/2026	5,765	5,736	5,592
LL Management, Inc.	(10) Medical Transportation Service Provider										
		Secured Debt	(9) 5/2/2019		12.71%	SF+ 7.25%		9/25/2024	7,960	7,933	7,960
		Secured Debt	(9) 5/2/2019		12.71%	SF+ 7.25%		9/25/2024	5,246	5,228	5,246
		Secured Debt	(9) 11/20/2020		12.71%	SF+ 7.25%		9/25/2024	—	—	—
		Secured Debt	(9) 2/26/2021		12.71%	SF+ 7.25%		9/25/2024	871	868	871
		Secured Debt	(9) 5/12/2022		12.71%	SF+ 7.25%		9/25/2024	8,822	8,781	8,822
										22,810	22,899
LLFlex, LLC	(10) Provider of Metal-Based Laminates										
		Secured Debt	(9) 8/16/2021		15.54%	SF+ 9.00%	1.00%	8/16/2026	4,920	4,861	4,417
Logix Acquisition Company, LLC	(10) Competitive Local Exchange Carrier										
		Secured Debt	(9) 1/8/2018		13.25%	P+ 4.75%		12/22/2024	11,552	11,285	9,069
Mako Steel, LP	(10) Self-Storage Design & Construction										
		Secured Debt	(9) (37) 3/15/2021			SF+ 6.75%		3/15/2026	—	(36)	—
		Secured Debt	(9) 3/15/2021		12.28%	SF+ 6.75%		3/15/2026	16,721	16,568	16,721
										16,532	16,721
MB2 Dental Solutions, LLC	(11) Dental Partnership Organization										
		Secured Debt	(9) 1/28/2021		11.46%	SF+ 6.00%		1/29/2027	2,803	2,771	2,803
		Secured Debt	(9) 1/28/2021		11.46%	SF+ 6.00%		1/29/2027	3,925	3,880	3,925
		Secured Debt	(9) 1/28/2021		11.46%	SF+ 6.00%		1/29/2027	3,464	3,424	3,464
		Secured Debt	(9) 1/28/2021		11.46%	SF+ 6.00%		1/29/2027	7,796	7,725	7,796
										17,800	17,988
Metalfforming Holdings, LLC	Distributor of Sheet Metal Folding and Metal Forming Equipment										
		Secured Debt	(37) 10/19/2022					10/19/2024	—	—	—
		Secured Debt	10/19/2022		12.75%			10/19/2027	1,748	1,707	1,707
		Preferred Equity	(8) 10/19/2022	434,331	8.00%		8.00%			443	443
		Common Stock	10/19/2022	112,865						113	110
										2,263	2,260
Microbe Formulas, LLC	(10) Nutritional Supplements Provider										
		Secured Debt	(9) (37) 4/4/2022			SF+ 6.25%		4/3/2028	—	(6)	(6)
		Secured Debt	(9) 4/4/2022		11.46%	SF+ 6.00%		4/3/2028	2,671	2,632	2,671
										2,626	2,665
Mills Fleet Farm Group, LLC	(10) Omnichannel Retailer of Work, Farm and Lifestyle Merchandise										
		Secured Debt	(9) 10/24/2018		12.52%	SF+ 7.00%		12/31/2026	18,152	17,863	17,524

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Mini Melts of America, LLC	(10) Manufacturer and Distributor of Branded Premium Beaded Ice Cream	Secured Debt	(9) (37) 11/30/2023			SF+ 6.25%		11/30/2028	—	(28)	(28)
		Secured Debt	(9) (37) 11/30/2023			SF+ 6.25%		11/30/2028	—	(10)	(10)
		Secured Debt	(9) 11/30/2023		10.64%	SF+ 5.25%		11/30/2028	3,225	3,149	3,149
		Secured Debt	(9) 11/30/2023		12.64%	SF+ 7.25%		11/30/2028	3,225	3,146	3,146
		Common Equity	11/30/2023	300,000						300	300
									6,557	6,557	
MonitorUS Holding, LLC	(10) (13) SaaS Provider of Media Intelligence Services (21)	Secured Debt	5/24/2022		14.00%		4.00%	5/24/2027	1,120	1,106	1,133
		Secured Debt	5/24/2022		14.00%		4.00%	5/24/2027	2,912	2,870	3,184
		Secured Debt	5/24/2022		14.00%		4.00%	5/24/2027	4,957	4,890	4,957
		Common Stock	8/30/2022	12,798,820						256	197
									9,122	9,471	
NinjaTrader, LLC	(10) Operator of Futures Trading Platform	Secured Debt	(9) (37) 12/18/2019			SF+ 7.00%		12/18/2026	—	(4)	(3)
		Secured Debt	(9) (37) 12/18/2019			SF+ 7.00%		12/18/2026	—	(12)	(12)
		Secured Debt	(9) 12/18/2019		12.54%	SF+ 7.00%		12/18/2026	10,991	10,888	10,991
		Secured Debt	(9) 12/18/2023		12.52%	SF+ 7.00%		12/18/2026	3,878	3,807	3,878
									14,679	14,854	
Obra Capital, Inc. (f/k/a Vida Capital Inc.)	(11) Alternative Asset Manager	Secured Debt	10/10/2019		11.47%	SF+ 6.00%		10/1/2026	7,043	6,711	6,039
Paragon Healthcare, Inc.	(10) Infusion Therapy Treatment Provider	Secured Debt	(9) (37) 1/19/2022			SF+ 5.75%		1/19/2027	—	(11)	—
		Secured Debt	(9) (43) 1/19/2022		11.24%	SF+ 5.75%		1/19/2027	423	414	421
		Secured Debt	(9) 1/19/2022		11.25%	SF+ 5.75%		1/19/2027	2,456	2,412	2,442
									2,815	2,863	
Power System Solutions	(10) Backup Power Generation	Secured Debt	(9) (37) 6/7/2023			SF+ 6.75%		6/7/2028	—	(35)	(35)
		Secured Debt	(9) (37) 6/7/2023			SF+ 6.75%		6/7/2028	—	(35)	(35)
		Secured Debt	(9) 6/7/2023		12.12%	SF+ 6.75%		6/7/2028	7,939	7,729	7,939
		Common Equity	6/7/2023	532						532	500
									8,191	8,369	
PrimeFlight Aviation Services	(10) Air Freight & Logistics	Secured Debt	(9) 5/1/2023		12.28%	SF+ 6.85%		5/1/2029	5,970	5,813	5,970
		Secured Debt	(9) 9/7/2023		12.20%	SF+ 6.85%		5/1/2029	570	553	570
									6,366	6,540	
PTL US Bidco, Inc	(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 (21)	Secured Debt	(9) (45) 8/19/2022		12.80%	SF+ 7.25%		8/19/2027	198	189	196
		Secured Debt	(9) 8/19/2022		12.88%	SF+ 7.25%		8/19/2027	1,734	1,707	1,720
									1,896	1,916	

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
December 31, 2023
(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)
Purge Rite, LLC	(10) HVAC Flushing and Filtration Services	Secured Debt	(9) (37) 10/2/2023			SF+ 8.00%		10/2/2028	—	(19)	(19)
		Secured Debt	(9) 10/2/2023		13.70%	SF+ 8.00%		10/2/2028	3,906	3,813	3,813
		Preferred Equity	(9) 10/2/2023	1,302,083						1,302	1,302
										5,096	5,096
RA Outdoors LLC	(10) Software Solutions Provider for Outdoor Activity Management	Secured Debt	(9) (32) 4/8/2021		12.22%	SF+ 6.75%		4/8/2026	796	789	745
		Secured Debt	(9) 4/8/2021		12.21%	SF+ 6.75%		4/8/2026	12,917	12,829	12,089
										13,618	12,834
Research Now Group, Inc. and Survey Sampling International, LLC	(11) Provider of Outsourced Online Surveying	Secured Debt	(9) 12/29/2017		11.14%	SF+ 5.50%		12/20/2024	9,691	9,691	7,237
Richardson Sales Solutions	(10) Business Services	Secured Debt	(9) (34) 8/24/2023		18.47%	SF+ 6.50%		8/24/2028	833	781	818
		Secured Debt	(9) 8/24/2023		11.88%	SF+ 6.50%		8/24/2028	10,553	10,261	10,362
										11,042	11,180
Roof Opco, LLC	(10) Residential Re-Roofing/Repair	Secured Debt	(9) (37) 8/27/2021			SF+ 6.50%		8/27/2026	—	(10)	—
		Secured Debt	(9) 8/27/2021		12.16%	SF+ 6.50%		8/27/2026	4,219	4,150	4,142
		Secured Debt	(9) 8/27/2021		14.16%	SF+ 8.50%		8/27/2026	4,219	4,150	4,082
										8,290	8,224
Rug Doctor, LLC.	(10) Carpet Cleaning Products and Machinery	Secured Debt	(9) 7/16/2021		13.54%	SF+ 6.00%	2.00%	11/16/2025	6,410	6,389	6,383
		Secured Debt	(9) 7/16/2021		13.54%	SF+ 6.00%	2.00%	11/16/2025	9,022	8,991	8,984
										15,380	15,367
Slick Innovations, LLC	Text Message Marketing Platform	Secured Debt	9/13/2018		14.00%			12/22/2027	2,860	2,777	2,860
		Common Stock	9/13/2018	17,500						114	600
										2,891	3,460
South Coast Terminals Holdings, LLC	(10) Specialty Toll Chemical Manufacturer	Secured Debt	(9) 12/10/2021		11.46%	SF+ 6.00%		12/13/2026	38	34	34
		Secured Debt	(9) 12/10/2021		11.70%	SF+ 6.00%		12/13/2026	2,979	2,943	2,979
		Common Equity	12/10/2021	60,606						61	59
										3,038	3,072
SPAU Holdings, LLC	(10) Digital Photo Product Provider	Secured Debt	(9) (37) 7/1/2022			SF+ 8.00%		7/1/2027	—	(14)	—
		Secured Debt	(9) 7/1/2022		13.72%	SF+ 8.00%		7/1/2027	4,925	4,857	4,925
		Common Stock	7/1/2022	200,000						200	160
										5,043	5,085
Tex Tech Tennis, LLC	(10) Sporting Goods & Textiles	Preferred Equity	(23) 7/7/2021	1,000,000					1,000	2,840	
The Affiliati Network, LLC	Performance Marketing Solutions	Secured Debt	8/9/2021		13.00%			8/9/2026	40	37	37
		Secured Debt	8/9/2021		13.00%			8/9/2026	1,880	1,858	1,841

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
December 31, 2023
(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)
		Preferred Stock	9/1/2023	43,027						43	43
		Preferred Stock	8/9/2021	320,000						1,600	1,600
										3,538	3,521
U.S. TelePacific Corp.	(11) Provider of Communications and Managed Services										
		Secured Debt	(9) (14) 6/1/2023		12.53%	SF+ 7.15%	6.00%	5/2/2027	6,802	2,623	2,438
		Secured Debt	(14) 6/1/2023					5/2/2027	692	15	—
										2,638	2,438
USA DeBusk LLC	(10) Provider of Industrial Cleaning Services										
		Secured Debt	(9) 10/22/2019		11.46%	SF+ 6.00%		9/8/2026	12,405	12,308	12,405
		Secured Debt	(9) 7/19/2023		11.96%	SF+ 6.50%		9/8/2026	4,825	4,742	4,825
		Secured Debt	(9) 11/21/2023		11.96%	SF+ 6.50%		9/8/2026	2,515	2,468	2,515
										19,518	19,745
UserZoom Technologies, Inc.	(10) Provider of User Experience Research Automation Software										
		Secured Debt	(9) 1/11/2023		12.99%	SF+ 7.50%		4/5/2029	3,000	2,923	3,000
Vistar Media, Inc.	(10) Operator of Digital Out-of-Home Advertising Platform										
		Preferred Stock	4/3/2019	70,207						767	2,180
Vitesse Systems	(10) Component Manufacturing and Machining Platform										
		Secured Debt	(9) 12/22/2023		12.63%	SF+ 7.00%		12/22/2028	12,500	12,193	12,193
VORTEQ Coil Finishers, LLC	(10) Specialty Coating of Aluminum and Light-Gauge Steel										
		Common Equity	(8) 11/30/2021	769,231						769	1,911
Wall Street Prep, Inc.	(10) Financial Training Services										
		Secured Debt	(9) (37) 7/19/2021			SF+ 7.00%		7/19/2026	—	(5)	(5)
		Secured Debt	(9) 7/19/2021		12.54%	SF+ 7.00%		7/19/2026	4,654	4,600	4,654
		Common Stock	7/19/2021	500,000						500	910
										5,095	5,559
Watterson Brands, LLC	(10) Facility Management Services										
		Secured Debt	(9) (41) 12/17/2021		11.50%	SF+ 6.00%		12/17/2026	253	249	253
		Secured Debt	(9) 12/17/2021		11.50%	SF+ 6.00%		12/17/2026	53	47	53
		Secured Debt	(9) 12/17/2021		11.50%	SF+ 6.00%		12/17/2026	2,166	2,146	2,166
		Secured Debt	(9) 12/17/2021		11.50%	SF+ 6.00%		12/17/2026	1,955	1,936	1,955
										4,378	4,427
West Star Aviation Acquisition, LLC	(10) Aircraft, Aircraft Engine and Engine Parts										
		Secured Debt	(9) (42) 3/1/2022		11.34%	SF+ 6.00%		3/1/2028	665	654	665
		Secured Debt	(9) 3/1/2022		11.35%	SF+ 6.00%		3/1/2028	2,948	2,907	2,947
		Secured Debt	(9) 11/3/2023		11.35%	SF+ 6.00%		3/1/2028	1,467	1,438	1,467
		Common Stock	3/1/2022	200,000						200	390
										5,199	5,469

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
December 31, 2023
(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) (35) 11/19/2021		12.64%	SF+ 7.00%		11/19/2026	2,778	2,745	2,778
		Secured Debt	(9) 11/19/2021		12.66%	SF+ 7.00%		11/19/2026	2,583	2,528	2,583
		Secured Debt	(9) 11/19/2021		12.66%	SF+ 7.00%		11/19/2026	11,625	11,479	11,625
									16,752		16,986
World Micro Holdings, LLC	Supply Chain Management	Secured Debt	12/12/2022		13.00%			12/12/2027	1,627	1,601	1,601
		Preferred Equity	(8) 12/12/2022	530						530	530
									2,131		2,131
Xenon Arc, Inc. (10)	Tech-enabled Distribution Services to Chemicals and Food Ingredients Primary Producers	Secured Debt	(9) (37) 12/17/2021			SF+ 5.25%		12/17/2026	—	(5)	—
		Secured Debt	(9) 12/17/2021		11.22%	SF+ 5.75%		12/17/2027	1,188	1,163	1,188
		Secured Debt	(9) 12/17/2021		11.25%	SF+ 5.75%		12/17/2027	2,352	2,321	2,352
									3,479		3,540
YS Garments, LLC (11)	Designer and Provider of Branded Activewear	Secured Debt	(9) 8/22/2018		13.00%	SF+ 7.50%		8/9/2026	5,584	5,485	5,110
Zips Car Wash, LLC (10)	Express Car Wash Operator	Secured Debt	(9) (33) 2/11/2022		12.71%	SF+ 7.25%		3/1/2024	2,356	2,352	2,234
		Secured Debt	(9) (33) 2/11/2022		12.71%	SF+ 7.25%		3/1/2024	591	589	555
									2,941		2,789
Subtotal Non-Control/Non-Affiliate Investments (120.2% of net assets at fair value)									\$ 763,781	\$ 747,972	
Total Portfolio Investments, December 31, 2023 (175.6% of net assets at fair value)									\$ 1,038,318	\$ 1,092,895	
Money market funds (included in cash and cash equivalents) (16)											
Fidelity Government Portfolio Class III Fund (38)									\$ 3,188	\$ 3,188	
First American Treasury Obligations Fund Class Z (39)									17,656	17,656	
Total money market funds									\$ 20,844	\$ 20,844	

- (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.

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
December 31, 2023
(dollars in thousands)

- (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, 95% of these floating rate loans (based on the par amount) contain LIBOR or SOFR floors which range between 0.75% and 2.00%, with a weighted-average floor of 1.17%.
- (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) Money market fund interests included in cash and cash equivalents.
- (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 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, 2023.
- (20) All portfolio company headquarters are based in the United States, unless otherwise noted.
- (21) Portfolio company headquarters are located outside of the United States.
- (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, 2023, SOFR based contracts in the portfolio had Adjustments ranging from 0.10% to 0.43%.
- (26) As of December 31, 2023, borrowings under the loan facility bear interest at SOFR-7.00% (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 December 31, 2023.
- (27) Warrants are presented in equivalent shares/units with a strike price of \$0.01 per share/unit.

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
December 31, 2023
(dollars in thousands)

- (28) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+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, 2023.
- (29) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+7.00% (Floor 1.50%). 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, 2023.
- (30) As of December 31, 2023, 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, 2023.
- (31) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+8.00% (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 December 31, 2023.
- (32) As of December 31, 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 December 31, 2023.
- (33) As of December 31, 2023, borrowings under the loan facility bore 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 December 31, 2023.
- (34) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+6.50% (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 December 31, 2023.
- (35) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+7.00% (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, 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 December 31, 2023. The position may earn a nominal unused facility fee on committed amounts.
- (38) Effective yield as of December 31, 2023 was approximately 5.25% on the Fidelity Government Portfolio Class III Fund.
- (39) Effective yield as of December 31, 2023 was approximately 5.23% 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.
- (41) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+6.00% (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, 2023.
- (42) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+6.00% (Floor 0.75%). 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 December 31, 2023.
- (43) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+5.75% (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 December 31, 2023.
- (44) As of December 31, 2023, borrowings under the loan facility bore 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 December 31, 2023.

MSC INCOME FUND, INC.
Consolidated Schedule of Investments (Continued)
December 31, 2023
(dollars in thousands)

- (45) As of December 31, 2023, borrowings under the loan facility bore interest at SOFR+7.25% (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, 2023.

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. MSC Income Fund’s portfolio investments 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 (as defined below) 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 six months ended June 30, 2024 and 2023, cash flows for the six months ended June 30, 2024 and 2023, and financial position as of June 30, 2024 and December 31, 2023, 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, 2023. 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 six months ended June 30, 2024 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 or 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 securities can be more liquid than the debt securities issued by LMM companies. MSC Income Fund categorizes some of

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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 its Adviser or, to a lesser extent, through its Adviser's 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 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 generally 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 of 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.

Private Loan investments may include investments which have no established market or have established markets that are not active, while LMM investments and Other Portfolio investments generally have no established trading market. 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 were 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 income, revenues, or in limited cases, book value. There is no single methodology for estimating enterprise value. For any

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

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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 Financial Advisory Firm on its investments in one or more Private Loan portfolio companies. Such instances include, but

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

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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 18 and 13 Private Loan portfolio companies during the three months ended June 30, 2024 and 2023, respectively, representing 22% and 15% of the total Private Loan portfolio at fair value as of June 30, 2024 and 2023, respectively. A total of 57 Private Loan portfolio companies were reviewed and certified by the Financial Advisory Firm during the trailing twelve months ended June 30, 2024, representing 76% of the total Private Loan portfolio at fair value as of June 30, 2024. Excluding its investments in Private Loan portfolio companies that, as of June 30, 2024, 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, 91% of the Private Loan portfolio at fair value was reviewed and certified by the Financial Advisory Firm during the trailing twelve months ended June 30, 2024.

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 its determination of fair value for its investments in a total of 14 and 12 LMM portfolio companies during the three months ended June 30, 2024 and 2023, respectively, representing 27% and 19% of the total LMM portfolio at fair value as of June 30, 2024 and 2023, respectively. A total of 48 LMM portfolio companies were reviewed and certified by the Financial Advisory Firm during the trailing twelve months ended June 30, 2024, representing 93% of the total LMM portfolio at fair value as of June 30, 2024. Excluding its investments in LMM portfolio companies that, as of June 30, 2024, 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, 99% of the LMM portfolio at fair value was reviewed and certified by the Financial Advisory Firm during the trailing twelve months ended June 30, 2024.

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 (94% and 97% as of June 30, 2024 and December 31, 2023, respectively) of the Middle Market portfolio investments (i) are valued using third-party quotes or other independent pricing services or (ii) MSC Income Fund has consulted with and received an assurance certification from the Financial Advisory Firm within the last twelve months.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

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For valuation purposes, all of MSC Income Fund's Other Portfolio investments are non-control investments. MSC Income Fund's Other Portfolio investments comprised 2.3% of MSC Income Fund's Investment Portfolio at fair value as of both June 30, 2024 and December 31, 2023. 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.

Rule 2a-5 under the 1940 Act 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 June 30, 2024 and December 31, 2023 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 changing 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 June 30, 2024 and December 31, 2023, the Company had \$15.0 million and \$20.8 million, respectively of cash equivalents invested in AAA-rated money market funds pending investment in the Company's primary investment strategies. These highly liquid investments are included in the Consolidated Schedule of Investments.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

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At June 30, 2024 and December 31, 2023, cash balances totaling \$13.1 million and \$9.0 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 June 30, 2024, investments on non-accrual status comprised 1.8% of MSC Income Fund's total Investment Portfolio at fair value and 5.3% at cost. As of December 31, 2023, investments on non-accrual status comprised 1.1% of MSC Income Fund's total Investment Portfolio at fair value and 4.0% at cost.

MSC Income Fund holds certain debt and preferred equity instruments in its 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* 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 and six months ended June 30, 2024 and 2023, 5.0% and 4.7%, and 3.4% and 3.6%, respectively, of MSC Income Fund's total investment income was attributable to PIK interest income not paid currently in cash. For each of the three and six months ended June 30, 2024 and 2023, 0.1% 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, 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.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

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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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(dollars in thousands)				
Interest, fee and dividend income:				
Interest income	\$ 28,859	\$ 28,459	\$ 57,918	\$ 57,391
Dividend income	4,007	3,904	6,479	5,463
Fee income	1,080	865	3,498	1,420
Total interest, fee and dividend income	\$ 33,946	\$ 33,228	\$ 67,895	\$ 64,274

5. Deferred Financing Costs

Deferred financing costs include commitment fees and other direct costs incurred in connection with arranging MSC Income Fund's borrowings. Deferred financing costs incurred in connection with MSC Income Fund's multi-year revolving Credit Facilities (as defined in *Note D — Debt*) have been capitalized as an asset. Deferred financing costs incurred in connection with the Series A Notes (as defined in *Note D — Debt*) are reflected as 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 June 30, 2024 and 2023, 2.8% and 2.6%, 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 the six months ended June 30, 2024 and 2023, 2.7% and 2.6%, 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.

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Notes to the Consolidated Financial Statements (Continued)

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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

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Notes to the Consolidated Financial Statements (Continued)

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

MSC Income Fund's debt instruments, including all revolving and unsecured debt, are accounted for on a historical cost basis as applicable under U.S. GAAP. As also required under U.S. GAAP, MSC Income Fund discloses the estimated fair value of its debt obligations in *Note D — Debt*. 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. The inputs used to value MSC Income Fund's debt instruments for purposes of the fair value estimate disclosures in *Note D — Debt* are considered to be Level 2 according to the ASC 820 fair value hierarchy.

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 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 year ended December 31, 2023, the effect of which was not material to the consolidated financial statements and the notes thereto. For the current year, the Company will no longer utilize the optional expedients provided by ASU 2020-04, as LIBOR is no longer referenced in any of its contracts. ASU 2022-06 did not have a material impact on the consolidated financial statements and the notes thereto.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*. The amendments in this update require more disaggregated information on income taxes paid. ASU 2023-09 is effective for years beginning after December 15, 2024. Early adoption is permitted; however, the Company has not elected to adopt this provision as of the date of the financial statements contained in this report. The Company is still assessing the impact of the new guidance. However, it does not expect ASU 2023-09 to 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.

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).

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Notes to the Consolidated Financial Statements (Continued)

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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 June 30, 2024 and December 31, 2023, MSC Income Fund's Private Loan portfolio investments primarily consisted of investments in 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 June 30, 2024 and December 31, 2023.

As of June 30, 2024 and December 31, 2023, 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 June 30, 2024 and December 31, 2023.

As of June 30, 2024 and December 31, 2023, 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 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 June 30, 2024 and December 31, 2023.

As of June 30, 2024 and December 31, 2023, 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

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of unobservable inputs. As a result, all of MSC Income Fund's Other Portfolio investments were categorized as Level 3 as of June 30, 2024 and December 31, 2023.

As of June 30, 2024 and December 31, 2023, all money market funds included in cash and cash equivalents were valued using Level 1 inputs.

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 Loan, LMM and Middle Market debt 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

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Notes to the Consolidated Financial Statements (Continued)

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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 June 30, 2024 and December 31, 2023:

Type of Investment	Fair Value as of June 30, 2024 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	\$ 262,251	Discounted cash flow	WACC	10.7% - 22.9%	14.2 %	15.1 %
		Market comparable / Enterprise value	EBITDA multiple (1)	4.5x - 9.4x (2)	7.3x	6.5x
Debt investments	\$ 843,221	Discounted cash flow	Risk adjusted discount factor (4)	9.8% - 17.3% (2)	13.5 %	12.6 %
			Expected principal recovery percentage	0.6% - 100.0%	99.3 %	100.0 %
Debt investments	\$ 42,836	Market approach	Third-party quote	40.8 - 101.0	86.4	91.5
Total Level 3 investments	\$ 1,148,308					

(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 8.0% - 31.7%.

(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 SOFR base rate, as applicable.

Type of Investment	Fair Value as of December 31, 2023 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	\$ 254,770	Discounted cash flow	WACC	10.9% - 22.5%	14.4 %	15.5 %
		Market comparable / Enterprise value	EBITDA multiple (1)	4.9x - 9.2x (2)	7.3x	6.5x
Debt investments	\$ 777,003	Discounted cash flow	Risk adjusted discount factor (4)	9.8% - 16.8% (2)	13.1 %	12.8 %
			Expected principal recovery percentage	0.6% - 100.0%	99.6 %	100.0 %
Debt investments	\$ 61,122	Market approach	Third-party quote	4.5 - 99.2	85.0	89.5
Total Level 3 investments	\$ 1,092,895					

(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 8.0% - 27.3%.

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Notes to the Consolidated Financial Statements (Continued)

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(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 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 six months ended June 30, 2024 and 2023 (amounts in thousands):

Type of Investment	Fair Value as of December 31, 2023	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 June 30, 2024
Debt	\$ 838,125	\$ —	\$ (132,534)	\$ 179,870	\$ 2,652	\$ (1,890)	\$ (166)	\$ 886,057
Equity	254,029	—	(6,832)	8,835	(1,969)	6,292	166	260,521
Equity Warrant	741	—	—	980	—	9	—	1,730
	<u>\$ 1,092,895</u>	<u>\$ —</u>	<u>\$ (139,366)</u>	<u>\$ 189,685</u>	<u>\$ 683</u>	<u>\$ 4,411</u>	<u>\$ —</u>	<u>\$ 1,148,308</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, 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 June 30, 2023
Debt	\$ 852,282	\$ —	\$ (119,365)	\$ 108,857	\$ 25,167	\$ (6,254)	\$ (11,446)	\$ 849,241
Equity	214,687	—	(11,419)	8,061	1,167	11,061	12,551	236,108
Equity Warrant	1,174	—	—	523	—	477	(1,105)	1,069
	<u>\$ 1,068,143</u>	<u>\$ —</u>	<u>\$ (130,784)</u>	<u>\$ 117,441</u>	<u>\$ 26,334</u>	<u>\$ 5,284</u>	<u>\$ —</u>	<u>\$ 1,086,418</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 June 30, 2024 and December 31, 2023, MSC Income Fund's investments at fair value were categorized as follows in the fair value hierarchy for ASC 820 purposes:

At June 30, 2024	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	\$ 665,860	\$ —	\$ —	\$ 665,860
LMM portfolio investments	406,252	—	—	406,252
Middle Market portfolio investments	49,898	—	—	49,898
Other Portfolio investments	26,298	—	—	26,298
Total investments	<u>\$ 1,148,308</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,148,308</u>

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Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

At December 31, 2023	Fair Value Measurements			
	Fair Value	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	\$ 595,326	\$ —	\$ —	\$ 595,326
LMM portfolio investments	386,956	—	—	386,956
Middle Market portfolio investments	85,990	—	—	85,990
Other Portfolio investments	24,623	—	—	24,623
Total investments	\$ 1,092,895	\$ —	\$ —	\$ 1,092,895

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 primarily through its Private Loan and LMM 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 \$30 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, through the Adviser’s 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 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 and equity 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 makes direct equity investments and/or receives nominally priced equity warrants in connection with a debt investment.

MSC Income Fund has also historically maintained a Middle Market investment strategy which 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. Over the last few years, MSC Income Fund has been de-emphasizing this strategy and expects to continue to do so in the future.

MSC Income Fund’s other portfolio (“Other Portfolio”) investments primarily consist of investments that are not consistent with the typical profiles of 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

MSC INCOME FUND, INC.

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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.

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 six months ended June 30, 2024 and 2023, 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 June 30, 2024 and December 31, 2023 (this information excludes Other Portfolio investments, which are discussed further below).

	As of June 30, 2024		
	Private Loan	LMM (a)	Middle Market
	(dollars in millions)		
Number of portfolio companies	84	54	13
Fair value	\$ 665.9	\$ 406.3	\$ 49.9
Cost	\$ 659.0	\$ 335.1	\$ 74.5
Debt investments as a % of portfolio (at cost)	94.9 %	70.4 %	89.1 %
Equity investments as a % of portfolio (at cost)	5.1 %	29.6 %	10.9 %
% of debt investments at cost secured by first priority lien	99.9 %	99.9 %	99.9 %
Weighted-average annual effective yield (b)	13.1 %	13.3 %	14.5 %
Average EBITDA (c)	\$ 33.7	\$ 9.9	\$ 56.5

(a) At June 30, 2024, 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 June 30, 2024, 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 June 30, 2024 including debt investments on non-accrual status was 12.7% for its Private Loan portfolio, 12.2% for its LMM portfolio and 9.8% 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 three Private Loan portfolio companies, two LMM portfolio companies and two Middle Market portfolio companies, as EBITDA is not a meaningful valuation metric for MSC Income Fund's investments in these portfolio companies, 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, 2023		
	Private Loan	LMM (a)	Middle Market
	(dollars in millions)		
Number of portfolio companies	78	50	16
Fair value	\$ 595.3	\$ 387.0	\$ 86.0
Cost	\$ 586.4	\$ 315.7	\$ 114.7
Debt investments as a % of portfolio (at cost)	94.1 %	70.2 %	93.1 %
Equity investments as a % of portfolio (at cost)	5.9 %	29.8 %	6.9 %
% of debt investments at cost secured by first priority lien	100.0 %	99.9 %	100.0 %
Weighted-average annual effective yield (b)	13.1 %	13.0 %	13.0 %
Average EBITDA (c)	\$ 30.5	\$ 8.8	\$ 74.2

- (a) At December 31, 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 December 31, 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 December 31, 2023 including debt investments on non-accrual status was 12.6% for its Private Loan portfolio, 13.0% for its LMM portfolio and 9.9% 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 June 30, 2024 and 2023, MSC Income Fund achieved an annualized total return on investments of 5.1% and 15.2%, respectively. For the six months ended June 30, 2024 and 2023, MSC Income Fund achieved an annualized total return on investments of 13.4% and 13.3%, respectively. For the year ended December 31, 2023, MSC Income Fund achieved a total return on investments of 13.6%. 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 June 30, 2024, MSC Income Fund had Other Portfolio investments in four entities, collectively totaling \$26.2 million in fair value and \$20.0 million in cost basis and which comprised 2.3% and 1.8% of MSC Income Fund's Investment Portfolio at fair value and cost, respectively. As of December 31, 2023, MSC Income Fund had Other Portfolio investments in four entities, collectively totaling \$24.6 million in fair value and \$21.5 million in cost basis and which comprised 2.3% and 2.1% of MSC Income Fund's Investment Portfolio at fair value and cost, respectively.

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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 June 30, 2024 and December 31, 2023 (this information excludes Other Portfolio investments, which are discussed above).

Cost:	June 30, 2024	December 31, 2023
First lien debt	86.7 %	86.5 %
Equity	12.9	13.3
Second lien debt	—	—
Equity warrants	0.3	0.2
Other	0.1	—
	100.0 %	100.0 %
Fair Value:	June 30, 2024	December 31, 2023
First lien debt	78.8 %	78.4 %
Equity	20.9	21.5
Second lien debt	—	—
Equity warrants	0.2	0.1
Other	0.1	—
	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 June 30, 2024 and December 31, 2023 (this information excludes Other Portfolio investments). The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

Cost:	June 30, 2024	December 31, 2023
Northeast	22.8 %	21.9 %
Midwest	19.7	17.6
Southeast	19.7	17.8
Southwest	18.4	23.8
West	17.6	17.0
Canada	0.8	0.8
Other Non-United States	1.0	1.1
	100.0 %	100.0 %
Fair Value:	June 30, 2024	December 31, 2023
Northeast	22.5 %	21.6 %
Southwest	21.8	26.8
Midwest	20.3	18.3
West	16.9	16.4
Southeast	16.8	15.0
Canada	0.7	0.8
Other Non-United States	1.0	1.1
	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 June 30, 2024 and December 31, 2023 (this information excludes Other Portfolio investments).

Cost:	June 30, 2024	December 31, 2023
Commercial Services & Supplies	7.6 %	8.5 %
Internet Software & Services	7.0	8.8
Electrical Equipment	6.3	2.2
Professional Services	6.1	5.7
Diversified Consumer Services	5.7	5.4
Machinery	5.4	5.8
Health Care Providers & Services	4.7	6.5
Containers & Packaging	4.6	4.3
IT Services	4.5	5.2
Distributors	4.4	4.4
Leisure Equipment & Products	3.5	3.7
Textiles, Apparel & Luxury Goods	2.9	3.1
Specialty Retail	2.8	2.9
Communications Equipment	2.6	2.7
Computers & Peripherals	2.6	2.9
Aerospace & Defense	2.5	2.6
Building Products	2.4	2.1
Construction & Engineering	2.4	2.5
Diversified Financial Services	2.4	2.1
Hotels, Restaurants & Leisure	2.0	2.1
Household Products	1.9	2.0
Auto Components	1.8	0.8
Energy Equipment & Services	1.7	0.5
Internet & Catalog Retail	1.7	1.6
Food & Staples Retailing	1.6	1.5
Software	1.5	1.4
Media	1.3	2.5
Health Care Equipment & Supplies	1.1	1.3
Other (1)	5.0	4.9
	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.

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Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

Fair Value:	June 30, 2024	December 31, 2023
Machinery	6.7 %	7.2 %
Diversified Consumer Services	6.6	6.5
Commercial Services & Supplies	6.5	7.3
Electrical Equipment	6.1	2.3
Internet Software & Services	6.0	7.3
Professional Services	6.0	5.5
Containers & Packaging	4.9	4.6
Distributors	4.7	4.6
Computers & Peripherals	4.5	4.6
IT Services	4.4	5.0
Health Care Providers & Services	4.2	6.0
Construction & Engineering	3.1	3.1
Leisure Equipment & Products	2.9	3.3
Specialty Retail	2.8	2.9
Textiles, Apparel & Luxury Goods	2.7	2.9
Aerospace & Defense	2.4	2.5
Building Products	2.3	1.9
Diversified Financial Services	2.3	2.0
Construction Materials	2.0	2.2
Household Products	1.8	1.9
Software	1.8	1.7
Auto Components	1.7	0.8
Hotels, Restaurants & Leisure	1.6	1.6
Air Freight & Logistics	1.5	1.6
Internet & Catalog Retail	1.5	1.5
Energy Equipment & Services	1.4	0.3
Food & Staples Retailing	1.4	1.2
Media	1.4	2.6
Communications Equipment	1.1	1.1
Other (1)	3.7	4.0
	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 June 30, 2024 and December 31, 2023, 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

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

the board representation) are considered significant subsidiaries: the investment test and the income test. The investment 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 June 30, 2024 and December 31, 2023, MSC Income Fund had no single investment that qualified as a significant subsidiary under either the investment or income tests.

NOTE D — DEBT

Summary of MSC Income Fund's debt as of June 30, 2024 is as follows:

	Outstanding Balance	Unamortized Debt Issuance Costs ⁽¹⁾	Recorded Value	Estimated Fair Value ⁽²⁾
(dollars in thousands)				
SPV Facility	\$ 250,688	\$ —	\$ 250,688	\$ 250,688
Corporate Facility	151,000	—	151,000	151,000
Series A Notes	150,000	(696)	149,304	137,388
Total Debt	<u>\$ 551,688</u>	<u>\$ (696)</u>	<u>\$ 550,992</u>	<u>\$ 539,076</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 a contra-liability to the Series A Notes on the Consolidated Balance Sheets.

(2) Estimated fair value for outstanding debt is shown as 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)

Summary of MSC Income Fund's debt as of December 31, 2023 is as follows:

	Outstanding Balance	Unamortized Debt Issuance Costs ⁽¹⁾	Recorded Value	Estimated Fair Value ⁽²⁾
	(dollars in thousands)			
SPV Facility	\$ 203,688	\$ —	\$ 203,688	\$ 203,688
Corporate Facility	132,000	—	132,000	132,000
Series A Notes	150,000	(845)	149,155	141,531
Total Debt	<u>\$ 485,688</u>	<u>\$ (845)</u>	<u>\$ 484,843</u>	<u>\$ 477,219</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 a contra-liability to the Series A Notes on the Consolidated Balance Sheets.
- (2) Estimated fair value for outstanding debt is shown as 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*

Summarized interest expense for the three and six months ended June 30, 2024 and 2023 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
SPV Facility	\$ 5,950	\$ 5,376	\$ 11,996	\$ 10,194
Corporate Facility	2,006	1,896	3,920	3,823
Series A Notes	1,590	1,590	3,179	3,179
Total Interest Expense	<u>\$ 9,546</u>	<u>\$ 8,862</u>	<u>\$ 19,095</u>	<u>\$ 17,196</u>

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 June 30, 2024, 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, excluding 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,

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

the reference rate under the Corporate Facility was amended from LIBOR to SOFR plus an applicable credit spread adjustment of 0.10%.

As of June 30, 2024, the interest rate on the Corporate Facility was 7.83%. The average interest rate for borrowings under the Corporate Facility was 7.82% and 7.47% per annum for the three months ended June 30, 2024 and 2023, respectively, and 7.83% and 7.20% per annum for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, MSC Income Fund was in compliance with all financial covenants of the Corporate Facility.

SPV Facility

MSC Income Fund, through MSIF Funding, LLC (“MSIF Funding”), a wholly-owned Structured Subsidiary that primarily holds debt investments, is party to a senior secured revolving credit facility dated February 3, 2021 (as amended, the “SPV Facility” and, together with the Corporate Facility, the “Credit Facilities”) with 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%. 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 June 30, 2024, the SPV Facility included total commitments of \$300.0 million and an accordion feature, with the right to request an increase of total 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 June 30, 2024, the interest rate on the SPV Facility was 8.30%. The average interest rate for borrowings under the SPV Facility was 8.30% and 8.06% per annum for the three months ended June 30, 2024 and 2023, respectively, and 8.32% and 7.86% per annum for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, MSIF Funding 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 of each year. 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 June 30, 2024, 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 six months ended June 30, 2024 and 2023:

Per Share Data:	Six Months Ended June 30,	
	2024	2023
NAV at the beginning of the period	\$ 7.77	\$ 7.61
Net investment income (1)	0.36	0.36
Net realized loss (1)(2)	(0.02)	(0.32)
Net unrealized appreciation (1)(2)	0.07	0.39
Income tax provision (1)(2)	(0.05)	(0.04)
Net increase in net assets resulting from operations (1)	0.36	0.39
Dividends paid from net investment income	(0.37)	(0.35)
Dividends paid or accrued (3)	(0.37)	(0.35)
Accretive effect of stock repurchases (repurchasing shares below NAV per share) (4)	0.01	0.01
Other (5)	0.01	0.01
NAV at the end of the period	\$ 7.78	\$ 7.67
Shares outstanding at the end of the period	80,141,342	80,049,691

(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 tax provision or benefit can fluctuate significantly from period to period.

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

(4) Shares repurchased in connection with 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)

	Six Months Ended June 30,	
	2024	2023
	(dollars in thousands)	
NAV at end of period	\$ 623,175	\$ 613,783
Average NAV	\$ 621,334	\$ 610,582
Average outstanding debt	\$ 501,259	\$ 474,188
Ratios to average NAV:		
Ratio of total expenses, including income tax provision, to average NAV(1)(2)(3)(5)	7.59 %	6.38 %
Ratio of operating expenses to average NAV(2)(3)(5)	6.99 %	5.86 %
Ratio of operating expenses, excluding interest expense, to average NAV(2)(3)(5)	3.92 %	3.04 %
Ratio of operating expenses, excluding interest expense and incentive fees, to average NAV(2)(3)(5)	2.76 %	2.01 %
Ratio of net investment income to average NAV(2)(5)	4.65 %	4.67 %
Portfolio turnover ratio(2)	11.72 %	9.95 %
Total return based on change in NAV(2)(4)(5)	4.91 %	5.16 %

(1) Total expenses are the sum of operating expenses and net income tax provision. Net income tax provision includes the accrual of net deferred tax provision 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 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, management fees, incentive 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 \$4.5 million and \$4.3 million for the six months ended June 30, 2024 and 2023, respectively. Excluding these expense waivers, the expense and income ratios are as follows:

	Six Months Ended June 30,	
	2024	2023
Ratio of total expenses, including income tax provision, to average NAV(1)(2)(3)	8.33 %	7.10 %
Ratio of operating expenses to average NAV(2)(3)	7.73 %	6.57 %
Ratio of operating expenses, excluding interest expense, to average NAV(2)(3)	4.65 %	3.75 %
Ratio of operating expenses, excluding interest expense and incentive fees, to average NAV(2)(3)	3.49 %	2.71 %
Ratio of net investment income to average NAV(2)	3.94 %	3.98 %
Total return based on change in NAV(2)(4)	4.91 %	4.46 %

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 \$14.4 million, or \$0.18 per share, during the three months ended June 30, 2024, and \$29.2 million, or \$0.365 per share, during the six months ended June 30, 2024, compared to \$14.0 million, or \$0.175 per share, during the three months ended June 30, 2023, and \$28.0 million, or \$0.35 per share, during the six months ended June 30, 2023.

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 six months ended June 30, 2024 and 2023.

	Six Months Ended June 30,	
	2024	2023
	(estimated, dollars in thousands)	
Net increase in net assets resulting from operations	\$ 28,717	\$ 31,486
Net unrealized appreciation	(5,093)	(31,618)
Income tax provision	3,717	3,217
Pre-tax book (income) loss not consolidated for tax purposes	(7,543)	1,149
Book income and tax income differences, including debt origination, structuring fees, dividends, realized gains and changes in estimates	3,523	20,083
Estimated taxable income (1)	23,321	24,317
Taxable income earned in prior year and carried forward for distribution in current year	14,745	20,674
Taxable income earned prior to period end and carried forward for distribution next period	(23,245)	(30,965)
Dividend accrued as of period end and paid in the following period	14,425	14,009
Total distributions accrued or paid to common stockholders	\$ 29,246	\$ 28,035

(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.

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

The income tax provision for MSC Income Fund is generally composed of (i) deferred tax expense, 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 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 six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(dollars in thousands)				
Current tax expense:				
Federal	\$ 331	\$ 32	\$ 384	\$ 55
State	212	58	413	228
Excise	4	124	80	241
Total current tax expense	547	214	877	524
Deferred tax expense:				
Federal	2,087	1,600	2,743	2,241
State	142	233	97	452
Total deferred tax expense	2,229	1,833	2,840	2,693
Total income tax provision	\$ 2,776	\$ 2,047	\$ 3,717	\$ 3,217

The net deferred tax liability at June 30, 2024 and December 31, 2023 was \$0.1 million and \$3.3 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 June 30, 2024, for U.S. federal income tax purposes, the Taxable Subsidiaries had a net operating loss carryforward from prior years which, if unused, will expire in 2037. Any net operating losses generated in 2018 and future periods are not subject to expiration and will carryforward indefinitely until utilized. The Taxable Subsidiaries also have net capital loss carryforwards from prior years which, if unused, will expire in various taxable years 2025 through 2027. Additionally, the Taxable Subsidiaries have interest expense limitation carryforwards which have an indefinite carryforward period.

NOTE G — SHARE REPURCHASES

Under the terms of its 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. Repurchase offers are currently limited to the number of shares of common stock MSC Income Fund can repurchase with 90% of the cash retained as a result of issuances of common stock under its 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.

In addition to its share repurchase program, beginning in the second quarter of 2023, MSC Income Fund began periodically offering to complete modified Dutch auction tender offers ("Dutch Auction Tenders"), pursuant to which MSC Income Fund offered to purchase up to a specified amount of shares of its common stock at the lowest clearing purchase price elected by participating stockholders within a specified range that allowed MSC Income Fund to purchase the

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

maximum amount offered. In such Dutch Auction Tenders all shares purchased are purchased at the clearing purchase price. SEC rules permit MSC Income Fund to increase the number of shares accepted for purchase in any Dutch Auction Tender by up to 2% of MSC Income Fund's outstanding shares without amending the offer. MSC Income Fund has no obligation to continue to offer Dutch Auction Tenders in the future.

On February 5, 2024, MSC Income Fund commenced a modified "Dutch Auction" tender offer (the "February 2024 Dutch Auction Tender Offer") pursuant to the Offer to Purchase, dated February 5, 2024, which expired on March 4, 2024. Pursuant to the February 2024 Dutch Auction Tender Offer, MSC Income Fund repurchased 357,143 shares on March 8, 2024 at a price of \$7.00 per share for an aggregate cost of \$2.5 million, excluding fees and expenses related to the February 2024 Dutch Auction Tender Offer.

On May 17, 2024, MSC Income Fund commenced a modified "Dutch Auction" tender offer (the "May 2024 Dutch Auction Tender Offer") pursuant to the Offer to Purchase, dated May 17, 2024, which expired on June 20, 2024. Pursuant to the May 2024 Dutch Auction Tender Offer, MSC Income Fund repurchased 333,333 shares on June 25, 2024 at a price of \$6.00 per share for an aggregate cost of \$2.0 million, excluding fees and expenses related to the May 2024 Dutch Auction Tender Offer.

For the three months ended June 30, 2024 and 2023, MSC Income Fund funded \$4.2 million and \$4.3 million, respectively, for shares of its common stock tendered for repurchase under the share repurchase program. For the three months ended June 30, 2024 and 2023, MSC Income Fund funded \$2.0 million and \$2.2 million, respectively, for shares of its common stock tendered for repurchase through its Dutch auction tender offers. For the six months ended June 30, 2024 and 2023, MSC Income Fund funded \$8.2 million and \$8.3 million, respectively, for shares of its common stock tendered for repurchase under the share repurchase program. For the six months ended June 30, 2024 and 2023, MSC Income Fund funded \$4.5 million and \$2.2 million, respectively, for shares of its common stock tendered for repurchase through its Dutch auction tender offers.

Since the reinstatement of its share repurchase program in March 2021, after briefly suspending it during the COVID-19 pandemic, through June 30, 2024, MSC Income Fund has funded the repurchase of \$50.9 million in shares of common stock under the share repurchase program. MSC Income Fund has also purchased \$2.3 million in shares of common stock through its various Dutch auction tender offers completed from June 2023 through June 30, 2024.

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 six months ended June 30, 2024 and 2023 is as follows:

	Six Months Ended June 30,	
	2024	2023
	(dollars in thousands)	
DRIP participation	\$ 9,125	\$ 9,174
Shares issued for DRIP	1,148,844	1,172,995

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

NOTE I — COMMITMENTS AND CONTINGENCIES

At June 30, 2024, MSC Income Fund had the following outstanding commitments (in thousands):

<i>Investments with equity capital commitments that have not yet funded:</i>	Amount
HPEP 3, L.P.	1,308
Brightwood Capital Fund III, LP	22
Total Equity Commitments (1)	\$ 1,330
<i>Investments with commitments to fund revolving loans that have not been fully drawn or term loans with additional commitments not yet funded:</i>	
Computer Data Source, LLC	\$ 7,500
HEADLANDS OP-CO LLC	5,000
CQ Fluency, LLC	4,500
ZRG Partners, LLC	4,349
Mako Steel, LP	4,057
Insight Borrower Corporation	3,888
Winter Services LLC	3,333
JDC Power Services, LLC	2,105
BP Loenbro Holdings Inc.	1,862
Garyline, LLC	1,786
SI East, LLC (Stavig)	1,750
American Health Staffing Group, Inc.	1,667
IG Parent Corporation (Infogain)	1,667
Creative Foam Corporation	1,562
Burning Glass Intermediate Holding Company, Inc.	1,549
AB Centers Acquisition Corporation	1,538
Bluestem Brands, Inc.	1,477
Titan Meter Midco Corp.	1,384
Power System Solutions	1,330
Bettercloud, Inc.	1,216
Imaging Business Machines, L.L.C.	1,087
Invincible Boat Company, LLC.	1,080
IG Investor, LLC (Ira Green)	1,000
Bond Brand Loyalty ULC	900
Jackmont Hospitality, Inc.	883
Nello Industries Investco, LLC	857
Coregistics Buyer LLC (Belvika)	833
VVS Holdeo LLC	800
Cody Pools, Inc.	786
PurgeRite, LLC	781
Acumera, Inc.	768
NinjaTrader, LLC	750
Engineering Research & Consulting, LLC	724
NexRev LLC	600
Centre Technologies Holdings, LLC	600
Sales Performance International, LLC	561

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

Obra Capital, Inc.	521
SPAU Holdings, LLC	520
AVEX Aviation Holdings, LLC	512
Wall Street Prep, Inc.	500
The Affiliati Network, LLC	500
ArborWorks, LLC	461
Island Pump and Tank, LLC	456
Microbe Formulas, LLC	434
Watterson Brands, LLC	433
Mini Melts of America, LLC	428
Colonial Electric Company LLC	400
Chamberlin Holding LLC	400
Trantech Radiator Topco, LLC	400
CaseWorthy, Inc.	400
Johnson Downie Opco, LLC	400
Pinnacle TopCo, LLC	400
South Coast Terminals Holdings, LLC	381
Escalent, Inc.	349
PTL US Bidco, Inc	302
Clad-Rex Steel, LLC	300
Gamber-Johnson Holdings, LLC	300
Roof Opco (Apple Roof), LLC	292
MetalForming AcquireCo, LLC	205
Mystic Logistics Holdings, LLC	200
Career Team Holdings, LLC	200
Orttech Holdings, LLC	200
Batjer TopCo, LLC	180
ATS Operating, LLC	145
ASK (Analytical Systems Keco Holdings, LLC)	145
Channel Partners Intermediateco, LLC	143
Elgin AcquireCo, LLC	123
Vitesse Systems	114
GRT Rubber Technologies LLC	100
Gulf Publishing Holdings, LLC	100
ITA Holdings Group, LLC (Apollo MedFlight)	71
AAC Holdings, Inc.	71
Inspire Aesthetics Management, LLC	43
Buca C, LLC	21
Total Loan Commitments	\$ 77,680
Total Commitments	\$ 79,010

(1) This table excludes commitments related to one additional Other Portfolio investment for which the investment period has expired and remaining commitments may only be drawn to pay fund expenses or for follow on investments in existing portfolio companies. The Company does not expect any material future capital to be called on its commitment to this investment to pay fund expenses, and based on representations from the fund manager, the Company does not expect any further capital will be called on its commitment for follow on investments. As a result, the Company has excluded those commitments from this table.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

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 June 30, 2024.

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 who are not "interested" persons (as defined by the 1940 Act) of MSC Income Fund or the Adviser, on July 17, 2024.

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 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.

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.

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

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 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 June 30, 2024 and 2023, MSC Income Fund incurred base management fees of \$2 million and \$4.9 million, respectively. For each the three months ended June 30, 2024 and 2023, MSC Income Fund incurred subordinated incentive fees on income of \$3.6 million. For each of the three months ended June 30, 2024 and 2023, MSC Income Fund did not incur any capital gains incentive fees. For the six months ended June 30, 2024 and 2023, MSC Income Fund incurred base management fees of \$10.2 million and \$9.8 million, respectively. For the six months ended June 30, 2024 and 2023, MSC Income Fund incurred subordinated incentive fees on income of \$7.2 million and \$6.3 million, respectively. For each of the six months ended June 30, 2024 and 2023, 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 each of the three months ended June 30, 2024 and 2023, MSC Income Fund incurred Internal Administrative Services expenses before expense waivers of \$2.5 million. For each of the three months ended June 30, 2024 and 2023, the Adviser waived the reimbursements of Internal Administrative Services expenses of \$4 million. For the six months ended June 30, 2024 and 2023, MSC Income Fund incurred Internal

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

Administrative Services expenses before expense waivers of \$4.8 million and \$4.6 million, respectively. For the six months ended June 30, 2024 and 2023, the Adviser waived the reimbursements of Internal Administrative Services expenses of \$4.5 million and \$4.3 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. For the three months ended June 30, 2023, MSC Income Fund reimbursed HMS Adviser \$0.1 million in connection with stock issuances. As of June 30, 2023, MSC Income Fund's reimbursement obligation to HMS Adviser for organizational and offering expenses was fully repaid.

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 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. In addition to the co-investment program described above, MSC Income Fund also co-

MSC INCOME FUND, INC.

Notes to the Consolidated Financial Statements (Continued)

(Unaudited)

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 1, 2024, the Company sold 315,259 shares of its common stock to Main Street at \$.93 per share, the price at which the Company issued new shares in connection with reinvestments of the May 1, 2024 dividend pursuant to the DRIP, for total proceeds to the Company of \$2.5 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 (the Securities Act), 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.

NOTE K — SUBSEQUENT EVENTS

Our management has evaluated subsequent events through the date of issuance of the consolidated financial statements, and identified the following to report:

On August 1, 2024, the Company sold 250,627 shares of its common stock to Main Street at \$.98 per share, the price at which the Company issued new shares in connection with reinvestments of the August 1, 2024 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 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, 2024, the Company repurchased 514,109 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 June 27, 2024. The shares were repurchased at a price of \$7.83 per share, which was the Company’s NAV per share as of August 1, 2024, for an aggregate purchase price of \$4.0 million (an amount equal to 90% of the proceeds the Company received from the issuance of shares under the Company’s DRIP from the August 1, 2024 dividend payment).

On August 13, 2024, the Board of Directors declared a quarterly dividend of \$0.18 per share payable November 1, 2024 to stockholders of record as of September 30, 2024. 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 November 1, 2024 dividend payment.

MSC INCOME FUND, INC.
Consolidated Schedule of Investments In and Advances to Affiliates
June 30, 2024
(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, 2023 Fair Value	Gross Additions (3)	Gross Reductions (4)	June 30, 2024 Fair Value (13)
Control Investments													
Copper Trail Fund Investments					LP Interests (CTMH, LP)	(9)	\$ —	\$ —	\$ —	\$ 568	\$ —	\$ —	\$ 568
GRT Rubber Technologies LLC	11.48%	SF+ 6.00%			Secured Debt (12)	(8)	—	5	76	1,182	368	—	1,550
	13.48%	SF+ 8.00%			Secured Debt	(8)	—	(25)	1,383	19,944	25	25	19,944
					Member Units	(8)	—	—	41	21,890	—	1	21,889
Harris Preston Fund Investments					LP Interests (2717 MH, L.P.)	(8)	57	2,941	278	6,050	2,998	57	8,991
Volusion, LLC	10.00%				Secured Debt	(8)	—	—	46	900	—	—	900
					Preferred Member Units	(8)	—	—	—	—	—	—	—
					Preferred Member Units	(8)	—	798	—	3,110	799	909	3,000
					Preferred Member Units	(8)	—	—	—	—	—	—	—
					Common Stock	(8)	—	—	—	—	—	—	—
Other Amounts related to investments transferred to or from other 1940 Act classification during the period													
							—	—	—	—	—	—	—
Total Control Investments							\$ 57	\$ 3,719	\$ 1,824	\$ 53,644	\$ 4,190	\$ 992	\$ 56,842
Affiliate Investments													
Analytical Systems Keeco Holdings, LLC	15.38%	SF+ 10.00%			Secured Debt (12)	(8)	—	—	3	54	1	—	55
	15.38%	SF+ 10.00%			Secured Debt	(8)	—	—	87	1,020	10	49	981
	14.13%				Preferred Member Units	(8)	—	—	—	—	—	—	—
					Preferred Member Units	(8)	—	190	—	1,210	190	—	1,400
					Warrants	(8)	—	—	—	—	—	—	—
Barfly Ventures, LLC					Member Units	(5)	—	193	—	1,380	193	—	1,573
Bajzer TopCo, LLC	10.00%				Secured Debt (12)	(8)	—	(1)	2	—	50	1	49
	10.00%				Secured Debt (12)	(8)	—	—	2	30	—	—	30
	10.00%				Secured Debt	(8)	—	(15)	62	1,175	2	15	1,162
					Preferred Stock	(8)	—	(50)	45	680	—	50	630
Brewer Crane Holdings, LLC	15.48%	SF+ 10.00%			Secured Debt	(9)	—	—	107	1,374	4	62	1,316
					Preferred Member Units	(9)	—	(70)	15	1,400	—	70	1,330
Centre Technologies Holdings, LLC		SF+ 10.00%			Secured Debt (12)	(8)	—	—	2	—	—	—	—
	15.48%	SF+ 10.00%			Secured Debt	(8)	—	58	344	—	5,494	378	5,116
					Secured Debt	(8)	—	(29)	84	4,394	—	4,394	—
					Preferred Member Units	(8)	—	120	15	2,760	120	—	2,880
Chamberlin Holding LLC		SF+ 6.00%			Secured Debt (12)	(8)	—	(11)	12	—	11	11	—
	13.49%	SF+ 8.00%			Secured Debt	(8)	—	—	267	3,905	—	—	3,905
					Member Units	(8)	—	180	849	7,330	180	—	7,510
					Member Units	(8)	—	72	12	715	74	1	788
Charps, LLC					Preferred Member Units	(5)	—	(20)	39	3,920	—	20	3,900
Clad-Rex Steel, LLC					Secured Debt (12)	(5)	—	—	—	—	—	—	—
	11.50%				Secured Debt	(5)	—	—	127	2,103	—	155	1,948

MSC INCOME FUND, INC.
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
June 30, 2024
(dollars in thousands)
(unaudited)

Company	Base Total 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, 2023 Fair Value	Gross Additions (3)	Gross Reductions (4)	June 30, 2024 Fair Value (13)
	10.00%			Secured Debt	(5)		—	—	13	251	—	5	246
				Member Units	(5)		—	250	105	1,300	250	—	1,550
				Member Units	(5)		—	(45)	—	282	—	45	237
Cody Pools, Inc.				Secured Debt (12)	(8)		—	2	5	—	236	—	236
	12.50%			Secured Debt	(8)		—	(4)	443	7,111	4	234	6,881
				Preferred Member Units	(8)		—	500	377	18,120	501	—	18,621
Colonial Electric Company LLC				Secured Debt (12)	(6)		—	—	1	—	—	—	—
	12.00%			Secured Debt	(6)		—	82	326	5,407	106	978	4,535
				Preferred Member Units	(6)		—	(360)	360	600	—	600	—
				Preferred Member Units	(6)		—	1,020	139	1,920	1,020	—	2,940
Compass Systems & Sales, LLC	13.50%			Secured Debt	(5)		—	—	3	—	388	—	388
	13.50%			Secured Debt	(5)		—	—	306	4,175	13	—	4,188
				Preferred Equity	(5)		—	117	30	1,863	117	—	1,980
Datacom, LLC	7.50%			Secured Debt	(8)		—	—	2	49	25	45	29
	10.00%			Secured Debt	(8)		—	—	57	844	11	15	840
				Preferred Member Units	(8)		—	10	—	10	10	—	20
Digital Products Holdings LLC	15.38%	SF+ 10.00%		Secured Debt	(5)		—	—	279	3,673	8	363	3,318
				Preferred Member Units	(5)		—	—	25	2,459	1	—	2,460
Direct Marketing Solutions, Inc.				Secured Debt	(9)		—	(1)	7	217	226	443	—
	14.00%			Secured Debt	(9)		—	(7)	354	5,002	7	174	4,835
				Preferred Stock	(9)		—	(280)	—	5,180	—	280	4,900
Flame King Holdings, LLC				Preferred Equity	(9)		—	1,970	393	6,970	1,970	—	8,940
Freeport Financial Funds				LP Interests (Freeport First Lien Loan Fund III LP) (12)	(5)		—	—	255	3,705	—	1,109	2,596
Gamber-Johnson Holdings, LLC		SF+ 7.50%		Secured Debt (12)	(5)		—	—	1	—	—	—	—
	10.50%	SF+ 7.50%		Secured Debt	(5)		—	(37)	713	13,520	37	1,237	12,320
				Member Units	(5)		—	2,460	751	24,180	2,460	—	26,640
GFG Group, LLC	8.00%			Secured Debt	(5)		—	(7)	102	2,336	7	7	2,336
				Preferred Member Units	(5)		—	(410)	195	2,870	—	410	2,460
Gulf Publishing Holdings, LLC		SF+ 9.50%		Secured Debt (12)	(8)		—	—	—	—	—	—	—
	12.50%		12.50%	Secured Debt	(8)		—	(84)	19	571	—	84	487
				Preferred Equity	(8)		—	(620)	—	620	—	620	—
				Member Units	(8)		—	—	—	—	—	—	—
HPEP 3, L.P.				LP Interests (HPEP 3, L.P.) (12)	(8)		—	97	—	4,225	97	—	4,322
IG Investor, LLC				Secured Debt (12)	(6)		—	—	5	(27)	3	—	(24)
	13.00%			Secured Debt	(6)		—	—	634	9,069	33	221	8,881
				Common Equity	(6)		—	—	—	3,600	—	—	3,600
Independent Pet Partners Intermediate Holdings, LLC				Common Equity	(6)		—	150	—	6,320	150	—	6,470
Integral Energy Services	13.06%	SF+ 7.50%		Secured Debt	(8)		—	388	1,113	16,232	442	1,835	14,839
	10.00%		10.00%	Preferred Equity	(8)		—	153	17	350	170	—	520
				Common Stock	(8)		—	450	25	190	450	—	640
Kickhaefer Manufacturing Company, LLC	12.00%			Secured Debt	(5)		—	—	294	4,933	5	601	4,337
	9.00%			Secured Debt	(5)		—	—	44	951	41	5	987
				Preferred Equity	(5)		—	560	—	2,420	560	—	2,980

MSC INCOME FUND, INC.
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
June 30, 2024
(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, 2023 Fair Value	Gross Additions (3)	Gross Reductions (4)	June 30, 2024 Fair Value (13)
MH Corbin Holding LLC	14.00%				Member Units	(5)	—	(60)	16	683	—	60	623
					Secured Debt	(5)	—	—	92	1,256	—	40	1,216
					Preferred Member Units	(5)	—	—	—	80	—	—	80
Mystic Logistics Holdings, LLC	10.00%				Preferred Member Units	(5)	—	—	—	—	—	—	—
					Secured Debt (12)	(6)	—	—	1	—	—	—	—
					Secured Debt	(6)	—	—	5	73	1,436	—	—
Nello Industries Investco, LLC	11.88% 13.50%	SF+ 6.50%			Common Stock	(6)	—	(68)	481	6,598	—	68	6,530
					Secured Debt (12)	(5)	—	—	22	—	2,729	—	2,729
					Secured Debt	(5)	—	—	66	—	6,017	—	6,017
NexRev LLC	10.00% 10.00%				Common Equity	(5)	—	—	—	—	3,030	—	3,030
					Secured Debt (12)	(8)	—	—	11	—	400	—	400
					Secured Debt	(8)	—	—	10	132	2,435	18	—
NuStep, LLC	11.98% 12.00%	SF+ 6.50%			Preferred Member Units	(8)	—	457	118	1,590	460	—	2,050
					Secured Debt	(5)	—	—	55	899	—	—	899
					Secured Debt	(5)	—	—	281	4,606	2	—	4,608
Oneliance, LLC	15.48%	SF+ 10.00%			Preferred Member Units	(5)	—	—	—	2,310	240	—	2,550
					Secured Debt	(7)	—	18	111	1,339	21	60	1,300
					Preferred Stock	(7)	—	128	—	282	128	—	410
Orttech Holdings, LLC	16.48%	SF+ 11.00% SF+ 11.00%			Secured Debt (12)	(5)	—	—	—	—	—	—	—
					Secured Debt	(5)	—	(11)	469	5,510	11	31	5,490
					Preferred Stock	(5)	—	(490)	66	4,260	—	490	3,770
Pinnacle TopCo, LLC	13.00%				Secured Debt (12)	(8)	—	—	3	105	1	115	(9)
					Secured Debt	(8)	—	—	522	7,472	18	—	7,490
					Preferred Equity	(8)	—	705	213	3,135	705	—	3,840
Robbins Bros. Jewelry, Inc.	12.50%		10.00% 10.00%		Secured Debt	(9)	—	—	1	(6)	1	—	(5)
					Secured Debt	(9)	—	(1,444)	123	3,421	5	1,494	1,932
					Preferred Equity	(9)	—	—	—	—	—	—	—
SI East, LLC	11.75% 12.62%				Secured Debt (12)	(7)	—	1	39	375	750	375	750
					Secured Debt	(7)	—	(161)	947	18,179	—	18,179	—
					Secured Debt	(7)	—	24	483	—	22,554	—	22,554
Student Resource Center, LLC	8.50%		8.50%		Preferred Member Units	(7)	—	(500)	619	6,390	—	500	5,890
					Secured Debt	(6)	—	(1,717)	—	3,543	—	1,717	1,826
					Preferred Equity	(6)	—	—	—	—	—	—	—
Tedder Industries, LLC	12.00% 12.00%				Secured Debt	(9)	—	—	14	432	—	—	432
					Secured Debt	(9)	—	(2,401)	115	3,565	—	2,401	1,164
					Preferred Member Units	(9)	—	—	—	—	—	—	—
					Preferred Member Units	(9)	—	—	—	—	—	—	—
					Preferred Member Units	(9)	—	—	—	—	—	—	—
Trantech Radiator Topco, LLC	13.50%				Secured Debt (12)	(7)	—	—	1	—	—	—	—
					Secured Debt	(7)	—	17	133	1,980	—	—	1,980
					Common Stock	(7)	—	(740)	15	3,180	—	740	2,440

MSC INCOME FUND, INC.
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
June 30, 2024
(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, 2023 Fair Value	Gross Additions (3)	Gross Reductions (4)	June 30, 2024 Fair Value (13)
VVS Holdco LLC	11.50%		SF+ 6.00%		Secured Debt (12)	(5)	—	—	2	—	—	—	—
					Secured Debt	(5)	—	—	429	6,926	26	290	6,662
					Preferred Equity	(5)	—	—	51	3,060	—	—	3,060
Other Amounts related to investments transferred to or from other 1940 Act classification during the period							—	—	—	—	—	—	—
Total Affiliate investments							\$ —	\$ 984	\$ 15,171	\$ 291,279	\$ 52,793	\$ 41,313	\$ 302,759

- (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 June 30, 2024 for affiliate investments located in this region was \$118,468. This represented 19.0% of net assets as of June 30, 2024.
- (6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of June 30, 2024 for affiliate investments located in this region was \$36,194. This represented 5.8% of net assets as of June 30, 2024.
- (7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of June 30, 2024 for affiliate investments located in this region was \$35,324. This represented 5.7% of net assets as of June 30, 2024.
- (8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of June 30, 2024 for control investments located in this region was \$56,274. This represented 9.0% of net assets as of June 30, 2024. The fair value as of June 30, 2024 for affiliate investments located in this region was \$87,929. This represented 14.1% of net assets as of June 30, 2024.

MSC INCOME FUND, INC.
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
June 30, 2024
(dollars in thousands)
(unaudited)

- (9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of June 30, 2024 for control investments located in this region was \$568. This represented 0.1% of net assets as of June 30, 2024. The fair value as of June 30, 2024 for affiliate investments located in this region was \$4,844. This represented 4.0% of net assets as of June 30, 2024.
- (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 June 30, 2024 (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
June 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)	June 30, 2023 Fair Value (13)
Control Investments													
GRT Rubber Technologies LLC	11.17%	L+	6.00%		Secured Debt (12)	(8)	\$ —	\$ 1	\$ 31	\$ 330	\$ 310	\$ —	\$ 640
	13.17%	L+	8.00%		Secured Debt	(8)	—	(24)	1,304	19,943	26	25	19,944
					Member Units	(8)	—	—	41	21,890	—	—	21,890
Harris Preston Fund Investments					LP Interests (2717 MH, L.P.)	(8)	1,677	(675)	141	7,552	2,077	3,283	6,346
Copper Trail Fund Investments					LP Interests (CTMH, LP)	(9)	—	—	—	588	—	—	588
Other													
Amounts related to investments transferred to or from other 1940 Act classification during the period													
							—	—	—	—	—	—	—
Total Control Investments							\$ 1,677	\$ (698)	\$ 1,517	\$ 50,303	\$ 2,413	\$ 3,308	\$ 49,408
Affiliate Investments													
AFG Capital Group, LLC					Preferred Member Units	(8)	1,800	(2,050)	—	2,350	1,800	4,150	—
Analytical Systems Keco Holdings, LLC		L+	10.00%		Secured Debt	(8)	—	—	—	(2)	—	—	(2)
	15.25%	L+	10.00%		Secured Debt	(8)	—	—	95	1,135	10	35	1,110
	14.13%				Preferred Member Units	(8)	—	—	—	—	—	—	—
					Preferred Member Units Warrants	(8)	—	140	—	880	140	—	1,020
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)	—	(93)	—	1,107	—	94	1,013
Bajter TopCo, LLC					Secured Debt (12)	(8)	—	1	—	(1)	1	—	—
	10.00%				Secured Debt	(8)	—	17	66	1,205	20	50	1,175
					Preferred Stock	(8)	—	225	64	455	225	—	680
Brewer Crane Holdings, LLC	15.17%	L+	10.00%		Secured Debt	(9)	—	(16)	107	1,491	—	78	1,413
					Preferred Member Units	(9)	—	(180)	15	1,770	—	180	1,590
Centre Technologies Holdings, LLC		L+	9.00%		Secured Debt (12)	(8)	—	—	2	—	—	—	—
	14.25%	L+	9.00%		Secured Debt	(8)	—	22	266	3,731	27	—	3,758
					Preferred Member Units	(8)	—	430	15	2,170	430	—	2,600
Chamberlin Holding LLC		SF+	6.00%		Secured Debt (12)	(8)	—	19	1	—	—	—	—
	13.36%	SF+	8.00%		Secured Debt	(8)	—	(4)	275	4,236	4	138	4,102
					Member Units	(8)	—	262	373	5,728	262	—	5,990
					Member Units	(8)	—	30	12	678	30	—	708
Charps, LLC				Preferred Member Units	(5)	—	120	62	3,330	120	—	3,450	
Clad-Rex Steel, LLC					Secured Debt (12)	(5)	—	—	—	—	—	—	—
	11.50%				Secured Debt	(5)	—	(21)	151	2,620	—	211	2,409
	10.00%				Secured Debt	(5)	—	—	13	260	—	4	256
					Member Units	(5)	—	(460)	69	2,060	—	460	1,600
					Member Units	(5)	—	55	—	152	130	—	282
Cody Pools, Inc.				Secured Debt (12)	(8)	—	2	—	—	—	—	—	

MSC INCOME FUND, INC.
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
June 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)	June 30, 2023 Fair Value (13)
	12.50%				Secured Debt	(8)	—	28	79	—	7,871	—	7,871
		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)	—	1,730	362	14,550	1,730	—	16,280
Colonial Electric Company LLC					Secured Debt	(6)	—	—	12	—	400	400	—
	12.00%				Secured Debt	(6)	—	(77)	362	5,729	17	234	5,512
					Preferred Member Units	(6)	—	360	—	—	600	—	600
					Preferred Member Units	(6)	—	(370)	(295)	2,290	—	370	1,920
Datacom, LLC	7.50%				Secured Debt	(8)	—	—	1	25	64	10	79
	10.00%				Secured Debt	(8)	—	—	59	865	11	14	862
					Preferred Member Units	(8)	—	(40)	—	300	—	40	260
Digital Products Holdings LLC	15.25%	SF+	10.00%		Secured Debt	(5)	—	—	288	3,878	—	195	3,683
					Preferred Member Units	(5)	—	—	25	2,459	—	—	2,459
Direct Marketing Solutions, Inc.					Secured Debt (12)	(9)	—	(1)	3	—	1	1	—
	13.00%				Secured Debt	(9)	—	(11)	372	5,352	11	174	5,189
					Preferred Stock	(9)	—	280	86	5,558	282	—	5,840
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)	—	1,690	513	4,400	1,690	—	6,090
Freeport Financial Funds					LP Interests (Freeport First Lien Loan Fund III LP) (12)	(5)	—	—	291	5,848	—	536	5,312
Gamber-Johnson Holdings, LLC		SF+	8.50%		Secured Debt (12)	(5)	—	—	1	—	—	—	—
	11.00%	SF+	8.00%		Secured Debt	(5)	—	(44)	925	16,020	44	1,144	14,920
					Member Units	(5)	—	4,820	727	12,720	4,820	—	17,540
GFG Group, LLC	9.00%				Secured Debt	(5)	—	(9)	137	2,836	9	9	2,836
					Preferred Member Units	(5)	—	290	26	1,790	290	—	2,080
Gulf Publishing Holdings, LLC		L+	9.50%		Secured Debt (12)	(8)	—	—	—	—	—	—	—
	12.50%				Secured Debt	(8)	—	—	38	571	—	—	571
					Preferred Equity	(8)	—	—	—	950	—	—	950
					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)	—	—	1	—	170	200	(30)
	13.00%				Secured Debt	(6)	—	—	39	—	9,148	—	9,148
					Common Equity	(6)	—	—	—	—	3,774	—	3,774
Independent Pet Partners Intermediate Holdings, LLC					Common Equity	(6)	—	—	—	—	6,540	—	6,540
Integral Energy Services	13.04%	L+	7.50%		Secured Debt	(8)	—	(265)	1,208	18,425	39	265	18,199
					Common Stock	(8)	—	(530)	13	1,490	—	530	960
Kickhaefer Manufacturing Company, LLC	12.00%				Secured Debt	(5)	—	—	355	5,093	54	—	5,147
	9.00%				Secured Debt	(5)	—	—	44	961	—	5	956
					Preferred Equity	(5)	—	130	—	1,800	130	—	1,930
					Member Units	(5)	—	(18)	15	713	—	18	695
Market Force Information, LLC					Secured Debt	(9)	(6,463)	6,060	—	403	6,060	6,463	—
					Member Units	(9)	(4,160)	4,160	—	—	4,160	4,160	—

MSC INCOME FUND, INC.
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
June 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)	June 30, 2023 Fair Value (13)
MH Corbin Holding LLC	13.00%				Secured Debt	(5)	—	288	98	1,137	288	49	1,376
					Preferred Member Units	(5)	—	—	—	—	—	—	
					Preferred Member Units	(5)	—	—	—	—	—	—	
Mystic Logistics Holdings, LLC	10.00%				Secured Debt (12)	(6)	—	—	1	—	—	—	—
					Secured Debt	(6)	—	—	72	1,436	—	—	1,436
					Common Stock	(6)	—	1,080	494	5,708	1,080	—	6,788
NexRev LLC	10.00%				Secured Debt (12)	(8)	—	—	—	—	—	—	—
					Secured Debt	(8)	—	373	156	2,119	386	413	2,092
					Preferred Member Units	(8)	—	580	38	280	580	—	860
NuStep, LLC	11.75%	L+	6.50%		Secured Debt	(5)	—	(1)	63	1,100	1	1	1,100
					Secured Debt	(5)	—	—	280	4,603	3	—	4,606
					Preferred Member Units	(5)	—	90	—	2,010	90	—	2,100
Oneliance, LLC	16.25%	L+	11.00%		Preferred Member Units	(5)	—	—	—	1,290	—	—	1,290
					Secured Debt	(7)	—	(7)	113	1,380	3	27	1,356
					Preferred Stock	(7)	—	—	—	264	18	—	282
Ortech Holdings, LLC	16.25%	L+	11.00%		Secured Debt (12)	(5)	—	2	—	(2)	2	—	—
					Secured Debt	(5)	—	72	472	5,814	87	201	5,700
					Preferred Stock	(5)	—	1,200	134	2,940	1,200	—	4,140
Robbins Bros. Jewelry, Inc.	12.50%				Secured Debt (12)	(9)	—	—	2	(8)	1	—	(7)
					Secured Debt	(9)	—	(22)	255	3,902	9	97	3,814
					Preferred Equity	(9)	—	(970)	—	1,650	—	970	680
SI East, LLC	12.78%				Secured Debt (12)	(7)	—	—	5	—	—	—	—
					Secured Debt	(7)	—	179	100	—	18,179	—	18,179
					Secured Debt	(7)	—	(134)	1,403	29,929	—	29,929	—
					Preferred Member Units	(7)	—	608	213	4,550	710	—	5,260
Student Resource Center, LLC	8.50%		8.50%		Secured Debt	(6)	—	—	239	5,063	237	—	5,300
					Preferred Equity	(6)	—	—	—	—	—	—	—
Tedder Industries, LLC	12.00%				Secured Debt	(9)	—	—	28	460	—	—	460
					Secured Debt	(9)	—	—	232	3,780	3	—	3,783
					Preferred Member Units	(9)	—	(347)	—	1,920	—	347	1,573
					Preferred Member Units	(9)	—	44	—	—	133	—	133
Trantech Radiator Topco, LLC	12.00%				Secured Debt (12)	(7)	—	(1)	2	—	1	1	—
					Secured Debt	(7)	—	(7)	126	1,980	7	7	1,980
					Common Stock	(7)	—	990	15	1,950	990	—	2,940
Volusion, LLC	10.00%				Secured Debt	(8)	—	—	23	—	900	—	900
					Secured Debt	(8)	(1,366)	780	71	6,392	—	6,392	—
					Unsecured Convertible Debt	(8)	(175)	175	—	—	175	175	—
					Preferred Member Units	(8)	—	—	—	—	—	—	—
					Preferred Member Units	(8)	—	(306)	—	—	4,906	306	4,600
					Preferred Member Units	(8)	—	—	—	—	—	—	—
					Common Stock	(8)	—	(1,104)	—	—	1,104	1,104	—
					Warrants	(8)	—	1,104	—	—	—	—	—
VVS Holdco LLC		L+	6.00%										
					Secured Debt (12)	(5)	—	—	4	(5)	3	—	(2)

MSC INCOME FUND, INC.
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
June 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)	June 30, 2023 Fair Value (13)	
	11.50%				Secured Debt	(5)	—	—	462	7,421	29	311	7,139	
					Preferred Equity	(5)	—	(30)	54	2,990	—	30	2,960	
Other														
Amounts related to investments transferred to or from other 1940 Act classification during the period														
Total Affiliate investments							\$ (7,186)	\$ 17,688	\$ 15,299	\$ 277,000	\$ 93,924	\$ 92,673	\$ 278,251	

- (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 June 30, 2023 for affiliate investments located in this region was \$96,977. This represented 15.8% of net assets as of June 30, 2023.
- (6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of June 30, 2023 for affiliate investments located in this region was \$40,988. This represented 6.7% of net assets as of June 30, 2023.
- (7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of June 30, 2023 for affiliate investments located in this region was \$29,997. This represented 4.9% of net assets as of June 30, 2023.
- (8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of June 30, 2023 for control investments located in this region was \$48,820. This represented 8.0% of net assets as of June 30, 2023. The fair value as of June 30, 2023 for affiliate investments located in this region was \$79,731. This represented 13.0% of net assets as of June 30, 2023.

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

- (9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of June 30, 2023 for control investments located in this region was \$588. This represented 0.1% of net assets as of June 30, 2023. The fair value as of June 30, 2023 for affiliate investments located in this region was \$0,558. This represented 5.0% of net assets as of June 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 June 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.

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 this Quarterly Report on Form 10-Q, if any, and discussed in Item 1A entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission ("SEC") on March 8, 2024 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, 2023, 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, 2023, 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. MSC Income Fund's portfolio investments 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 (the "Investment Advisory Agreement"). In such role, our 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 (as defined below) 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 generally 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 \$30 million.

Private Loan investments primarily consist of debt securities that have primarily been originated directly by our Adviser or, to a lesser extent, through our Adviser’s 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 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 sponsors 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 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 and that were issued through a syndicated process. 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. Over the last few years, we have been de-emphasizing this strategy and expect to continue to do so in the future.

Our other portfolio (“Other Portfolio”) investments primarily consist of investments that are not consistent with the typical profiles of 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, 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, Main Street 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 Main Street, other participating funds and other 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 June 30, 2024 and December 31, 2023 (this information excludes Other Portfolio investments, which are discussed further below).

	As of June 30, 2024		
	Private Loan	LMM (a)	Middle Market
	(dollars in millions)		
Number of portfolio companies	84	54	13
Fair value	\$ 665.9	\$ 406.3	\$ 49.9
Cost	\$ 659.0	\$ 335.1	\$ 74.5
Debt investments as a % of portfolio (at cost)	94.9 %	70.4 %	89.1 %
Equity investments as a % of portfolio (at cost)	5.1 %	29.6 %	10.9 %
% of debt investments at cost secured by first priority lien	99.9 %	99.9 %	99.9 %
Weighted-average annual effective yield (b)	13.1 %	13.3 %	14.5 %
Average EBITDA (c)	\$ 33.7	\$ 9.9	\$ 56.5

(a) At June 30, 2024, 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 June 30, 2024, 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 June 30, 2024 including debt investments on non-accrual status was 12.7% for our Private Loan portfolio, 12.2% for our LMM portfolio and 9.8% 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 three Private Loan portfolio companies, two LMM portfolio companies and two Middle Market portfolio companies, as EBITDA is not a meaningful valuation metric for our investments in these portfolio companies, and those portfolio companies whose primary purpose is to own real estate.

	As of December 31, 2023		
	Private Loan	LMM (a)	Middle Market
	(dollars in millions)		
Number of portfolio companies	78	50	16
Fair value	\$ 595.3	\$ 387.0	\$ 86.0
Cost	\$ 586.4	\$ 315.7	\$ 114.7
Debt investments as a % of portfolio (at cost)	94.1 %	70.2 %	93.1 %
Equity investments as a % of portfolio (at cost)	5.9 %	29.8 %	6.9 %
% of debt investments at cost secured by first priority lien	100.0 %	99.9 %	100.0 %
Weighted-average annual effective yield (b)	13.1 %	13.0 %	13.0 %
Average EBITDA (c)	\$ 30.5	\$ 8.8	\$ 74.2

- (a) At December 31, 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 December 31, 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 December 31, 2023 including debt investments on non-accrual status was 12.6% for our Private Loan portfolio, 13.0% for our LMM portfolio and 9.9% 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 June 30, 2024 and 2023, we achieved an annualized total return on investments of 15.1% and 15.2%, respectively. For the six months ended June 30, 2024 and 2023, we achieved an annualized total return on investments of 13.4% and 13.3%, respectively. For the year ended December 31, 2023, we achieved a total return on investments of 13.6%. 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 June 30, 2024, we had Other Portfolio investments in four entities, collectively totaling \$26.2 million in fair value and \$20.0 million in cost basis and which comprised 2.3% and 1.8% of our Investment Portfolio at fair value and cost, respectively. As of December 31, 2023, we had Other Portfolio investments in four entities, collectively totaling \$24.6 million in fair value and \$21.5 million in cost basis and which comprised 2.3% and 2.1% 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 June 30, 2024 and December 31, 2023, our Investment Portfolio valued at fair value represented 95% and 96%, respectively, 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.

Rule 2a-5 under the 1940 Act 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 June 30, 2024 and December 31, 2023 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 and six months ended June 30, 2024 and 2023, 5.0% and 4.7%, and 3.4% and 3.6%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash. For each of the three and six months ended June 30, 2024 and 2023, 0.1% 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 June 30, 2024 and December 31, 2023 (this information excludes Other Portfolio investments).

Cost:	June 30, 2024	December 31, 2023
First lien debt	86.7 %	86.5 %
Equity	12.9	13.3
Second lien debt	—	—
Equity warrants	0.3	0.2
Other	0.1	—
	<u>100.0 %</u>	<u>100.0 %</u>
Fair Value:	June 30, 2024	December 31, 2023
First lien debt	78.8 %	78.4 %
Equity	20.9	21.5
Second lien debt	—	—
Equity warrants	0.2	0.1
Other	0.1	—
	<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, 2023 for a more complete discussion of the risks involved with investing in our Investment Portfolio.

PORTFOLIO ASSET QUALITY

Our Adviser utilizes 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, but not limited to, 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 June 30, 2024, investments on non-accrual status comprised 1.8% of our total Investment Portfolio at fair value and 5.3% at cost. As of December 31, 2023, investments on non-accrual status comprised 1.1% of our total Investment Portfolio at fair value and 4.0% 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 June 30, 2024 and 2023

Set forth below is a comparison of the results of operations for the three months ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Net Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Total investment income	\$ 33,946	\$ 33,228	\$ 718	2 %
Total expenses, net of expense waivers	(19,581)	(18,830)	(751)	4 %
Net investment income	14,365	14,398	(33)	— %
Net realized gain (loss) from investments	314	(28,852)	29,166	NM
Net unrealized appreciation from investments	6,226	35,757	(29,531)	NM
Income tax provision	(2,776)	(2,047)	(729)	36 %
Net increase in net assets resulting from operations	\$ 18,129	\$ 19,256	\$ (1,127)	(6) %

NM — Net Change % not meaningful

Investment Income

Total investment income for the three months ended June 30, 2024 was \$33.9 million, a 2% increase from the \$33.2 million of total investment income for the corresponding period of 2023. The following table provides a summary of the changes in the comparable period activity.

	Three Months Ended June 30,		Net Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Interest income	\$ 28,859	\$ 28,459	\$ 400	1 % (a)
Dividend income	4,007	3,904	103	3 % (b)
Fee income	1,080	865	215	25 % (c)
Total investment income	\$ 33,946	\$ 33,228	\$ 718	2 %

(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, (ii) an increase in accelerated prepayment, repricing and other activity related to certain Investment Portfolio debt investments and (iii) higher average levels of income producing Investment Portfolio debt investments, partially offset by the negative impact of an increase in non-accrual investments.

- (b) The increase in dividend income from Investment Portfolio equity investments was primarily a result of an increase of \$0.7 million in dividend income from certain of our LMM and Other portfolio companies, partially offset by a decrease in dividend income from certain of our Private Loan portfolio companies. The increase includes a \$0.5 million decrease from prior year in dividend income considered to be less consistent or non-recurring.
- (c) The increase in fee income was primarily related to (i) a \$0.2 million increase in fees related to increased investment activity and (ii) a \$0.1 million increase in fees received from the refinancing and prepayment of debt investments.

Expenses

Total expenses, net of expense waivers, for the three months ended June 30, 2024 were \$19.6 million, a 4% increase from \$18.8 million in the corresponding period of 2023. The following table provides a summary of the changes in the comparable period activity.

	Three Months Ended June 30,		Net Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Interest	\$ 9,546	\$ 8,862	\$ 684	8 % (a)
Base management fees	5,179	4,912	267	5 %
Incentive fees	3,591	3,599	(8)	— %
Internal administrative services fees	2,520	2,545	(25)	(1)%
General and administrative	1,106	1,306	(200)	(15)%
Total expenses before expense waivers	21,942	21,224	718	3 %
Waiver of internal administrative services expenses	(2,361)	(2,394)	33	(1)%
Total expenses, net of expense waivers	\$ 19,581	\$ 18,830	\$ 751	4 %

- (a) The increase in interest expense was primarily related to (i) increased weighted average interest rates on our floating rate multi-year revolving credit facility (the “Corporate Facility”) and special purpose vehicle revolving credit facility (the “SPV Facility”) and, together with the Corporate Facility, the “Credit Facilities”) based upon the increases in benchmark index rates for these floating rate obligations and (ii) higher weighted-average outstanding borrowings.

Net Investment Income

Net investment income for each of the three months ended June 30, 2024 and 2023 was \$14.4 million, or \$0.18 per share. Within net investment income, the increase in total investment income was offset by an increase in total expenses, both as discussed above. Net investment income per share for each of the three months ended June 30, 2024 and 2023 included \$0.02 per share of income 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 \$0.3 million for the three months ended June 30, 2024:

	Three Months Ended June 30, 2024							
	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	\$ —	—	\$ —	—	\$ —	—	\$ —	\$ —
LMM portfolio	—	—	2,591	1	—	—	—	2,591
Middle Market portfolio	—	—	(2,325)	1	—	—	—	(2,325)
Other Portfolio	—	—	—	—	—	—	48	48
Total net realized gain	\$ —	—	\$ 266	2	\$ —	—	\$ 48	\$ 314

(a) Other activity includes a realized gain from a transaction involving one portfolio company which is not considered to be significant individually.

Net Unrealized Appreciation (Depreciation)

The following table provides a summary of the total net unrealized appreciation of \$6.2 million for the three months ended June 30, 2024:

	Three Months Ended June 30, 2024				
	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	\$ (375)	\$ (2,888)	\$ 2,435	\$ (47)	\$ (875)
Net unrealized appreciation (depreciation) relating to portfolio investments	95	1,658	2,263	3,085	7,101
Total net unrealized appreciation (depreciation) relating to portfolio investments	\$ (280)	\$ (1,230)	\$ 4,698	\$ 3,038	\$ 6,226

(a) Includes unrealized appreciation on 21 LMM portfolio investments and unrealized depreciation on 14 LMM portfolio investments.

Income Tax Provision

The income tax provision for the three months ended June 30, 2024 of \$2.8 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 \$0.6 million, primarily related to a \$0.6 million provision for current U.S. federal and state income taxes.

The income tax provision for the three months ended June 30, 2023 of \$2.0 million principally consisted of (i) a deferred tax provision of \$1.8 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 \$0.2 million related to a \$0.1 million provision for excise tax on our estimated undistributed taxable income and a \$0.1 million provision for current U.S. federal and state income taxes.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations for the three months ended June 30, 2024 was \$18.1 million, or \$0.23 per share, compared with \$19.3 million, or \$0.24 per share, during the three months ended June 30, 2023. 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 June 30, 2024 as compared to the three months ended June 30, 2023.

Comparison of the six months ended June 30, 2024 and 2023

Set forth below is a comparison of the results of operations for the six months ended June 30, 2024 and 2023.

	Six Months Ended June 30,		Net Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Total investment income	\$ 67,895	\$ 64,274	\$ 3,621	6 %
Total expenses, net of expense waivers	(38,984)	(35,768)	(3,216)	9 %
Net investment income	28,911	28,506	405	1 %
Net realized loss from investments	(1,570)	(25,421)	23,851	NM
Net unrealized appreciation from investments	5,093	31,618	(26,525)	NM
Income tax provision	(3,717)	(3,217)	(500)	16 %
Net increase in net assets resulting from operations	<u>\$ 28,717</u>	<u>\$ 31,486</u>	<u>\$ (2,769)</u>	<u>(9) %</u>

NM Net change % not meaningful

Investment Income

Total investment income for the six months ended June 30, 2024 was \$67.9 million, a 6% increase from the \$64.3 million of total investment income for the corresponding period of 2023. The following table provides a summary of the changes in the comparable period activity.

	Six Months Ended June 30,		Net Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Interest income	\$ 57,918	\$ 57,391	\$ 527	1 %
Dividend income	6,479	5,463	1,016	19 % (a)
Fee income	3,498	1,420	2,078	146 % (b)
Total investment income	<u>\$ 67,895</u>	<u>\$ 64,274</u>	<u>\$ 3,621</u>	<u>6 % (c)</u>

- (a) The increase in dividend income from Investment Portfolio equity investments was primarily a result of an increase of \$1.2 million in dividend income from certain of our LMM portfolio companies, partially offset by a decrease in dividend income from certain of our Private Loan portfolio companies. The increase includes a \$0.5 million decrease from prior year in dividend income considered to be less consistent or non-recurring.
- (b) The increase in fee income was primarily related to (i) a \$1.8 million increase in fees received from the refinancing and prepayment of debt investments and (ii) a \$0.2 million increase related to increased investment activity.
- (c) The increase in total investment income includes a net increase of \$0.5 million in the impact of certain income considered less consistent or non-recurring, including a \$1.9 million increase in fee income, partially offset by (i) a \$0.9 million decrease in interest income and (ii) a \$0.5 million decrease in dividend income.

Expenses

Total expenses, net of fee and expense waivers, for the six months ended June 30, 2024 were \$39.0 million, a 9% increase from \$35.8 million in the corresponding period of 2023. The following table provides a summary of the changes in the comparable period activity.

	Six Months Ended June 30,		Net Change	
	2024	2023	Amount	%
	(dollars in thousands)			
Interest	\$ 19,095	\$ 17,196	\$ 1,899	11 % (a)
Base management fees	10,207	9,767	440	5 %
Incentive fees	7,228	6,319	909	14 % (b)
Internal administrative services fees	4,787	4,584	203	4 %
General and administrative	2,139	2,185	(46)	(2)%
Total expenses before expense waivers	43,456	40,051	3,405	9 %
Waiver of internal administrative services expenses	(4,472)	(4,283)	(189)	4 %
Total expenses, net of expense waivers	\$ 38,984	\$ 35,768	\$ 3,216	9 %

(a) The increase in interest expense was primarily related to (i) increased weighted average interest rates on our Credit Facilities based upon the increases in benchmark index rates for these floating rate obligations and (ii) higher weighted-average outstanding borrowings.

(b) The increase in incentive fees was due to the increased Pre-Incentive Fee Net Investment Income resulting from our more favorable operating results for the three months ended March 31, 2024 compared to the corresponding period of 2023 and consistent levels of Pre-Incentive Fee Net Investment Income for the three months ended June 30, 2024 and 2023.

Net Investment Income

Net investment income for the six months ended June 30, 2024 increased 1% to \$28.9 million, or \$0.36 per share, compared to net investment income of \$28.5 million, or \$0.36 per share, for the corresponding period of 2023. The increase in net investment income was attributable to the increase in total investment income, partially offset by the increase in total expenses, both as discussed above. The increase in net investment income and net investment income per share includes a \$0.5 million, or \$0.01 per share, increase in investment income considered to be less consistent or non-recurring, 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 \$1.6 million for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024							
	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	\$ (682)	1	\$ —	—	\$ (595)	1	\$ 2	\$ (1,275)
LMM portfolio	—	—	2,591	1	—	—	152	2,743
Middle Market portfolio	—	—	(2,325)	1	(773)	1	1	(3,097)
Other Portfolio	—	—	—	—	—	—	59	59
Total net realized gain (loss)	\$ (682)	1	\$ 266	2	\$ (1,368)	2	\$ 214	\$ (1,570)

(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 appreciation of \$5.1 million for the six months ended June 30, 2024:

	Six Months Ended June 30, 2024				
	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	\$ 724	\$ (3,004)	\$ 3,019	\$ (57)	\$ 682
Net unrealized appreciation (depreciation) relating to portfolio investments	(2,721)	2,901	1,072	3,159	4,411
Total net unrealized appreciation (depreciation) relating to portfolio investments	<u>\$ (1,997)</u>	<u>\$ (103)</u>	<u>\$ 4,091</u>	<u>\$ 3,102</u>	<u>\$ 5,093</u>

(a) Includes unrealized appreciation on 24 LMM portfolio investments and unrealized depreciation on 16 LMM portfolio investments.

Income Tax Benefit (Provision)

The income tax provision for the six months ended June 30, 2024 of \$3.7 million principally consisted of (i) a deferred tax provision of \$2.8 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 \$0.9 million related to a \$0.8 million provision for current federal and state income taxes and a \$0.1 million provision for excise tax on our estimated undistributed taxable income.

The income tax provision for the six months ended June 30, 2023 of \$3.2 million consisted of (i) a deferred tax provision of \$2.7 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 \$0.5 million related to a \$0.3 million provision for current federal and state income taxes and a \$0.2 million provision for excise tax on our estimated undistributed taxable income.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations for the six months ended June 30, 2024 was \$28.7 million, or \$0.36 per share, compared with \$31.5 million, or \$0.39 per share, during the six months ended June 30, 2023. The tables above provide a summary of the reasons for the change in net increase in net assets resulting from operations for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

For the six months ended June 30, 2024, we realized a net decrease in cash and cash equivalents of \$1.3 million as the result of \$39.8 million of cash used in our operating activities, partially offset by \$38.5 million of cash provided by our financing activities.

The \$39.8 million of cash used in our operating activities resulted primarily from (i) the funding of new portfolio investments of \$183.3 million and (ii) \$10.5 million in cash flows related to changes in other assets and liabilities, partially offset by (i) cash proceeds totaling \$131.2 million from the sales and repayments of debt investments and sales of and return of capital from equity investments, (ii) cash flows that we generated from the operating profits earned totaling \$23.6 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.

The \$38.5 million of cash provided by our financing activities principally consisted of (i) \$66.0 million net cash borrowings related to our Credit Facilities and (ii) \$5.0 million cash proceeds related to common stock issuance, partially offset by (i) \$19.7 million in cash dividends paid to stockholders and (ii) \$12.7 million for the repurchases of our common stock.

Share Repurchases

We maintain a share repurchase program whereby we make quarterly offers to purchase shares at the estimated NAV per share, as determined within 48 hours prior to the repurchase date. The amount of shares of our common stock to be repurchased during any calendar quarter may be equal to the lesser of (i) the number of shares of common stock we could repurchase with the proceeds we received from the issuance of common stock under our dividend reinvestment plan (the “DRIP”) or (ii) 2.5% of the weighted-average number of shares of common stock outstanding in the prior four calendar quarters. Repurchase offers are currently limited to the number of shares of our common stock we can repurchase with 90% of the cash retained as a result of issuances of common stock under the DRIP.

On February 5, 2024, we commenced a \$2.5 million modified “Dutch Auction” tender offer (the “February 2024 Dutch Auction Tender Offer”) pursuant to the Offer to Purchase, dated February 5, 2024, which expired on March 4, 2024.

On May 17, 2024, we commenced a \$2.0 million modified “Dutch Auction” tender offer (the “May 2024 Dutch Auction Tender Offer”) pursuant to the Offer to Purchase, dated May 17, 2024, which expired on June 20, 2024.

See *Item 2. Unregistered Sales of Equity Securities and Use of Proceeds* in this Quarterly Report on Form 10-Q for more information regarding repurchases of our common stock during the three months ended June 30, 2024.

Capital Resources

As of June 30, 2024, we had \$29.5 million in cash and cash equivalents and \$63.3 million of unused capacity under the Credit Facilities, which we maintain to support our investment and operating activities. As of June 30, 2024, our NAV totaled \$623.2 million, or \$7.78 per share.

As of June 30, 2024, we had \$151.0 million outstanding and \$14.0 million of undrawn commitments under our Corporate Facility and \$250.7 million outstanding and \$49.3 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 June 30, 2024, our BDC asset coverage ratio was 213%. 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 money market funds and certificates of deposit with financial institutions.

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 June 30, 2024, we had a total of \$79.0 million in outstanding commitments comprised of (i) 74 investments with commitments to fund revolving loans that had not been fully drawn or term loans with additional commitments not yet funded and (ii) two investments with equity capital commitments that had not been fully called.

Contractual Obligations

As of June 30, 2024, we had \$551.7 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 June 30, 2024 is as follows:

	2024	2025	2026	2027	2028	Thereafter	Total
	(dollars in thousands)						
SPV Facility ⁽¹⁾	\$ —	\$ —	\$ —	\$ —	\$ 250,688	\$ —	\$ 250,688
Series A Notes	—	—	150,000	—	—	—	150,000
Interest due on Series A Notes	3,030	6,060	6,060	—	—	—	15,150
Corporate Facility ⁽²⁾	—	—	151,000	—	—	—	151,000
Total	\$ 3,030	\$ 6,060	\$ 307,060	\$ —	\$ 250,688	\$ —	\$ 566,838

- (1) As of June 30, 2024, \$49.3 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 June 30, 2024, \$14.0 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 August 1, 2024, we sold 250,627 shares of our common stock to Main Street at \$7.98 per share, the price at which we issued new shares in connection with reinvestments of the August 1, 2024 dividend pursuant to the DRIP, for total proceeds to us 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 us or our Adviser.

On August 1, 2024, we repurchased 514,109 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 June 27, 2024. The shares were repurchased at a price of \$7.83 per share, which was our NAV per share as of August 1, 2024, for an aggregate purchase price of \$4.0 million (an amount equal to 90% of the proceeds we received from the issuance of shares under the our DRIP from the August 1, 2024 dividend payment).

On August 13, 2024, our Board of Directors declared a quarterly dividend of \$0.18 per share payable November 1, 2024 to stockholders of record as of September 30, 2024. 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 November 1, 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 SOFR and Prime rates, to the extent that any debt investments include floating interest rates. See *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, 2023 for more information regarding risks associated with our debt investments and borrowings that utilize 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 June 30, 2024, 77% of our debt Investment Portfolio (at cost) bore interest at floating rates, 96% of which were subject to contractual minimum interest rates. As of June 30, 2024, 27% 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 June 30, 2024, 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 expects 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 June 30, 2024. The pro forma changes in incentive fee expense are calculated based upon the actual incentive fee expense for the second quarter of 2024 on an annualized basis, as adjusted for the pro forma changes in Pre-Incentive Fee Net Investment Income.

Basis Point Change	Increase (Decrease) in Interest Income	(Increase) Decrease in Interest Expense	Increase (Decrease) in Pre Incentive Fee Net Investment Income	(Increase) Decrease in Incentive Fee Expense	Increase (Decrease) in Net Investment Income	Increase (Decrease) in Net Investment Income per Share
(dollars in thousands, except per share amounts)						
(200)	\$ (13,953)	\$ 8,034	\$ (5,919)	\$ 5,117	\$ (802)	\$ (0.01)
(175)	(12,209)	7,030	(5,179)	4,377	(802)	(0.01)
(150)	(10,430)	6,025	(4,405)	3,603	(802)	(0.01)
(125)	(8,680)	5,021	(3,659)	2,857	(802)	(0.01)
(100)	(6,945)	4,017	(2,928)	2,126	(802)	(0.01)
(75)	(5,210)	3,013	(2,197)	1,395	(802)	(0.01)
(50)	(3,475)	2,008	(1,467)	665	(802)	(0.01)
(25)	(1,739)	1,004	(735)	147	(588)	(0.01)
25	1,739	(1,004)	735	(147)	588	0.01
50	3,477	(2,008)	1,469	(294)	1,175	0.01
75	5,216	(3,013)	2,203	(441)	1,762	0.02
100	6,954	(4,017)	2,937	(587)	2,350	0.03
125	8,693	(5,021)	3,672	(734)	2,938	0.04
150	10,431	(6,025)	4,406	(881)	3,525	0.04
175	12,170	(7,030)	5,140	(1,028)	4,112	0.05
200	13,908	(8,034)	5,874	(1,175)	4,699	0.06

Although we believe that this analysis is indicative of the impact of interest rate changes to our Net Investment Income as of June 30, 2024, 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

SOFR and Prime rate changes would be effective on the first day of the period. However, the contractual 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 June 30, 2024 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 Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 that we filed with the SEC on March 8, 2024, 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, 2023.

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

Sales of Unregistered Securities

During the three months ended June 30, 2024, we issued 583,875 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 "Securities Act"). The aggregate value of the shares of common stock issued during the three months ended June 30, 2024 under the dividend reinvestment plan was \$4.6 million.

On May 1, 2024, we sold 315,259 shares of our common stock to Main Street at \$7.93 per share, the price at which we issued new shares in connection with reinvestments of the May 1, 2024 dividend pursuant to the DRIP, for total proceeds to us of \$2.5 million. The issuance and sale were made pursuant to the exemption from registration under Section 4(a)(2) of the Securities Act 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 the Adviser.

Issuer Purchases of Equity Securities

The following chart summarizes repurchases of our common stock for the three months ended June 30, 2024.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
April 1 through April 30, 2024	—	\$ —	—	N/A
May 1 through May 31, 2024 (a)	537,046	7.78	537,046	N/A
June 1 through June 30, 2024 (b)	333,333	6.00	333,333	N/A
Total	870,380		870,380	

(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 May 2024 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 5. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2024, none of our directors or officers adopted or terminated any contract, instruction or written plans for the purchase or sale of our securities to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

Officer Appointments

On August 13, 2024, our Board of Directors appointed Ryan H. McHugh to serve as our Vice President, Chief Accounting Officer and Assistant Treasurer, effective as of August 19, 2024. Mr. McHugh currently serves as the Company's Vice President of Finance.

Mr. McHugh, age 47, a certified public accountant, has been our Vice President of Finance since May 2024. He also serves as Main Street's Vice President, Chief Accounting Officer and Assistant Treasurer. Prior to joining Main Street, Mr. McHugh spent eight years with Academy Sports + Outdoors (NASDAQ: ASO) where he worked in several leadership roles including Vice President and Corporate Controller. Prior to joining Academy, Mr. McHugh held various accounting leadership roles at Glori Energy (NASDAQ: GLRI) and Stewart Title Company (NYSE:STC). Mr. McHugh started his career at Grant Thornton in the assurance practice.

There is no arrangement or understanding between Mr. McHugh and any other persons pursuant to which he is being appointed as the Company's Vice President, Chief Accounting Officer and Assistant Treasurer. There are no family relationships between Mr. McHugh and any director, director nominee or executive officer of the Company, and there are no current or proposed transactions between the Company and Mr. McHugh or his immediate family members that would require disclosure under Item 404(a) of Regulation S-K.

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):

Exhibit Number	Description of Exhibit
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
101	The following financial information from our Quarterly Report on Form 10-Q for the second quarter of fiscal year 2024, filed with the SEC on August 14, 2024, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets at June 30, 2024 and December 31, 2023, (ii) the Consolidated Statements of Operations for the three and six months ended June 30, 2024 and 2023, (iii) the Consolidated Statements of Changes in Net Assets for the three and six months ended June 30, 2024 and 2023, (iv) the Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and 2023, (v) the Consolidated Schedule of Investments for the periods ended June 30, 2024 and December 31, 2023, (vi) the Notes to Consolidated Financial Statements and (vii) the Consolidated Schedule 12-14 for the six months ended June 30, 2024 and 2023.
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: August 14, 2024

/s/ DWAYNE L. HYZAK

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

Date: August 14, 2024

/s/ CORY E. GILBERT

Cory E. Gilbert
Chief Financial Officer and Treasurer
(principal accounting and financial 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 June 30, 2024 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 August 14, 2024.

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, Cory E. Gilbert, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 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 August 14, 2024.

By: /s/ CORY E. GILBERT
Cory E. Gilbert
Chief Financial Officer and Treasurer

**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 June 30, 2024 (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: August 14, 2024

**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 June 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Cory E. Gilbert, 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/ CORY E. GILBERT

Cory E. Gilbert

Date: August 14, 2024