

# MSC

INCOME FUND

## Dividend Update and FAQ's

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August 2024

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## MSIF Announces Dividends to Shareholders

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**On August 13, 2024, the Company's Board of Directors (the Board) declared a quarterly cash dividend of \$0.18 per share**

- The dividend will be payable on November 1, 2024 to holders as of the record date of September 30, 2024
- Prior to Main Street<sup>(1)</sup> assuming the role of investment adviser, the Company's dividends were suspended beginning in July 2020 due to constrained liquidity and reduced net investment income from the impacts of the COVID-19 pandemic
- Since Main Street<sup>(1)</sup> was appointed as the investment adviser and administrator of the Company on October 30, 2020, the Company has announced 15 consecutive quarterly dividends beginning in April 2021 totaling an aggregate amount of \$2.42 per share to date
- The November 1, 2024 quarterly dividend represents an annualized dividend rate of \$0.72 per share, which is greater than the Company's historical annualized dividend rate of \$0.70 per share paid prior to suspending the Company's dividends in July 2020

(1) Through MSC Adviser I, LLC, a wholly owned subsidiary of Main Street Capital Corporation

## MSIF Announces Dividends to Shareholders (continued)

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**After being appointed the sole investment adviser to the Company, Main Street<sup>(1)</sup> has increased MSIF's access to capital and liquidity by:**

1. Structuring a new revolving credit facility with JPMorgan Chase Bank, replacing a prior credit facility that provided no liquidity to the Company; this facility was amended in August 2023 to extend the maturity date to February 3, 2028 with \$300 million in total commitments
2. Amending the Company's corporate revolver with EverBank, formerly TIAA Bank, to (i) increase total commitments by \$35 million to \$165 million with an accordion feature allowing up to \$200 million in total commitments, (ii) reduce the interest rate and (iii) lower the Asset Coverage Ratio covenant to 2.0:1.0 (previously 2.1:1.0)
3. Obtaining an investment grade rating of BBB- with stable outlook from Kroll Bond Rating Agency, which was reaffirmed in October 2023
4. Facilitating the issuance of \$150 million in aggregate principal amount 4.04% Series A Senior Notes due 2026 (Series A Notes); unsecured, fixed-rate debt with a five-year maturity

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## Quarterly Dividend Plan

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### Expectation of future quarterly dividends

- The quarterly dividend of \$0.18 per share payable on November 1, 2024, represents a \$0.005 (or 2.9%) increase from the dividend paid in November 2023 and is consistent with the prior quarterly dividend paid on August 1, 2024
- The Company expects to continue paying quarterly dividends in the future and such dividends will fluctuate over time based upon the level of MSIF's operating performance and financial results
- Quarterly dividends are subject to the approval of the Board

## Frequently Asked Questions

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### **Q: Who will be entitled to receive dividends?**

A: All shareholders who hold shares in the Company as of the Record Date (which is established by the Company when a dividend is declared) will be eligible to receive dividends on those shares. For example, if Holder A holds shares of the Company's common stock on September 26, 2024, but transfers the shares on September 27, 2024, Holder A would not receive a dividend declared to shareholders with a Record Date as of September 30, 2024, and such dividend would instead be paid to the transferee of Holder A's shares. Conversely, if Holder A transfers shares on October 1, 2024, Holder A will still receive the dividend with a Record Date as of September 30, 2024 that is paid on November 1, 2024.

### **Q: Will I receive my dividends in cash or additional shares of common stock?**

A: Shareholders who have previously "opted in" to the dividend reinvestment plan (the DRIP) will have their dividends automatically re-invested in shares of the Company's common stock. If you would like to change your DRIP election, the Account Maintenance Form is available on the Company's website at [www.mscomefund.com/investors/forms](http://www.mscomefund.com/investors/forms) under the "Investors" tab. If you do not know how you have elected to receive dividends, please contact the investor relations group at **888-220-6121**.

## Frequently Asked Questions (Continued)

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**Q: Are dividends taxable to shareholders and, if so, at what rate?**

A: Following the end of each year we provide a Form 1099-DIV and a tax status letter to the Company's shareholders that describe the tax characteristics of the dividends paid in the preceding year, including a breakdown of such dividends between ordinary income, capital gains, qualified dividends and return of capital for tax purposes. DRIP participants are taxed on the dividends received as if they had received cash. For information about taxes in respect of dividends received by you, you should consult your own tax advisor.

**Q: Does the Company offer a share repurchase program?**

A: As previously announced, the Company reinstated its quarterly Share Repurchase Program in April 2021. We anticipate the Company's next repurchase offer to begin on September 26, 2024 with the offering expiring at 5:00 P.M. central time on October 28, 2024.

**Q: Who is eligible to participate in the Share Repurchase Program?**

A: All shareholders holding shares prior to the expiration date of a repurchase tender offer are eligible to tender their shares for repurchase by the Company.

## Frequently Asked Questions (Continued)

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**Q: How do I tender my shares for repurchase through the Share Repurchase Program?**

A: If your shares are registered in your name, you will receive instructions on how to access the tender offer materials in the mail. These materials must be completed and returned to the Company in proper form, before the applicable expiration date. If your shares are custodian held or broker controlled, your materials must be submitted timely and in proper form by your custodian or broker on your behalf. Tender offer materials are also posted to the Company's website [www.mscomefund.com/investors/forms](http://www.mscomefund.com/investors/forms) upon commencement of the tender offer.

**Q: Are there any conditions to the repurchase offers under the Share Repurchase Program?**

A: Yes. If the amount of repurchase requests exceeds the number of shares the Company offers to repurchase, the Company will repurchase shares on a pro-rata basis, subject to "odd lot" priority, in accordance with the number of shares duly tendered by or on behalf of each shareholder.



## Frequently Asked Questions (Continued)

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**Q: How many shares does the Company offer to repurchase through its Share Repurchase Program?**

A: The Company's repurchase of shares tendered from existing shareholders in any quarter will be limited to the lesser of:

- (i) 90% of the number of shares the Company can repurchase with the proceeds it receives from the issuance of shares under the Company's DRIP; and
- (ii) 2.5% of the weighted average number of shares outstanding in the prior four calendar quarters.

The Company currently expects to retain 10% of the proceeds it receives from the issuance of shares under the DRIP to continue to improve the Company's liquidity position and capital structure.

**Q: How can I make sure I receive the latest updates with respect to the Company?**

A: Shareholders can sign up for e-mail updates through the Company's website at [www.mscomefund.com/news/email-alerts](http://www.mscomefund.com/news/email-alerts) to receive the most recent news regarding the Company.

## Frequently Asked Questions (Continued)

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**Q: When does the Company expect to provide significant updates to its shareholders?**

A: At a minimum, the Company expects to provide updates on its website upon the occurrence of any of the following:

- a. At the end of each fiscal quarter when the Company provides its quarterly financial reporting
- b. Upon the approval of significant events by the Board
- c. All activities or events involving dividends or liquidity opportunities for the Company's shareholders

## Frequently Asked Questions (Continued)

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

A: Dwayne L. Hyzak  
Chief Executive Officer  
713-350-6000  
[dhyzak@mainstcapital.com](mailto:dhyzak@mainstcapital.com)

Cory E. Gilbert  
Chief Financial Officer & Treasurer  
713-350-6000  
[cgilbert@mainstcapital.com](mailto:cgilbert@mainstcapital.com)

Alejandro Palomo  
VP, Shareholder Relations, Asset Management Business  
713-350-6000  
[apalomo@mainstcapital.com](mailto:apalomo@mainstcapital.com)

**Q: Whom can I contact for information about my account?**

A: Hines Securities Investor Relations  
**888-220-6121**