


**BlueVault**  
 PARTNERS, LLC

# BDC Industry Review: Third Quarter 2013

## HMS Income Fund Inc.

Total Assets.....	\$45.9 Million
Investments.....	\$38.4 Million
Cash & Equivalents.....	\$1.9 Million
Other.....	\$5.6 Million

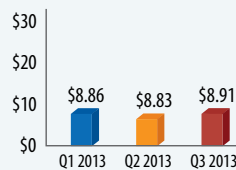


Public Offering Price: .....	\$10.00
Current Distribution Rate*:	7.00%
Reinvestment Price Per Share:.....	90% POP
Effective Date:.....	June 4, 2012
Number of Months Effective:.....	17

\*Current distribution rate based on public offering price

Cash & Equivalents to Total Assets Ratio:.....	4.2%
Asset Type: .....	Diversified Private Debt
Number of Companies in Portfolio: .....	41
Sponsor/Advisor: .....	Hines
Sub-Advisor:.....	Main Street Capital Corporation
Use of Total Return Swap (TRS): .....	No
Assets of TRS: .....	Not Applicable

### Historical Price (Net Asset Value)



### Investment Strategy

#### Strategy:

Generate current income and to a lesser, extent capital gains primarily through debt and equity investments in privately owned U.S. lower middle market companies as well as upper middle market firms.

#### Company Size:

Annual revenues of \$10 million to \$150 million (lower middle market) up to \$3 billion (upper middle market)

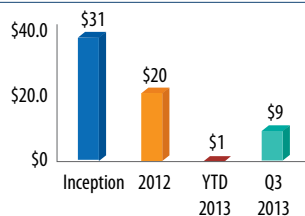
### Management

Investments are managed by HMS Adviser, a Hines subsidiary, and sub-advised by Main Street Capital. Main Street provides sourcing, evaluation, negotiation and structuring for HMS's investments.

**Hines** – A global real estate investment firm that manages or has interests in over \$23 billion of investments. Together with its predecessor, Hines has been investing and managing real estate for over 50 years.

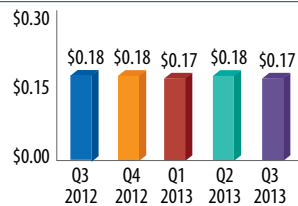
**Main Street Capital** – A manager of private debt and equity investments, Main Street Capital Corp. is a publicly traded BDC with a market capitalization of roughly \$1.25 billion.

### Gross Offering Proceeds



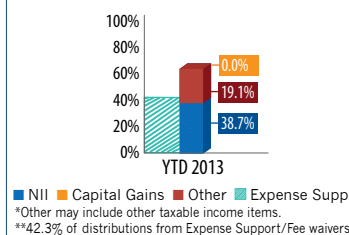
\*Includes reinvested distributions (in millions)

### Historical Distribution Per Share

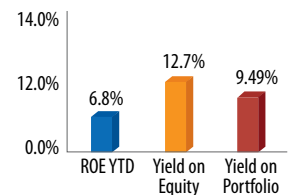


\*Does not include special distributions

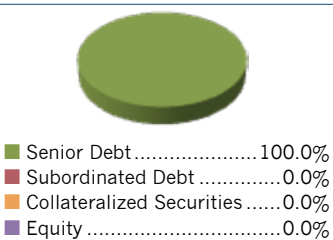
### Sources of Distributions



### Portfolio Yields



### Portfolio by Asset Type



### Portfolio Concentration – Top 5 Industries

Industry	YTD 2013	2012
IT Services	8%	12%
Textiles, Apparel, and Luxury Goods	7%	12%
Healthcare Providers and Services	5%	0%
Environmental and Facilities Services	5%	0%
Hotels, Restaurants, and Leisure	5%	0%

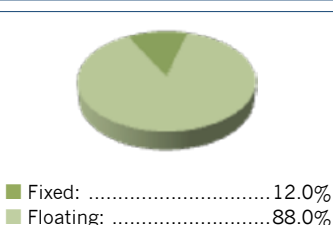
\* Short-term Treasury Investments not included

### Performance Returns

	YTD 2013
HMS Income Fund Inc.	6.48%
S&P/LSTA Leveraged Loan Index	3.53%
BofA Merrill Lynch High Yield Master II	3.79%

\* Annualized Returns based on NAV plus reinvestment of distributions

### Floating vs. Fixed Rate Investments



### Key Statistics

Fund Operating Expense Ratio.....	15.5%
Interest Coverage Ratio.....	6.8x
Weighted Average Interest Rate .....	4.4%
Leverage Ratio.....	24.6%
Taxable Income Payout Ratio.....	124%
Net Change in Assets Payout Ratio.....	86%
Expense Support % of Distribution.....	42%

### Contact Information

[www.HinesSecurities.com/BDCS/HMS-Income-Fund/SCDistributors](http://www.HinesSecurities.com/BDCS/HMS-Income-Fund/SCDistributors)  
**Hines Securities**  
 2800 Post Oak Boulevard, Suite 4700, Houston, TX 77056  
 888.446.3773

\* See additional notes on page 19.

© 2013 Blue Vault Reports. All rights reserved. The information contained herein is not represented to be guaranteed, complete or timely. Past performance is not indicative of future results. The reproduction and distribution of the Blue Vault Partners BDC Industry Review is strictly prohibited. Information contained in the Blue Vault Partners BDC Industry Review should not be considered investment advice. For additional information please call 877-256-2304.