

BDC Industry Review: Fourth Quarter 2014

HMS Income Fund Inc.

Total Assets.....\$506.2 Million
 Investments.....\$473.9 Million
 Cash & Equivalents.....\$19.9 Million
 Other.....\$12.5 Million

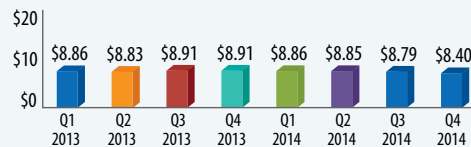


Public Offering Price:\$9.75
 Current Distribution Rate*:7.18%
 Reinvestment Price Per Share:.....90% POP
 Effective Date:.....June 4, 2012
 Number of Months Effective:.....30

*Current distribution rate based on public offering price declared January 9, 2015

Cash & Equivalents to Total Assets Ratio:.....3.9%
 Asset Type: Diversified Private Debt
 Number of Companies in Portfolio:109
 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)

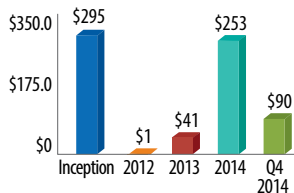
Management

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 \$25.2 billion of investments. Together with its predecessor, Hines has been investing and managing real estate for over 50 years..

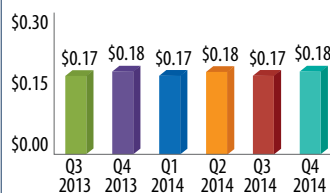
Main Street Capital – A manager of private debt and equity investments, Main Street Capital Corp. is a publicly traded BDC with a market capitalization of roughly \$2 billion.

Gross Offering Proceeds



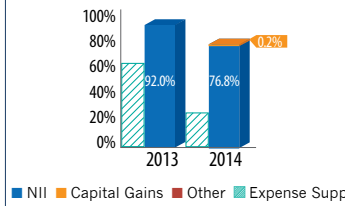
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



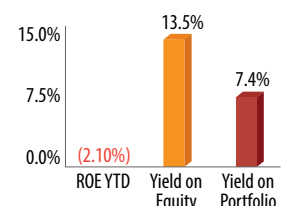
*Does not include special distributions

Sources of Distributions



*Other may include other taxable income items.
 **20.3% from Fee Waivers

Portfolio Yields



*ROE was -2.10% for the year 2014

Portfolio by Asset Type



Senior Debt.....97.1%
 Subordinated Debt.....0.5%
 Collateralized Securities.....0.0%
 Equity.....2.4%

Portfolio Concentration – Top 5 Industries

Industry	2014 YTD	2013
Media	9%	7%
Hotels, Restaurants, and Leisure	8%	5%
IT Services	7%	11%
Food Products	5%	1%
Oil, Gas, and Consumable Fuels	5%	5%

* Short-term Treasury Investments not included

Performance Returns

	2014 YTD*	2013*	2012
HMS Income Fund Inc.	2.13%	8.47%	10.85%
S&P/LSTA Leveraged Loan Index	0.99%	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	2.50%	7.42%	15.58%

* YTD returns are not annualized
 ** Limited operations for year of 2012, became effective 2/14/12

Floating vs. Fixed Rate Investments



Fixed:16.0%
 Floating:84.0%

Key Statistics

Fund Operating Expense Ratio.....6.2%
 Interest Coverage Ratio.....5.8x
 Weighted Average Interest Rate1.8%
 Leverage Ratio.....36.0%
 Taxable Income Payout Ratio*100.0%
 Net Change in Assets Payout Ratio(374.0%)
 Expense Support % of Distribution.....20.0%

www.HinesSecurities.com/BDCS/HMS-Income-Fund
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*See additional notes on page 19.