

Main Street Capital CORP  
Form 497  
November 02, 2018

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

**Filed Pursuant to Rule 497**

**Registration Statement No. 333-223483**

Supplement, dated November 2, 2018

to

Prospectus, dated April 27, 2018,

Prospectus Supplement, dated May 8, 2018

and

Prospectus Supplement, dated May 10, 2018

This supplement contains information which amends, supplements or modifies certain information contained in the Prospectus of Main Street Capital Corporation (the Company ) dated April 27, 2018 (the Prospectus ), as supplemented by the Prospectus Supplement dated May 8, 2018 (the DSPP Prospectus Supplement ) and the Prospectus Supplement dated May 10, 2018 (the ATM Prospectus Supplement and, together with the DSPP Prospectus Supplement, the Prospectus Supplements ), each as further supplemented from time to time including hereby. Capitalized terms used but not defined herein shall have the same meaning given them in the Prospectus Supplements or Prospectus, as applicable.

***Investing in our common stock involves a high degree of risk, and should be considered highly speculative. See Risk Factors beginning on page 15 of the Prospectus, Supplementary Risk Factors beginning on page S-6 of the DSPP Prospectus Supplement and in Annex A hereto to read about factors you should consider, including the risk of leverage and dilution, before investing in our common stock.***

**STATUS OF OUR OFFERINGS**

## Edgar Filing: Main Street Capital CORP - Form 497

On May 10, 2018, we established an at-the-market program to which the ATM Prospectus Supplement relates and through which we may sell, from time to time and at our sole discretion up to 4,500,000 shares of our common stock. As of the date hereof, we have sold 1,347,142 shares of our common stock for net proceeds of approximately \$51.8 million, after commissions to the Sales Agents on shares sold and offering costs, under the at-the-market program. As a result, 3,152,858 shares of our common stock remain available for sale under the at-the-market program.

On July 18, 2017, we established a Dividend Reinvestment and Direct Stock Purchase Plan (the Plan), which includes the direct stock purchase feature to which the DSPP Prospectus Supplement relates. We are offering up to 1,000,000 shares of our common stock pursuant to the DSPP Prospectus Supplement, and, from May 8, 2018 through the date hereof, we have sold 4,867 shares of our common stock for gross proceeds of approximately \$0.2 million thereunder. As a result, 995,133 shares of our common stock remain available for sale under the DSPP Prospectus Supplement.

### FORM 10-Q

On November 2, 2018, we filed our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 (the Report) with the Securities and Exchange Commission. We have attached the Report as Annex A to this supplement.

---

Table of Contents

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

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

**For the quarterly period ended September 30, 2018**

**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: 001-33723**

**Main Street Capital Corporation**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**41-2230745**  
(I.R.S. Employer  
Identification No.)

**1300 Post Oak Boulevard, 8<sup>th</sup> Floor**  
**Houston, TX**  
(Address of principal executive offices)

**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)

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required

## Edgar Filing: Main Street Capital CORP - Form 497

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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

The number of shares outstanding of the issuer's common stock as of November 1, 2018 was 60,993,821.

---

Table of Contents

**TABLE OF CONTENTS**

**PART I  
FINANCIAL INFORMATION**

|         |  |            |
|---------|--|------------|
| Item 1. | Consolidated Financial Statements  |            |
|         | <u>Consolidated Balance Sheets September 30, 2018 (unaudited) and December 31, 2017</u>  | <u>1</u>   |
|         | <u>Consolidated Statements of Operations (unaudited) Three and nine months ended September 30, 2018 and 2017</u>                     | <u>2</u>   |
|         | <u>Consolidated Statements of Changes in Net Assets (unaudited) Nine months ended September 30, 2018 and 2017</u>                    | <u>3</u>   |
|         | <u>Consolidated Statements of Cash Flows (unaudited) Nine months ended September 30, 2018 and 2017</u>                               | <u>4</u>   |
|         | <u>Consolidated Schedule of Investments (unaudited) September 30, 2018</u>   | <u>5</u>   |
|         | <u>Consolidated Schedule of Investments December 31, 2017</u>  | <u>31</u>  |
|         | <u>Notes to Consolidated Financial Statements (unaudited)</u>  | <u>56</u>  |
|         | <u>Consolidated Schedules of Investments in and Advances to Affiliates (unaudited) Nine months ended September 30, 2018 and 2017</u> | <u>99</u>  |
| Item 2. | <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>   | <u>109</u> |
| Item 3. | <u>Quantitative and Qualitative Disclosures about Market Risk</u>  | <u>132</u> |
| Item 4. | <u>Controls and Procedures</u>   | <u>133</u> |

**PART II  
OTHER INFORMATION**

|          |  |            |
|----------|--|------------|
| Item 1.  | <u>Legal Proceedings</u>   | <u>134</u> |
| Item 1A. | <u>Risk Factors</u>  | <u>134</u> |
| Item 2.  | <u>Unregistered Sales of Equity Securities and Use of Proceeds</u> | <u>134</u> |
| Item 6.  | <u>Exhibits</u>  | <u>134</u> |
|          | <u>Signatures</u>  | <u>135</u> |

---

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Balance Sheets****(dollars in thousands, except shares and per share amounts)**

|   | <b>September 30,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|---|-------------------------------|------------------------------|
|   | <b>(Unaudited)</b>            |                              |
| <b>ASSETS</b>   |                               |                              |
| Investments at fair value:  |                               |                              |
| Control investments (cost: \$717,220 and \$530,034 as of September 30, 2018 and December 31, 2017, respectively)  | \$ 967,128                    | \$ 750,706                   |
| Affiliate investments (cost: \$389,450 and \$367,317 as of September 30, 2018 and December 31, 2017, respectively)  | 373,444                       | 338,854                      |
| Non-Control/Non-Affiliate investments (cost: \$1,105,048 and \$1,107,447 as of September 30, 2018 and December 31, 2017, respectively)  | 1,086,301                     | 1,081,745                    |
| Total investments (cost: \$2,211,718 and \$2,004,798 as of September 30, 2018 and December 31, 2017, respectively)  | 2,426,873                     | 2,171,305                    |
| Cash and cash equivalents   | 50,303                        | 51,528                       |
| Interest receivable and other assets  | 37,339                        | 36,343                       |
| Receivable for securities sold  | 5,363                         | 2,382                        |
| Deferred financing costs (net of accumulated amortization of \$6,329 and \$5,600 as of September 30, 2018 and December 31, 2017, respectively)  | 4,585                         | 3,837                        |
| Total assets  | \$ 2,524,463                  | \$ 2,265,395                 |
| <b>LIABILITIES</b>  |                               |                              |
| Credit facility   | \$ 250,000                    | \$ 64,000                    |
| SBIC debentures (par: \$345,800 and \$295,800 as of September 30, 2018 and December 31, 2017, respectively)   | 337,931                       | 288,483                      |
| 4.50% Notes due 2022 (par: \$185,000 as of both September 30, 2018 and December 31, 2017)   | 182,471                       | 182,015                      |
| 4.50% Notes due 2019 (par: \$175,000 as of both September 30, 2018 and December 31, 2017)   | 174,157                       | 173,616                      |
| 6.125% Notes (par: \$90,655 as of December 31, 2017)  |                               | 89,057                       |
| Accounts payable and other liabilities  | 19,252                        | 20,168                       |
| Payable for securities purchased  | 22,425                        | 40,716                       |
| Interest payable  | 6,731                         | 5,273                        |
| Dividend payable  | 11,889                        | 11,146                       |
| Deferred tax liability, net   | 14,165                        | 10,553                       |
| Total liabilities   | 1,019,021                     | 885,027                      |
| Commitments and contingencies (Note M)  |                               |                              |
| <b>NET ASSETS</b>   |                               |                              |
| Common stock, \$0.01 par value per share (150,000,000 shares authorized; 60,962,505 and 58,660,680 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)  | 610                           | 586                          |
| Additional paid-in capital  | 1,396,256                     | 1,310,780                    |
| Accumulated net investment income, net of cumulative dividends of \$770,516 and \$662,563 as of September 30, 2018 and December 31, 2017, respectively  | 13,155                        | 7,921                        |
| Accumulated net realized gain from investments (accumulated net realized gain from investments of \$65,808 before cumulative dividends of \$135,871 as of September 30, 2018 and accumulated net realized gain from investments of \$64,576 before cumulative dividends of \$124,690 as of December 31, 2017) | (70,063)                      | (60,114)                     |
| Net unrealized appreciation, net of income taxes  | 165,484                       | 121,195                      |
| Total net assets  | 1,505,442                     | 1,380,368                    |
| Total liabilities and net assets  | \$ 2,524,463                  | \$ 2,265,395                 |

|                                  |    |       |    |       |
|----------------------------------|----|-------|----|-------|
| <b>NET ASSET VALUE PER SHARE</b> | \$ | 24.69 | \$ | 23.53 |
|----------------------------------|----|-------|----|-------|

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

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Statements of Operations****(dollars in thousands, except shares and per share amounts)****(Unaudited)**

|   | <b>Three Months Ended<br/>September 30,</b> |                  | <b>Nine Months Ended<br/>September 30,</b> |                   |
|---|---|------------------|--|-------------------|
|   | <b>2018</b>                                 | <b>2017</b>      | <b>2018</b>                                | <b>2017</b>       |
| <b>INVESTMENT INCOME:</b>                                   |   |                  |  |                   |
| Interest, fee and dividend income:                          |   |                  |  |                   |
| Control investments   | \$ 18,926                                   | \$ 15,145        | \$ 64,756                                  | \$ 42,720         |
| Affiliate investments                                       | 9,643                                       | 10,134           | 27,230                                     | 29,601            |
| Non-Control/Non-Affiliate investments                       | 29,694                                      | 26,507           | 82,089                                     | 77,623            |
| Total investment income                                     | 58,263                                      | 51,786           | 174,075                                    | 149,944           |
| <b>EXPENSES:</b>  |   |                  |  |                   |
| Interest  | (10,884)                                    | (9,420)          | (31,982)                                   | (26,820)          |
| Compensation  | (5,798)                                     | (4,777)          | (16,962)                                   | (13,762)          |
| General and administrative                                  | (2,951)                                     | (2,748)          | (9,023)                                    | (8,748)           |
| Share-based compensation                                    | (2,147)                                     | (2,476)          | (6,883)                                    | (7,542)           |
| Expenses allocated to the External Investment Manager       | 1,592                                       | 1,664            | 5,336                                      | 4,816             |
| Total expenses  | (20,188)                                    | (17,757)         | (59,514)                                   | (52,056)          |
| <b>NET INVESTMENT INCOME</b>                                | <b>38,075</b>                               | <b>34,029</b>    | <b>114,561</b>                             | <b>97,888</b>     |
| <b>NET REALIZED GAIN (LOSS):</b>                            |   |                  |  |                   |
| Control investments   |   | (2,848)          | 4,681                                      | 259               |
| Affiliate investments                                       | 1,898                                       | (9,896)          | 1,898                                      | 12,920            |
| Non-Control/Non-Affiliate investments                       | 7,340                                       | 2,038            | (3,825)                                    | 14,663            |
| Realized loss on extinguishment of debt                     |   |                  | (2,896)                                    | (5,217)           |
| Total net realized gain (loss)                              | 9,238                                       | (10,706)         | (142)                                      | 22,625            |
| <b>NET UNREALIZED APPRECIATION (DEPRECIATION):</b>          |   |                  |  |                   |
| Control investments   | 30,285                                      | 14,171           | 33,357                                     | 31,217            |
| Affiliate investments                                       | 3,135                                       | 8,783            | 16,997                                     | (18,013)          |
| Non-Control/Non-Affiliate investments                       | (8,159)                                     | (6,586)          | (3,264)                                    | (17,562)          |
| SBIC debentures   | (53)  | (221)            | 1,296                                      | 5,408             |
| Total net unrealized appreciation                           | 25,208                                      | 16,147           | 48,386                                     | 1,050             |
| <b>INCOME TAXES:</b>  |   |                  |  |                   |
| Federal and state income, excise and other taxes            | (759)                                       | (799)            | (793)                                      | (2,489)           |
| Deferred taxes  | (3,022)                                     | (3,772)          | (3,304)                                    | (9,894)           |
| Income tax provision  | (3,781)                                     | (4,571)          | (4,097)                                    | (12,383)          |
| <b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b> | <b>\$ 68,740</b>                            | <b>\$ 34,899</b> | <b>\$ 158,708</b>                          | <b>\$ 109,180</b> |



Edgar Filing: Main Street Capital CORP - Form 497

|  |    |      |    |      |    |      |    |      |
|--|----|------|----|------|----|------|----|------|
| <b>NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED</b> | \$ | 0.63 | \$ | 0.60 | \$ | 1.91 | \$ | 1.74 |
|--|----|------|----|------|----|------|----|------|

|   |    |      |    |      |    |      |    |      |
|---|----|------|----|------|----|------|----|------|
| <b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE BASIC AND DILUTED</b> | \$ | 1.13 | \$ | 0.61 | \$ | 2.65 | \$ | 1.94 |
|---|----|------|----|------|----|------|----|------|

**DIVIDENDS PAID PER SHARE:**

|                           |    |       |    |       |    |       |    |       |
|---------------------------|----|-------|----|-------|----|-------|----|-------|
| Regular monthly dividends | \$ | 0.570 | \$ | 0.555 | \$ | 1.710 | \$ | 1.665 |
| Supplemental dividends    |    |       |    |       |    | 0.275 |    | 0.275 |

|                        |    |       |    |       |    |       |    |       |
|------------------------|----|-------|----|-------|----|-------|----|-------|
| <b>Total dividends</b> | \$ | 0.570 | \$ | 0.555 | \$ | 1.985 | \$ | 1.940 |
|------------------------|----|-------|----|-------|----|-------|----|-------|

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| <b>WEIGHTED AVERAGE SHARES OUTSTANDING BASIC AND DILUTED</b> | 60,807,096 | 57,109,104 | 59,836,527 | 56,140,953 |
|--|------------|------------|------------|------------|

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

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Statements of Changes in Net Assets**

(dollars in thousands, except shares)

(Unaudited)

|   | Common Stock |        |              | Accumulated  | Accumulated | Net          | Total Net    |
|---|--------------|--------|--------------|--------------|-------------|--------------|--------------|
|   | Number of    | Par    | Additional   | Net          | Realized    | Unrealized   | Asset Value  |
|   | Shares       | Value  | Paid-In      | Investment   | Gain From   | Appreciation |              |
|   |              |        | Capital      | Income, Net  | Net of      | from         |              |
|   |              |        |              | of Dividends | Dividends   | Investments, |              |
|   |              |        |              |              |             | Net of       |              |
|   |              |        |              |              |             | Income       |              |
|   |              |        |              |              |             | Taxes        |              |
|   |              |        |              |              |             |              |              |
| <b>Balances at December 31, 2016</b>                          | 54,354,857   | \$ 543 | \$ 1,143,883 | \$ 19,033    | \$ (58,887) | \$ 96,909    | \$ 1,201,481 |
| Public offering of common stock, net of offering costs        | 3,119,581    | 31     | 118,087      |              |             |              | 118,118      |
| Share-based compensation                                      |              |        | 7,542        |              |             |              | 7,542        |
| Purchase of vested stock for employee payroll tax withholding | (113,371)    | (1)    | (4,350)      |              |             |              | (4,351)      |
| Investment through issuance of unregistered shares            | 11,464       |        | 442          |              |             |              | 442          |
| Dividend reinvestment   | 158,301      | 2      | 6,085        |              |             |              | 6,087        |
| Amortization of directors' deferred compensation              |              |        | 488          |              |             |              | 488          |
| Issuance of restricted stock, net of forfeited shares         | 225,361      | 2      | (2)          |              |             |              |              |
| Dividends to stockholders                                     |              |        |              | (82,605)     | (26,716)    |              | (109,321)    |
| Net increase (decrease) resulting from operations             |              |        |              | 92,671       | 27,842      | (11,333)     | 109,180      |
| <b>Balances at September 30, 2017</b>                         | 57,756,193   | \$ 577 | \$ 1,272,175 | \$ 29,099    | \$ (57,761) | \$ 85,576    | \$ 1,329,666 |
| <b>Balances at December 31, 2017</b>                          | 58,660,680   | \$ 586 | \$ 1,310,780 | \$ 7,921     | \$ (60,114) | \$ 121,195   | \$ 1,380,368 |
| Public offering of common stock, net of offering costs        | 1,907,519    | 19     | 72,318       |              |             |              | 72,337       |
| Share-based compensation                                      |              |        | 6,883        |              |             |              | 6,883        |
| Purchase of vested stock for employee payroll tax withholding | (109,693)    | (1)    | (4,076)      |              |             |              | (4,077)      |
| Dividend reinvestment   | 253,125      | 3      | 9,720        |              |             |              | 9,723        |
| Amortization of directors' deferred compensation              |              |        | 634          |              |             |              | 634          |
| Issuance of restricted stock, net of forfeited shares         | 250,874      | 3      | (3)          |              |             |              |              |
| Dividends to stockholders                                     |              |        |              | (107,953)    | (11,181)    |              | (119,134)    |
| Net increase resulting from operations                        |              |        |              | 113,187      | 1,232       | 44,289       | 158,708      |
| <b>Balances at September 30, 2018</b>                         | 60,962,505   | \$ 610 | \$ 1,396,256 | \$ 13,155    | \$ (70,063) | \$ 165,484   | \$ 1,505,442 |

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



Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Statements of Cash Flows****(dollars in thousands)****(Unaudited)**

|   | <b>Nine Months Ended<br/>September 30,</b> |                  |
|---|--|------------------|
|   | <b>2018</b>                                | <b>2017</b>      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |                  |
| Net increase in net assets resulting from operations  | \$ 158,708                                 | \$ 109,180       |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities: |  |                  |
| Investments in portfolio companies  | (766,483)                                  | (743,695)        |
| Proceeds from sales and repayments of debt investments in portfolio companies   | 480,738                                    | 527,562          |
| Proceeds from sales and return of capital of equity investments in portfolio companies                                  | 71,010                                     | 80,078           |
| Net unrealized appreciation   | (48,386)                                   | (1,050)          |
| Net realized (gain) loss  | 142  | (22,625)         |
| Accretion of unearned income  | (11,253)                                   | (12,403)         |
| Payment-in-kind interest  | (1,760)                                    | (4,122)          |
| Cumulative dividends  | (1,735)                                    | (2,711)          |
| Share-based compensation expense  | 6,883                                      | 7,542            |
| Amortization of deferred financing costs  | 2,482                                      | 2,022            |
| Deferred tax provision  | 3,304                                      | 9,894            |
| Changes in other assets and liabilities:  |  |                  |
| Interest receivable and other assets  | (1,170)                                    | (2,848)          |
| Interest payable  | 1,458                                      | (494)            |
| Accounts payable and other liabilities  | (282)                                      | 640              |
| Deferred fees and other   | 2,969                                      | 2,050            |
| Net cash used in operating activities   | (103,375)                                  | (50,980)         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |  |                  |
| Proceeds from public offering of common stock, net of offering costs  | 72,337                                     | 118,118          |
| Dividends paid  | (108,668)                                  | (102,347)        |
| Proceeds from issuance of SBIC debentures   | 54,000                                     | 60,000           |
| Repayments of SBIC debentures   | (4,000)                                    | (25,200)         |
| Redemption of 6.125% Notes  | (90,655)                                   |                  |
| Proceeds from credit facility   | 516,000                                    | 394,000          |
| Repayments on credit facility   | (330,000)                                  | (382,000)        |
| Payment of deferred issuance costs and SBIC debenture fees  | (2,787)                                    | (1,576)          |
| Purchases of vested stock for employee payroll tax withholding  | (4,077)                                    | (4,351)          |
| Net cash provided by financing activities   | 102,150                                    | 56,644           |
| Net increase (decrease) in cash and cash equivalents  | (1,225)                                    | 5,664            |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>   | <b>51,528</b>                              | <b>24,480</b>    |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>   | <b>\$ 50,303</b>                           | <b>\$ 30,144</b> |

**Supplemental cash flow disclosures:**

Edgar Filing: Main Street Capital CORP - Form 497

|                                       |    |        |    |        |
|---------------------------------------|----|--------|----|--------|
| Interest paid                         | \$ | 27,948 | \$ | 25,200 |
| Taxes paid                            | \$ | 4,725  | \$ | 3,162  |
| <b>Non-cash financing activities:</b> |    |        |    |        |
| Shares issued pursuant to the DRIP    | \$ | 9,723  | \$ | 6,087  |

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

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>       | <b>Investment Date(26)</b> | <b>Business Description</b>                           | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b>          | <b>Fair Value(18)</b> |
|---------------------------------------|----------------------------|---|--|---------------------|-------------------------|-----------------------|
| <b><u>Control Investments(5)</u></b>  |                            |   |  |                     |                         |                       |
| <b>Access Media Holdings, LLC(10)</b> | July 22, 2015              | Private Cable Operator                                | 10% PIK Secured Debt (Maturity July 22, 2020)(14)(19)<br>Preferred Member Units (9,279,000 units)(27)<br>Member Units (45 units) | \$ 23,828           | \$ 23,828<br>9,173<br>1 | \$ 15,120<br>(487)    |
|                                       |                            |   |  |                     | 33,002                  | 14,633                |
| <b>ASC Interests, LLC</b>             | August 1, 2013             | Recreational and Educational Shooting Facility        | 11% Secured Debt (Maturity July 31, 2020)<br>Member Units (1,500 units)  | 1,650               | 1,617<br>1,500          | 1,617<br>1,370        |
|                                       |                            |   |  |                     | 3,117                   | 2,987                 |
| <b>ATS Workholding, LLC(10)</b>       | March 10, 2014             | Manufacturer of Machine Cutting Tools and Accessories | 5% Secured Debt (Maturity November 16, 2021)<br>Preferred Member Units (3,725,862 units)   | 4,772               | 4,374<br>3,726          | 4,374<br>3,726        |
|                                       |                            |   |  |                     | 8,100                   | 8,100                 |
| <b>Bond-Coat, Inc.</b>                | December 28, 2012          | Casing and Tubing Coating Services                    | 12% Secured Debt (Maturity December 28, 2020)<br>Common Stock (57,508 shares)  | 11,596              | 11,343<br>6,350         | 11,596<br>9,370       |
|                                       |                            |   |  |                     | 17,693                  | 20,966                |
| <b>Brewer Crane Holdings, LLC</b>     | January 9, 2018            | Provider of Crane Rental and Operating Services       | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.10%, Secured Debt   | 9,672               | 9,586                   | 9,586                 |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                |   |   |        |        |
|---|----------------|---|---|--------|--------|
|   |                |   | (Maturity January 9, 2023)(9)<br>Preferred Member Units<br>(2,950 units)(8)                       | 4,280  | 4,280  |
|   |                |   |   | 13,866 | 13,866 |
| <b>Café Brazil, LLC</b>                 | April 20, 2004 | Casual Restaurant Group                             | Member Units (1,233 units)(8)   | 1,742  | 4,780  |
| <b>California Splendor Holdings LLC</b> | March 30, 2018 | Processor of Frozen Fruits                          | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.38%, Secured Debt (Maturity March 30, 2023)(9)  | 14,991 | 14,818 |
|   |                |   | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.38%, Secured Debt (Maturity March 30, 2023)(9) | 28,000 | 27,744 |
|   |                |   | Preferred Member Units (6,157 units)(8)   | 10,775 | 10,775 |
|   |                |   |   | 53,337 | 53,337 |
| <b>CBT Nuggets, LLC</b>                 | June 1, 2006   | Produces and Sells IT Training Certification Videos | Member Units (416 units)(8)   | 1,300  | 62,090 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b> | <b>Investment Date(26)</b> | <b>Business Description</b>                    | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---------------------------------|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>Chamberlin Holding LLC</b>   | February 26, 2018          | Roofing and Waterproofing Specialty Contractor | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.38%, Secured Debt (Maturity February 26, 2023)(9) | 21,600              | 21,405         | 21,405                |
|                                 |                            |  | Member Units (4,347 units)(8)  |                     | 11,440         | 17,790                |
|                                 |                            |  |  |                     | 32,845         | 39,195                |
| <b>Charps, LLC</b>              | February 3, 2017           | Pipeline Maintenance and Construction          | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.10%, Secured Debt (Maturity February 3, 2022)(9)    | 1,600               | 1,587          | 1,587                 |
|                                 |                            |  | 12% Secured Debt (Maturity February 3, 2022)   | 15,900              | 15,783         | 15,783                |
|                                 |                            |  | Preferred Member Units (1,600 units)   |                     | 400            | 1,050                 |
|                                 |                            |  |  |                     | 17,770         | 18,420                |
| <b>Clad-Rex Steel, LLC</b>      | December 20, 2016          | Specialty Manufacturer of Vinyl-Clad Metal     | LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 11.60%, Secured Debt (Maturity December 20, 2021)(9)  | 12,480              | 12,392         | 12,480                |
|                                 |                            |  | Member Units (717 units)(8)  |                     | 7,280          | 10,380                |
|                                 |                            |  | 10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity December 20, 2036)                      | 1,167               | 1,156          | 1,167                 |
|                                 |                            |  |  |                     | 210            | 280                   |
|                                 |                            |  |  |                     | 21,038         | 24,307                |
| <b>CMS Minerals Investments</b> | January 30, 2015           | Oil & Gas Exploration & Production             | Member Units (CMS Minerals II, LLC) (100 units)(8)   |                     | 2,891          | 2,591                 |



Edgar Filing: Main Street Capital CORP - Form 497

**Copper Trail Fund Investments(12)(13)**

July 17, 2017 Investment Partnership

|  |       |       |
|--|-------|-------|
| LP Interests (CTMH, LP)<br>(Fully diluted 38.8%)                       | 872   | 872   |
| LP Interests (Copper Trail Energy Fund I, LP) (Fully diluted 30.1%)(8) | 3,270 | 3,499 |
|  | 4,142 | 4,371 |

**Datacom, LLC**

May 30, 2014 Technology and Telecommunications Provider

|  |        |        |        |
|--|--------|--------|--------|
| 8% Secured Debt<br>(Maturity May 30, 2019)(14)             | 1,800  | 1,800  | 1,690  |
| 10.50% PIK Secured Debt<br>(Maturity May 30, 2019)(14)(19) | 12,511 | 12,479 | 10,560 |
| Class A Preferred Member Units                             |        | 1,294  |        |
| Class B Preferred Member Units (6,453 units)               |        | 6,030  |        |
|  |        | 21,603 | 12,250 |

**Digital Products Holdings LLC**

April 1, 2018 Designer and Distributor of Consumer Electronics

|   |        |        |        |
|---|--------|--------|--------|
| LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.13%, Secured Debt<br>(Maturity April 1, 2023)(9) | 26,070 | 25,828 | 25,828 |
| Preferred Member Units<br>(3,451 shares)(8)   |        | 8,466  | 8,466  |
|   |        | 34,294 | 34,294 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>         | <b>Investment Date(26)</b> | <b>Business Description</b>                          | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>Direct Marketing Solutions, Inc.</b> | February 13, 2018          | Provider of Omni-Channel Direct Marketing Services   | LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.13%, Secured Debt (Maturity February 13, 2023)(9) | 18,252              | 18,073         | 18,073                |
|   |                            |  | Preferred Stock (8,400 shares)   |                     | 8,400          | 11,780                |
|   |                            |  |  |                     | 26,473         | 29,853                |
| <b>Gamber-Johnson Holdings, LLC</b>     | June 24, 2016              | Manufacturer of Ruggedized Computer Mounting Systems | LIBOR Plus 8.00% (Floor 2.00%), Current Coupon 10.10%, Secured Debt (Maturity June 24, 2021)(9)      | 22,526              | 22,378         | 22,526                |
|   |                            |  | Member Units (8,619 units)(8)  |                     | 14,844         | 40,120                |
|   |                            |  |  |                     | 37,222         | 62,646                |
| <b>Garreco, LLC</b>                     | July 15, 2013              | Manufacturer and Supplier of Dental Products         | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.00%, Secured Debt (Maturity March 31, 2020)(9)    | 5,362               | 5,335          | 5,335                 |
|   |                            |  | Member Units (1,200 units)   |                     | 1,200          | 1,940                 |
|   |                            |  |  |                     | 6,535          | 7,275                 |
| <b>GRT Rubber Technologies LLC</b>      | December 19, 2014          | Manufacturer of Engineered Rubber Products           | LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.10%, Secured Debt (Maturity December 19, 2019)(9)  | 10,101              | 10,071         | 10,101                |
|   |                            |  | Member Units (5,879 units)(8)  |                     | 13,065         | 32,040                |
|   |                            |  |  |                     | 23,136         | 42,141                |

Edgar Filing: Main Street Capital CORP - Form 497

|                                       |                 |   |  |        |        |        |
|---------------------------------------|-----------------|---|--|--------|--------|--------|
| <b>Guerdon Modular Holdings, Inc.</b> | August 13, 2014 | Multi-Family and Commercial Modular Construction Company        | 13% Secured Debt (Maturity March 1, 2019)  | 12,588 | 12,548 | 11,978 |
|                                       |                 |   | Preferred Stock (404,998 shares)   |        | 1,140  |        |
|                                       |                 |   | Common Stock (212,033 shares)  |        | 2,983  |        |
|                                       |                 |   | Warrants (6,208,877 equivalent shares; Expiration April 25, 2028; Strike price \$0.01 per unit)      |        |        |        |
|                                       |                 |   |  |        | 16,671 | 11,978 |
| <b>Gulf Manufacturing, LLC</b>        | August 31, 2007 | Manufacturer of Specialty Fabricated Industrial Piping Products | Member Units (438 units)(8)  |        | 2,980  | 11,690 |
| <b>Gulf Publishing Holdings, LLC</b>  | April 29, 2016  | Energy Industry Focused Media and Publishing                    | LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 11.60%, Secured Debt (Maturity September 30, 2020)(9) | 160    | 160    | 160    |
|                                       |                 |   | 12.5% Secured Debt (Maturity April 29, 2021)   | 12,666 | 12,588 | 12,588 |
|                                       |                 |   | Member Units (3,681 units)   |        | 3,681  | 4,570  |
|                                       |                 |   |  |        | 16,429 | 17,318 |
| <b>Harborside Holdings, LLC</b>       | March 20, 2017  | Real Estate Holding Company                                     | Member units (100 units)   |        | 6,306  | 9,500  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                | <b>Investment Date(26)</b> | <b>Business Description</b>                                      | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b>  | <b>Fair Value(18)</b> |
|--|----------------------------|--|--|---------------------|-----------------|-----------------------|
| <b>Harris Preston Fund Investments(12)(13)</b> | October 1, 2017            | Investment Partnership   | LP Interests (2717 MH, L.P.)<br>(Fully diluted 49.3%)  |                     | 1,040           | 1,133                 |
| <b>Harrison Hydra-Gen, Ltd.</b>                | June 4, 2010               | Manufacturer of Hydraulic Generators                             | Common Stock (107,456 shares)(8)   |                     | 718             | 7,570                 |
| <b>HW Temps LLC</b>                            | July 2, 2015               | Temporary Staffing Solutions                                     | LIBOR Plus 13.00% (Floor 1.00%), Current Coupon 15.10%, Secured Debt (Maturity July 2, 2020)(9)<br>Preferred Member Units (3,200 units)(8) | 9,976               | 9,932<br>3,942  | 9,932<br>3,942        |
|  |                            |  |  |                     | 13,874          | 13,874                |
| <b>IDX Broker, LLC</b>                         | November 15, 2013          | Provider of Marketing and CRM Tools for the Real Estate Industry | 11.5% Secured Debt (Maturity November 15, 2020)<br>Preferred Member Units (5,607 units)(8)   | 14,500              | 14,401<br>5,952 | 14,500<br>12,470      |
|  |                            |  |  |                     | 20,353          | 26,970                |
| <b>Jensen Jewelers of Idaho, LLC</b>           | November 14, 2006          | Retail Jewelry Store   | Prime Plus 6.75% (Floor 2.00%), Current Coupon 11.75%, Secured Debt (Maturity November 14, 2019)(9)<br>Member Units (627 units)(8)         | 3,505               | 3,482<br>811    | 3,505<br>5,090        |
|  |                            |  |  |                     | 4,293           | 8,595                 |
| <b>KBK Industries, LLC</b>                     | January 23, 2006           | Manufacturer of Specialty Oilfield and Industrial Products       |  |                     |                 |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|                                      |               |  | Member Units (325 units)(8) | 783    | 7,100  |
|--------------------------------------|---------------|--|-----------------------------|--------|--------|
| <b>Lamb Ventures, LLC</b>            | May 30, 2008  | Aftermarket Automotive Services Chain  |                             |        |        |
|                                      |               | 11% Secured Debt (Maturity July 1, 2022)   | 8,339                       | 8,303  | 8,339  |
|                                      |               | Preferred Equity (non-voting)  |                             | 400    | 400    |
|                                      |               | Member Units (742 units)   |                             | 5,273  | 6,730  |
|                                      |               | 9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity March 31, 2027)               | 432                         | 428    | 432    |
|                                      |               | Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)                             |                             | 625    | 630    |
|                                      |               |  |                             | 15,029 | 16,531 |
| <b>Market Force Information, LLC</b> | July 28, 2017 | Provider of Customer Experience Management Services  |                             |        |        |
|                                      |               | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.32%, Secured Debt (Maturity July 28, 2022)(9)   | 400                         | 400    | 400    |
|                                      |               | LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.32%, Secured Debt (Maturity July 28, 2022)(9) | 22,800                      | 22,615 | 22,615 |
|                                      |               | Member Units (657,113 units)   |                             | 14,700 | 14,250 |
|                                      |               |  |                             | 37,715 | 37,265 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>          | <b>Investment Date(26)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(25)</b>                                       | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>MH Corbin Holding LLC</b>             | August 31, 2015            | Manufacturer and Distributor of Traffic Safety Products               | 10% Current / 3% PIK Secured Debt (Maturity August 31, 2020)(19)          | 12,147              | 11,999         | 11,999                |
|  |                            |   | Preferred Member Units (4,000 shares)                                     |                     | 6,000          | 4,500                 |
|  |                            |   |   |                     | 17,999         | 16,499                |
| <b>Mid-Columbia Lumber Products, LLC</b> | December 18, 2006          | Manufacturer of Finger-Jointed Lumber Products                        | 10% Secured Debt (Maturity January 15, 2020)                              | 1,750               | 1,745          | 1,745                 |
|  |                            |   | 12% Secured Debt (Maturity January 15, 2020)                              | 3,900               | 3,875          | 3,875                 |
|  |                            |   | Member Units (7,874 units)  |                     | 3,001          | 3,860                 |
|  |                            |   | 9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity May 13, 2025) | 757                 | 757            | 757                   |
|  |                            |   | Member Units (Mid-Columbia Real Estate, LLC) (500 units)(8)               |                     | 790            | 1,470                 |
|  |                            |   | 10,168  | 11,707              |                |                       |
| <b>MSC Adviser I, LLC(16)</b>            | November 22, 2013          | Third Party Investment Advisory Services                              | Member Units (Fully diluted 100.0%)(8)                                    |                     |                | 70,148                |
| <b>Mystic Logistics Holdings, LLC</b>    | August 18, 2014            | Logistics and Distribution Services Provider for Large Volume Mailers | 12% Secured Debt (Maturity August 15, 2019)                               | 7,536               | 7,496          | 7,496                 |
|  |                            |   | Common Stock (5,873 shares)   |                     | 2,720          | 710                   |
|  |                            |   |   | 10,216              | 8,206          |                       |
| <b>NAPCO Precast, LLC</b>                | January 31, 2008           | Precast Concrete Manufacturing  |   |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|                                       |                      |  |  |        |                     |                       |
|---------------------------------------|----------------------|--|--|--------|---------------------|-----------------------|
|                                       |                      |  | LIBOR Plus 8.50%, Current<br>Coupon 10.82%, Secured Debt<br>(Maturity May 31, 2019)<br>Member Units (2,955 units)(8)   | 11,475 | 11,457<br>2,975     | 11,475<br>13,280      |
|                                       |                      |  |  |        | 14,432              | 24,755                |
| <b>NexRev LLC</b>                     | February 28,<br>2018 | Provider of Energy<br>Efficiency<br>Products &<br>Services |  |        |                     |                       |
|                                       |                      |  | 10% Secured Debt<br>(Maturity February 28, 2023)<br>Preferred Member Units<br>(86,400,000 units)(8)  | 17,440 | 17,281<br>6,880     | 17,281<br>7,890       |
|                                       |                      |  |  |        | 24,161              | 25,171                |
| <b>NRI Clinical<br/>Research, LLC</b> | September 8,<br>2011 | Clinical Research<br>Service Provider                      |  |        |                     |                       |
|                                       |                      |  | 14% Secured Debt<br>(Maturity June 8, 2022)<br>Warrants (251,723 equivalent<br>units; Expiration June 8, 2027;<br>Strike price \$0.01 per unit)<br>Member Units (1,454,167<br>units) | 6,900  | 6,748<br>252<br>765 | 6,900<br>500<br>2,500 |
|                                       |                      |  |  |        | 7,765               | 9,900                 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>    | <b>Investment Date(26)</b> | <b>Business Description</b>                                 | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|------------------------------------|----------------------------|---|--|---------------------|----------------|-----------------------|
| <b>NRP Jones, LLC</b>              | December 22, 2011          | Manufacturer of Hoses, Fittings and Assemblies              | 12% Secured Debt (Maturity March 20, 2023)   | 6,376               | 6,376          | 6,376                 |
|                                    |                            |   | Member Units (65,962 units)(8)   |                     | 3,717          | 5,370                 |
|                                    |                            |   |  |                     | 10,093         | 11,746                |
| <b>NuStep, LLC</b>                 | January 31, 2017           | Designer, Manufacturer and Distributor of Fitness Equipment | 12% Secured Debt (Maturity January 31, 2022)   | 20,600              | 20,448         | 20,448                |
|                                    |                            |   | Preferred Member Units (406 units)   |                     | 10,200         | 10,200                |
|                                    |                            |   |  |                     | 30,648         | 30,648                |
| <b>OMi Holdings, Inc.</b>          | April 1, 2008              | Manufacturer of Overhead Cranes                             | Common Stock (1,500 shares)(8)   |                     | 1,080          | 15,480                |
| <b>Pegasus Research Group, LLC</b> | January 6, 2011            | Provider of Telemarketing and Data Services                 | Member Units (460 units) LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity October 31, 2022)(9)(24) |                     | 1,290          | 8,250                 |
|                                    |                            |   |  |                     |                |                       |
| <b>PPL RVs, Inc.</b>               | June 10, 2010              | Recreational Vehicle Dealer                                 | LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 9.34%, Secured Debt (Maturity November 15, 2021)(9)                             | 15,100              | 14,999         | 15,100                |
|                                    |                            |   | Common Stock (1,962 shares)(8)   |                     | 2,150          | 11,780                |
|                                    |                            |   |  |                     | 17,149         | 26,880                |



Edgar Filing: Main Street Capital CORP - Form 497

|  |                  |   |  |       |        |        |
|--|------------------|---|--|-------|--------|--------|
| <b>Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)</b> | February 1, 2011 | Noise Abatement Service Provider                                    |  |       |        |        |
|  |                  |   | 13% Secured Debt (Maturity April 30, 2020)   | 7,477 | 7,384  | 7,477  |
|  |                  |   | Preferred Member Units (19,631 units)(8)   |       | 4,600  | 13,090 |
|  |                  |   | Warrants (1,018 equivalent units; Expiration January 31, 2021; Strike price \$0.01 per unit) |       | 1,200  | 780    |
|  |                  |   |  |       | 13,184 | 21,347 |
| <b>Quality Lease Service, LLC</b>  | June 8, 2015     | Provider of Rigsite Accommodation Unit Rentals and Related Services |  |       |        |        |
|  |                  |   | Zero Coupon Secured Debt (Maturity June 8, 2021)   | 7,341 | 7,341  | 6,450  |
|  |                  |   | Member Units (1,000 units)   |       | 3,968  | 4,370  |
|  |                  |   |  |       | 11,309 | 10,820 |
| <b>River Aggregates, LLC</b>   | March 30, 2011   | Processor of Construction Aggregates                                |  |       |        |        |
|  |                  |   | Zero Coupon Secured Debt (Maturity June 30, 2018)(17)  | 750   | 750    | 722    |
|  |                  |   | Member Units (1,150 units)   |       | 1,150  | 4,610  |
|  |                  |   | Member Units (RA Properties, LLC) (1,500 units)  |       | 369    | 2,730  |
|  |                  |   |  |       | 2,269  | 8,062  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b> | <b>Investment Date(26)</b> | <b>Business Description</b>                                       | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---------------------------------|----------------------------|---|--|---------------------|----------------|-----------------------|
| <b>Tedder Industries, LLC</b>   | August 31, 2018            | Manufacturer of Firearm Holsters and Accessories                  | 12% Secured Debt (Maturity August 31, 2023)  | 16,400              | 16,240         | 16,240                |
|                                 |                            |   | Preferred Member Units (440 units)   |                     | 7,476          | 7,476                 |
|                                 |                            |   |  |                     | 23,716         | 23,716                |
| <b>The MPI Group, LLC</b>       | October 2, 2007            | Manufacturer of Custom Hollow Metal Doors, Frames and Accessories | 9% Secured Debt (Maturity October 2, 2018)   | 2,924               | 2,924          | 1,110                 |
|                                 |                            |   | Series A Preferred Units (2,500 units)   |                     | 2,500          |                       |
|                                 |                            |   | Warrants (1,424 equivalent units; Expiration July 1, 2024; Strike price \$0.01 per unit) |                     | 1,096          |                       |
|                                 |                            |   | Member Units (MPI Real Estate Holdings, LLC) (100 units)(8)                              |                     | 2,300          | 2,480                 |
|                                 |                            |   |  |                     | 8,820          | 3,590                 |
| <b>Vision Interests, Inc.</b>   | June 5, 2007               | Manufacturer / Installer of Commercial Signage                    | 13% Secured Debt (Maturity December 23, 2018)  | 2,314               | 2,311          | 2,311                 |
|                                 |                            |   | Series A Preferred Stock (3,000,000 shares)  |                     | 3,000          | 3,740                 |
|                                 |                            |   | Common Stock (1,126,242 shares)  |                     | 3,706          | 280                   |
|                                 |                            |   |  |                     | 9,017          | 6,331                 |
| <b>Ziegler's NYPD, LLC</b>      | October 1, 2008            | Casual Restaurant Group   | 6.5% Secured Debt (Maturity October 1, 2019)   | 1,000               | 998            | 1,000                 |
|                                 |                            |   | 12% Secured Debt (Maturity October 1, 2019)  | 425                 | 425            | 425                   |
|                                 |                            |   | 14% Secured Debt (Maturity October 1, 2019)  | 2,750               | 2,750          | 2,750                 |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                   |                   |
|---|-------------------|-------------------|
| Warrants (587 equivalent units;<br>Expiration October 1, 2019;<br>Strike price \$0.01 per unit) | 600               |                   |
| Preferred Member Units<br>(10,072 units)  | 2,834             | 2,071             |
|   | 7,607             | 6,246             |
| <b>Subtotal Control Investments (64.2% of net assets at fair value)</b>                         | <b>\$ 717,220</b> | <b>\$ 967,128</b> |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>        | <b>Investment Date(26)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b>                | <b>Fair Value(18)</b>         |
|--|----------------------------|---|--|---------------------|-------------------------------|-------------------------------|
| <b><u>Affiliate Investments(6)</u></b> |                            |   |  |                     |                               |                               |
| <b>AFG Capital Group, LLC</b>          | November 7, 2014           | Provider of Rent-to-Own Financing Solutions and Services                              | Warrants (42 equivalent units; Expiration November 7, 2024; Strike price \$0.01 per unit)<br>Preferred Member Units (186 units)(8)   |                     | \$ 259<br>1,200<br>1,459      | \$ 940<br>3,940<br>4,880      |
| <b>Barfly Ventures, LLC(10)</b>        | August 31, 2015            | Casual Restaurant Group   | 12% Secured Debt (Maturity August 31, 2020)<br>Options (2 equivalent units)<br>Warrant (1 equivalent unit; Expiration August 31, 2025; Strike price \$1.00 per unit)                 | 9,817               | 9,669<br>397<br>473<br>10,539 | 9,808<br>730<br>410<br>10,948 |
| <b>BBB Tank Services, LLC</b>          | April 8, 2016              | Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon<br>12.10%, Secured Debt (Maturity April 8, 2018)(9)(17)<br>17% Secured Debt (Maturity April 8, 2021)<br>Member Units (800,000 units) | 650<br>4,000        | 633<br>3,898<br>800<br>5,331  | 633<br>3,898<br>470<br>5,001  |
| <b>Boccella Precast Products LLC</b>   | June 30, 2017              | Manufacturer of Precast Hollow Core Concrete  | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon<br>12.34%, Secured Debt  | 16,284              | 16,143                        | 16,284                        |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                |   |   |        |        |
|---|----------------|---|---|--------|--------|
|   |                | (Maturity June 30, 2022)(9)<br>Member Units (2,160,000<br>units)(8)                   |   | 2,160  | 4,960  |
|   |                |   |   | 18,303 | 21,244 |
| <b>Boss Industries, LLC</b>                     | July 1, 2014   | Manufacturer and<br>Distributor of Air,<br>Power and Other<br>Industrial<br>Equipment |   |        |        |
|   |                |   | Preferred Member Units<br>(2,242 units)(8)  | 2,203  | 5,830  |
| <b>Bridge Capital Solutions<br/>Corporation</b> | April 18, 2012 | Financial Services<br>and Cash Flow<br>Solutions Provider                             |   |        |        |
|   |                |   | 13% Secured Debt<br>(Maturity July 25, 2021)<br>Warrants (82 equivalent<br>shares; Expiration July 25,<br>2026; Strike price \$0.01 per<br>share) | 7,500  | 6,130  |
|   |                |   |   | 2,132  | 4,020  |
|   |                |   | 13% Secured Debt (Mercury<br>Service Group, LLC)<br>(Maturity July 25, 2021)  | 1,000  | 994    |
|   |                |   | Preferred Member Units<br>(Mercury Service Group, LLC)<br>(17,742 units)(8)   | 1,000  | 1,000  |
|   |                |   |   | 10,256 | 12,150 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>         | <b>Investment Date(26)</b> | <b>Business Description</b>                                   | <b>Type of Investment(2)(3)(25)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b>            | <b>Fair Value(18)</b>     |
|---|----------------------------|---|---|---------------------|---------------------------|---------------------------|
| <b>Buca C, LLC</b>                      | June 30, 2015              | Casual Restaurant Group                                       | LIBOR Plus 9.25% (Floor 1.00%), Current Coupon 11.36%, Secured Debt (Maturity June 30, 2020)(9)<br>Preferred Member Units (6 units; 6% cumulative)(8)(19) | 19,404              | 19,327<br>4,365<br>23,692 | 19,327<br>4,365<br>23,692 |
| <b>CAI Software LLC</b>                 | October 10, 2014           | Provider of Specialized Enterprise Resource Planning Software | 12% Secured Debt (Maturity October 10, 2019)<br>Member Units (65,356 units)(8)  | 3,283               | 3,272<br>654<br>3,926     | 3,283<br>2,620<br>5,903   |
| <b>Chandler Signs Holdings, LLC(10)</b> | January 4, 2016            | Sign Manufacturer   | 12% Current / 1% PIK Secured Deb (Maturity July 4, 2021)(19)<br>Class A Units (1,500,000 units)   | 4,534               | 4,508<br>1,500<br>6,008   | 4,534<br>2,260<br>6,794   |
| <b>Charlotte Russe, Inc(11)</b>         | May 28, 2013               | Fast-Fashion Retailer to Young Women                          | 8.50% Secured Debt (Maturity February 2, 2023)<br>Common Stock (19,041 shares)  | 7,952               | 7,952<br>3,141<br>11,093  | 7,065<br>3,141<br>10,206  |
| <b>Condit Exhibits, LLC</b>             | July 1, 2008               | Tradeshow Exhibits / Custom Displays Provider                 | Member Units (3,936 units)(8)   |                     | 100                       | 1,950                     |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                  |                                  |   |        |        |
|---|------------------|----------------------------------|---|--------|--------|
| <b>Congruent Credit Opportunities Funds(12)(13)</b> | January 24, 2012 | Investment Partnership           | LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)     | 5,210  | 855    |
|   |                  |                                  | LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8) | 20,428 | 21,181 |
|   |                  |                                  |   | 25,638 | 22,036 |
| <b>Dos Rios Partners(12)(13)</b>                    | April 25, 2013   | Investment Partnership           | LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)                          | 5,846  | 7,256  |
|   |                  |                                  | LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)                         | 1,856  | 2,304  |
|   |                  |                                  |   | 7,702  | 9,560  |
| <b>East Teak Fine Hardwoods, Inc.</b>               | April 13, 2006   | Distributor of Hardwood Products | Common Stock (6,250 shares)(8)  | 480    | 560    |
| <b>EIG Fund Investments(12)(13)</b>                 | November 6, 2015 | Investment Partnership           | LP Interests (EIG Global Private Debt Fund A, L.P.) (Fully diluted 11.1%)(8)        | 489    | 441    |
| <b>Freeport Financial Funds(12)(13)</b>             | June 13, 2013    | Investment Partnership           | LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.3%)(8)              | 5,974  | 5,861  |
|   |                  |                                  | LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.0%)(8)         | 8,558  | 8,383  |
|   |                  |                                  |   | 14,532 | 14,244 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                | <b>Investment Date(26)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(25)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b>                   | <b>Fair Value(18)</b>            |
|--|----------------------------|---|---|---------------------|----------------------------------|----------------------------------|
| <b>Gault Financial, LLC (RMB Capital, LLC)</b> | November 21, 2011          | Purchases and Manages Collection of Healthcare and other Business Receivables | 8% Secured Debt (Maturity January 1, 2019) Warrants (29,032 equivalent units; Expiration February 9, 2022; Strike price \$0.01 per unit)    | 12,033              | 12,033<br>400<br>12,433          | 11,310<br><br>11,310             |
| <b>Harris Preston Fund Investments(12)(13)</b> | August 9, 2017             | Investment Partnership  | LP Interests (HPEP 3, L.P.) (Fully diluted 8.2%)  |                     | 1,733                            | 1,733                            |
| <b>Hawk Ridge Systems, LLC(13)</b>             | December 2, 2016           | Value-Added Reseller of Engineering Design and Manufacturing Solutions        | 10.5% Secured Debt (Maturity December 2, 2021) Preferred Member Units (226 units)(8) Preferred Member Units (HRS Services, ULC) (226 units) | 14,300              | 14,194<br>2,850<br>150<br>17,194 | 14,300<br>7,010<br>370<br>21,680 |
| <b>Houston Plating and Coatings, LLC</b>       | January 8, 2003            | Provider of Plating and Industrial Coating Services                           | 8% Unsecured Convertible Debt (Maturity May 1, 2022) Member Units (318,462 units)(8)  | 3,000               | 3,000<br>2,236<br>5,236          | 3,480<br>7,490<br>10,970         |
| <b>I-45 SLF LLC(12)(13)</b>                    | October 20, 2015           | Investment Partnership  | Member Units (Fully diluted 20.0%; 24.4% profits)   |                     | 16,200                           | 16,622                           |



Edgar Filing: Main Street Capital CORP - Form 497

interest)(8)

|   |                   |  |  |        |        |        |
|---|-------------------|--|--|--------|--------|--------|
| <b>L.F. Manufacturing Holdings, LLC(10)</b> | December 23, 2013 | Manufacturer of Fiberglass Products                                    | Member Units (2,179,001 units)   |        | 2,019  | 2,060  |
| <b>Meisler Operating LLC</b>                | June 7, 2017      | Provider of Short-term Trailer and Container Rental                    | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.84%, Secured Debt (Maturity June 7, 2022)(9) | 20,480 | 20,302 | 20,302 |
|   |                   |  | Member Units (Milton Meisler Holdings LLC) (48,555 units)                                      |        | 4,855  | 5,571  |
|   |                   |  |  |        | 25,157 | 25,873 |
| <b>OnAsset Intelligence, Inc.</b>           | April 18, 2011    | Provider of Transportation Monitoring / Tracking Products and Services | 12% PIK Secured Debt (Maturity June 30, 2021)(19)  | 5,572  | 5,572  | 5,572  |
|   |                   |  | 10% PIK Unsecured Debt (Maturity June 30, 2021)(19)  | 51     | 51     | 51     |
|   |                   |  | Preferred Stock (912 shares)   |        | 1,981  |        |
|   |                   |  | Warrants (5,333 equivalent shares; Expiration April 18, 2021; Strike price \$0.01 per share)   |        | 1,919  |        |
|   |                   |  |  |        | 9,523  | 5,623  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                              | <b>Investment Date(26)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(25)</b>                             | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>OPI International Ltd.(13)</b>                            | November 30, 2010          | Provider of Man Camp and Industrial Storage Services                | Common Stock (20,766,317 shares)                                |                     | 1,371          |                       |
| <b>PCI Holding Company, Inc.</b>                             | December 18, 2012          | Manufacturer of Industrial Gas Generating Systems                   | 12% Current / 3% PIK Secured Debt (Maturity March 31, 2019)(19) | 12,153              | 12,130         | 12,130                |
|  |                            |   | Preferred Stock (1,740,000 shares) (non-voting)                 |                     | 1,740          | 3,180                 |
|  |                            |   | Preferred Stock (1,500,000 shares)                              |                     | 3,927          |                       |
|  |                            |   |   |                     | 17,797         | 15,310                |
| <b>Rocacea, LLC (Quality Lease and Rental Holdings, LLC)</b> | January 8, 2013            | Provider of Rigsite Accommodation Unit Rentals and Related Services | 12% Secured Debt (Maturity January 8, 2018)(14)(15)             | 30,785              | 30,281         | 250                   |
|  |                            |   | Preferred Member Units (250 units)                              |                     | 2,500          |                       |
|  |                            |   |   |                     | 32,781         | 250                   |
| <b>Salado Acquisition, LLC(10)</b>                           | June 27, 2016              | Limestone and Sandstone Dimension Cut Stone Mining Quarries         | Class A Preferred Units (2,000,000 units)(8)                    |                     | 2,000          | 1,360                 |
| <b>SI East, LLC</b>  | August 31, 2018            | Rigid Industrial Packaging Manufacturing                            | 10.25% Current, Secured Debt (Maturity August 31, 2023)         | 35,250              | 34,869         | 34,869                |
|  |                            |   | Preferred Member Units (157 units)                              |                     | 6,000          | 6,000                 |
|  |                            |   |   |                     | 40,869         | 40,869                |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                    |  |  |       |        |        |
|---|--------------------|--|--|-------|--------|--------|
| <b>Slick Innovations, LLC</b>           | September 13, 2018 | Text Message Marketing Platform                | 14% Current, Secured Debt (Maturity September 13, 2023)  | 7,200 | 6,950  | 6,950  |
|   |                    |  | Member Units (70,000 units)  |       | 700    | 700    |
|   |                    |  | Warrants (18,084 equivalent units; Expiration September 13, 2028; Strike price \$0.01 per unit)  |       | 181    | 181    |
|   |                    |  |  |       | 7,831  | 7,831  |
| <b>UniTek Global Services, Inc.(11)</b> | April 15, 2011     | Provider of Outsourced Infrastructure Services | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.89%, Secured Debt (Maturity August 20, 2024)(9) | 2,500 | 2,476  | 2,476  |
|   |                    |  | Preferred Stock (1,731,044 shares; 19% cumulative)(8)(19)  |       | 1,772  | 1,772  |
|   |                    |  | Preferred Stock (2,596,567 shares; 19% cumulative)(8)(19)  |       | 3,290  | 3,290  |
|   |                    |  | Preferred Stock (4,935,377 shares; 13.5% cumulative)(8)(19)                                      |       | 8,140  | 8,140  |
|   |                    |  | Common Stock (1,075,992 shares)  |       |        | 3,290  |
|   |                    |  |  |       | 15,678 | 18,968 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>   | <b>Investment Date(26)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b>    | <b>Fair Value(18)</b> |
|---|----------------------------|--|--|---------------------|-------------------|-----------------------|
| <b>Universal Wellhead Services Holdings, LLC(10)</b>                      | October 30, 2014           | Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry | Preferred Member Units (UWS Investments, LLC) (716,949 units; 14% cumulative)(8)(19)             |                     | 777               | 920                   |
|   |                            |  | Member Units (UWS Investments, LLC) (4,000,000 units)  |                     | 4,000             | 2,211                 |
|   |                            |  |  |                     | 4,777             | 3,131                 |
|   |                            |  |  |                     |                   |                       |
| <b>Volusion, LLC</b>  | January 26, 2015           | Provider of Online Software-as-a-Service eCommerce Solutions                     | 11.5% Secured Debt (Maturity January 26, 2020)   | 19,272              | 18,227            | 18,227                |
|   |                            |  | 8% Unsecured Convertible Debt (Maturity November 16, 2023)                                       | 297                 | 297               | 297                   |
|   |                            |  | Preferred Member Units (4,876,670 units)   |                     | 14,000            | 14,000                |
|   |                            |  | Warrants (1,831,355 equivalent units; Expiration January 26, 2025; Strike price \$0.01 per unit) |                     | 2,576             | 1,891                 |
|   |                            |  |  |                     | 35,100            | 34,415                |
| <b>Subtotal Affiliate Investments (24.8% of net assets at fair value)</b> |                            |  |  |                     | <b>\$ 389,450</b> | <b>\$ 373,444</b>     |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                        | <b>Investment Date(26)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|---|--|---------------------|----------------|-----------------------|
| <b><u>Non-Control/Non-Affiliate Investments(7)</u></b> |                            |   |  |                     |                |                       |
| <b>AAC Holdings, Inc.(11)</b>                          | June 30, 2017              | Substance Abuse Treatment Service Provider                              | LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.09%, Secured Debt (Maturity June 30, 2023)(9)     | \$ 14,594           | \$ 14,326      | \$ 14,813             |
| <b>Adams Publishing Group, LLC(10)</b>                 | November 19, 2015          | Local Newspaper Operator  | LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.84%, Secured Debt (Maturity July 3, 2023)(9)      | 8,321               | 8,160          | 8,160                 |
|  |                            |   | Prime Plus 4.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity July 3, 2023)(9)      | 2,950               | 2,855          | 2,855                 |
|  |                            |   |  |                     | 11,015         | 11,015                |
| <b>ADS Tactical, Inc.(10)</b>                          | March 7, 2017              | Value-Added Logistics and Supply Chain Provider to the Defense Industry | LIBOR Plus 6.25% (Floor 0.75%), Current Coupon 8.49%, Secured Debt (Maturity July 26, 2023)(9)     | 16,458              | 16,296         | 16,296                |
| <b>Aethon United BR LP(10)</b>                         | September 8, 2017          | Oil & Gas Exploration & Production                                      | LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.88%, Secured Debt (Maturity September 8, 2023)(9) | 4,063               | 4,009          | 4,009                 |
| <b>Allen Media, LLC.(11)</b>                           | September 18, 2018         | Operator of Cable Television Networks                                   | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.81%, Secured Debt (Maturity August 30, 2023)(9)   | 17,143              | 16,647         | 16,800                |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                |  |  |        |        |        |
|---|----------------|--|--|--------|--------|--------|
| <b>Allflex Holdings III Inc.(11)</b>        | July 18, 2013  | Manufacturer of Livestock Identification Products  | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.35%, Secured Debt (Maturity July 19, 2021)(9)     | 13,120 | 13,072 | 13,198 |
|   |                |  |  |        |        |        |
| <b>American Nuts, LLC(10)</b>               | April 10, 2018 | Roaster, Mixer and Packager of Bulk Nuts and Seeds | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.34%, Secured Debt (Maturity October 10, 2018)(9) | 422    | 414    | 414    |
|   |                |  | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.34%, Secured Debt (Maturity April 10, 2023)(9)   | 11,222 | 11,019 | 11,019 |
|   |                |  |  |        | 11,433 | 11,433 |
| <b>American Scaffold Holdings, Inc.(10)</b> | June 14, 2016  | Marine Scaffolding Service Provider                | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.89%, Secured Debt (Maturity March 31, 2022)(9)    | 6,750  | 6,681  | 6,716  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                     | <b>Investment Date(26)</b> | <b>Business Description</b>                                      | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>American Teleconferencing Services, Ltd.(11)</b> | May 19, 2016               | Provider of Audio Conferencing and Video Collaboration Solutions | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.84%, Secured Debt (Maturity December 8, 2021)(9)  | 15,158              | 14,633         | 14,674                |
| <b>Apex Linen Service, Inc.</b>                     | October 30, 2015           | Industrial Launderers  | LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.10%, Secured Debt (Maturity October 30, 2022)(9) | 2,400               | 2,400          | 2,400                 |
|   |                            |  | 16% Secured Debt (Maturity October 30, 2022)   | 14,416              | 14,355         | 14,355                |
|   |                            |  |  |                     | 16,755         | 16,755                |
| <b>APTIM Corp.(11)</b>                              | August 17, 2018            | Engineering, Construction & Procurement                          | 7.75% Secured Debt (Maturity June 15, 2025)  | 6,952               | 6,148          | 5,979                 |
| <b>Arcus Hunting LLC(10)</b>                        | January 6, 2015            | Manufacturer of Bowhunting and Archery Products and Accessories  | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.34%, Secured Debt (Maturity November 13, 2019)(9) | 17,117              | 17,059         | 17,117                |
| <b>Arise Holdings, Inc.(10)</b>                     | March 12, 2018             | Tech-Enabled Business Process Outsourcing                        | Preferred Stock (1,000,000 shares)   |                     | 1,000          | 1,264                 |
| <b>ASC Ortho Management Company, LLC(10)</b>        | August 31, 2018            | Provider of Orthopedic Services                                  | LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.81%, Secured Debt (Maturity August 31, 2023)(9)   | 4,660               | 4,553          | 4,553                 |

Edgar Filing: Main Street Capital CORP - Form 497

|   |               |   |   |        |        |        |
|---|---------------|---|---|--------|--------|--------|
|   |               |   | 13.25% PIK Secured Debt<br>(Maturity December 1,<br>2023)(19)   | 1,571  | 1,533  | 1,533  |
|   |               |   |   |        | 6,086  | 6,086  |
| <b>ATI Investment<br/>Sub, Inc.(11)</b>   | July 11, 2016 | Manufacturer of<br>Solar Tracking<br>Systems              |   |        |        |        |
|   |               |   | LIBOR Plus 7.25% (Floor<br>1.00%), Current Coupon<br>9.49%, Secured Debt<br>(Maturity June 22, 2021)(9)   | 5,624  | 5,544  | 5,556  |
| <b>ATX Networks<br/>Corp.(11)(13)(21)</b> | June 30, 2015 | Provider of Radio<br>Frequency<br>Management<br>Equipment |   |        |        |        |
|   |               |   | LIBOR Plus 6.00% (Floor<br>1.00%), Current Coupon 8.39%<br>/ 1.00% PIK, Current Coupon<br>Plus PIK 9.39%, Secured Debt<br>(Maturity June 11, 2021)(9)(19) | 14,235 | 13,921 | 13,523 |
| <b>Berry Aviation, Inc.(10)</b>           | July 6, 2018  | Charter Airline<br>Services                               |   |        |        |        |
|   |               |   | 10.50% Current / 1.5% PIK,<br>Secured Debt<br>(Maturity January 6, 2024)(19)  | 4,468  | 4,425  | 4,425  |
|   |               |   | Preferred Member Units (Berry<br>Acquisition, LLC) (1,548,387<br>units; 8% cumulative)(8)(19)   |        | 1,578  | 1,578  |
|   |               |   |   |        | 6,003  | 6,003  |



Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                    | <b>Investment Date(26)</b> | <b>Business Description</b>                                 | <b>Type of Investment(2)(3)(25)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b>  | <b>Fair Value(18)</b> |
|--|----------------------------|---|---|---------------------|-----------------|-----------------------|
| <b>BigName Commerce, LLC(10)</b>                   | May 11, 2017               | Provider of Envelopes and Complimentary Stationery Products | LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.59%, Secured Debt (Maturity May 11, 2022)(9)   | 2,493               | 2,470           | 2,470                 |
| <b>Binswanger Enterprises, LLC(10)</b>             | March 10, 2017             | Glass Repair and Installation Service Provider              | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.32%, Secured Debt (Maturity March 9, 2022)(9)<br>Member Units (1,050,000 units)               | 14,465              | 14,252<br>1,050 | 14,465<br>1,330       |
|  |                            |   |   |                     | 15,302          | 15,795                |
| <b>Bluestem Brands, Inc.(11)</b>                   | December 19, 2013          | Multi-Channel Retailer of General Merchandise               | LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.74%, Secured Debt (Maturity November 6, 2020)(9)   | 11,563              | 11,435          | 7,718                 |
| <b>Brainworks Software, LLC(10)</b>                | August 12, 2014            | Advertising Sales and Newspaper Circulation Software        | Prime Plus 9.25% (Floor 3.25%), Current Coupon 14.50%, Secured Debt (Maturity July 22, 2019)(9)   | 6,733               | 6,718           | 6,585                 |
| <b>Brightwood Capital Fund Investments(12)(13)</b> | July 21, 2014              | Investment Partnership                                      | LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 1.6%)(8)<br>LP Interests (Brightwood Capital Fund IV, LP) (Fully diluted 0.6%)(8) |                     | 12,000<br>1,500 | 10,551<br>1,563       |
|  |                            |   |   |                     | 13,500          | 12,114                |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                   |   |  |        |        |        |
|---|-------------------|---|--|--------|--------|--------|
| <b>Brundage-Bone Concrete Pumping, Inc.(11)</b> | August 18, 2014   | Construction Services Provider                  | 10.375% Secured Debt (Maturity September 1, 2023)  | 3,000  | 2,988  | 3,187  |
| <b>BW NHC Holdco Inc.(11)</b>                   | May 30, 2018      | Full-Continuum Provider of Home Health Services | LIBOR Plus 5.00%, Current Coupon 7.16%, Secured Debt (Maturity May 15, 2025)                       | 7,500  | 7,392  | 7,373  |
| <b>Cadence Aerospace LLC(10)</b>                | November 14, 2017 | Aerostructure Manufacturing                     | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.82%, Secured Debt (Maturity November 14, 2023)(9) | 19,568 | 19,391 | 19,528 |
| <b>California Pizza Kitchen, Inc.(11)</b>       | August 29, 2016   | Casual Restaurant Group                         | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.39%, Secured Debt (Maturity August 23, 2022)(9)   | 12,805 | 12,770 | 12,484 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                 | <b>Investment Date(26)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(25)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|--|---|---------------------|----------------|-----------------------|
| <b>Central Security Group, Inc.(11)</b>         | December 4, 2017           | Security Alarm Monitoring Service Provider   | LIBOR Plus 5.63% (Floor 1.00%), Current Coupon 7.87%, Secured Debt (Maturity October 6, 2021)(9)                                | 7,920               | 7,903          | 7,970                 |
| <b>Cenveo Corporation(11)</b>                   | September 4, 2015          | Provider of Digital Marketing Agency Services  | Libor Plus 9.00% (Floor 1.00%), Current Coupon 11.12%, Secured Debt (Maturity June 7, 2023)(9)<br>Common Stock (177,130 shares) | 6,370               | 6,118<br>5,309 | 6,243<br>5,535        |
|   |                            |  |   |                     | 11,427         | 11,778                |
| <b>Clarius BIGS, LLC(10)</b>                    | September 23, 2014         | Prints & Advertising Film Financing  | 15% PIK Secured Debt (Maturity January 5, 2015)(14)(17)   | 2,924               | 2,924          | 82                    |
| <b>Clickbooth.com, LLC(10)</b>                  | December 5, 2017           | Provider of Digital Advertising Performance Marketing Solutions  | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.84%, Secured Debt (Maturity December 5, 2022)(9)                              | 2,944               | 2,892          | 2,892                 |
| <b>Construction Supply Investments, LLC(10)</b> | December 29, 2016          | Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity June 30, 2023)(9)                                  | 10,583              | 10,535         | 10,556                |

Edgar Filing: Main Street Capital CORP - Form 497

|                                |                   |  |  |        |        |
|--------------------------------|-------------------|--|--|--------|--------|
|                                |                   | Member Units (42,207 units)                              |  | 4,221  | 4,290  |
|                                |                   |  |  | 14,756 | 14,846 |
| <b>CTVSH, PLLC(10)</b>         | August 3, 2017    | Emergency Care and Specialty Service Animal Hospital     | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.32%, Secured Debt (Maturity August 3, 2022)(9)   | 11,400 | 11,307 |
|                                |                   |  |  |        | 11,307 |
| <b>Darr Equipment LP(10)</b>   | April 15, 2014    | Heavy Equipment Dealer                                   | 11.5% Current / 1% PIK Secured Debt (Maturity June 22, 2023)(19) Warrants (915,734 equivalent units; Expiration December 23, 2023; Strike price \$1.50 per unit) | 7,284  | 7,284  |
|                                |                   |  |  |        | 474    |
|                                |                   |  |  |        | 10     |
|                                |                   |  |  | 7,758  | 7,294  |
| <b>Digital River, Inc.(11)</b> | February 24, 2015 | Provider of Outsourced e-Commerce Solutions and Services | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.59%, Secured Debt (Maturity February 12, 2021)(9)   | 10,146 | 10,067 |
|                                |                   |  |  |        | 10,146 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>              | <b>Investment Date(26)</b> | <b>Business Description</b>                              | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>DTE Enterprises, LLC(10)</b>              | April 13, 2018             | Industrial Powertrain Repair and Services                | LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 9.84%, Secured Debt (Maturity April 13, 2023)(9)        | 13,242              | 12,985         | 12,985                |
|  |                            |  | Class AA Preferred Member Units (non-voting)   |                     | 724            | 724                   |
|  |                            |  | Class A Preferred Member Units (776,316 units)(8)  |                     | 776            | 776                   |
|  |                            |  |  |                     | 14,485         | 14,485                |
| <b>Dynamic Communities, LLC(10)</b>          | July 17, 2018              | Developer of Business Events and Online Community Groups | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.39%, Secured Debt (Maturity July 17, 2023)(9)        | 5,600               | 5,490          | 5,490                 |
| <b>Elite SEM INC.(10)</b>                    | August 31, 2018            | Provider of Digital Marketing Agency Services            | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.82%, Secured Debt (Maturity February 1, 2022)(9)(23) | 6,875               | 6,741          | 6,741                 |
| <b>EnCap Energy Fund Investments(12)(13)</b> | December 28, 2010          | Investment Partnership                                   | LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)                            |                     | 3,573          | 1,809                 |
|  |                            |  | LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.4%)(8)               |                     | 2,072          | 1,122                 |
|  |                            |  | LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)                              |                     | 4,394          | 3,459                 |
|  |                            |  | LP Interests (EnCap Energy Capital Fund X, L.P.) (Fully diluted 0.1%)(8)                               |                     | 7,488          | 7,551                 |
|  |                            |  | LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)                          |                     | 5,881          | 4,400                 |
|  |                            |  |  |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                |  |   |        |        |        |
|--|----------------|--|---|--------|--------|--------|
|  |                |  | LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)(8)                    | 5,311  | 5,012  |        |
|  |                |  |   | 28,719 | 23,353 |        |
| <b>EPIC Y-Grade Services, LP(11)</b>                           | June 22, 2018  | NGL Transportation & Storage                   | LIBOR Plus 5.50%, Current Coupon 7.74%, Secured Debt (Maturity June 13, 2024)                     | 17,500 | 17,163 | 17,084 |
| <b>Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)</b> | May 5, 2014    | Technology-based Performance Support Solutions | LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 10.49%, Secured Debt (Maturity April 28, 2022)(9)  | 6,999  | 6,895  | 5,944  |
| <b>Extreme Reach, Inc.(11)</b>                                 | March 31, 2015 | Integrated TV and Video Advertising Platform   | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity February 7, 2020)(9) | 17,237 | 17,226 | 17,285 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>          | <b>Investment Date(26)</b> | <b>Business Description</b>                                | <b>Type of Investment(2)(3)(25)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|--|---|---------------------|----------------|-----------------------|
| <b>Felix Investments Holdings II(10)</b> | August 9, 2017             | Oil & Gas Exploration & Production                         | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.84%, Secured Debt (Maturity August 9, 2022)(9)   | 3,333               | 3,276          | 3,276                 |
| <b>Flavors Holdings Inc.(11)</b>         | October 15, 2014           | Global Provider of Flavoring and Sweetening Products       | LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.14%, Secured Debt (Maturity April 3, 2020)(9)  | 12,345              | 12,045         | 11,759                |
| <b>GI KBS Merger Sub LLC(11)</b>         | November 10, 2014          | Outsourced Janitorial Services to Retail/Grocery Customers | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.32%, Secured Debt (Maturity October 29, 2021)(9)<br>LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.84%, Secured Debt (Maturity April 29, 2022)(9) | 9,218<br>3,915      | 9,157<br>3,789 | 9,253<br>3,969        |
|  |                            |  |   |                     | 12,946         | 13,222                |
| <b>GoWireless Holdings, Inc.(11)</b>     | December 31, 2017          | Provider of Wireless Telecommunications Carrier Services   | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.74%, Secured Debt (Maturity December 22, 2024)(9)  | 17,550              | 17,388         | 17,199                |
| <b>Grupo Hima San Pablo, Inc.(11)</b>    | March 7, 2013              | Tertiary Care Hospitals                                    | LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 9.34%, Secured Debt (Maturity October 15, 2018)(9)<br>13.75% Secured Debt (Maturity October 15, 2018)  | 4,750<br>2,055      | 4,750<br>2,040 | 3,745<br>226          |

Edgar Filing: Main Street Capital CORP - Form 497

|                                      |                   |  |   |        |        |        |
|--------------------------------------|-------------------|--|---|--------|--------|--------|
|                                      |                   |  |   | 6,790  | 3,971  |        |
| <b>Hojeij Branded Foods, LLC(10)</b> | July 28, 2015     | Multi-Airport, Multi-Concept Restaurant Operator                                       | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.35%, Secured Debt (Maturity July 20, 2022)(9)  | 12,382 | 12,280 | 12,382 |
| <b>Hoover Group, Inc.(10)(13)</b>    | October 21, 2016  | Provider of Storage Tanks and Related Products to the Energy and Petrochemical Markets | LIBOR Plus 6.00%, Current Coupon 8.31%, Secured Debt (Maturity January 28, 2020)  | 5,388  | 4,838  | 5,289  |
|                                      |                   |  | LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.56%, Secured Debt (Maturity January 28, 2021)(9)   | 8,395  | 8,033  | 8,311  |
|                                      |                   |  |   |        | 12,871 | 13,600 |
| <b>Hostway Corporation(11)</b>       | December 27, 2013 | Managed Services and Hosting Provider  | LIBOR Plus 5.25% (Floor 1.25%), Current Coupon 7.59% / 0.50% PIK, Current Coupon Plus PIK 8.09%, Secured Debt (Maturity December 13, 2019)(9)(19) | 30,695 | 30,151 | 30,004 |



Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                 | <b>Investment Date(26)</b> | <b>Business Description</b>                              | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>Hunter Defense Technologies, Inc.(10)</b>    | March 29, 2018             | Provider of Military and Commercial Shelters and Systems | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.39%, Secured Debt (Maturity March 29, 2023)(9)  | 29,584              | 29,042         | 29,288                |
| <b>Hydrofarm Holdings LLC(10)</b>               | May 18, 2017               | Wholesaler of Horticultural Products                     | LIBOR Plus 10.00%, Current Coupon 3.62% / 8.45% PIK, Current Coupon Plus PIK 12.07% Secured Debt (Maturity May 12, 2022)(19)   | 7,078               | 6,976          | 6,334                 |
| <b>iEnergizer Limited(11)(13)(21)</b>           | May 8, 2013                | Provider of Business Outsourcing Solutions               | LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 8.25%, Secured Debt (Maturity May 1, 2019)(9)   | 15,081              | 14,985         | 15,100                |
| <b>Implus Footcare, LLC(10)</b>                 | June 1, 2017               | Provider of Footwear and Related Accessories             | LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.14%, Secured Debt (Maturity April 30, 2021)(9)  | 18,870              | 18,664         | 18,791                |
| <b>Industrial Services Acquisition, LLC(10)</b> | June 17, 2016              | Industrial Cleaning Services                             | 6% Current / 7% PIK Unsecured Debt (Maturity December 17, 2022)(19)<br>Preferred Member Units (Industrial Services Investments, LLC) (144 units; 10% cumulative)(8)(19)<br>Member Units (Industrial Services Investments, LLC) (900 units) | 4,799               | 4,733          | 4,586                 |
|   |                            |  |  |                     | 92             | 92                    |
|   |                            |  |  |                     | 900            | 210                   |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                   |   |  |        |        |        |
|---|-------------------|---|--|--------|--------|--------|
|   |                   |   |  | 5,725  | 4,888  |        |
| <b>Inn of the Mountain Gods Resort and Casino(11)</b> | October 30, 2013  | Hotel & Casino Owner & Operator                               | 9.25% Secured Debt (Maturity November 30, 2020)  | 7,832  | 7,438  | 7,539  |
| <b>Intermedia Holdings, Inc.(11)</b>                  | August 3, 2018    | Unified Communications as a Service                           | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.36%, Secured Debt (Maturity July 19, 2025)(9) | 11,571 | 11,458 | 11,626 |
| <b>irth Solutions, LLC</b>                            | December 29, 2010 | Provider of Damage Prevention Information Technology Services | Member Units (27,893 units)  |        | 1,441  | 2,580  |
| <b>Isagenix International, LLC(11)</b>                | June 21, 2018     | Direct Marketer of Health & Wellness Products                 | LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.14%, Secured Debt (Maturity June 14, 2025)(9) | 6,348  | 6,286  | 6,364  |
| <b>JAB Wireless, Inc.(10)</b>                         | May 2, 2018       | Fixed Wireless Broadband Provider                             | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.12%, Secured Debt (Maturity May 2, 2023)(9)  | 14,925 | 14,785 | 14,785 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                   | <b>Investment Date(26)</b> | <b>Business Description</b>                                      | <b>Type of Investment(2)(3)(25)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b>        | <b>Fair Value(18)</b> |
|---|----------------------------|--|---|---------------------|-----------------------|-----------------------|
| <b>Jacent Strategic Merchandising, LLC(10)</b>    | September 16, 2015         | General Merchandise Distribution                                 | LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.82%, Secured Debt (Maturity September 16, 2020)(9)   | 10,779              | 10,739                | 10,779                |
| <b>Jackmont Hospitality, Inc.(10)</b>             | May 26, 2015               | Franchisee of Casual Dining Restaurants                          | LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.99%, Secured Debt (Maturity May 26, 2021)(9)   | 4,217               | 4,209                 | 4,217                 |
| <b>Jacuzzi Brands LLC(11)</b>                     | June 30, 2017              | Manufacturer of Bath and Spa Products                            | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.24%, Secured Debt (Maturity June 28, 2023)(9)  | 3,875               | 3,810                 | 3,914                 |
| <b>Joerns Healthcare, LLC(11)</b>                 | April 3, 2013              | Manufacturer and Distributor of Health Care Equipment & Supplies | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.31% Secured Debt (Maturity May 9, 2020)(9)   | 13,387              | 13,325                | 12,450                |
| <b>Larchmont Resources, LLC(11)</b>               | August 13, 2013            | Oil & Gas Exploration & Production                               | LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.32%, PIK Secured Debt (Maturity August 7, 2020)(9)(19)<br>Member Units (Larchmont Intermediate Holdco, LLC) (2,828 units) | 2,575               | 2,575<br>353<br>2,928 | 2,550<br>778<br>3,328 |
| <b>LKCM Headwater Investments I, L.P.(12)(13)</b> | January 25, 2013           | Investment Partnership   | LP Interests (Fully diluted 2.3%)(8)  |                     | 1,780                 | 3,501                 |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                 |  |  |        |        |        |
|---|-----------------|--|--|--------|--------|--------|
| <b>Logix Acquisition Company, LLC(10)</b>     | June 24, 2016   | Competitive Local Exchange Carrier                       | LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 7.99%, Secured Debt (Maturity December 22, 2024)(9) | 9,654  | 9,462  | 9,726  |
| <b>Looking Glass Investments, LLC(12)(13)</b> | July 1, 2015    | Specialty Consumer Finance                               | Member Units (2.5 units)   |        | 125    | 57     |
|   |                 |  | Member Units (LGI Predictive Analytics LLC) (190,712 units)  |        | 61     | 45     |
|   |                 |  |  |        | 186    | 102    |
| <b>LSF9 Atlantis Holdings, LLC(11)</b>        | May 17, 2017    | Provider of Wireless Telecommunications Carrier Services | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.12%, Secured Debt (Maturity May 1, 2023)(9)       | 9,836  | 9,816  | 9,529  |
| <b>Lulu's Fashion Lounge, LLC(10)</b>         | August 31, 2017 | Fast Fashion E-Commerce Retailer                         | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.24%, Secured Debt (Maturity August 28, 2022)(9)   | 12,614 | 12,294 | 12,866 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                  | <b>Investment Date(26)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>MHVC Acquisition Corp.(11)</b>                | May 8, 2017                | Provider of differentiated information solutions, systems engineering, and analytics | LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 7.64%, Secured Debt (Maturity April 29, 2024)(9)    | 11,475              | 11,440         | 11,432                |
| <b>NBG Acquisition Inc(11)</b>                   | April 28, 2017             | Wholesaler of Home Décor Products  | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.09%, Secured Debt (Maturity April 26, 2024)(9)    | 4,319               | 4,260          | 4,362                 |
| <b>New Era Technology, Inc.(10)</b>              | June 30, 2018              | Managed Services and Hosting Provider  | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.74%, Secured Debt (Maturity June 22, 2023)(9)     | 6,231               | 6,112          | 6,112                 |
| <b>New Media Holdings II LLC(11)(13)</b>         | June 10, 2014              | Local Newspaper Operator   | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.49%, Secured Debt (Maturity July 14, 2022)(9)     | 19,864              | 19,524         | 20,044                |
| <b>NNE Partners, LLC(10)</b>                     | March 2, 2017              | Oil & Gas Exploration & Production   | LIBOR Plus 8.00%, Current Coupon 10.32%, Secured Debt (Maturity March 2, 2022)                     | 18,375              | 18,229         | 18,229                |
| <b>North American Lifting Holdings, Inc.(11)</b> | February 26, 2015          | Crane Service Provider   | LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.89%, Secured Debt (Maturity November 27, 2020)(9) | 7,705               | 7,066          | 7,518                 |
| <b>Novetta Solutions, LLC(11)</b>                | June 21, 2017              | Provider of Advanced Analytics Solutions for Defense                                 |  |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                   | Agencies  |   |        |        |        |
|--|-------------------|---|---|--------|--------|--------|
|  |                   |   | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity October 17, 2022)(9) | 15,518 | 15,109 | 15,072 |
| <b>NTM Acquisition Corp.(11)</b>               | July 12, 2016     | Provider of B2B Travel Information Content            |   |        |        |        |
|  |                   |   | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.49%, Secured Debt (Maturity June 7, 2022)(9)     | 4,481  | 4,452  | 4,486  |
| <b>Ospemifene Royalty Sub LLC (QuatRx)(10)</b> | July 8, 2013      | Estrogen-Deficiency Drug Manufacturer and Distributor |   |        |        |        |
|  |                   |   | 11.5% Secured Debt (Maturity November 15, 2026)(14)   | 4,998  | 4,998  | 960    |
| <b>Permian Holdco 2, Inc.(11)</b>              | February 12, 2013 | Storage Tank Manufacturer                             |   |        |        |        |
|  |                   |   | 14% PIK Unsecured Debt (Maturity October 15, 2021)(19)  | 382    | 382    | 382    |
|  |                   |   | Preferred Stock (Permian Holdco 1, Inc.) (154,558 units)  |        | 799    | 920    |
|  |                   |   |   |        | 1,181  | 1,302  |
| <b>Pernix Therapeutics Holdings, Inc.(10)</b>  | August 18, 2014   | Pharmaceutical Royalty                                |   |        |        |        |
|  |                   |   | 12% Secured Debt (Maturity August 1, 2020)  | 3,031  | 3,031  | 2,037  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>  | <b>Investment Date(26)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b>   | <b>Fair Value(18)</b> |
|--|----------------------------|--|--|---------------------|------------------|-----------------------|
| <b>Pier 1 Imports, Inc.(11)</b>  | February 20, 2018          | Decorative Home Furnishings Retailer                                 | LIBOR Plus 3.50% (Floor 1.00%), Current Coupon 5.89%, Secured Debt (Maturity April 30, 2021)(9)                              | 9,761               | 9,121            | 8,004                 |
| <b>Point.360(10)</b>   | July 8, 2015               | Fully Integrated Provider of Digital Media Services                  | Warrants (65,463 equivalent shares; Expiration July 7, 2020; Strike price \$0.75 per share)<br>Common Stock (163,658 shares) |                     | 69<br>273<br>342 | 5<br>5                |
| <b>PricewaterhouseCoopers Public Sector LLP(11)</b>                        | May 24, 2018               | Provider of Consulting Services to Governments                       | LIBOR Plus 7.50%, Current Coupon 9.74%, Secured Debt (Maturity May 1, 2026)  | 8,000               | 7,961            | 8,040                 |
| <b>Prowler Acquisition Corp.(11)</b>                                       | February 11, 2014          | Specialty Distributor to the Energy Sector                           | LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.79%, Secured Debt (Maturity January 28, 2020)(9)                            | 20,081              | 18,979           | 19,981                |
| <b>PT Network, LLC(10)</b>   | November 1, 2013           | Provider of Outpatient Physical Therapy and Sports Medicine Services | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.84%, Secured Debt (Maturity November 30, 2021)(9)                           | 8,732               | 8,732            | 8,732                 |
| <b>Research Now Group, Inc. and Survey Sampling International, LLC(11)</b> | December 31, 2017          | Provider of Outsourced Online Surveying                              | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.74%, Secured Debt (Maturity December 20,                                    | 13,399              | 12,783           | 13,482                |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                   |  | 2024)(9)  |       |       |
|--|-------------------|--|---|-------|-------|
| <b>Resolute Industrial, LLC(10)</b>              | July 26, 2017     | HVAC Equipment Rental and Remanufacturing                              | Member Units (601 units)  | 750   | 920   |
| <b>RGL Reservoir Operations Inc.(11)(13)(21)</b> | August 25, 2014   | Oil & Gas Equipment and Services                                       | 1% Current / 9% PIK Secured Debt (Maturity December 21, 2024)(19)                               | 721   | 407   |
|  |                   |  |   | 360   |       |
| <b>RM Bidder, LLC(10)</b>                        | November 12, 2015 | Scripted and Unscripted TV and Digital Programming Provider            | Warrants (327,532 equivalent units; Expiration October 20, 2025; Strike price \$14.28 per unit) | 425   |       |
|  |                   |  | Member Units (2,779 units)  | 46    | 17    |
|  |                   |  |   | 471   | 17    |
| <b>SAFETY Investment Holdings, LLC</b>           | April 29, 2016    | Provider of Intelligent Driver Record Monitoring Software and Services | Member Units (2,000,000 units)  | 2,000 | 1,770 |



Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>                 | <b>Investment Date(26)</b> | <b>Business Description</b>                                 | <b>Type of Investment(2)(3)(25)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>Salient Partners L.P.(11)</b>                | June 25, 2015              | Provider of Asset Management Services                       | LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 7.99%, Secured Debt (Maturity June 9, 2021)(9)           | 7,500               | 7,464          | 7,464                 |
| <b>SiTV, LLC(11)</b>                            | September 26, 2017         | Cable Networks Operator                                     | 10.375% Secured Debt (Maturity July 1, 2019)  | 10,429              | 7,146          | 6,049                 |
| <b>SMART Modular Technologies, Inc.(10)(13)</b> | August 18, 2017            | Provider of Specialty Memory Solutions                      | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.60%, Secured Debt (Maturity August 9, 2022)(9)         | 19,000              | 18,777         | 19,095                |
| <b>Sorenson Communications, Inc.(11)</b>        | June 7, 2016               | Manufacturer of Communication Products for Hearing Impaired | LIBOR Plus 5.75% (Floor 2.25%), Current Coupon 8.14%, Secured Debt (Maturity April 30, 2020)(9)         | 13,131              | 13,087         | 13,202                |
| <b>Staples Canada ULC(10)(13)(21)</b>           | September 14, 2017         | Office Supplies Retailer                                    | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.75%, Secured Debt (Maturity September 12, 2023)(9)(22) | 19,468              | 19,133         | 18,154                |
| <b>Strike, LLC(11)</b>                          | December 12, 2016          | Pipeline Construction and Maintenance Services              | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.59%, Secured Debt (Maturity November 30, 2022)(9)     | 9,125               | 8,911          | 9,262                 |
| <b>Synagro Infrastructure Company, Inc(11)</b>  | August 29, 2013            | Waste Management Services                                   |   |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|                                   |                    |   |  |        |        |        |
|-----------------------------------|--------------------|---|--|--------|--------|--------|
|                                   |                    |   | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.74%, Secured Debt (Maturity August 22, 2020)(9)     | 11,662 | 11,333 | 10,204 |
| <b>TE Holdings, LLC(11)</b>       | December 5, 2013   | Oil & Gas Exploration & Production                | Member Units (97,048 units)  |        | 970    | 102    |
| <b>Tectonic Holdings, LLC</b>     | May 15, 2017       | Financial Services Organization                   | Member Units (200,000 units)(8)  |        | 2,000  | 2,370  |
| <b>TeleGuam Holdings, LLC(11)</b> | June 26, 2013      | Cable and Telecom Services Provider               | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.74%, Secured Debt (Maturity April 12, 2024)(9)     | 7,750  | 7,615  | 7,808  |
| <b>TGP Holdings III LLC (11)</b>  | September 30, 2017 | Outdoor Cooking & Accessories                     | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.89%, Secured Debt (Maturity September 25, 2025)(9) | 5,500  | 5,431  | 5,466  |
| <b>The Pasha Group(11)</b>        | February 2, 2018   | Diversified Logistics and Transportation Provided | LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.70%, Secured Debt (Maturity January 26, 2023)(9)    | 11,328 | 11,020 | 11,491 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>           | <b>Investment Date(26)</b> | <b>Business Description</b>                                   | <b>Type of Investment(2)(3)(25)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>TMC Merger Sub Corp.(11)</b>           | December 22, 2016          | Refractory & Maintenance Services Provider                    | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity October 31, 2022)(9)(24) | 17,320              | 17,204         | 17,449                |
| <b>TOMS Shoes, LLC(11)</b>                | November 13, 2014          | Global Designer, Distributor, and Retailer of Casual Footwear | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.81%, Secured Debt (Maturity October 30, 2020)(9)     | 4,838               | 4,637          | 3,855                 |
| <b>Turning Point Brands, Inc.(10)(13)</b> | February 17, 2017          | Marketer/Distributor of Tobacco Products                      | LIBOR Plus 7.00%, Current Coupon 9.15%, Secured Debt (Maturity March 7, 2024)                         | 8,500               | 8,421          | 8,670                 |
| <b>TVG-I-E CMN ACQUISITION, LLC(10)</b>   | November 3, 2016           | Organic Lead Generation for Online Postsecondary Schools      | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.49%, Secured Debt (Maturity November 3, 2021)(9)     | 16,024              | 15,761         | 16,024                |
| <b>U.S. TelePacific Corp.(11)</b>         | September 14, 2016         | Provider of Communications and Managed Services               | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.39%, Secured Debt (Maturity May 2, 2023)(9)          | 18,491              | 18,337         | 18,237                |
| <b>VIP Cinema Holdings, Inc.(11)</b>      | March 9, 2017              | Supplier of Luxury Seating to the Cinema Industry             | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity March 1, 2023)(9)        | 7,400               | 7,371          | 7,451                 |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                    |  |  |        |        |        |
|--|--------------------|--|--|--------|--------|--------|
| <b>Vistar Media, Inc.(10)</b>            | February 17, 2017  | Operator of Digital Out-of-Home Advertising Platform     | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.39%, Secured Debt (Maturity February 16, 2022)(9)     | 3,263  | 3,034  | 3,088  |
|  |                    |  | Warrants (70,207 equivalent shares; Expiration February 17, 2027; Strike price \$0.01 per share)         |        | 331    | 790    |
|  |                    |  |  |        | 3,365  | 3,878  |
| <b>Wireless Vision Holdings, LLC(10)</b> | September 29, 2017 | Provider of Wireless Telecommunications Carrier Services | LIBOR Plus 8.91% (Floor 1.00%), Current Coupon 10.99%, Secured Debt (Maturity September 29, 2022)(9)(28) | 12,835 | 12,597 | 12,597 |
| <b>YS Garments, LLC(11)</b>              | August 22, 2018    | Designer and Provider of Branded Activewear              | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.17% Secured Debt (Maturity August 9, 2024)(9)           | 15,000 | 14,852 | 14,850 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

| <b>Portfolio Company(1)(20)</b>   | <b>Investment Date(26)</b> | <b>Business Description</b>                        | <b>Type of Investment(2)(3)(25)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>Zilliant Incorporated</b>  | June 15, 2012              | Price Optimization and Margin Management Solutions | Preferred Stock (186,777 shares)   |                     | 154            | 260                   |
|   |                            |  | Warrants (952,500 equivalent shares; Expiration June 15, 2022; Strike price \$0.001 per share) |                     | 1,071          | 1,190                 |
|   |                            |  |  |                     | 1,225          | 1,450                 |
| <b>Subtotal Non-Control/Non-Affiliate Investments (72.2% of net assets at fair value)</b> |                            |  |  |                     | \$ 1,105,048   | \$ 1,086,301          |
| <b>Total Portfolio Investments, September 30, 2018</b>                                    |                            |  |  |                     | \$ 2,211,718   | \$ 2,426,873          |

- (1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See Note B for a description of Lower Middle Market portfolio investments. All of the Company's investments, unless otherwise noted, are encumbered either as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (2) Debt investments are income producing, unless otherwise noted. Equity and warrants are non-income producing, unless otherwise noted.
- (3) See Note C for a summary of geographic location of portfolio companies.
- (4) Principal is net of repayments. Cost is net of repayments and accumulated unearned income.
- (5) Control investments are defined by the Investment Company Act of 1940, as amended ("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% 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)

## Edgar Filing: Main Street Capital CORP - Form 497

Income producing through dividends or distributions.

- (9) Index based floating interest rate is subject to contractual minimum interest rate. 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 or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each such loan, the Company has provided the weighted average annual stated interest rate in effect at September 30, 2018. As noted in this schedule, 67% of the loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.25%, with a weighted-average LIBOR floor of approximately 1.04%.
- (10) Private Loan portfolio investment. See Note B for a description of Private Loan portfolio investments.
- (11) Middle Market portfolio investment. See Note B for a description of Middle Market portfolio investments.
- (12) Other Portfolio investment. See Note B 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 investment.
- (15) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investments in this portfolio company will not be finally determined until such process is complete. As noted in footnote(14), our debt investments in this portfolio company are on non-accrual status.
- (16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (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 for further discussion.
- (19) PIK interest income and cumulative dividend income represent income not paid currently in cash.
- (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) In connection with the Company's debt investment in Staples Canada ULC to help mitigate any potential adverse change in foreign exchange rates during the term of the Company's investment, the Company entered into a forward foreign currency contract with Cadence Bank to lend \$23.6 million Canadian Dollars and receive \$18.0 million U.S. Dollars with a settlement date of September 12, 2019. The unrealized depreciation on the forward foreign currency contract is \$0.4 million as of September 30, 2018.
- (23) 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 LIBOR plus 6.00% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

**Consolidated Schedule of Investments (Continued)**

**September 30, 2018**

**(dollars in thousands)**

**(unaudited)**

- (24) The Company has entered into an intercreditor agreement that entitles the Company to the "first 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 lower interest rate than the contractual stated interest rate of LIBOR plus 6.64% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such lower rate.
- (25) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."
- (26) Investment date represents the date of initial investment in the portfolio company.
- (27) Investment has an unfunded commitment as of September 30, 2018 (see Note M). The fair value of the investment includes the impact of the fair value of any unfunded commitments
- (28) 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 LIBOR plus 8.50% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>       | <b>Investment Date(28)</b> | <b>Business Description</b>                           | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b>          | <b>Fair Value(18)</b> |
|---------------------------------------|----------------------------|---|--|---------------------|-------------------------|-----------------------|
| <b><u>Control Investments(5)</u></b>  |                            |   |  |                     |                         |                       |
| <b>Access Media Holdings, LLC(10)</b> | July 22, 2015              | Private Cable Operator                                | 5% Current / 5% PIK Secured Debt (Maturity July 22, 2020)(19)<br>Preferred Member Units (8,248,500 units)<br>Member Units (45 units) | \$ 23,828           | \$ 23,828<br>8,142<br>1 | \$ 17,150             |
|                                       |                            |   |  |                     | 31,971                  | 17,150                |
| <b>ASC Interests, LLC</b>             | August 1, 2013             | Recreational and Educational Shooting Facility        | 11% Secured Debt (Maturity July 31, 2018)<br>Member Units (1,500 units)  | 1,800               | 1,795<br>1,500          | 1,795<br>1,530        |
|                                       |                            |   |  |                     | 3,295                   | 3,325                 |
| <b>ATS Workholding, LLC(10)</b>       | March 10, 2014             | Manufacturer of Machine Cutting Tools and Accessories | 5% Secured Debt (Maturity November 16, 2021)<br>Preferred Member Units (3,725,862 units)   | 3,726               | 3,249<br>3,726          | 3,249<br>3,726        |
|                                       |                            |   |  |                     | 6,975                   | 6,975                 |
| <b>Bond-Coat, Inc.</b>                | December 28, 2012          | Casing and Tubing Coating Services                    | 12% Secured Debt (Maturity December 28, 2017)(17)<br>Common Stock (57,508 shares)  | 11,596              | 11,596<br>6,350         | 11,596<br>9,370       |
|                                       |                            |   |  |                     | 17,946                  | 20,966                |
| <b>Café Brazil, LLC</b>               | April 20, 2004             | Casual Restaurant Group                               | Member Units (1,233 units)(8)  |                     | 1,742                   | 4,900                 |
| <b>CBT Nuggets, LLC</b>               | June 1, 2006               | Produces and Sells IT Training Certification          |  |                     |                         |                       |



Edgar Filing: Main Street Capital CORP - Form 497

| Videos  |                   |  | Member Units (416 units)(8)   | 1,300  | 89,560 |
|---|-------------------|--|---|--------|--------|
| <b>Charps, LLC</b>                            | February 3, 2017  | Pipeline Maintenance and Construction      | 12% Secured Debt (Maturity February 3, 2022)  | 18,400 | 18,225 |
|   |                   |  | Preferred Member Units (1,600 units)  |        | 400    |
|   |                   |  |   |        | 650    |
|   |                   |  |   | 18,625 | 18,875 |
| <b>Clad-Rex Steel, LLC</b>                    | December 20, 2016 | Specialty Manufacturer of Vinyl-Clad Metal | LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.86%, Secured Debt (Maturity December 20, 2021)(9) | 13,280 | 13,168 |
|   |                   |  | Member Units (717 units)(8)   |        | 7,280  |
|   |                   |  | 10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity December 20, 2036)                     | 1,183  | 1,171  |
|   |                   |  | Member Units (Clad-Rex Steel RE Investor, LLC) (800 units)  |        | 210    |
|   |                   |  |   | 21,829 | 24,243 |
| <b>CMS Minerals Investments</b>               | January 30, 2015  | Oil & Gas Exploration & Production         | Member Units (CMS Minerals II, LLC) (100 units)(8)  |        | 3,440  |
|   |                   |  |   |        | 2,392  |
| <b>Copper Trail Energy Fund I, LP(12)(13)</b> | July 17, 2017     | Investment Partnership                     | LP Interests (Fully diluted 30.1%)  |        | 2,500  |
|   |                   |  |   |        | 2,500  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>     | <b>Investment Date(28)</b> | <b>Business Description</b>                          | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|-------------------------------------|----------------------------|--|---|---------------------|----------------|-----------------------|
| <b>Datacom, LLC</b>                 | May 30, 2014               | Technology and Telecommunications Provider           | 8% Secured Debt (Maturity May 30, 2018)   | 1,575               | 1,575          | 1,575                 |
|                                     |                            |  | 5.25% Current / 5.25% PIK Secured Debt (Maturity May 30, 2019)(19)                                  | 12,349              | 12,311         | 11,110                |
|                                     |                            |  | Class A Preferred Member Units  |                     | 1,181          | 730                   |
|                                     |                            |  | Class B Preferred Member Units (6,453 units)  |                     | 6,030          |                       |
|                                     |                            |  |   |                     | 21,097         | 13,415                |
| <b>Gamber-Johnson Holdings, LLC</b> | June 24, 2016              | Manufacturer of Ruggedized Computer Mounting Systems | LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.36%, Secured Debt (Maturity June 24, 2021)(9)    | 23,400              | 23,213         | 23,400                |
|                                     |                            |  | Member Units (8,619 units)(8)   |                     | 14,844         | 23,370                |
|                                     |                            |  |   |                     | 38,057         | 46,770                |
| <b>Garreco, LLC</b>                 | July 15, 2013              | Manufacturer and Supplier of Dental Products         | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.34%, Secured Debt (Maturity March 31, 2020)(9)   | 5,483               | 5,443          | 5,443                 |
|                                     |                            |  | Member Units (1,200 units)  |                     | 1,200          | 1,940                 |
|                                     |                            |  |   |                     | 6,643          | 7,383                 |
| <b>GRT Rubber Technologies LLC</b>  | December 19, 2014          | Manufacturer of Engineered Rubber Products           | LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.36%, Secured Debt (Maturity December 19, 2019)(9) | 11,603              | 11,550         | 11,603                |
|                                     |                            |  | Member Units (5,879 units)(8)   |                     | 13,065         | 21,970                |
|                                     |                            |  |   |                     | 24,615         | 33,573                |
| <b>Gulf Manufacturing, LLC</b>      |                            |  |   |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                    |  |  |        |        |
|--|--------------------|--|--|--------|--------|
|  | August 31,<br>2007 | Manufacturer of<br>Specialty Fabricated<br>Industrial Piping<br>Products | Member Units (438 units)(8)  | 2,980  | 10,060 |
| <b>Gulf Publishing Holdings, LLC</b>           | April 29, 2016     | Energy Industry<br>Focused Media and<br>Publishing                       | LIBOR Plus 9.50% (Floor<br>1.00%), Current Coupon<br>10.86%, Secured Debt<br>(Maturity September 30,<br>2020)(9) | 80     | 80     |
|  |                    |  | 12.5% Secured Debt<br>(Maturity April 29, 2021)  | 12,800 | 12,703 |
|  |                    |  | Member Units (3,681 units)   | 3,681  | 4,840  |
|  |                    |  |  | 16,464 | 17,623 |
| <b>Harborside Holdings, LLC</b>                | March 20, 2017     | Real Estate Holding<br>Company   | Member units (100 units)   | 6,206  | 9,400  |
| <b>Harris Preston Fund Investments(12)(13)</b> | October 1, 2017    | Investment<br>Partnership  | LP Interests (2717 MH, L.P.)<br>(Fully diluted 49.3%)  | 536    | 536    |
| <b>Harrison Hydra-Gen, Ltd.</b>                | June 4, 2010       | Manufacturer of<br>Hydraulic Generators                                  | Common Stock (107,456<br>shares)   | 718    | 3,580  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>      | <b>Investment Date(28)</b> | <b>Business Description</b>                                      | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--------------------------------------|----------------------------|--|---|---------------------|----------------|-----------------------|
| <b>HW Temps LLC</b>                  | July 2, 2015               | Temporary Staffing Solutions                                     | LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.36%, Secured Debt (Maturity July 2, 2020)(9)     | 9,976               | 9,918          | 9,918                 |
|                                      |                            |  | Preferred Member Units (3,200 units)  |                     | 3,942          | 3,940                 |
|                                      |                            |  |   |                     | 13,860         | 13,858                |
| <b>Hydratec, Inc.</b>                | November 1, 2007           | Designer and Installer of Micro-Irrigation Systems               | Common Stock (7,095 shares)(8)  |                     | 7,095          | 15,000                |
| <b>IDX Broker, LLC</b>               | November 15, 2013          | Provider of Marketing and CRM Tools for the Real Estate Industry | 11.5% Secured Debt (Maturity November 15, 2020)   | 15,250              | 15,116         | 15,250                |
|                                      |                            |  | Preferred Member Units (5,607 units)(8)   |                     | 5,952          | 11,660                |
|                                      |                            |  |   |                     | 21,068         | 26,910                |
| <b>Jensen Jewelers of Idaho, LLC</b> | November 14, 2006          | Retail Jewelry Store   | Prime Plus 6.75% (Floor 2.00%), Current Coupon 11.00%, Secured Debt (Maturity November 14, 2019)(9) | 3,955               | 3,917          | 3,955                 |
|                                      |                            |  | Member Units (627 units)(8)   |                     | 811            | 5,100                 |
|                                      |                            |  |   |                     | 4,728          | 9,055                 |
| <b>KBK Industries, LLC</b>           | January 23, 2006           | Manufacturer of Specialty Oilfield and Industrial Products       | 10% Secured Debt (Maturity September 28, 2020)  | 375                 | 372            | 375                   |
|                                      |                            |  | 12.5% Secured Debt (Maturity September 28, 2020)  | 5,900               | 5,867          | 5,900                 |
|                                      |                            |  | Member Units (325 units)(8)   |                     | 783            | 4,420                 |
|                                      |                            |  |   | 7,022               | 10,695         |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                      |   |   |        |              |              |
|--|----------------------|---|---|--------|--------------|--------------|
| <b>Lamb Ventures, LLC</b>                | May 30, 2008         | Aftermarket<br>Automotive<br>Services Chain                     | 11% Secured Debt<br>(Maturity July 1, 2022)   | 9,942  | 9,890        | 9,942        |
|  |                      |   | Preferred Equity (non-voting)<br>Member Units (742 units)(8)  |        | 400<br>5,273 | 400<br>6,790 |
|  |                      |   | 9.5% Secured Debt (Lamb's<br>Real Estate Investment I, LLC)<br>(Maturity March 31, 2027)                  | 432    | 428          | 432          |
|  |                      |   | Member Units (Lamb's Real<br>Estate Investment I, LLC)<br>(1,000 units)(8)                                |        | 625          | 520          |
|  |                      |   |   |        | 16,616       | 18,084       |
| <b>Marine Shelters<br/>Holdings, LLC</b> | December 28,<br>2012 | Fabricator of<br>Marine and<br>Industrial Shelters              | 12% PIK Secured Debt<br>(Maturity December 28,<br>2017)(14)   | 3,131  | 3,078        |              |
|  |                      |   | Preferred Member Units (3,810<br>units)   |        | 5,352        |              |
|  |                      |   |   |        | 8,430        |              |
| <b>Market Force<br/>Information, LLC</b> | July 28, 2017        | Provider of<br>Customer<br>Experience<br>Management<br>Services | LIBOR Plus 11.00% (Floor<br>1.00%), Current Coupon<br>12.48%, Secured Debt<br>(Maturity July 28, 2022)(9) | 23,360 | 23,143       | 23,143       |
|  |                      |   | Member Units (657,113 units)  |        | 14,700       | 14,700       |
|  |                      |   |   |        | 37,843       | 37,843       |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>          | <b>Investment Date(28)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|---|--|---------------------|----------------|-----------------------|
| <b>MH Corbin Holding LLC</b>             | August 31, 2015            | Manufacturer and Distributor of Traffic Safety Products               | 13% Secured Debt (Maturity August 31, 2020)                                  | 12,600              | 12,526         | 12,526                |
|  |                            |   | Preferred Member Units (4,000 shares)  |                     | 6,000          | 6,000                 |
|  |                            |   |  |                     | 18,526         | 18,526                |
| <b>Mid-Columbia Lumber Products, LLC</b> | December 18, 2006          | Manufacturer of Finger-Jointed Lumber Products                        | 10% Secured Debt (Maturity January 15, 2020)                                 | 1,398               | 1,390          | 1,390                 |
|  |                            |   | 12% Secured Debt (Maturity January 15, 2020)                                 | 3,900               | 3,863          | 3,863                 |
|  |                            |   | Member Units (5,714 units)   |                     | 2,405          | 1,575                 |
|  |                            |   | 9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity May 13, 2025)    | 791                 | 791            | 791                   |
|  |                            |   | Member Units (Mid-Columbia Real Estate, LLC) (500 units)(8)                  |                     | 790            | 1,290                 |
|  |                            |   | 9,239  | 8,909               |                |                       |
| <b>MSC Adviser I, LLC(16)</b>            | November 22, 2013          | Third Party Investment Advisory Services                              | Member Units (Fully diluted 100.0%)(8)                                       |                     |                | 41,768                |
| <b>Mystic Logistics Holdings, LLC</b>    | August 18, 2014            | Logistics and Distribution Services Provider for Large Volume Mailers | 12% Secured Debt (Maturity August 15, 2019)                                  | 7,768               | 7,696          | 7,696                 |
|  |                            |   | Common Stock (5,873 shares)  |                     | 2,720          | 6,820                 |
|  |                            |   |  | 10,416              | 14,516         |                       |
| <b>NAPCO Precast, LLC</b>                | January 31, 2008           | Precast Concrete Manufacturing  | LIBOR Plus 8.50%, Current Coupon 9.98%, Secured Debt (Maturity May 31, 2019) | 11,475              | 11,439         | 11,475                |

Edgar Filing: Main Street Capital CORP - Form 497

|                                   |                   |  |   |        |        |
|-----------------------------------|-------------------|--|---|--------|--------|
|                                   |                   |  | Member Units (2,955 units)(8)   | 2,975  | 11,670 |
|                                   |                   |  |   | 14,414 | 23,145 |
| <b>NRI Clinical Research, LLC</b> | September 8, 2011 | Clinical Research Service Provider             | LIBOR Plus 6.50% (Floor 1.50%), Current Coupon 8.00%, Secured Debt (Maturity January 15, 2018)(9) | 400    | 400    |
|                                   |                   |  | 14% Secured Debt (Maturity January 15, 2018)  | 3,865  | 3,865  |
|                                   |                   |  | Warrants (251,723 equivalent units; Expiration September 8, 2021; Strike price \$0.01 per unit)   |        | 252    |
|                                   |                   |  | Member Units (1,454,167 units)  |        | 765    |
|                                   |                   |  |   | 5,282  | 7,265  |
| <b>NRP Jones, LLC</b>             | December 22, 2011 | Manufacturer of Hoses, Fittings and Assemblies | 12% Secured Debt (Maturity March 20, 2023)  | 6,376  | 6,376  |
|                                   |                   |  | Member Units (65,208 units)(8)  |        | 3,717  |
|                                   |                   |  |   | 10,093 | 9,626  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>  | <b>Investment Date(28)</b> | <b>Business Description</b>                                 | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b>                    | <b>Fair Value(18)</b>            |
|--|----------------------------|---|---|---------------------|-----------------------------------|----------------------------------|
| <b>NuStep, LLC</b>   | January 31, 2017           | Designer, Manufacturer and Distributor of Fitness Equipment | 12% Secured Debt (Maturity January 31, 2022) Preferred Member Units (406 units)   | 20,600              | 20,420<br>10,200<br>30,620        | 20,420<br>10,200<br>30,620       |
| <b>OMi Holdings, Inc.</b>  | April 1, 2008              | Manufacturer of Overhead Cranes                             | Common Stock (1,500 shares)(8)  |                     | 1,080                             | 14,110                           |
| <b>Pegasus Research Group, LLC</b>   | January 6, 2011            | Provider of Telemarketing and Data Services                 | Member Units (460 units)(8)   |                     | 1,290                             | 10,310                           |
| <b>PPL RVs, Inc.</b>   | June 10, 2010              | Recreational Vehicle Dealer                                 | LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 8.34%, Secured Debt (Maturity November 15, 2021)(9)<br>Common Stock (1,962 shares)(8)  | 16,100              | 15,972<br>2,150<br>18,122         | 16,100<br>12,440<br>28,540       |
| <b>Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)</b> | February 1, 2011           | Noise Abatement Service Provider                            | 13% Secured Debt (Maturity April 30, 2020) Preferred Member Units (19,631 units) Warrants (1,018 equivalent units; Expiration January 31, 2021; Strike price \$0.01 per unit) | 7,477               | 7,347<br>4,600<br>1,200<br>13,147 | 7,477<br>11,490<br>650<br>19,617 |
| <b>Quality Lease Service, LLC</b>  | June 8, 2015               | Provider of Rigsite Accommodation Unit Rentals and          |   |                     |                                   |                                  |



Edgar Filing: Main Street Capital CORP - Form 497

|   |                     | Related Services   |   |       |        |        |
|---|---------------------|--|---|-------|--------|--------|
|   |                     |  | Zero Coupon Secured Debt<br>(Maturity June 8, 2020)   | 7,341 | 7,341  | 6,950  |
|   |                     |  | Member Units (1,000 units)  |       | 2,868  | 4,938  |
|   |                     |  |   |       | 10,209 | 11,888 |
| <b>River Aggregates, LLC</b>              | March 30,<br>2011   | Processor of<br>Construction<br>Aggregates                       |   |       |        |        |
|   |                     |  | Zero Coupon Secured Debt<br>(Maturity June 30, 2018)  | 750   | 707    | 707    |
|   |                     |  | Member Units (1,150 units)  |       | 1,150  | 4,610  |
|   |                     |  | Member Units (RA<br>Properties, LLC) (1,500 units)  |       | 369    | 2,559  |
|   |                     |  |   |       | 2,226  | 7,876  |
| <b>SoftTouch Medical<br/>Holdings LLC</b> | October 31,<br>2014 | Provider of<br>In-Home Pediatric<br>Durable Medical<br>Equipment |   |       |        |        |
|   |                     |  | LIBOR Plus 9.00% (Floor<br>1.00%), Current Coupon<br>10.36%, Secured Debt<br>(Maturity October 31, 2019)(9) | 7,140 | 7,110  | 7,140  |
|   |                     |  | Member Units (4,450 units)(8)   |       | 4,930  | 10,089 |
|   |                     |  |   |       | 12,040 | 17,229 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b> | <b>Investment Date(28)</b> | <b>Business Description</b>                                       | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---------------------------------|----------------------------|---|--|---------------------|----------------|-----------------------|
| <b>The MPI Group, LLC</b>       | October 2, 2007            | Manufacturer of Custom Hollow Metal Doors, Frames and Accessories | 9% Secured Debt (Maturity October 2, 2018)   | 2,924               | 2,923          | 2,410                 |
|                                 |                            |   | Series A Preferred Units (2,500 units)   |                     | 2,500          |                       |
|                                 |                            |   | Warrants (1,424 equivalent units; Expiration July 1, 2024; Strike price \$0.01 per unit)     |                     | 1,096          |                       |
|                                 |                            |   | Member Units (MPI Real Estate Holdings, LLC) (100 units)(8)                                  |                     | 2,300          | 2,389                 |
|                                 |                            |   |  |                     | 8,819          | 4,799                 |
| <b>Uvalco Supply, LLC</b>       | January 2, 2008            | Farm and Ranch Supply Store                                       | 9% Secured Debt (Maturity January 1, 2019)   | 348                 | 348            | 348                   |
|                                 |                            |   | Member Units (1,867 units)(8)  |                     | 3,579          | 3,880                 |
|                                 |                            |   |  |                     | 3,927          | 4,228                 |
| <b>Vision Interests, Inc.</b>   | June 5, 2007               | Manufacturer / Installer of Commercial Signage                    | 13% Secured Debt (Maturity December 23, 2018)  | 2,814               | 2,797          | 2,797                 |
|                                 |                            |   | Series A Preferred Stock (3,000,000 shares)  |                     | 3,000          | 3,000                 |
|                                 |                            |   | Common Stock (1,126,242 shares)  |                     | 3,706          |                       |
|                                 |                            |   |  |                     | 9,503          | 5,797                 |
| <b>Ziegler's NYPD, LLC</b>      | October 1, 2008            | Casual Restaurant Group   | 6.5% Secured Debt (Maturity October 1, 2019)   | 1,000               | 996            | 996                   |
|                                 |                            |   | 12% Secured Debt (Maturity October 1, 2019)  | 300                 | 300            | 300                   |
|                                 |                            |   | 14% Secured Debt (Maturity October 1, 2019)  | 2,750               | 2,750          | 2,750                 |
|                                 |                            |   | Warrants (587 equivalent units; Expiration September 29, 2018; Strike price \$0.01 per unit) |                     | 600            |                       |
|                                 |                            |   |  |                     | 2,834          | 3,220                 |

Edgar Filing: Main Street Capital CORP - Form 497

|  |  |            |            |
|--|--|------------|------------|
|  | Preferred Member Units<br>(10,072 units) |            |            |
|  |  | 7,480      | 7,266      |
| <b>Subtotal Control Investments (54.4% net assets at fair value)</b> |  | \$ 530,034 | \$ 750,706 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>        | <b>Investment Date(28)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b>               | <b>Fair Value(18)</b>         |
|--|----------------------------|---|---|---------------------|------------------------------|-------------------------------|
| <b><u>Affiliate Investments(6)</u></b> |                            |   |   |                     |                              |                               |
| <b>AFG Capital Group, LLC</b>          | November 7, 2014           | Provider of Rent-to-Own Financing Solutions and Services                              | Warrants (42 equivalent units; Expiration November 7, 2024; Strike price \$0.01 per unit)<br>Preferred Member Units (186 units)(8)  |                     | \$ 259<br>1,200<br>1,459     | \$ 860<br>3,590<br>4,450      |
| <b>Barfly Ventures, LLC(10)</b>        | August 31, 2015            | Casual Restaurant Group   | 12% Secured Debt (Maturity August 31, 2020)<br>Options (2 equivalent units)<br>Warrant (1 equivalent unit; Expiration August 31, 2025; Strike price \$1.00 per unit)        | 8,715               | 8,572<br>397<br>473<br>9,442 | 8,715<br>920<br>520<br>10,155 |
| <b>BBB Tank Services, LLC</b>          | April 8, 2016              | Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.36%, Secured Debt (Maturity April 8, 2021)(9)<br>15% Secured Debt (Maturity April 8, 2021)<br>Member Units (800,000 units) | 800<br>4,000        | 778<br>3,876<br>800<br>5,454 | 778<br>3,876<br>500<br>5,154  |
| <b>Boccella Precast Products LLC</b>   | June 30, 2017              | Manufacturer of Precast Hollow Core Concrete  | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.34%, Secured Debt (Maturity June 30, 2022)(9)  | 16,400              | 16,230<br>2,160              | 16,400<br>3,440               |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                |   |   |        |        |        |
|---|----------------|---|---|--------|--------|--------|
|   |                |   | Member Units (2,160,000 units)  |        | 18,390 | 19,840 |
| <b>Boss Industries, LLC</b>                 | July 1, 2014   | Manufacturer and Distributor of Air, Power and Other Industrial Equipment |   |        |        |        |
|   |                |   | Preferred Member Units (2,242 units)(8)   |        | 2,080  | 3,930  |
| <b>Bridge Capital Solutions Corporation</b> | April 18, 2012 | Financial Services and Cash Flow Solutions Provider                       |   |        |        |        |
|   |                |   | 13% Secured Debt (Maturity July 25, 2021) Warrants (63 equivalent shares; Expiration July 25, 2026; Strike price \$0.01 per share)                    | 7,500  | 5,884  | 5,884  |
|   |                |   | 13% Secured Debt (Mercury Service Group, LLC) (Maturity July 25, 2021) Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)          |        | 2,132  | 3,520  |
|   |                |   |   | 1,000  | 992    | 1,000  |
|   |                |   |   |        | 1,000  | 1,000  |
|   |                |   |   |        | 10,008 | 11,404 |
| <b>Buca C, LLC</b>                          | June 30, 2015  | Casual Restaurant Group   |   |        |        |        |
|   |                |   | LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.63%, Secured Debt (Maturity June 30, 2020)(9) Preferred Member Units (6 units; 6% cumulative)(8)(19) | 20,304 | 20,193 | 20,193 |
|   |                |   |   |        | 4,177  | 4,172  |
|   |                |   |   |        | 24,370 | 24,365 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                     | <b>Investment Date(28)</b> | <b>Business Description</b>                                   | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>CAI Software LLC</b>                             | October 10, 2014           | Provider of Specialized Enterprise Resource Planning Software | 12% Secured Debt (Maturity October 10, 2019)  | 4,083               | 4,060          | 4,083                 |
|   |                            |   | Member Units (65,356 units)(8)  |                     | 654            | 3,230                 |
|   |                            |   |   |                     | 4,714          | 7,313                 |
| <b>Chandler Signs Holdings, LLC(10)</b>             | January 4, 2016            | Sign Manufacturer   | 12% Secured Debt (Maturity July 4, 2021)  | 4,500               | 4,468          | 4,500                 |
|   |                            |   | Class A Units (1,500,000 units)(8)  |                     | 1,500          | 2,650                 |
|   |                            |   |   |                     | 5,968          | 7,150                 |
| <b>Condit Exhibits, LLC</b>                         | July 1, 2008               | Tradeshow Exhibits / Custom Displays Provider                 | Member Units (3,936 units)(8)   |                     | 100            | 1,950                 |
| <b>Congruent Credit Opportunities Funds(12)(13)</b> | January 24, 2012           | Investment Partnership  | LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)(8)  |                     | 5,730          | 1,515                 |
|   |                            |   | LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8) |                     | 17,869         | 18,632                |
|   |                            |   |   |                     | 23,599         | 20,147                |
| <b>Dos Rios Partners(12)(13)</b>                    | April 25, 2013             | Investment Partnership  | LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)(8)                       |                     | 5,996          | 7,165                 |
|   |                            |   | LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)(8)                      |                     | 1,904          | 1,889                 |
|   |                            |   |   |                     | 7,900          | 9,054                 |
| <b>Dos Rios Stone Products LLC(10)</b>              | June 27, 2016              | Limestone and Sandstone Dimension Cut                         |   |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                   |   |   |        |        |
|--|-------------------|---|---|--------|--------|
|  |                   | Stone Mining Quarries   | Class A Preferred Units (2,000,000 units)(8)  | 2,000  | 1,790  |
| <b>East Teak Fine Hardwoods, Inc.</b>          | April 13, 2006    | Distributor of Hardwood Products  | Common Stock (6,250 shares)(8)  | 480    | 630    |
| <b>EIG Fund Investments(12)(13)</b>            | November 6, 2015  | Investment Partnership  | LP Interests (EIG Global Private Debt Fund-A, L.P.) (Fully diluted 11.1%)(8)  | 1,103  | 1,055  |
| <b>Freeport Financial Funds(12)(13)</b>        | June 13, 2013     | Investment Partnership  | LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.3%)(8)  | 5,974  | 5,614  |
|  |                   |   | LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.0%)(8)   | 8,558  | 8,506  |
|  |                   |   |   | 14,532 | 14,120 |
| <b>Gault Financial, LLC (RMB Capital, LLC)</b> | November 21, 2011 | Purchases and Manages Collection of Healthcare and other Business Receivables | 10.5% Secured Debt (Maturity January 1, 2019) Warrants (29,032 equivalent units; Expiration February 9, 2022; Strike price \$0.01 per unit) | 12,483 | 12,483 |
|  |                   |   |   | 400    |        |
|  |                   |   |   | 12,883 | 11,532 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                | <b>Investment Date(28)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(27)</b>                           | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|--|---|---------------------|----------------|-----------------------|
| <b>Guerdon Modular Holdings, Inc.</b>          | August 13, 2014            | Multi-Family and Commercial Modular Construction Company               | 13% Secured Debt (Maturity August 13, 2019)                   | 10,708              | 10,632         | 10,632                |
|  |                            |  | Preferred Stock (404,998 shares)                              |                     | 1,140          |                       |
|  |                            |  | Common Stock (212,033 shares)                                 |                     | 2,983          |                       |
|  |                            |  |   |                     | 14,755         | 10,632                |
| <b>Harris Preston Fund Investments(12)(13)</b> | October 1, 2017            | Investment Partnership   | LP Interests (HPEP 3, L.P.) (Fully diluted 9.9%)              |                     | 943            | 943                   |
| <b>Hawk Ridge Systems, LLC(13)</b>             | December 2, 2016           | Value-Added Reseller of Engineering Design and Manufacturing Solutions | 11% Secured Debt (Maturity December 2, 2021)                  | 14,300              | 14,175         | 14,300                |
|  |                            |  | Preferred Member Units (226 units)(8)                         |                     | 2,850          | 3,800                 |
|  |                            |  | Preferred Member Units (HRS Services, ULC) (226 units)(8)     |                     | 150            | 200                   |
|  |                            |  |   |                     | 17,175         | 18,300                |
| <b>Houston Plating and Coatings, LLC</b>       | January 8, 2003            | Provider of Plating and Industrial Coating Services                    | 8% Unsecured Convertible Debt (Maturity May 1, 2022)          | 3,000               | 3,000          | 3,200                 |
|  |                            |  | Member Units (315,756 units)                                  |                     | 2,179          | 6,140                 |
|  |                            |  |   |                     | 5,179          | 9,340                 |
| <b>I-45 SLF LLC(12)(13)</b>                    | October 20, 2015           | Investment Partnership   | Member Units (Fully diluted 20.0%; 24.4% profits interest)(8) |                     | 16,200         | 16,841                |
| <b>L.F. Manufacturing Holdings, LLC(10)</b>    | December 23, 2013          | Manufacturer of Fiberglass Products                                    |   |                     |                |                       |



Edgar Filing: Main Street Capital CORP - Form 497

|                                   |                   |  | Member Units (2,179,001 units)  | 2,019  | 2,000  |        |
|-----------------------------------|-------------------|--|---|--------|--------|--------|
| <b>Meisler Operating LLC</b>      | June 7, 2017      | Provider of Short-term Trailer and Container Rental                    | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.84%, Secured Debt (Maturity June 7, 2022)(9) | 16,800 | 16,633 | 16,633 |
|                                   |                   |  | Member Units (Milton Meisler Holdings LLC) (31,976 units)                                     |        | 3,200  | 3,390  |
|                                   |                   |  |   |        | 19,833 | 20,023 |
|                                   |                   |  |   |        |        |        |
| <b>OnAsset Intelligence, Inc.</b> | April 18, 2011    | Provider of Transportation Monitoring / Tracking Products and Services | 12% PIK Secured Debt (Maturity June 30, 2021)(19)   | 5,094  | 5,094  | 5,094  |
|                                   |                   |  | 10% PIK Unsecured Debt (Maturity June 30, 2021)(19)   | 48     | 48     | 48     |
|                                   |                   |  | Preferred Stock (912 shares)  |        | 1,981  |        |
|                                   |                   |  | Warrants (5,333 equivalent shares; Expiration April 18, 2021; Strike price \$0.01 per share)  |        | 1,919  |        |
|                                   |                   |  |   |        | 9,042  | 5,142  |
| <b>OPI International Ltd.(13)</b> | November 30, 2010 | Provider of Man Camp and Industrial Storage Services                   | Common Stock (20,766,317 shares)  |        | 1,371  |        |
|                                   |                   |  |   |        |        |        |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                              | <b>Investment Date(28)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>PCI Holding Company, Inc.</b>                             | December 18, 2012          | Manufacturer of Industrial Gas Generating Systems                   | 12% Secured Debt (Maturity March 31, 2019)  | 12,650              | 12,593         | 12,593                |
|  |                            |   | Preferred Stock (1,740,000 shares) (non-voting)   |                     | 1,740          | 2,610                 |
|  |                            |   | Preferred Stock (1,500,000 shares; 20% cumulative)(8)(19)   |                     | 3,927          | 890                   |
|  |                            |   |   |                     | 18,260         | 16,093                |
| <b>Rocacea, LLC (Quality Lease and Rental Holdings, LLC)</b> | January 8, 2013            | Provider of Rigsite Accommodation Unit Rentals and Related Services | 12% Secured Debt (Maturity January 8, 2018)(14)(15)   | 30,785              | 30,281         | 250                   |
|  |                            |   | Preferred Member Units (250 units)  |                     | 2,500          |                       |
|  |                            |   |   |                     | 32,781         | 250                   |
| <b>Tin Roof Acquisition Company</b>                          | November 13, 2013          | Casual Restaurant Group   | 12% Secured Debt (Maturity November 13, 2018)   | 12,783              | 12,722         | 12,722                |
|  |                            |   | Class C Preferred Stock (Fully diluted 10.0%; 10% cumulative)(8)(19)  |                     | 3,027          | 3,027                 |
|  |                            |   |   |                     | 15,749         | 15,749                |
| <b>UniTek Global Services, Inc.(11)</b>                      | April 15, 2011             | Provider of Outsourced Infrastructure Services                      | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.20%, Secured Debt (Maturity January 13, 2019)(9)  | 8,535               | 8,529          | 8,535                 |
|  |                            |   | LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.20% / 1.00% PIK, Current Coupon Plus PIK 10.20%, Secured Debt (Maturity January 13, 2019)(9)(19) | 137                 | 137            | 137                   |
|  |                            |   |   | 865                 | 865            | 865                   |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                   |  |  |        |        |        |
|--|-------------------|--|--|--------|--------|--------|
|  |                   |  | 15% PIK Unsecured Debt (Maturity July 13, 2019)(19)  |        |        |        |
|  |                   |  | Preferred Stock (2,596,567 shares; 19% cumulative)(8)(19)  | 2,858  |        | 2,850  |
|  |                   |  | Preferred Stock (4,935,377 shares; 13.5% cumulative)(8)(19)  | 7,361  |        | 7,320  |
|  |                   |  | Common Stock (1,075,992 shares)  |        |        | 2,490  |
|  |                   |  |  | 19,750 |        | 22,197 |
| <b>Universal Wellhead Services Holdings, LLC(10)</b> | October 30, 2014  | Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry |  |        |        |        |
|  |                   |  | Preferred Member Units (UWS Investments, LLC) (716,949 units)  | 717    |        | 830    |
|  |                   |  | Member Units (UWS Investments, LLC) (4,000,000 units)  | 4,000  |        | 1,910  |
|  |                   |  |  | 4,717  |        | 2,740  |
| <b>Valley Healthcare Group, LLC</b>                  | December 29, 2015 | Provider of Durable Medical Equipment  |  |        |        |        |
|  |                   |  | LIBOR Plus 12.50% (Floor 0.50%), Current Coupon 13.86%, Secured Debt (Maturity December 29, 2020)(9) | 11,766 | 11,685 | 11,685 |
|  |                   |  | Preferred Member Units (Valley Healthcare Holding, LLC) (1,600 units)                                |        | 1,600  | 1,600  |
|  |                   |  |  | 13,285 |        | 13,285 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>  | <b>Investment<br/>Date(28)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b>    | <b>Fair<br/>Value(18)</b> |
|--|--------------------------------|--|---|---------------------|-------------------|---------------------------|
| <b>Volusion, LLC</b>   | January 26,<br>2015            | Provider of Online<br>Software-as-a-Service<br>eCommerce Solutions | 11.5% Secured Debt<br>(Maturity January 26, 2020)   | 16,734              | 15,200            | 15,200                    |
|  |                                |  | Preferred Member Units<br>(4,876,670 units)   |                     | 14,000            | 14,000                    |
|  |                                |  | Warrants (1,831,355<br>equivalent units;<br>Expiration January 26, 2025;<br>Strike price \$0.01 per unit) |                     | 2,576             | 2,080                     |
|  |                                |  |   |                     | 31,776            | 31,280                    |
| <b>Subtotal Affiliate Investments (24.5% net assets at fair value)</b> |                                |  |   |                     | <b>\$ 367,317</b> | <b>\$ 338,854</b>         |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                        | <b>Investment Date(28)</b> | <b>Business Description</b>   | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|---|--|---------------------|----------------|-----------------------|
| <b><u>Non-Control/Non-Affiliate Investments(7)</u></b> |                            |   |  |                     |                |                       |
| <b>AAC Holdings, Inc.(11)</b>                          | June 30, 2017              | Substance Abuse Treatment Service Provider                              | LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.13%, Secured Debt (Maturity June 30, 2023)(9)     | \$ 11,751           | \$ 11,475      | \$ 11,810             |
| <b>Adams Publishing Group, LLC(10)</b>                 | November 19, 2015          | Local Newspaper Operator  | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.69%, Secured Debt (Maturity November 3, 2020)(9)  | 10,341              | 10,116         | 10,147                |
| <b>ADS Tactical, Inc.(10)</b>                          | March 7, 2017              | Value-Added Logistics and Supply Chain Provider to the Defense Industry | LIBOR Plus 7.50% (Floor 0.75%), Current Coupon 9.19%, Secured Debt (Maturity December 31, 2022)(9) | 13,014              | 12,767         | 12,833                |
| <b>Aethon United BR LP(10)</b>                         | September 8, 2017          | Oil & Gas Exploration & Production                                      | LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.15%, Secured Debt (Maturity September 8, 2023)(9) | 3,438               | 3,388          | 3,388                 |
| <b>Ahead, LLC(10)</b>                                  | November 13, 2015          | IT Infrastructure Value Added Reseller                                  | LIBOR Plus 6.50%, Current Coupon 8.20%, Secured Debt (Maturity November 2, 2020)                   | 11,061              | 10,848         | 11,130                |
| <b>Allflex Holdings III Inc.(11)</b>                   | July 18, 2013              | Manufacturer of Livestock Identification Products                       | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.36%, Secured Debt (Maturity July 19, 2021)(9)     | 13,846              | 13,781         | 13,955                |

Edgar Filing: Main Street Capital CORP - Form 497

|   |               |  |  |        |                |                |
|---|---------------|--|--|--------|----------------|----------------|
| <b>American Scaffold Holdings, Inc.(10)</b>         | June 14, 2016 | Marine Scaffolding Service Provider                              | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.19%, Secured Debt (Maturity March 31, 2022)(9)                                | 7,031  | 6,947          | 6,996          |
| <b>American Teleconferencing Services, Ltd.(11)</b> | May 19, 2016  | Provider of Audio Conferencing and Video Collaboration Solutions | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.90%, Secured Debt (Maturity December 8, 2021)(9)                              | 10,582 | 9,934          | 10,443         |
|   |               |  | LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.85%, Secured Debt (Maturity June 6, 2022)(9)                                 | 3,714  | 3,589          | 3,507          |
|   |               |  |  |        | 13,523         | 13,950         |
| <b>Anchor Hocking, LLC(11)</b>                      | April 2, 2012 | Household Products Manufacturer                                  | LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.49%, Secured Debt (Maturity June 4, 2020)(9)<br>Member Units (440,620 units) | 2,254  | 2,211<br>4,928 | 2,248<br>3,745 |
|   |               |  |  |        | 7,139          | 5,993          |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>       | <b>Investment Date(28)</b> | <b>Business Description</b>                                     | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---------------------------------------|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>Apex Linen Service, Inc.</b>       | October 30, 2015           | Industrial Launderers   | LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.36%, Secured Debt (Maturity October 30, 2022)(9)  | 2,400               | 2,400          | 2,400                 |
|                                       |                            |   | 16% Secured Debt (Maturity October 30, 2022)  | 14,416              | 14,347         | 14,347                |
|                                       |                            |   |   |                     | 16,747         | 16,747                |
| <b>Arcus Hunting LLC.(10)</b>         | January 6, 2015            | Manufacturer of Bowhunting and Archery Products and Accessories | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.34%, Secured Debt (Maturity November 13, 2019)(9)  | 15,391              | 15,294         | 15,391                |
| <b>ATI Investment Sub, Inc.(11)</b>   | July 11, 2016              | Manufacturer of Solar Tracking Systems                          | LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.82%, Secured Debt (Maturity June 22, 2021)(9)  | 7,364               | 7,215          | 7,346                 |
| <b>ATX Networks Corp.(11)(13)(21)</b> | June 30, 2015              | Provider of Radio Frequency Management Equipment                | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.33% / 1.00% PIK, Current Coupon Plus PIK 8.33%, Secured Debt (Maturity June 11, 2021)(9)(19) | 9,567               | 9,454          | 9,507                 |
| <b>Berry Aviation, Inc.(10)</b>       | July 6, 2018               | Airline Charter Service Operator                                | 13.75% Secured Debt (Maturity January 30, 2020)   | 5,627               | 5,598          | 5,627                 |
|                                       |                            |   | Common Stock (553 shares)   |                     | 400            | 1,010                 |
|                                       |                            |   |   |                     | 5,998          | 6,637                 |
| <b>BigName Commerce, LLC(10)</b>      | May 11, 2017               | Provider of Envelopes and Complimentary Stationery Products     |   |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                   |  |   |        |                           |                           |
|--|-------------------|--|---|--------|---------------------------|---------------------------|
|  |                   |  | LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.59%, Secured Debt (Maturity May 11, 2022)(9)                                 | 2,488  | 2,461                     | 2,461                     |
| <b>Binswanger Enterprises, LLC(10)</b> | March 10, 2017    | Glass Repair and Installation Service Provider       | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.69%, Secured Debt (Maturity March 9, 2022)(9) Member Units (1,050,000 units) | 15,325 | 15,060<br>1,050<br>16,110 | 15,192<br>1,000<br>16,192 |
| <b>Bluestem Brands, Inc.(11)</b>       | December 19, 2013 | Multi-Channel Retailer of General Merchandise        | LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.07%, Secured Debt (Maturity November 6, 2020)(9)                             | 12,127 | 11,955                    | 8,540                     |
| <b>Brainworks Software, LLC(10)</b>    | August 12, 2014   | Advertising Sales and Newspaper Circulation Software | Prime Plus 9.25% (Floor 3.25%), Current Coupon 13.75%, Secured Debt (Maturity July 22, 2019)(9)                               | 6,733  | 6,705                     | 6,573                     |



Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                    | <b>Investment Date(28)</b> | <b>Business Description</b>                | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>Brightwood Capital Fund Investments(12)(13)</b> | July 21, 2014              | Investment Partnership                     | LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 1.6%)(8)                             |                     | 12,000         | 10,328                |
|  |                            |  | LP Interests (Brightwood Capital Fund IV, LP) (Fully diluted 0.8%)(8)                              |                     | 1,000          | 1,063                 |
|  |                            |  |  |                     | 13,000         | 11,391                |
| <b>Brundage-Bone Concrete Pumping, Inc.(11)</b>    | August 18, 2014            | Construction Services Provider             | 10.375% Secured Debt (Maturity September 1, 2023)  | 3,000               | 2,987          | 3,180                 |
| <b>Cadence Aerospace LLC(10)</b>                   | November 14, 2017          | Aerostructure Manufacturing                | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.91%, Secured Debt (Maturity November 14, 2023)(9) | 15,000              | 14,853         | 14,853                |
| <b>CapFusion, LLC(13)</b>                          | March 25, 2016             | Non-Bank Lender to Small Businesses        | 13% Secured Debt (Maturity March 25, 2021)(14)   | 6,705               | 5,645          | 1,871                 |
| <b>California Pizza Kitchen, Inc.(11)</b>          | August 29, 2016            | Casual Restaurant Group                    | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt (Maturity August 23, 2022)(9)   | 12,902              | 12,862         | 12,677                |
| <b>CDHA Management, LLC(10)</b>                    | December 5, 2016           | Dental Services                            | LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.76%, Secured Debt (Maturity December 5, 2021)(9)  | 5,365               | 5,303          | 5,365                 |
| <b>Central Security Group, Inc.(11)</b>            | December 4, 2017           | Security Alarm Monitoring Service Provider | LIBOR Plus 5.63% (Floor 1.00%), Current Coupon 7.19%, Secured Debt (Maturity October 6, 2021)(9)   | 7,481               | 7,462          | 7,518                 |

Edgar Filing: Main Street Capital CORP - Form 497

|                                 |                       |  |  |        |        |        |
|---------------------------------|-----------------------|--|--|--------|--------|--------|
| <b>Cenveo Corporation(11)</b>   | September 4,<br>2015  | Provider of<br>Commercial<br>Printing,<br>Envelopes, Labels,<br>and Printed Office<br>Products | 6% Secured Debt<br>(Maturity August 1, 2019)   | 19,130 | 17,126 | 13,582 |
| <b>Charlotte Russe, Inc(11)</b> | May 28, 2013          | Fast-Fashion<br>Retailer to Young<br>Women   | LIBOR Plus 5.50% (Floor<br>1.25%), Current Coupon<br>6.89%, Secured Debt<br>(Maturity May 22, 2019)(9)         | 19,041 | 16,473 | 7,807  |
| <b>Clarius BIGS, LLC(10)</b>    | September 23,<br>2014 | Prints &<br>Advertising Film<br>Financing  | 15% PIK Secured Debt<br>(Maturity January 5,<br>2015)(14)(17)  | 2,924  | 2,924  | 85     |
| <b>Clickbooth.com, LLC(10)</b>  | December 5,<br>2017   | Provider of Digital<br>Advertising<br>Performance<br>Marketing<br>Solutions                    | LIBOR Plus 8.50% (Floor<br>1.00%), Current Coupon<br>10.01%, Secured Debt<br>(Maturity December 5,<br>2022)(9) | 3,000  | 2,941  | 2,941  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                 | <b>Investment Date(28)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|--|---|---------------------|----------------|-----------------------|
| <b>Construction Supply Investments, LLC(10)</b> | December 29, 2016          | Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt (Maturity June 30, 2023)(9)<br>Member Units (28,000 units)                                       | 7,125               | 7,090<br>3,723 | 7,090<br>3,723        |
|   |                            |  |   |                     | 10,813         | 10,813                |
| <b>CTVSH, PLLC(10)</b>                          | August 3, 2017             | Emergency Care and Specialty Service Animal Hospital   | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.48%, Secured Debt (Maturity August 3, 2022)(9)   | 11,850              | 11,739         | 11,739                |
| <b>Darr Equipment LP(10)</b>                    | April 15, 2014             | Heavy Equipment Dealer   | 11.5% Current / 1% PIK Secured Debt (Maturity June 22, 2023)(19)<br>Warrants (915,734 equivalent units; Expiration December 23, 2023; Strike price \$1.50 per unit) | 7,229               | 7,229<br>474   | 7,229<br>10           |
|   |                            |  |   |                     | 7,703          | 7,239                 |
| <b>Digital River, Inc.(11)</b>                  | February 24, 2015          | Provider of Outsourced e-Commerce Solutions and Services   | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.08%, Secured Debt (Maturity February 12, 2021)(9)  | 9,313               | 9,266          | 9,337                 |
| <b>Drilling Info Holdings, Inc.</b>             | November 20, 2009          | Information Services for the Oil and Gas Industry  |   |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                   |  |   |        |        |
|--|-------------------|--|---|--------|--------|
|  |                   |  | Common Stock (3,788,865 shares)(8)  |        | 8,610  |
| <b>EnCap Energy Fund Investments(12)(13)</b>                   | December 28, 2010 | Investment Partnership                         |   |        |        |
|  |                   |  | LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)                     | 3,906  | 2,202  |
|  |                   |  | LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.4%)           | 2,227  | 1,549  |
|  |                   |  | LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)                       | 4,305  | 3,720  |
|  |                   |  | LP Interests (EnCap Energy Capital Fund X, L.P.) (Fully diluted 0.1%)(8)                        | 6,277  | 6,225  |
|  |                   |  | LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)                   | 6,138  | 6,116  |
|  |                   |  | LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)                     | 3,458  | 3,828  |
|  |                   |  |   | 26,311 | 23,640 |
| <b>Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)</b> | May 5, 2014       | Technology-based Performance Support Solutions |   |        |        |
|  |                   |  | LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.82%, Secured Debt (Maturity April 28, 2022)(9) | 6,999  | 6,878  |
|  |                   |  |   |        | 6,244  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>          | <b>Investment Date(28)</b> | <b>Business Description</b>                                 | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|---|--|---------------------|----------------|-----------------------|
| <b>Extreme Reach, Inc.(11)</b>           | March 31, 2015             | Integrated TV and Video Advertising Platform                | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.95%, Secured Debt (Maturity February 7, 2020)(9)  | 10,411              | 10,397         | 10,398                |
| <b>Felix Investments Holdings II(10)</b> | August 9, 2017             | Oil & Gas Exploration & Production                          | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.90%, Secured Debt (Maturity August 9, 2022)(9)  | 3,333               | 3,267          | 3,267                 |
| <b>Flavors Holdings Inc.(11)</b>         | October 15, 2014           | Global Provider of Flavoring and Sweetening Products        | LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 7.44%, Secured Debt (Maturity April 3, 2020)(9)   | 13,076              | 12,616         | 12,128                |
| <b>GI KBS Merger Sub LLC(11)</b>         | November 10, 2014          | Outsourced Janitorial Services to Retail/Grocery Customers  | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.48%, Secured Debt (Maturity October 29, 2021)(9)<br>LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.88%, Secured Debt (Maturity April 29, 2022)(9) | 6,807<br>3,915      | 6,733<br>3,769 | 6,833<br>3,793        |
|  |                            |   |  |                     | 10,502         | 10,626                |
| <b>GoWireless Holdings, Inc.(11)</b>     | December 31, 2017          | Provider of Wireless Telecommunications Carrier Services    | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.16%, Secured Debt (Maturity December 22, 2024)(9)   | 18,000              | 17,820         | 17,865                |
| <b>Grace Hill, LLC(10)</b>               | August 29, 2014            | Online Training Tools for the Multi-Family Housing Industry |  |                     |                |                       |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                |                                    |   |        |        |        |
|---|----------------|------------------------------------|---|--------|--------|--------|
|   |                |                                    | Prime Plus 5.25% (Floor 1.00%), Current Coupon 9.75%, Secured Debt (Maturity August 15, 2019)(9)  | 1,215  | 1,208  | 1,215  |
|   |                |                                    | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.58%, Secured Debt (Maturity August 15, 2019)(9)  | 11,407 | 11,356 | 11,407 |
|   |                |                                    |   |        | 12,564 | 12,622 |
| <b>Great Circle Family Foods, LLC(10)</b> | March 25, 2015 | Quick Service Restaurant Franchise |   |        |        |        |
|   |                |                                    | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.34%, Secured Debt (Maturity October 28, 2019)(9) | 7,219  | 7,187  | 7,219  |
| <b>Grupo Hima San Pablo, Inc.(11)</b>     | March 7, 2013  | Tertiary Care Hospitals            |   |        |        |        |
|   |                |                                    | LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity January 31, 2018)(9) | 4,750  | 4,748  | 3,541  |
|   |                |                                    | 13.75% Secured Debt (Maturity July 31, 2018)  | 2,055  | 2,040  | 226    |
|   |                |                                    |   |        | 6,788  | 3,767  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>      | <b>Investment Date(28)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--------------------------------------|----------------------------|--|--|---------------------|----------------|-----------------------|
| <b>GST Autoleather, Inc.(11)</b>     | July 21, 2014              | Automotive Leather Manufacturer  | PRIME Plus 6.50% (Floor 2.25%), Current Coupon 11.00%, Secured Debt (Maturity April 5, 2018)(9)    | 7,578               | 7,500          | 7,500                 |
|                                      |                            |  | PRIME Plus 6.50% (Floor 2.00%), Current Coupon 11.00%, Secured Debt (Maturity July 10, 2020)(9)    | 15,619              | 15,120         | 11,813                |
|                                      |                            |  |  |                     | 22,620         | 19,313                |
| <b>Guitar Center, Inc.(11)</b>       | April 10, 2014             | Musical Instruments Retailer   | 6.5% Secured Debt (Maturity April 15, 2019)  | 16,625              | 16,009         | 15,378                |
| <b>Hojeij Branded Foods, LLC(10)</b> | July 28, 2015              | Multi-Airport, Multi-Concept Restaurant Operator                                       | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt (Maturity July 20, 2022)(9)     | 12,137              | 12,022         | 12,137                |
| <b>Hoover Group, Inc.(10)(13)</b>    | October 21, 2016           | Provider of Storage Tanks and Related Products to the Energy and Petrochemical Markets | LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.70%, Secured Debt (Maturity January 28, 2021)(9)  | 8,460               | 7,986          | 7,783                 |
| <b>Hostway Corporation(11)</b>       | December 27, 2013          | Managed Services and Hosting Provider  | LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.44%, Secured Debt (Maturity December 13, 2019)(9) | 20,150              | 19,796         | 19,621                |
|                                      |                            |  | LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.44%, Secured Debt (Maturity December 13,          | 12,406              | 11,575         | 11,692                |

Edgar Filing: Main Street Capital CORP - Form 497

2018)(9)

31,371 31,313

|  |                 |  |   |        |        |        |
|--|-----------------|--|---|--------|--------|--------|
| <b>Hunter Defense Technologies, Inc.(11)</b> | August 14, 2014 | Provider of Military and Commercial Shelters and Systems | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.70%, Secured Debt (Maturity August 5, 2019)(9) | 20,224 | 19,851 | 19,997 |
| <b>Hydrofarm Holdings LLC(10)</b>            | May 18, 2017    | Wholesaler of Horticultural Products                     | LIBOR Plus 7.00%, Current Coupon 8.49%, Secured Debt (Maturity May 12, 2022)                    | 6,708  | 6,588  | 6,699  |
| <b>iEnergizer Limited(11)(13)(21)</b>        | May 8, 2013     | Provider of Business Outsourcing Solutions               | LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.57%, Secured Debt (Maturity May 1, 2019)(9)    | 11,005 | 10,764 | 10,977 |
| <b>Implus Footcare, LLC(10)</b>              | June 1, 2017    | Provider of Footwear and Related Accessories             | LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.44%, Secured Debt (Maturity April 30, 2021)(9) | 19,372 | 19,115 | 19,243 |



Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                       | <b>Investment Date(28)</b> | <b>Business Description</b>                                   | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>Indivior Finance LLC(11)(13)</b>                   | March 20, 2015             | Specialty Pharmaceutical Company Treating Opioid Dependence   | LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity December 18, 2022)(9)  | 1,176               | 1,171          | 1,182                 |
| <b>Industrial Services Acquisition, LLC(10)</b>       | June 17, 2016              | Industrial Cleaning Services                                  | 11.25% Current / 0.75% PIK Unsecured Debt (Maturity December 17, 2022)(19)<br>Member Units (Industrial Services Investments, LLC) (900,000 units) | 4,553               | 4,478<br>900   | 4,553<br>810          |
|   |                            |   |   |                     | 5,378          | 5,363                 |
| <b>Inn of the Mountain Gods Resort and Casino(11)</b> | October 30, 2013           | Hotel & Casino Owner & Operator                               | 9.25% Secured Debt (Maturity November 30, 2020)   | 6,249               | 5,994          | 5,687                 |
| <b>iPayment, Inc.(11)</b>                             | June 25, 2015              | Provider of Merchant Acquisition                              | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.62%, Secured Debt (Maturity April 11, 2023)(9)   | 11,970              | 11,861         | 12,090                |
| <b>iQor US Inc.(11)</b>                               | April 17, 2014             | Business Process Outsourcing Services Provider                | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.69%, Secured Debt (Maturity April 1, 2021)(9)  | 990                 | 983            | 986                   |
| <b>irth Solutions, LLC</b>                            | December 29, 2010          | Provider of Damage Prevention Information Technology Services | Member Units (27,893 units)   |                     | 1,441          | 1,920                 |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                    |  |   |        |        |        |
|--|--------------------|--|---|--------|--------|--------|
| <b>Jacent Strategic Merchandising, LLC(10)</b> | September 16, 2015 | General Merchandise Distribution                                 | LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.01%, Secured Debt (Maturity September 16, 2020)(9) | 11,110 | 11,054 | 11,110 |
| <b>Jackmont Hospitality, Inc.(10)</b>          | May 26, 2015       | Franchisee of Casual Dining Restaurants                          | LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.32%, Secured Debt (Maturity May 26, 2021)(9)       | 4,390  | 4,379  | 4,390  |
| <b>Jacuzzi Brands LLC(11)</b>                  | June 30, 2017      | Manufacturer of Bath and Spa Products                            | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.69%, Secured Debt (Maturity June 28, 2023)(9)      | 3,950  | 3,876  | 3,980  |
| <b>Joerns Healthcare, LLC(11)</b>              | April 3, 2013      | Manufacturer and Distributor of Health Care Equipment & Supplies | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.48% Secured Debt (Maturity May 9, 2020)(9)         | 13,387 | 13,299 | 12,472 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                   | <b>Investment Date(28)</b> | <b>Business Description</b>                              | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b>        | <b>Fair Value(18)</b> |
|---|----------------------------|--|---|---------------------|-----------------------|-----------------------|
| <b>Keypoint Government Solutions, Inc.(10)</b>    | April 17, 2017             | Provider of Pre-Employment Screening Services            | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.35%, Secured Debt (Maturity April 18, 2024)(9)   | 12,031              | 11,921                | 12,031                |
| <b>Larchmont Resources, LLC(11)</b>               | August 13, 2013            | Oil & Gas Exploration & Production                       | LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.53%, PIK Secured Debt (Maturity August 7, 2020)(9)(19)<br>Member Units (Larchmont Intermediate Holdco, LLC) (2,828 units) | 2,418               | 2,418<br>353<br>2,771 | 2,394<br>976<br>3,370 |
| <b>LKCM Headwater Investments I, L.P.(12)(13)</b> | January 25, 2013           | Investment Partnership                                   | LP Interests (Fully diluted 2.3%)   |                     | 2,500                 | 4,234                 |
| <b>Logix Acquisition Company, LLC(10)</b>         | June 24, 2016              | Competitive Local Exchange Carrier                       | LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 7.28%, Secured Debt (Maturity August 9, 2024)(9)   | 10,135              | 9,921                 | 9,921                 |
| <b>Looking Glass Investments, LLC(12)(13)</b>     | July 1, 2015               | Specialty Consumer Finance                               | Member Units (2.5 units)<br>Member Units (LGI Predictive Analytics LLC) (190,712 units)(8)  |                     | 125<br>108<br>233     | 57<br>92<br>149       |
| <b>LSF9 Atlantis Holdings, LLC(11)</b>            | May 17, 2017               | Provider of Wireless Telecommunications Carrier Services | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt (Maturity May 1, 2023)(9)  | 2,963               | 2,931                 | 2,978                 |

Edgar Filing: Main Street Capital CORP - Form 497

|                                       |                    |   |  |        |        |        |
|---------------------------------------|--------------------|---|--|--------|--------|--------|
| <b>Lulu's Fashion Lounge, LLC(10)</b> | August 31, 2017    | Fast Fashion E-Commerce Retailer  | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.57%, Secured Debt (Maturity August 28, 2022)(9)   | 13,381 | 12,993 | 13,531 |
| <b>Messenger, LLC(10)</b>             | December 5, 2014   | Supplier of Specialty Stationery and Related Products to the Funeral Industry | LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.74%, Secured Debt (Maturity September 9, 2020)(9) | 17,331 | 17,249 | 17,331 |
| <b>Minute Key, Inc.</b>               | September 19, 2014 | Operator of Automated Key Duplication Kiosks                                  | Warrants (1,437,409 equivalent shares; Expiration May 20, 2025; Strike price \$0.01 per share)     |        | 280    | 1,170  |
| <b>NBG Acquisition Inc(11)</b>        | April 28, 2017     | Wholesaler of Home Décor Products   | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.19%, Secured Debt (Maturity April 26, 2024)(9)    | 4,402  | 4,336  | 4,452  |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                  | <b>Investment Date(28)</b> | <b>Business Description</b>                                   | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|--|----------------------------|---|--|---------------------|----------------|-----------------------|
| <b>New Media Holdings II LLC(11)(13)</b>         | June 10, 2014              | Local Newspaper Operator                                      | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.82%, Secured Debt (Maturity July 14, 2022)(9)     | 17,715              | 17,342         | 17,864                |
| <b>NNE Partners, LLC(10)</b>                     | March 2, 2017              | Oil & Gas Exploration & Production                            | LIBOR Plus 8.00%, Current Coupon 9.49%, Secured Debt (Maturity March 2, 2022)                      | 11,958              | 11,854         | 11,854                |
| <b>North American Lifting Holdings, Inc.(11)</b> | February 26, 2015          | Crane Service Provider  | LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.19%, Secured Debt (Maturity November 27, 2020)(9) | 7,745               | 6,913          | 7,256                 |
| <b>Novetta Solutions, LLC(11)</b>                | June 21, 2017              | Provider of Advanced Analytics Solutions for Defense Agencies | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.70%, Secured Debt (Maturity October 17, 2022)(9)  | 14,636              | 14,189         | 14,239                |
| <b>NTM Acquisition Corp.(11)</b>                 | July 12, 2016              | Provider of B2B Travel Information Content                    | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.94%, Secured Debt (Maturity June 7, 2022)(9)      | 6,186               | 6,126          | 6,155                 |
| <b>Ospemifene Royalty Sub LLC (QuatRx)(10)</b>   | July 8, 2013               | Estrogen-Deficiency Drug Manufacturer and Distributor         | 11.5% Secured Debt (Maturity November 15, 2026)(14)  | 5,071               | 5,071          | 1,198                 |
| <b>P.F. Chang's China Bistro, Inc.(11)</b>       | September 6, 2017          | Casual Restaurant Group                                       | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.51%, Secured Debt (Maturity September 1, 2022)(9) | 4,988               | 4,846          | 4,715                 |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                   |                                       |   |       |       |       |
|--|-------------------|---------------------------------------|---|-------|-------|-------|
| <b>Paris Presents Incorporated(11)</b>               | February 5, 2015  | Branded Cosmetic and Bath Accessories | LIBOR Plus 8.75% (Floor 1.00%), Current Coupon 10.32%, Secured Debt (Maturity December 31, 2021)(9) | 4,500 | 4,471 | 4,477 |
| <b>Parq Holdings Limited Partnership(11)(13)(21)</b> | December 22, 2014 | Hotel & Casino Operator               | LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.19%, Secured Debt (Maturity December 17, 2020)(9)  | 7,481 | 7,399 | 7,528 |
| <b>Permian Holdco 2, Inc.(11)</b>                    | February 12, 2013 | Storage Tank Manufacturer             | 14% PIK Unsecured Debt (Maturity October 15, 2021)(19)  | 306   | 306   | 306   |
|  |                   |                                       | Preferred Stock (Permian Holdco 1, Inc.) (154,558 units)  |       | 799   | 980   |
|  |                   |                                       | Common Stock (Permian Holdco 1, Inc.) (154,558 units)   |       |       | 140   |
|  |                   |                                       |   |       | 1,105 | 1,426 |
| <b>Pernix Therapeutics Holdings, Inc.(10)</b>        | August 18, 2014   | Pharmaceutical Royalty                | 12% Secured Debt (Maturity August 1, 2020)  | 3,129 | 3,129 | 1,971 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>  | <b>Investment Date(28)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b>   | <b>Fair Value(18)</b> |
|--|----------------------------|--|--|---------------------|------------------|-----------------------|
| <b>Point.360(10)</b>   | July 8, 2015               | Fully Integrated Provider of Digital Media Services                  | Warrants (65,463 equivalent shares; Expiration July 7, 2020; Strike price \$0.75 per share)<br>Common Stock (163,658 shares) |                     | 69<br>273<br>342 | 11<br>11              |
| <b>PPC/SHIFT LLC(10)</b>   | December 22, 2016          | Provider of Digital Solutions to Automotive Industry                 | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.69%, Secured Debt (Maturity December 22, 2021)(9)                           | 6,869               | 6,748            | 6,869                 |
| <b>Prowler Acquisition Corp.(11)</b>                                       | February 11, 2014          | Specialty Distributor to the Energy Sector                           | LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.19%, Secured Debt (Maturity January 28, 2020)(9)                            | 12,830              | 11,332           | 12,253                |
| <b>PT Network, LLC(10)</b>   | November 1, 2013           | Provider of Outpatient Physical Therapy and Sports Medicine Services | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.86%, Secured Debt (Maturity November 30, 2021)(9)                           | 8,553               | 8,553            | 8,553                 |
| <b>QBS Parent, Inc.(11)</b>  | August 12, 2014            | Provider of Software and Services to the Oil & Gas Industry          | LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 6.13%, Secured Debt (Maturity August 7, 2021)(9)                              | 14,272              | 14,114           | 14,165                |
| <b>Research Now Group, Inc. and Survey Sampling International, LLC(11)</b> | December 31, 2017          | Provider of Outsourced Online Surveying                              |  | 13,500              | 12,826           | 12,826                |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                   |   |  |        |        |        |
|--|-------------------|---|--|--------|--------|--------|
|  |                   |   | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.13%, Secured Debt (Maturity December 20, 2024)(9) |        |        |        |
| <b>Resolute Industrial, LLC(10)</b>              | July 26, 2017     | HVAC Equipment Rental and Remanufacturing                   |  |        |        |        |
|  |                   |   | LIBOR Plus 7.62% (Floor 1.00%), Current Coupon 8.95%, Secured Debt (Maturity July 26, 2022)(9)(25) | 17,088 | 16,770 | 16,770 |
|  |                   |   | Member Units (601 units)   |        | 750    | 750    |
|  |                   |   |  |        | 17,520 | 17,520 |
| <b>RGL Reservoir Operations Inc.(11)(13)(21)</b> | August 25, 2014   | Oil & Gas Equipment and Services                            |  |        |        |        |
|  |                   |   | 1% Current / 9% PIK Secured Debt (Maturity December 21, 2024)(19)                                  | 721    | 407    | 407    |
| <b>RM Bidder, LLC(10)</b>                        | November 12, 2015 | Scripted and Unscripted TV and Digital Programming Provider |  |        |        |        |
|  |                   |   | Warrants (327,532 equivalent units; Expiration October 20, 2025; Strike price \$14.28 per unit)    |        | 425    |        |
|  |                   |   | Member Units (2,779 units)   |        | 46     | 20     |
|  |                   |   |  |        | 471    | 20     |



Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>                 | <b>Investment Date(28)</b> | <b>Business Description</b>  | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|--|---|---------------------|----------------|-----------------------|
| <b>SAFETY Investment Holdings, LLC</b>          | April 29, 2016             | Provider of Intelligent Driver Record Monitoring Software and Services | Member Units (2,000,000 units)  |                     | 2,000          | 1,670                 |
| <b>Salient Partners L.P.(11)</b>                | June 25, 2015              | Provider of Asset Management Services                                  | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.85%, Secured Debt (Maturity June 9, 2021)(9)           | 10,081              | 9,870          | 9,778                 |
| <b>SiTV, LLC(11)</b>                            | September 26, 2017         | Cable Networks Operator  | 10.375% Secured Debt (Maturity July 1, 2019)  | 10,429              | 7,006          | 7,040                 |
| <b>SMART Modular Technologies, Inc.(10)(13)</b> | August 18, 2017            | Provider of Specialty Memory Solutions                                 | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.66%, Secured Debt (Maturity August 9, 2022)(9)         | 14,625              | 14,351         | 14,552                |
| <b>Sorenson Communications, Inc.(11)</b>        | June 7, 2016               | Manufacturer of Communication Products for Hearing Impaired            | LIBOR Plus 5.75% (Floor 2.25%), Current Coupon 8.00%, Secured Debt (Maturity April 30, 2020)(9)         | 13,234              | 13,170         | 13,341                |
| <b>Staples Canada ULC(10)(13)(21)</b>           | September 14, 2017         | Office Supplies Retailer   | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.43%, Secured Debt (Maturity September 12, 2023)(9)(22) | 20,000              | 19,617         | 18,891                |
| <b>Strike, LLC(11)</b>                          | December 12, 2016          | Pipeline Construction and Maintenance Services                         | LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.50%, Secured Debt                                      | 9,500               | 9,250          | 9,643                 |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                  |  |   |       |        |        |
|--|------------------|--|---|-------|--------|--------|
|  |                  |  | (Maturity November 30, 2022)(9)<br>LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.45%, Secured Debt<br>(Maturity May 30, 2019)(9) | 2,500 | 2,479  | 2,513  |
|  |                  |  |   |       | 11,729 | 12,156 |
| <b>Subsea Global Solutions, LLC(10)</b>        | March 17, 2015   | Underwater Maintenance and Repair Services | LIBOR Plus 6.00% (Floor 1.50%), Current Coupon 7.50%, Secured Debt<br>(Maturity March 17, 2020)(9)                                  | 7,687 | 7,637  | 7,687  |
| <b>Synagro Infrastructure Company, Inc(11)</b> | August 29, 2013  | Waste Management Services                  | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.19%, Secured Debt<br>(Maturity August 22, 2020)(9)                                 | 9,161 | 8,933  | 8,608  |
| <b>Tectonic Holdings, LLC</b>                  | May 15, 2017     | Financial Services Organization            | Member Units (200,000 units)(8)   |       | 2,000  | 2,320  |
| <b>TE Holdings, LLC(11)</b>                    | December 5, 2013 | Oil & Gas Exploration & Production         | Member Units (97,048 units)   |       | 970    | 158    |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>           | <b>Investment Date(28)</b> | <b>Business Description</b>                                     | <b>Type of Investment(2)(3)(27)</b>   | <b>Principal(4)</b> | <b>Cost(4)</b> | <b>Fair Value(18)</b> |
|---|----------------------------|---|---|---------------------|----------------|-----------------------|
| <b>TeleGuam Holdings, LLC(11)</b>         | June 26, 2013              | Cable and Telecom Services Provider                             | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.07%, Secured Debt (Maturity April 12, 2024)(9)      | 7,750               | 7,602          | 7,808                 |
| <b>TGP Holdings III LLC (11)</b>          | September 30, 2017         | Outdoor Cooking & Accessories                                   | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.69%, Secured Debt (Maturity September 25, 2024)(9)   | 6,898               | 6,820          | 6,969                 |
|   |                            |   | LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.19%, Secured Debt (Maturity September 25, 2025)(9)  | 5,000               | 4,927          | 5,075                 |
|   |                            |   |   |                     | 11,747         | 12,044                |
| <b>The Container Store, Inc.(11)</b>      | August 22, 2017            | Operator of Stores Offering Storage and Organizational Products | LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.69%, Secured Debt (Maturity August 15, 2021)(9)      | 9,938               | 9,660          | 9,652                 |
| <b>TMC Merger Sub Corp.(11)</b>           | December 22, 2016          | Refractory & Maintenance Services Provider                      | LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.88%, Secured Debt (Maturity October 31, 2022)(9)(26) | 17,653              | 17,516         | 17,741                |
| <b>TOMS Shoes, LLC(11)</b>                | November 13, 2014          | Global Designer, Distributor, and Retailer of Casual Footwear   | LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.98%, Secured Debt (Maturity October 30, 2020)(9)     | 4,875               | 4,610          | 2,901                 |
| <b>Turning Point Brands, Inc.(10)(13)</b> | February 17, 2017          | Marketer/Distributor of Tobacco Products                        |   | 8,436               | 8,364          | 8,605                 |

Edgar Filing: Main Street Capital CORP - Form 497

|   |                    |   |   |        |        |        |
|---|--------------------|---|---|--------|--------|--------|
|   |                    |   | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.61%, Secured Debt (Maturity May 17, 2022)(9)(25) |        |        |        |
| <b>TVG-I-E CMN ACQUISITION, LLC(10)</b> | November 3, 2016   | Organic Lead Generation for Online Postsecondary Schools      | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.56%, Secured Debt (Maturity November 3, 2021)(9) | 8,170  | 8,031  | 8,170  |
| <b>Tweddle Group, Inc.(11)</b>          | November 15, 2016  | Provider of Technical Information Services to Automotive OEMs | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.38%, Secured Debt (Maturity October 21, 2022)(9) | 6,114  | 6,011  | 6,023  |
| <b>U.S. TelePacific Corp.(11)</b>       | September 14, 2016 | Provider of Communications and Managed Services               | LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.69%, Secured Debt (Maturity May 2, 2023)(9)      | 20,703 | 20,507 | 19,862 |

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

| <b>Portfolio Company(1)(20)</b>          | <b>Investment Date(28)</b> | <b>Business Description</b>                              | <b>Type of Investment(2)(3)(27)</b>  | <b>Principal(4)</b> | <b>Cost(4)</b>        | <b>Fair Value(18)</b> |
|--|----------------------------|--|--|---------------------|-----------------------|-----------------------|
| <b>US Joiner Holding Company(11)</b>     | April 23, 2014             | Marine Interior Design and Installation                  | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.70%, Secured Debt (Maturity April 16, 2020)(9)  | 13,465              | 13,366                | 13,398                |
| <b>VIP Cinema Holdings, Inc.(11)</b>     | March 9, 2017              | Supplier of Luxury Seating to the Cinema Industry        | LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.70%, Secured Debt (Maturity March 1, 2023)(9)   | 7,700               | 7,666                 | 7,777                 |
| <b>Vistar Media, Inc.(10)</b>            | February 17, 2017          | Operator of Digital Out-of-Home Advertising Platform     | LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.69%, Secured Debt (Maturity February 16, 2022)(9)<br>Warrants (70,207 equivalent shares; Expiration February 17, 2027; Strike price \$0.01 per share) | 3,319               | 3,048<br>331<br>3,379 | 3,102<br>499<br>3,601 |
| <b>Wellnext, LLC(10)</b>                 | May 23, 2016               | Manufacturer of Supplements and Vitamins                 | LIBOR Plus 10.10% (Floor 1.00%), Current Coupon 11.67%, Secured Debt (Maturity July 21, 2022)(9)(23)   | 9,930               | 9,857                 | 9,930                 |
| <b>Wireless Vision Holdings, LLC(10)</b> | September 29, 2017         | Provider of Wireless Telecommunications Carrier Services | LIBOR Plus 8.91% (Floor 1.00%), Current Coupon 10.27%, Secured Debt (Maturity September 29, 2022)(9)(24)   | 12,932              | 12,654                | 12,654                |
| <b>Wirepath LLC(11)</b>                  | August 16, 2017            | E-Commerce Provider into Connected Home                  |  |                     |                       |                       |

## Edgar Filing: Main Street Capital CORP - Form 497

|   |               |  | Market  |                     |                     |       |
|---|---------------|--|---|---------------------|---------------------|-------|
|   |               |  | LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 6.87%, Secured Debt (Maturity August 5, 2024)(9) | 4,988               | 4,964               | 5,055 |
| <b>Zilliant Incorporated</b>  | June 15, 2012 | Price Optimization and Margin Management Solutions |   |                     |                     |       |
|   |               |  | Preferred Stock (186,777 shares)  |                     | 154                 | 260   |
|   |               |  | Warrants (952,500 equivalent shares; Expiration June 15, 2022; Strike price \$0.001 per share)  |                     | 1,071               | 1,189 |
|   |               |  |   |                     | 1,225               | 1,449 |
| <b>Subtotal Non-Control/Non-Affiliate Investments (78.4% of net assets at fair value)</b> |               |  |   | \$ 1,107,447        | \$ 1,081,745        |       |
| <b>Total Portfolio Investments, December 31, 2017</b>                                     |               |  |   | <b>\$ 2,004,798</b> | <b>\$ 2,171,305</b> |       |

- 
- (1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See Note B for a description of Lower Middle Market portfolio investments. All of the Company's investments, unless otherwise noted, are encumbered either as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (2) Debt investments are income producing, unless otherwise noted. Equity and warrants are non-income producing, unless otherwise noted.
- (3) See Note C for a summary of geographic location of portfolio companies.
- (4) Principal is net of repayments. Cost is net of repayments and accumulated unearned income.
- (5) Control investments are defined by the Investment Company Act of 1940, as amended ("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% of the voting securities are owned and the investments are not classified as Control investments.

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

**Consolidated Schedule of Investments (Continued)**

**December 31, 2017**

**(dollars in thousands)**

- (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. 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 or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each such loan, the Company has provided the weighted average annual stated interest rate in effect at December 31, 2017. As noted in this schedule, 67% of the loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.25%, with a weighted-average LIBOR floor of approximately 1.02%.
- (10) Private Loan portfolio investment. See Note B for a description of Private Loan portfolio investments.
- (11) Middle Market portfolio investment. See Note B for a description of Middle Market portfolio investments.
- (12) Other Portfolio investment. See Note B 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 investment.
- (15) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investments in this portfolio company will not be finally determined until such process is complete. As noted in footnote(14), our debt investments in this portfolio company are on non-accrual status.
- (16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (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 for further discussion.
- (19) PIK interest income and cumulative dividend income represent income not paid currently in cash.
- (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) In connection with the Company's debt investment in Staples Canada ULC to help mitigate any potential adverse change in foreign exchange rates during the term of the Company's investment, the Company entered into a forward foreign currency contract with Cadence Bank to lend \$24.2 million

## Edgar Filing: Main Street Capital CORP - Form 497

Canadian Dollars and receive \$20.0 million U.S. Dollars with a settlement date of September 12, 2018. The unrealized appreciation on the forward foreign currency contract is \$0.7 million as of December 31, 2017. This unrealized appreciation is offset by the foreign currency translation depreciation on the investment.

- (23) 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 LIBOR plus 7.50% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.
- (24) 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 LIBOR plus 8.50% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.
- (25) As part of the credit agreement with the portfolio company, the Company is entitled to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche receives priority over the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. The rate the Company receives per the Credit Agreement is the same as the rate reflected in the Consolidated Schedule of Investments above.
- (26) The Company has entered into an intercreditor agreement that entitles the Company to the "first 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 lower interest rate than the contractual stated interest rate of LIBOR plus 6.64% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such lower rate.
- (27) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."
- (28) Investment date represents the date of initial investment in the portfolio company.



Table of Contents

**MAIN STREET CAPITAL CORPORATION**

**Notes to Consolidated Financial Statements**

**(Unaudited)**

**NOTE A ORGANIZATION AND BASIS OF PRESENTATION**

**1. Organization**

Main Street Capital Corporation ("MSCC") is a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies and debt capital to middle market ("Middle Market") companies. The portfolio investments of MSCC and its consolidated subsidiaries are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in a variety of industry sectors. MSCC seeks to partner with entrepreneurs, business owners and management teams and generally provides "one stop" financing alternatives within its LMM portfolio. MSCC and its consolidated subsidiaries invest primarily in secured debt investments, equity investments, warrants and other securities of LMM companies based in the United States and in secured debt investments of Middle Market companies generally headquartered in the United States.

MSCC was formed in March 2007 to operate as an internally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSCC wholly owns several investment funds, including Main Street Mezzanine Fund, LP ("MSMF"), Main Street Capital II, LP ("MSC II") and Main Street Capital III, LP ("MSC III" and, collectively with MSMF and MSC II, the "Funds"), and each of their general partners. The Funds are each licensed as a Small Business Investment Company ("SBIC") by the United States Small Business Administration ("SBA"). Because MSCC is internally managed, all of the executive officers and other employees are employed by MSCC. Therefore, MSCC does not pay any external investment advisory fees, but instead directly incurs the operating costs associated with employing investment and portfolio management professionals.

MSC Adviser I, LLC (the "External Investment Manager") was formed in November 2013 as a wholly owned subsidiary of MSCC to provide investment management and other services to parties other than MSCC and its subsidiaries or their portfolio companies ("External Parties") and receives fee income for such services. MSCC has been granted no-action relief by the Securities and Exchange Commission ("SEC") to allow the External Investment Manager to register as a registered investment adviser under the Investment Advisers Act of 1940, as amended. Since the External Investment Manager conducts all of its investment management activities for External Parties, it is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements.

MSCC 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, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that it distributes to its stockholders.

MSCC 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 MSCC to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes.

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our," the "Company" and "Main Street" refer to MSCC and its consolidated subsidiaries, which include the Funds and the Taxable Subsidiaries.

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

**2. Basis of Presentation**

Main Street'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, Main Street's consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of Main Street's investments in LMM portfolio companies, investments in Middle Market portfolio companies, Private Loan portfolio investments, Other Portfolio investments and the investment in the External Investment Manager (see Note C Fair Value Hierarchy for Investments and Debentures Portfolio Composition Investment Portfolio Composition for additional discussion of Main Street's Investment Portfolio and definitions for the terms Private Loan and Other Portfolio). Main Street's results of operations for the three and nine months ended September 30, 2018 and 2017, cash flows for the nine months ended September 30, 2018 and 2017, and financial position as of September 30, 2018 and December 31, 2017, are presented on a consolidated basis. The effects of all intercompany transactions between Main Street and its consolidated subsidiaries have been eliminated in consolidation. Certain reclassifications have been made to prior period balances to conform with the current presentation.

The accompanying unaudited consolidated financial statements of Main Street are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and nine months ended September 30, 2018 and 2017 are not necessarily indicative of the operating results to be expected for the full year. Also, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2017. 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 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.

Under regulations pursuant to Article 6 of Regulation S-X applicable to BDCs and ASC 946, Main Street is precluded from consolidating other entities in which Main Street 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 Main Street holds a controlling interest in an operating company that provides all or substantially all of its services directly to Main Street or to its portfolio companies. Accordingly, as noted above, MSCC's consolidated financial statements include the financial position and operating results for the Funds and the Taxable Subsidiaries. Main Street has determined that all of its portfolio investments do not qualify for this exception, including the investment in the External Investment Manager. Therefore, Main Street's Investment Portfolio is carried on the consolidated balance sheet at fair value, as discussed further in Note B, with any adjustments to fair value recognized as "Net Unrealized Appreciation (Depreciation)" on the consolidated statements of operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss)."

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

***Portfolio Investment Classification***

Main Street 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 Main Street 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 Main Street owns between 5% and 25% 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.

**NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Valuation of the Investment Portfolio**

Main Street accounts for its Investment Portfolio at fair value. As a result, Main Street 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 Main Street 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.

Main Street's portfolio strategy calls for it to invest primarily in illiquid debt and equity securities issued by privately held, LMM companies and more liquid debt securities issued by Middle Market companies that are generally larger in size than the LMM companies. Main Street categorizes some of its investments in LMM companies and Middle Market companies as Private Loan portfolio investments, which are primarily debt securities in privately held companies which have been originated through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals." Private Loan investments are typically similar in size, structure, terms and conditions to investments Main Street holds in its LMM portfolio and Middle Market portfolio. Main Street's portfolio also includes Other Portfolio investments which primarily consist of investments that are not consistent with the typical profiles for its LMM portfolio investments, Middle Market portfolio investments or Private Loan portfolio investments, including investments which may be managed by third parties. Main Street's portfolio investments may be subject to restrictions on resale.

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

For LMM portfolio investments, Main Street 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

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

investments and an income approach using a yield-to-maturity model ("Yield-to-Maturity") for its LMM debt investments. For Middle Market portfolio investments, Main Street primarily uses quoted prices in the valuation process. Main Street 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 Middle Market and Private Loan portfolio investments in debt securities for which it has determined that third-party quotes or other independent pricing are not available or appropriate, Main Street 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 valuation method. For its Other Portfolio equity investments, Main Street 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 that would affect the fair value of the investment. All of the valuation approaches for Main Street's portfolio investments estimate the value of the investment as if Main Street were to sell, or exit, the investment as of the measurement date.

These valuation approaches consider the value associated with Main Street'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 Main Street 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 Main Street 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, Main Street 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 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, Main Street analyzes various factors including the portfolio company's historical and projected financial results. Due to SEC deadlines for Main Street'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 its determination. In addition, projecting future financial results requires significant judgment regarding future growth assumptions. In evaluating the operating results, Main Street also analyzes the impact of exposure to litigation, loss of customers or other contingencies. After determining the appropriate enterprise value, Main Street allocates the enterprise

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

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, Main Street assumes the loans are paid off at the principal amount in a change in control transaction and are not assumed by the buyer, which Main Street believes is consistent with its past transaction history and standard industry practices.

Under the Yield-to-Maturity valuation method, Main Street 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. Main Street's estimate of the expected repayment date of its debt securities is generally the maturity date of the instrument, as Main Street 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 and other factors. Main Street will generally use the value determined by the Yield-to-Maturity analysis as the fair value for that security; however, because of Main Street'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 Main Street 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, Main Street 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, Main Street 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 Main Street that would affect that fund's NAV, including, but not limited to, fair values for individual investments held by the fund if Main Street holds the same investment or for a publicly traded investment. In addition, in determining the fair value of the investment, Main Street considers whether adjustments to the NAV are necessary in certain circumstances, based on the analysis of any restrictions on redemption of Main Street'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 Main Street'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, Main Street 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 LMM portfolio companies, Main Street, among other things, consults with a nationally recognized independent financial advisory services firm. The nationally recognized independent financial advisory services firm analyzes and provides observations, recommendations and an assurance certification regarding the Company's determinations of the fair value of its LMM portfolio company investments. The nationally recognized independent financial advisory services firm is generally consulted relative to Main Street's investments in each LMM portfolio company at least once every calendar year, and for Main Street's investments in new LMM portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain instances, Main Street may determine that it is not cost-effective, and as a result is not in its stockholders' best interest, to consult with the nationally recognized independent

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

financial advisory services 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 Main Street's investment in a LMM portfolio company is determined to be insignificant relative to the total Investment Portfolio. Main Street consulted with and received an assurance certification from its independent financial advisory services firm in arriving at Main Street's determination of fair value on its investments in a total of 40 LMM portfolio companies for the nine months ended September 30, 2018, representing approximately 62% of the total LMM portfolio at fair value as of September 30, 2018, and on a total of 38 LMM portfolio companies for the nine months ended September 30, 2017, representing approximately 65% of the total LMM portfolio at fair value as of September 30, 2017. Excluding its investments in LMM portfolio companies which have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment as of September 30, 2018 and 2017, as applicable, and its LMM portfolio investments related to real estate for which a third-party appraisal is obtained on at least an annual basis, the percentage of the LMM portfolio reviewed and certified by its independent financial advisory services firm for the nine months ended September 30, 2018 and 2017 was 73% and 72% of the total LMM portfolio at fair value as of September 30, 2018 and 2017, respectively.

For valuation purposes, all of Main Street's Middle Market portfolio investments are non-control investments. To the extent sufficient observable inputs are available to determine fair value, Main Street 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, Main Street 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. Because the vast majority of the Middle Market portfolio investments are typically valued using third-party quotes or other independent pricing services (including 92% and 95% of the Middle Market portfolio investments as of September 30, 2018 and December 31, 2017, respectively), Main Street does not generally consult with any financial advisory services firms in connection with determining the fair value of its Middle Market investments.

For valuation purposes, all of Main Street'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, Main Street 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 Private Loan portfolio companies, Main Street, among other things, consults with a nationally recognized independent financial advisory services firm. The nationally recognized independent financial advisory services firm analyzes and provides observations and recommendations and an assurance certification regarding the Company's determinations of the fair value of its Private Loan portfolio company investments. The nationally recognized independent financial advisory services firm is generally consulted relative to Main Street's investments in each Private Loan portfolio company at least once every calendar year, and for Main Street's investments in new Private Loan portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

instances, Main Street may determine that it is not cost-effective, and as a result is not in its stockholders' best interest, to consult with the nationally recognized independent financial advisory services firm on its investments in one or more Private Loan portfolio companies. Such instances include, but are not limited to, situations where the fair value of Main Street's investment in a Private Loan portfolio company is determined to be insignificant relative to the total Investment Portfolio. Main Street consulted with and received an assurance certification from its independent financial advisory services firm in arriving at its determination of fair value on its investments in a total of 17 Private Loan portfolio companies for the nine months ended September 30, 2018, representing approximately 43% of the total Private Loan portfolio at fair value as of September 30, 2018, and on a total of 19 Private Loan portfolio companies for the nine months ended September 30, 2017, representing approximately 44% of the total Private Loan portfolio at fair value as of September 30, 2017. Excluding its investments in Private Loan portfolio companies which have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment as of September 30, 2018 and 2017, as applicable, and its investments in its Private Loan portfolio companies that were not reviewed because the investment is valued based upon third-party quotes or other independent pricing, the percentage of the Private Loan portfolio reviewed and certified by its independent financial advisory services firm for the nine months ended September 30, 2018 and 2017 was 67% and 74% of the total Private Loan portfolio at fair value as of September 30, 2018 and 2017, respectively.

For valuation purposes, all of Main Street's Other Portfolio investments are non-control investments. Main Street's Other Portfolio investments comprised 4.5% and 4.8% of Main Street's Investment Portfolio at fair value as of September 30, 2018 and December 31, 2017, respectively. Similar to the LMM investment portfolio, market quotations for Other Portfolio equity investments are generally not readily available. For its Other Portfolio equity investments, Main Street generally determines the fair value of these investments using the NAV valuation method. For its Other Portfolio debt investments for which it has determined that third-party quotes or other independent pricing are not available or appropriate, Main Street generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value such Other Portfolio debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method. For its Other Portfolio debt investments for which third-party quotes or other independent pricing are available and appropriate, Main Street determines the fair value of these investments through obtaining third-party quotes or other independent pricing to the extent that these inputs are available and appropriate to determine fair value.

For valuation purposes, Main Street's investment in the External Investment Manager is a control investment. Market quotations are not readily available for this investment, and as a result, Main Street determines the fair value of the External Investment Manager using the Waterfall valuation method under the market approach. In estimating the enterprise value, Main Street analyzes various factors, including the entity's historical and projected financial results, as well as its size, marketability and performance relative to the population of market comparables. This valuation approach estimates the value of the investment as if Main Street were to sell, or exit, the investment. In addition, Main Street considers its ability to control the capital structure of the company, as well as the timing of a potential exit, in connection with determining the fair value of the External Investment Manager.

Due to the inherent uncertainty in the valuation process, Main Street'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

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. Main Street determines the fair value of each individual investment and records changes in fair value as unrealized appreciation or depreciation.

Main Street uses an internally developed portfolio investment rating system in connection with its investment oversight, portfolio management and analysis and investment valuation procedures for its LMM portfolio companies. This system takes into account both quantitative and qualitative factors of the LMM portfolio company and the investments held therein.

The Board of Directors of Main Street has the final responsibility for overseeing, reviewing and approving, in good faith, Main Street's determination of the fair value for its Investment Portfolio, as well as its valuation procedures, consistent with 1940 Act requirements. Main Street believes its Investment Portfolio as of September 30, 2018 and December 31, 2017 approximates fair value as of those dates based on the markets in which Main Street 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., the consolidated financial statements include investments in the Investment Portfolio whose values have been estimated by Main Street with the oversight, review and approval by Main Street'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.

**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 September 30, 2018, cash balances totaling \$46.3 million exceeded Federal Deposit Insurance Corporation insurance protection levels, subjecting the Company to risk related to the uninsured balance. All of the Company's cash deposits are held at large established high credit quality financial institutions and management believes that the risk of loss associated with any uninsured balances is remote.

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

Main Street records 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. In accordance with Main Street's valuation policies, Main Street evaluates accrued interest and dividend income periodically for collectability. When a loan or debt security becomes 90 days or more past due, and if Main Street otherwise does not expect the debtor to be able to service all of its debt or other



Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

obligations, Main Street 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 or other obligations, or if a loan or debt security is sold or written off, Main Street removes it from non-accrual status.

As of September 30, 2018, Main Street's total Investment Portfolio had five investments on non-accrual status, which comprised approximately 1.2% of its fair value and 3.5% of its cost. As of December 31, 2017, Main Street's total Investment Portfolio had five investments on non-accrual status, which comprised approximately 0.2% of its fair value and 2.3% of its cost.

Main Street holds certain debt and preferred equity instruments in its Investment Portfolio that contain payment-in-kind ("PIK") interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed in Note B.9. below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the PIK interest and cumulative dividends in cash. Main Street stops accruing PIK interest and cumulative dividends and writes off any accrued and uncollected interest and dividends in arrears when it determines that such PIK interest and dividends in arrears are no longer collectible. For the three months ended September 30, 2018 and 2017, (i) approximately 1.4% and 1.9%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.1% and 1.8%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash. For the nine months ended September 30, 2018 and 2017, (i) approximately 1.0% and 2.7%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.0% and 1.8%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash.

Main Street 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 deferred and accreted into income over the life of the financing.

A presentation of the investment income Main Street received from its Investment Portfolio in each of the periods presented is as follows:

|   | Three Months Ended<br>September 30, |           | Nine Months Ended<br>September 30, |            |
|---|-------------------------------------|-----------|------------------------------------|------------|
|   | 2018                                | 2017      | 2018                               | 2017       |
|   | (dollars in thousands)              |           |                                    |            |
| Interest, fee and dividend income:      |                                     |           |                                    |            |
| Interest income                         | \$ 46,351                           | \$ 39,814 | \$ 130,229                         | \$ 117,340 |
| Dividend income                         | 8,510                               | 10,088    | 36,021                             | 25,198     |
| Fee income                              | 3,402                               | 1,884     | 7,825                              | 7,406      |
| Total interest, fee and dividend income | \$ 58,263                           | \$ 51,786 | \$ 174,075                         | \$ 149,944 |

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

**5. Deferred Financing Costs**

Deferred financing costs include commitment fees and other costs related to Main Street's multi-year revolving credit facility (the "Credit Facility", as discussed further in Note F) and its notes (as discussed further in Note G), as well as the commitment fees and leverage fees (approximately 3.4% of the total commitment and draw amounts, as applicable) on the SBIC debentures (as discussed further in Note E) which are not accounted for under the fair value option under ASC 825 (as discussed further in Note B.11.). Deferred financing costs in connection with the Credit Facility are capitalized as an asset. Deferred financing costs in connection with all other debt arrangements not using the fair value option are a direct deduction from the related debt liability.

**6. Equity Offering Costs**

The Company's offering costs are charged against the proceeds from equity offerings when the proceeds are received.

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

Main Street 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 based on the effective interest method over the life of the financing.

In connection with its portfolio debt investments, Main Street 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 Main Street receives nominal cost equity, Main Street 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 based on the effective interest method over the life of the debt investment. The actual collection of this interest is deferred until the time of debt principal repayment.

Main Street 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, Main Street records the investment at the par value of the debt security net of the discount, and the discount is accreted into interest income based on the effective interest method over the life of the debt investment. In the case of a purchase at a premium, Main Street 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 based on the effective interest method over the life of the debt investment.

To maintain RIC tax treatment (as discussed in Note B.9. below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the interest income. For the three months ended September 30, 2018 and 2017, approximately 3.1% and 3.8%, respectively, of Main Street's total investment income was attributable to interest income from the accretion of discounts associated with debt investments, net of any

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

premium reduction. For the nine months ended September 30, 2018 and 2017, approximately 3.0% and 3.7%, respectively, of Main Street's total investment income was attributable to interest income from the accretion of discounts associated with debt investments, net of any premium reduction.

**8. Share-Based Compensation**

Main Street accounts for its share-based compensation plans using the fair value method, as prescribed by ASC 718, *Compensation Stock Compensation*. Accordingly, for restricted stock awards, Main Street measures the grant date fair value based upon the market price of its common stock on the date of the grant and amortizes the fair value of the awards as share-based compensation expense over the requisite service period, which is generally the vesting term.

**9. Income Taxes**

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that MSCC distributes to its stockholders. MSCC 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 12 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 portfolio investments for Main Street. The Taxable Subsidiaries permit Main Street 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 Main Street for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in Main Street's consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC 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 its book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at their normal corporate 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 Main Street's consolidated financial statements.

The External Investment Manager is an indirect wholly owned subsidiary of MSCC owned through a Taxable Subsidiary and is a disregarded entity for tax purposes. The External Investment Manager has entered into a tax sharing agreement with its Taxable Subsidiary owner. Since the External Investment Manager is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements, and as a result of the tax sharing

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

agreement with its Taxable Subsidiary owner, for its stand-alone financial reporting purposes the External Investment Manager is treated as if it is taxed at normal corporate tax rates based on its taxable income and, as a result of its activities, may generate income tax expense or benefit. The income tax expense, or benefit, if any, and the related tax assets and liabilities, of the External Investment Manager are reflected in the External Investment Manager's separate financial statements.

In December 2017, the "Tax Cuts and Jobs Act" legislation was enacted. The Tax Cuts and Jobs Act includes significant changes to the U.S. corporate tax system, including a U.S. federal corporate income tax rate reduction from 35% to 21% and other changes. ASC 740, *Income Taxes*, requires the effects of changes in tax rates and laws on deferred tax balances to be recognized in the period in which the legislation was enacted. As such, Main Street has accounted for the tax effects as a result of the enactment of the Tax Cuts and Jobs Act beginning with the period ended December 31, 2017.

The Taxable Subsidiaries and the External Investment Manager 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.

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.

**10. 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.

**11. 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. Main Street believes that the carrying amounts of its financial instruments, consisting of cash and cash equivalents, receivables, payables and other liabilities approximate the fair values of such items due to the short-term nature of these instruments.

As part of Main Street's acquisition of the majority of the equity interests of MSC II in January 2010 (the "MSC II Acquisition"), Main Street elected the fair value option under ASC 825, *Financial Instruments* ("ASC 825"), relating to accounting for debt obligations at their fair value, for the MSC II SBIC debentures acquired as part of the acquisition accounting related to the MSC II Acquisition and values those obligations as discussed further in Note C. In order to provide for a more consistent basis

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

of presentation, Main Street has continued to elect the fair value option for SBIC debentures issued by MSC II subsequent to the MSC II Acquisition. When the fair value option is elected for a given SBIC debenture, the deferred loan costs associated with the debenture are fully expensed in the current period to "Net Unrealized Appreciation (Depreciation) SBIC debentures" as part of the fair value adjustment. Interest incurred in connection with SBIC debentures which are valued at fair value is included in interest expense.

**12. Earnings per Share**

Basic and diluted per share calculations are computed utilizing the weighted-average number of shares of common stock outstanding for the period. In accordance with ASC 260, *Earnings Per Share*, the unvested shares of restricted stock awarded pursuant to Main Street's equity compensation plans are participating securities and, therefore, are included in the basic earnings per share calculation. As a result, for all periods presented, there is no difference between diluted earnings per share and basic earnings per share amounts.

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

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 supersedes the revenue recognition requirements under ASC 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the ASC. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Under the guidance, an entity is required to perform the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance will significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. Additionally, the guidance requires improved disclosures as to the nature, amount, timing and uncertainty of revenue that is recognized. In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which clarified the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, which clarified the implementation guidance regarding performance obligations and licensing arrangements. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606) Narrow-Scope Improvements and Practical Expedients*, which clarified guidance on assessing collectability, presenting sales tax, measuring noncash consideration, and certain transition matters. In December 2016, the FASB issued ASU No. 2016-20, *Revenue from Contracts with Customers (Topic 606) Technical Corrections and Improvements*, which provided disclosure relief, and clarified the scope and application of the new revenue standard and related cost guidance. The guidance is effective for the annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. Substantially all of Main Street's income is not within the scope of ASU 2014-09. For those income items that are within the scope (primarily fee income), Main Street has similar performance obligations as compared with deliverables and separate units of account previously identified. As a result, Main Street's timing of its income recognition remains the same and the adoption of the standard was not material.

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to recognize on the balance sheet a right-of-use asset, representing its right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The guidance is effective for annual periods beginning after December 15, 2018, and interim periods therein. Early application is permitted. While Main Street continues to assess the effect of adoption, Main Street currently believes the most significant change relates to the recognition of a new right-of-use asset and lease liability on its consolidated balance sheet for its office space operating lease. Main Street currently has one operating lease for office space and does not expect a significant change in the leasing activity between now and adoption. See further discussion of the operating lease obligation in Note M.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230)*, which is intended to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance is effective for annual periods beginning after December 15, 2017, and interim periods therein. Early application is permitted. The impact of the adoption of this accounting standard on Main Street's consolidated financial statements was not material.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*, which is intended to improve fair value and defined benefit disclosure requirements by removing disclosures that are not cost-beneficial, clarifying disclosures' specific requirements, and adding relevant disclosure requirements. The amendments take effect for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. Main Street is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements and related disclosures.

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by Main Street as of the specified effective date. Main Street 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 AND DEBENTURES 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. Main Street accounts for its investments at fair value.

**Fair Value Hierarchy**

In accordance with ASC 820, Main Street 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).

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

Investments recorded on Main Street's balance sheet 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 Main Street 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). Main Street conducts reviews of fair value hierarchy classifications on a quarterly basis. During the classification process, Main Street may determine that it is appropriate to transfer investments between fair value hierarchy Levels. These transfers occur when Main Street has concluded that it is appropriate for the classification of an individual asset to be changed due to a change in the factors used to determine the selection of the Level. Any such changes are deemed to be effective during the quarter in which the transfer occurs.

As of September 30, 2018 and December 31, 2017, all of Main Street's LMM portfolio investments consisted of illiquid securities issued by privately held companies. As a result, the fair value determination for all of Main Street's LMM portfolio investments primarily consisted of unobservable inputs. As a result, all of Main Street's LMM portfolio investments were categorized as Level 3 as of September 30, 2018 and December 31, 2017.

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

As of September 30, 2018 and December 31, 2017, Main Street'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 Main Street's Middle Market portfolio investments were categorized as Level 3 as of September 30, 2018 and December 31, 2017.

As of September 30, 2018 and December 31, 2017, Main Street's Private Loan portfolio investments primarily consisted of investments in interest-bearing secured debt investments. The fair value determination for these investments consisted of a combination of observable inputs in non-active markets for which sufficient observable inputs were not available to determine the fair value of these investments and unobservable inputs. As a result, all of Main Street's Private Loan portfolio investments were categorized as Level 3 as of September 30, 2018 and December 31, 2017.

As of September 30, 2018 and December 31, 2017, Main Street's Other Portfolio investments consisted of illiquid securities issued by privately held companies. The fair value determination for these investments primarily consisted of unobservable inputs. As a result, all of Main Street's Other Portfolio investments were categorized as Level 3 as of September 30, 2018 and December 31, 2017.

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;



## Edgar Filing: Main Street Capital CORP - Form 497

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.

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

The significant unobservable inputs used in the fair value measurement of Main Street'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 Main Street's LMM, Middle Market, Private Loan and Other Portfolio debt securities are (i) risk adjusted discount rates used in the Yield-to-Maturity valuation technique (described in Note B.1. Valuation of the Investment Portfolio) and (ii) the percentage of expected principal recovery. Significant increases (decreases) in any of these discount rates in isolation would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in any of these expected principal recovery percentages in isolation would result in a significantly higher (lower) fair value measurement. However, due to the nature of certain investments, fair value measurements may be based on other criteria, such as third-party appraisals of collateral and fair values as determined by independent third parties, which are not presented in the tables below.

The following tables provide a summary of the significant unobservable inputs used to fair value Main Street's Level 3 portfolio investments as of September 30, 2018 and December 31, 2017:

| Type of Investment        | Fair Value<br>as of<br>September 30,<br>2018<br>(in thousands) | Valuation<br>Technique   | Significant<br>Unobservable Inputs        | Weighted           |            |           |
|---------------------------|--|--|---|--------------------|------------|-----------|
|                           |  |  |   | Range(3)           | Average(3) | Median(3) |
| Equity investments        | \$ 747,195   | Discounted cash<br>flow<br>Market<br>comparable /<br>Enterprise<br>Value | WACC                                      | 10.0% -<br>23.3%   | 13.7%      | 14.2%     |
|                           |  |  | EBITDA multiple(1)                        | 4.7x -<br>8.3x(2)  | 6.9x       | 6.0x      |
| Debt investments          | \$ 1,038,326   | Discounted cash<br>flow  | Risk adjusted discount<br>factor          | 7.4% -<br>16.5%(2) | 11.8%      | 11.6%     |
|                           |  |  | Expected principal<br>recovery percentage | 2.8% -<br>100.0%   | 99.7%      | 100.0%    |
| Debt investments          | \$ 641,352   | Market<br>approach   | Third-party quote                         | 11.0 - 106.3       |            |           |
| Total Level 3 investments | \$ 2,426,873   |  |   |                    |            |           |

- (1) EBITDA may include proforma adjustments and/or other addbacks 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 3.9x - 15.0x and the range for risk adjusted discount factor is 4.9% - 35.0%.
- (3) Does not include investments for which the valuation technique does not include the use of the applicable fair value input.

| Type of Investment | Fair Value<br>as of<br>December 31,<br>2017<br>(in thousands) | Valuation<br>Technique | Significant<br>Unobservable Inputs | Weighted |            |           |
|--------------------|---|------------------------|------------------------------------|----------|------------|-----------|
|                    |   |                        |                                    | Range(3) | Average(3) | Median(3) |

Edgar Filing: Main Street Capital CORP - Form 497

|                           |              |  |   |                                  |                |                 |
|---------------------------|--------------|--|---|----------------------------------|----------------|-----------------|
| Equity investments        | \$ 653,008   | Discounted cash flow<br>Market comparable / Enterprise Value | WACC<br>EBITDA multiple(1)  | 11.1% - 23.2%<br>4.3x - 8.5x(2)  | 13.7%<br>7.3x  | 14.0%<br>6.0x   |
| Debt investments          | \$ 858,816   | Discounted cash flow   | Risk adjusted discount factor<br>Expected principal recovery percentage | 6.7% - 16.1%(2)<br>2.9% - 100.0% | 11.2%<br>99.8% | 11.0%<br>100.0% |
| Debt investments          | \$ 659,481   | Market approach  | Third-party quote   | 11.0 - 106.0                     |                |                 |
| Total Level 3 investments | \$ 2,171,305 |  |   |                                  |                |                 |

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

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

(2) Range excludes outliers that are greater than one standard deviation from the mean. Including these outliers, the range for EBITDA multiple is 4.0x - 17.5x and the range for risk adjusted discount factor is 4.3% - 30.0%.

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

The following tables provide a summary of changes in fair value of Main Street's Level 3 portfolio investments for the nine month periods ended September 30, 2018 and 2017 (amounts in thousands):

| Type of Investment | Fair Value as of December 31, 2017 | Transfers Into Level 3 Hierarchy | Redemptions/ Repayments | New Investments | Net Changes from Unrealized to Realized | Net Unrealized Appreciation (Depreciation) | Other(1)   | Fair Value as of September 30, 2018 |
|--------------------|------------------------------------|----------------------------------|-------------------------|-----------------|---|--|------------|-------------------------------------|
| Debt               | \$ 1,518,297                       | \$                               | \$ (512,532)            | \$ 656,376      | \$ 33,724                               | \$ (7,737)                                 | \$ (8,450) | \$ 1,679,678                        |
| Equity             | 641,493                            |                                  | (40,920)                | 92,855          | (34,943)                                | 69,034                                     | 8,450      | 735,969                             |
| Equity Warrant     | 11,515                             |                                  | (280)                   | 181             | (1,120)                                 | 930  |            | 11,226                              |
|                    | \$ 2,171,305                       | \$                               | \$ (553,732)            | \$ 749,412      | \$ (2,339)                              | \$ 62,227                                  | \$         | \$ 2,426,873                        |

(1) Includes the impact of non-cash conversions. These transactions represent non-cash investing activities. See additional cash flow information at the consolidated statements of cash flows.

| Type of Investment | Fair Value as of December 31, 2016 | Transfers Into Level 3 Hierarchy | Redemptions/ Repayments | New Investments | Net Changes from Unrealized to Realized | Net Unrealized Appreciation (Depreciation) | Other(1)   | Fair Value as of September 30, 2017 |
|--------------------|------------------------------------|----------------------------------|-------------------------|-----------------|---|--|------------|-------------------------------------|
| Debt               | \$ 1,427,823                       | \$                               | \$ (556,538)            | \$ 701,633      | \$ 12,988                               | \$ (16,362)                                | \$ (6,056) | \$ 1,563,488                        |
| Equity             | 549,453                            |                                  | (41,250)                | 68,286          | (27,562)                                | 39,244                                     | 6,873      | 595,044                             |
| Equity Warrant     | 17,550                             |                                  | (3,261)                 | 331             | (1,542)                                 | (812)                                      | (817)      | 11,449                              |
|                    | \$ 1,994,826                       | \$                               | \$ (601,049)            | \$ 770,250      | \$ (16,116)                             | \$ 22,070                                  | \$         | \$ 2,169,981                        |

(1) Includes the impact of non-cash conversions. These transactions represent non-cash investing activities. See additional cash flow information at the consolidated statements of cash flows.

As of September 30, 2018 and December 31, 2017, the fair value determination for the SBIC debentures recorded at fair value primarily consisted of unobservable inputs. As a result, the SBIC debentures which are recorded at fair value were categorized as Level 3. Main Street

## Edgar Filing: Main Street Capital CORP - Form 497

determines the fair value of these instruments primarily using a Yield-to-Maturity approach that analyzes the discounted cash flows of interest and principal for each SBIC debenture recorded at fair value based on estimated market interest rates for debt instruments of similar structure, terms, and maturity. Main Street's estimate of the expected repayment date of principal for each SBIC debenture recorded at fair value is the legal maturity date of the instrument. The significant unobservable inputs used in the fair value measurement of Main Street's SBIC debentures recorded at fair value are the estimated market interest rates used to fair value each debenture using the yield valuation technique described above. Significant increases (decreases) in the estimated market interest rates in isolation would result in a significantly lower (higher) fair value measurement.

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

The following tables provide a summary of the significant unobservable inputs used to fair value Main Street's Level 3 SBIC debentures as of September 30, 2018 and December 31, 2017 (amounts in thousands):

| Type of Instrument | Fair Value as of September 30, 2018 | Valuation Technique  | Significant Unobservable Inputs | Range       | Weighted Average |
|--------------------|-------------------------------------|----------------------|---------------------------------|-------------|------------------|
| SBIC debentures    | \$ 44,686                           | Discounted cash flow | Estimated market interest rates | 5.1% - 5.8% | 5.3%             |

| Type of Instrument | Fair Value as of December 31, 2017 | Valuation Technique  | Significant Unobservable Inputs | Range       | Weighted Average |
|--------------------|------------------------------------|----------------------|---------------------------------|-------------|------------------|
| SBIC debentures    | \$ 48,608                          | Discounted cash flow | Estimated market interest rates | 4.9% - 5.5% | 5.1%             |

The following tables provide a summary of changes for the Level 3 SBIC debentures recorded at fair value for the nine month periods ended September 30, 2018 and 2017 (amounts in thousands):

| Type of Instrument            | Fair Value as of December 31, 2017 | Repayments | Net Realized Loss | New SBIC Debentures | Net Unrealized (Appreciation) Depreciation | Fair Value as of September 30, 2018 |
|-------------------------------|------------------------------------|------------|-------------------|---------------------|--|-------------------------------------|
| SBIC debentures at fair value | \$ 48,608                          | \$ (4,000) | \$ 1,374          | \$                  | \$ (1,296)                                 | \$ 44,686                           |

| Type of Instrument            | Fair Value as of December 31, 2016 | Repayments  | Net Realized Loss | New SBIC Debentures | Net Unrealized (Appreciation) Depreciation | Fair Value as of September 30, 2017 |
|-------------------------------|------------------------------------|-------------|-------------------|---------------------|--|-------------------------------------|
| SBIC debentures at fair value | \$ 74,803                          | \$ (25,200) | \$ 5,217          | \$                  | \$ (5,408)                                 | \$ 49,412                           |

At September 30, 2018 and December 31, 2017, Main Street's investments and SBIC debentures at fair value were categorized as follows in the fair value hierarchy for ASC 820 purposes:

| At September 30, 2018     | Fair Value Measurements<br>(in thousands) |  |   |   |
|---------------------------|---|--|---|---|
|                           | Fair Value                                | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| LMM portfolio investments | \$ 1,149,008                              | \$   | \$  | \$ 1,149,008                              |

Edgar Filing: Main Street Capital CORP - Form 497

|                                     |         |         |
|-------------------------------------|---------|---------|
| Middle Market portfolio investments | 607,666 | 607,666 |
| Private Loan portfolio investments  | 490,841 | 490,841 |
| Other Portfolio investments         | 109,210 | 109,210 |
| External Investment Manager         | 70,148  | 70,148  |

Total investments \$ 2,426,873 \$ \$ 2,426,873

SBIC debentures at fair value \$ 44,686 \$ \$ 44,686

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

| At December 31, 2017                   | Fair Value   | Fair Value Measurements<br>(in thousands)                                     |   |  |
|--|--------------|---|---|--|
|  |              | Quoted Prices<br>in<br>Active Markets<br>for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| LMM portfolio investments              | \$ 948,196   | \$  | \$  | \$ 948,196   |
| Middle Market portfolio<br>investments | 609,256      |   |   | 609,256  |
| Private Loan portfolio investments     | 467,475      |   |   | 467,475  |
| Other Portfolio investments            | 104,610      |   |   | 104,610  |
| External Investment Manager            | 41,768       |   |   | 41,768   |
| Total investments                      | \$ 2,171,305 | \$  | \$  | \$ 2,171,305                                       |
| SBIC debentures at fair value          | \$ 48,608    | \$  | \$  | \$ 48,608  |

**Investment Portfolio Composition**

Main Street's LMM portfolio investments primarily consist of secured debt, equity warrants and direct equity investments in privately held, LMM companies based in the United States. Main Street's LMM portfolio companies generally have annual revenues between \$10 million and \$150 million, and its LMM investments generally range in size from \$5 million to \$50 million. The LMM debt investments are typically secured by either a first or second priority lien on the assets of the portfolio company, generally bear interest at fixed rates, and generally have a term of between five and seven years from the original investment date. In most LMM portfolio investments, Main Street receives nominally priced equity warrants and/or makes direct equity investments in connection with a debt investment.

Main Street's Middle Market portfolio investments primarily consist of direct investments in or secondary purchases of interest-bearing debt securities in privately held companies based in the United States that are generally larger in size than the companies included in Main Street's LMM portfolio. Main Street's Middle Market portfolio companies generally have annual revenues between \$150 million and \$1.5 billion, and its Middle Market investments generally range in size from \$3 million to \$20 million. Main Street's Middle Market portfolio debt investments are generally secured by either a first or second 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.

Main Street's private loan ("Private Loan") portfolio investments are primarily debt securities in privately held companies which have been originated through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals." Private Loan investments are typically similar in size, structure, terms and conditions to investments Main Street holds in its LMM portfolio and Middle Market portfolio. Main Street's Private Loan portfolio debt investments are generally secured by either a first or second 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.

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





Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

Main Street's external asset management business is conducted through its External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. Main Street entered into an agreement with the External Investment Manager to share employees in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, Main Street shares employees with the External Investment Manager, including their related infrastructure, business relationships, management expertise and capital raising capabilities. Main Street allocates the related expenses to the External Investment Manager pursuant to the sharing agreement. Main Street's total expenses for the three months ended September 30, 2018 and 2017 are net of expenses allocated to the External Investment Manager of \$1.6 million and \$1.7 million, respectively. Main Street's total expenses for the nine months ended September 30, 2018 and 2017 are net of expenses allocated to the External Investment Manager of \$5.3 million and \$4.8 million, respectively.

Investment income, consisting of interest, dividends and fees, can fluctuate dramatically due to various factors, including the level of new investment activity, repayments of debt investments or sales of equity interests. Investment income in any given year could also be highly concentrated among several portfolio companies. For the three and nine months ended September 30, 2018 and 2017, Main Street 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 Main Street's investments in the LMM, Middle Market and Private Loan portfolios as of September 30, 2018 and December 31, 2017 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

|  | As of September 30, 2018 |               |              |
|--|--------------------------|---------------|--------------|
|  | LMM(a)                   | Middle Market | Private Loan |
|  | (dollars in millions)    |               |              |
| Number of portfolio companies                                | 70                       | 58            | 54           |
| Fair value   | \$ 1,149.0               | \$ 607.7      | \$ 490.8     |
| Cost   | \$ 965.4                 | \$ 613.4      | \$ 517.3     |
| % of portfolio at cost debt                                  | 69.2%                    | 96.1%         | 92.9%        |
| % of portfolio at cost equity                                | 30.8%                    | 3.9%          | 7.1%         |
| % of debt investments at cost secured by first priority lien | 98.5%                    | 89.0%         | 92.7%        |
| Weighted-average annual effective yield(b)                   | 12.2%                    | 9.4%          | 10.1%        |
| Average EBITDA(c)  | \$ 4.6                   | \$ 89.7       | \$ 46.2      |

(a) At September 30, 2018, Main Street had equity ownership in approximately 99% of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 39%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2018, 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 is higher than what an investor in shares of Main Street's common stock will

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

realize on its investment because it does not reflect Main Street's expenses or any sales load paid by an investor.

- (c) The average EBITDA is calculated using a simple average for the LMM portfolio and a weighted-average for the Middle Market and Private Loan portfolios. These calculations exclude certain portfolio companies, including three LMM portfolio companies and three Private Loan portfolio companies, as EBITDA is not a meaningful valuation metric for Main Street's investments in these portfolio companies, and those portfolio companies whose primary purpose is to own real estate.

**As of December 31, 2017**

|  | <b>LMM(a)</b>                | <b>Middle Market</b> | <b>Private Loan</b> |
|--|------------------------------|----------------------|---------------------|
|  | <b>(dollars in millions)</b> |                      |                     |
| Number of portfolio companies                                | 70                           | 62                   | 54                  |
| Fair value   | \$ 948.2                     | \$ 609.3             | \$ 467.5            |
| Cost   | \$ 776.5                     | \$ 629.7             | \$ 489.2            |
| % of portfolio at cost debt                                  | 67.1%                        | 97.3%                | 93.6%               |
| % of portfolio at cost equity                                | 32.9%                        | 2.7%                 | 6.4%                |
| % of debt investments at cost secured by first priority lien | 98.1%                        | 90.5%                | 94.5%               |
| Weighted-average annual effective yield(b)                   | 12.0%                        | 9.0%                 | 9.2%                |
| Average EBITDA(c)  | \$ 4.4                       | \$ 78.3              | \$ 39.6             |

- (a) At December 31, 2017, Main Street had equity ownership in approximately 97% of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 39%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2017, 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 is higher than what an investor in shares of Main Street's common stock will realize on its investment because it does not reflect Main Street's expenses or any sales load paid by an investor.
- (c) The average EBITDA is calculated using a simple average for the LMM portfolio and a weighted-average for the Middle Market and Private Loan portfolios. These calculations exclude certain portfolio companies, including six LMM portfolio companies, one Middle Market portfolio company and three Private Loan portfolio companies, as EBITDA is not a meaningful valuation metric for Main Street's investments in these portfolio companies, and those portfolio companies whose primary purpose is to own real estate.

As of September 30, 2018, Main Street had Other Portfolio investments in eleven companies, collectively totaling approximately \$109.2 million in fair value and approximately \$115.7 million in cost basis and which comprised approximately 4.5% of Main Street's Investment Portfolio at fair value. As of December 31, 2017, Main Street had Other Portfolio investments in eleven companies, collectively totaling approximately \$104.6 million in fair value and approximately \$109.4 million in cost basis and which comprised approximately 4.8% of Main Street's Investment Portfolio at fair value.

As discussed further in Note A.1., Main Street holds an investment in the External Investment Manager, a wholly owned subsidiary that is treated as a portfolio investment. As of September 30,



Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

2018, there was no cost basis in this investment and the investment had a fair value of approximately \$70.1 million, which comprised approximately 2.9% of Main Street's Investment Portfolio at fair value. As of December 31, 2017, there was no cost basis in this investment and the investment had a fair value of approximately \$41.8 million, which comprised approximately 1.9% of Main Street's Investment Portfolio at fair value.

The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, as of September 30, 2018 and December 31, 2017 (this information excludes the Other Portfolio investments and the External Investment Manager).

| <b>Cost:</b>     | <b>September 30, 2018</b> | <b>December 31, 2017</b> |
|------------------|---------------------------|--------------------------|
| First lien debt  | 77.7%                     | 79.0%                    |
| Equity           | 16.4%                     | 15.3%                    |
| Second lien debt | 4.8%                      | 4.5%                     |
| Equity warrants  | 0.7%                      | 0.7%                     |
| Other            | 0.4%                      | 0.5%                     |
|                  | 100.0%                    | 100.0%                   |

| <b>Fair Value:</b> | <b>September 30, 2018</b> | <b>December 31, 2017</b> |
|--------------------|---------------------------|--------------------------|
| First lien debt    | 69.9%                     | 70.5%                    |
| Equity             | 24.8%                     | 24.4%                    |
| Second lien debt   | 4.4%                      | 4.1%                     |
| Equity warrants    | 0.5%                      | 0.6%                     |
| Other              | 0.4%                      | 0.4%                     |
|                    | 100.0%                    | 100.0%                   |

The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments by geographic region of the United States and other countries at cost and fair value as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, as of September 30, 2018 and December 31, 2017 (this information excludes the Other

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

Portfolio investments and the External Investment Manager). The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

| <b>Cost:</b>            | <b>September 30, 2018</b> | <b>December 31, 2017</b> |
|-------------------------|---------------------------|--------------------------|
| West                    | 26.9%                     | 20.7%                    |
| Southwest               | 26.6%                     | 26.1%                    |
| Midwest                 | 18.5%                     | 22.3%                    |
| Northeast               | 14.3%                     | 15.2%                    |
| Southeast               | 11.0%                     | 12.8%                    |
| Canada                  | 1.6%                      | 1.9%                     |
| Other Non-United States | 1.1%                      | 1.0%                     |
|                         | 100.0%                    | 100.0%                   |

| <b>Fair Value:</b>      | <b>September 30, 2018</b> | <b>December 31, 2017</b> |
|-------------------------|---------------------------|--------------------------|
| West                    | 28.2%                     | 23.7%                    |
| Southwest               | 27.9%                     | 26.8%                    |
| Midwest                 | 18.0%                     | 20.3%                    |
| Northeast               | 13.6%                     | 14.6%                    |
| Southeast               | 9.9%                      | 11.9%                    |
| Canada                  | 1.4%                      | 1.8%                     |
| Other Non-United States | 1.0%                      | 0.9%                     |
|                         | 100.0%                    | 100.0%                   |

Main Street's LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments are in companies conducting business in a variety of industries. The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments by industry at cost and fair value

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

as of September 30, 2018 and December 31, 2017 (this information excludes the Other Portfolio investments and the External Investment Manager).

| <b>Cost:</b>                                   | <b>September 30, 2018</b> | <b>December 31, 2017</b> |
|--|---------------------------|--------------------------|
| Construction & Engineering                     | 7.4%                      | 6.4%                     |
| Energy Equipment & Services                    | 6.6%                      | 6.9%                     |
| Media  | 6.5%                      | 4.4%                     |
| IT Services                                    | 5.2%                      | 3.9%                     |
| Commercial Services & Supplies                 | 5.0%                      | 4.5%                     |
| Diversified Telecommunication Services         | 4.9%                      | 4.1%                     |
| Machinery                                      | 4.6%                      | 5.2%                     |
| Aerospace & Defense                            | 4.4%                      | 3.3%                     |
| Hotels, Restaurants & Leisure                  | 4.0%                      | 6.2%                     |
| Food Products                                  | 4.0%                      | 1.9%                     |
| Internet Software & Services                   | 3.9%                      | 3.4%                     |
| Leisure Equipment & Products                   | 3.9%                      | 3.0%                     |
| Specialty Retail                               | 3.6%                      | 5.3%                     |
| Electronic Equipment, Instruments & Components | 3.6%                      | 3.4%                     |
| Health Care Providers & Services               | 3.3%                      | 2.9%                     |
| Professional Services                          | 2.7%                      | 3.7%                     |
| Computers & Peripherals                        | 2.7%                      | 2.8%                     |
| Oil, Gas & Consumable Fuels                    | 2.6%                      | 1.6%                     |
| Software                                       | 2.0%                      | 2.5%                     |
| Communications Equipment                       | 2.0%                      | 2.3%                     |
| Containers & Packaging                         | 1.9%                      | 0.0%                     |
| Distributors                                   | 1.7%                      | 1.9%                     |
| Building Products                              | 1.7%                      | 1.9%                     |
| Construction Materials                         | 1.7%                      | 1.7%                     |
| Road & Rail                                    | 1.2%                      | 1.0%                     |
| Internet & Catalog Retail                      | 1.1%                      | 1.3%                     |
| Diversified Financial Services                 | 0.7%                      | 1.6%                     |
| Health Care Equipment & Supplies               | 0.6%                      | 2.0%                     |
| Diversified Consumer Services                  | 0.4%                      | 1.6%                     |
| Real Estate Management & Development           | 0.3%                      | 1.0%                     |
| Auto Components                                | 0.0%                      | 1.9%                     |
| Other(1)                                       | 5.8%                      | 6.4%                     |
|  | 100.0%                    | 100.0%                   |

(1)

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

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

| <b>Fair Value:</b>                             | <b>September 30, 2018</b> | <b>December 31, 2017</b> |
|--|---------------------------|--------------------------|
| Construction & Engineering                     | 7.7%                      | 6.3%                     |
| Machinery                                      | 6.6%                      | 6.4%                     |
| Energy Equipment & Services                    | 5.7%                      | 6.2%                     |
| Media  | 5.7%                      | 3.8%                     |
| IT Services                                    | 5.1%                      | 4.0%                     |
| Commercial Services & Supplies                 | 4.7%                      | 4.1%                     |
| Diversified Telecommunication Services         | 4.1%                      | 3.4%                     |
| Aerospace & Defense                            | 4.1%                      | 3.1%                     |
| Specialty Retail                               | 3.9%                      | 5.3%                     |
| Hotels, Restaurants & Leisure                  | 3.8%                      | 5.9%                     |
| Food Products                                  | 3.8%                      | 1.8%                     |
| Internet Software & Services                   | 3.7%                      | 3.2%                     |
| Leisure Equipment & Products                   | 3.7%                      | 2.9%                     |
| Computers & Peripherals                        | 3.6%                      | 3.0%                     |
| Health Care Providers & Services               | 3.1%                      | 2.8%                     |
| Diversified Consumer Services                  | 3.0%                      | 5.9%                     |
| Electronic Equipment, Instruments & Components | 3.0%                      | 2.8%                     |
| Professional Services                          | 2.5%                      | 3.5%                     |
| Oil, Gas & Consumable Fuels                    | 2.4%                      | 1.5%                     |
| Software                                       | 2.2%                      | 2.5%                     |
| Construction Materials                         | 2.0%                      | 1.9%                     |
| Communications Equipment                       | 1.9%                      | 2.2%                     |
| Containers & Packaging                         | 1.8%                      | 0.0%                     |
| Distributors                                   | 1.6%                      | 1.8%                     |
| Building Products                              | 1.5%                      | 1.8%                     |
| Road & Rail                                    | 1.2%                      | 1.0%                     |
| Internet & Catalog Retail                      | 0.9%                      | 1.1%                     |
| Diversified Financial Services                 | 0.9%                      | 1.6%                     |
| Health Care Equipment & Supplies               | 0.6%                      | 2.1%                     |
| Air Freight & Logistics                        | 0.6%                      | 1.0%                     |
| Real Estate Management & Development           | 0.4%                      | 1.1%                     |
| Auto Components                                | 0.0%                      | 1.6%                     |
| Other(1)                                       | 4.2%                      | 4.4%                     |
|  | 100.0%                    | 100.0%                   |

(1)

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

At September 30, 2018 and December 31, 2017, Main Street had no portfolio investment that was greater than 10% of the Investment Portfolio at fair value.

**Unconsolidated Significant Subsidiaries**



## Edgar Filing: Main Street Capital CORP - Form 497

In accordance with Rules 3-09 and 4-08(g) of Regulation S-X, Main Street must determine which of its unconsolidated controlled portfolio companies, if any, are considered "significant subsidiaries." In evaluating these unconsolidated controlled portfolio companies, there are three tests utilized to

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

determine if any of Main Street's Control Investments (as defined in Note A, including those unconsolidated portfolio companies defined as Control Investments in which Main Street does not own greater than 50% of the voting securities) are considered significant subsidiaries: the investment test, the asset test and the income test. The income test is measured by dividing the absolute value of the combined total of total investment income, net realized gain (loss) and net unrealized appreciation (depreciation) of each Control Investment for the period being tested by the absolute value of Main Street's pre-tax income for the same period. Rule 3-09 of Regulation S-X, as interpreted by the SEC, requires Main Street to include separate audited financial statements of an unconsolidated majority-owned subsidiary (Control Investments in which Main Street owns greater than 50% of the voting securities) in an annual report if any of the three tests exceed 20% of Main Street's total investments at fair value, total assets or total income, respectively. Rule 4-08(g) of Regulation S-X requires summarized financial information of a Control Investment in an annual report if any of the three tests exceeds 10% of Main Street's annual total amounts and Rule 10-01(b)(1) of Regulation S-X requires summarized financial information in a quarterly report if any of the three tests exceeds 20% of Main Street's year-to-date total amounts.

As of September 30, 2018 and December 31, 2017, Main Street had no single investment that represented greater than 20% of its total Investment Portfolio at fair value and no single investment whose total assets represented greater than 20% of its total assets. After performing the income test for the nine months ended September 30, 2018 and 2017, Main Street determined that no single Control Investment had income that represented greater than 20% of Main Street's total income.

**NOTE D EXTERNAL INVESTMENT MANAGER**

As discussed further in Note A.1., the External Investment Manager provides investment management and other services to External Parties. The External Investment Manager is accounted for as a portfolio investment of MSCC since the External Investment Manager conducts all of its investment management activities for External Parties.

During May 2012, Main Street entered into an investment sub-advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income, a non-listed BDC, to provide certain investment advisory services to HMS Adviser. In December 2013, after obtaining required no-action relief from the SEC to allow it to own a registered investment adviser, Main Street assigned the sub-advisory agreement to the External Investment Manager since the fees received from such arrangement could otherwise have negative consequences on MSCC's ability to meet the source-of-income requirement necessary for it to maintain its RIC tax treatment. Under the investment sub-advisory agreement, the External Investment Manager is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. The External Investment Manager has conditionally agreed to waive a limited amount of the historical incentive fees otherwise earned. During the three months ended September 30, 2018 and 2017, the External Investment Manager earned \$3.0 million and \$2.8 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser. During the nine months ended September 30, 2018 and 2017, the External Investment Manager earned \$8.7 million and \$8.1 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser.

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

The investment in the External Investment Manager is accounted for using fair value accounting, with the fair value determined by Main Street and approved, in good faith, by Main Street's Board of Directors. Main Street determines the fair value of the External Investment Manager using the Waterfall valuation method under the market approach (see further discussion in Note B.1.). Any change in fair value of the investment in the External Investment Manager is recognized on Main Street's consolidated statements of operations in "Net Unrealized Appreciation (Depreciation) Control investments."

The External Investment Manager is an indirect wholly owned subsidiary of MSCC owned through a Taxable Subsidiary and is a disregarded entity for tax purposes. The External Investment Manager has entered into a tax sharing agreement with its Taxable Subsidiary owner. Since the External Investment Manager is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements, and as a result of the tax sharing agreement with its Taxable Subsidiary owner, for financial reporting purposes the External Investment Manager is treated as if it is taxed at normal corporate tax rates based on its taxable income and, as a result of its activities, may generate income tax expense or benefit. Main Street owns the External Investment Manager through the Taxable Subsidiary to allow MSCC to continue to comply with the "source-of-income" requirements contained in the RIC tax provisions of the Code. The taxable income, or loss, of the External Investment Manager may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. As a result of the above described financial reporting and tax treatment, the External Investment Manager provides for any income tax expense, or benefit, and any tax assets or liabilities in its separate financial statements.

Main Street shares employees with the External Investment Manager and allocates costs related to such shared employees to the External Investment Manager generally based on a combination of the direct time spent, new investment origination activity and assets under management, depending on the nature of the expense. For the three months ended September 30, 2018 and 2017, Main Street allocated \$1.6 million and \$1.7 million of total expenses, respectively, to the External Investment Manager. For the nine months ended September 30, 2018 and 2017, Main Street allocated \$5.3 million and \$4.8 million of total expenses, respectively, to the External Investment Manager. The total contribution of the External Investment Manager to Main Street's net investment income consists of the combination of the expenses allocated to the External Investment Manager and the dividend income received from the External Investment Manager. For the three months ended September 30, 2018 and 2017, the total contribution to Main Street's net investment income was \$2.7 million and \$2.4 million, respectively. For the nine months ended September 30, 2018 and 2017, the total contribution to Main Street's net investment income was \$8.0 million and \$6.9 million, respectively.

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

Summarized financial information from the separate financial statements of the External Investment Manager as of September 30, 2018 and December 31, 2017 and for the three and nine months ended September 30, 2018 and 2017 is as follows:

|   | As of<br>September 30,<br>2018 | As of<br>December 31,<br>2017 |
|---|--------------------------------|-------------------------------|
|   | (dollars in thousands)         |                               |
| Cash  | \$                             | \$                            |
| Accounts receivable HMS Income                | 2,974                          | 2,863                         |
| <b>Total assets</b>                           | <b>\$ 2,974</b>                | <b>\$ 2,863</b>               |
| Accounts payable to MSCC and its subsidiaries | \$ 1,902                       | \$ 1,963                      |
| Dividend payable to MSCC and its subsidiaries | 1,072                          | 900                           |
| Equity  |                                |                               |
| <b>Total liabilities and equity</b>           | <b>\$ 2,974</b>                | <b>\$ 2,863</b>               |

|  | Three Months<br>Ended Sept 30, |                | Nine Months Ended<br>September 30, |                 |
|--|--------------------------------|----------------|------------------------------------|-----------------|
|  | 2018                           | 2017           | 2018                               | 2017            |
|  | (dollars in thousands)         |                |                                    |                 |
| Management fee income  | \$ 2,972                       | \$ 2,789       | \$ 8,667                           | \$ 8,083        |
| Expenses allocated from MSCC or its subsidiaries:            |                                |                |                                    |                 |
| Salaries, share-based compensation and other personnel costs | (974)                          | (1,033)        | (3,386)                            | (2,978)         |
| Other G&A expenses   | (618)                          | (631)          | (1,950)                            | (1,838)         |
| <b>Total allocated expenses</b>                              | <b>(1,592)</b>                 | <b>(1,664)</b> | <b>(5,336)</b>                     | <b>(4,816)</b>  |
| Pre-tax income   | 1,380                          | 1,125          | 3,331                              | 3,267           |
| Tax expense  | (308)                          | (413)          | (670)                              | (1,135)         |
| <b>Net income</b>  | <b>\$ 1,072</b>                | <b>\$ 712</b>  | <b>\$ 2,661</b>                    | <b>\$ 2,132</b> |

**NOTE E SBIC DEBENTURES**

Under existing SBIC regulations, SBA approved SBICs under common control have the ability to issue debentures guaranteed by the SBA up to a regulatory maximum amount of \$350.0 million. Main Street, through the funds, has an effective maximum amount of \$346.0 million following the prepayment of \$4.0 million of existing SBIC debentures as discussed below. SBIC debentures payable were \$345.8 million and \$295.8 million at September 30, 2018 and December 31, 2017, respectively. SBIC debentures provide for interest to be paid semiannually, with

## Edgar Filing: Main Street Capital CORP - Form 497

principal due at the applicable 10-year maturity date of each debenture. During the nine months ended September 30, 2018, Main Street issued \$54.0 million of SBIC debentures and opportunistically prepaid \$4.0 million of existing SBIC debentures as part of an effort to manage the maturity dates of the oldest SBIC debentures. As a result of this prepayment, Main Street recognized a realized loss of \$1.4 million due to the previously recognized gain recorded as a result of recording the MSC II debentures at fair value on the date of the acquisition of the majority interests of MSC II. The effect of the realized loss is offset by the reversal of all previously recognized unrealized depreciation due to fair value adjustments since the date of the acquisition. Main Street expects to issue new SBIC debentures under the SBIC program in

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

the future in an amount up to the regulatory maximum amount for affiliated SBIC funds. The weighted-average annual interest rate on the SBIC debentures was 3.7% and 3.6% as of September 30, 2018 and December 31, 2017, respectively. The first principal maturity due under the existing SBIC debentures is in 2019, and the weighted-average remaining duration as of September 30, 2018 was approximately 5.9 years. For the three months ended September 30, 2018 and 2017, Main Street recognized interest expense attributable to the SBIC debentures of \$3.2 million and \$2.7 million, respectively. For the nine months ended September 30, 2018 and 2017, Main Street recognized interest expense attributable to the SBIC debentures of \$9.3 million and \$7.7 million, respectively. Main Street has incurred upfront leverage and other miscellaneous fees of approximately 3.4% of the debenture principal amount. In accordance with SBA regulations, the Funds are precluded from incurring additional non-SBIC debt without the prior approval of the SBA.

As of September 30, 2018, the recorded value of the SBIC debentures was \$337.9 million which consisted of (i) \$44.7 million recorded at fair value, or \$1.3 million less than the \$46.0 million par value of the SBIC debentures issued in MSC II, (ii) \$149.8 million par value of SBIC debentures outstanding held in MSMF, with a recorded value of \$147.9 million that was net of unamortized debt issuance costs of \$1.9 million and (iii) \$150.0 million par value of SBIC debentures held in MSC III with a recorded value of \$145.4 million that was net of unamortized debt issuance costs of \$4.6 million. As of September 30, 2018, if Main Street had adopted the fair value option under ASC 825 for all of its SBIC debentures, Main Street estimates the fair value of its SBIC debentures would be approximately \$305.9 million, or \$39.9 million less than the \$345.8 million face value of the SBIC debentures.

**NOTE F CREDIT FACILITY**

Main Street maintains the Credit Facility to provide additional liquidity to support its investment and operational activities. The Credit Facility was amended and restated during June 2018 and further amended in July 2018 to provide for an increase in total commitments from \$585.0 million to \$680.0 million and to increase the diversified group of lenders to seventeen lenders, eliminate interest rate adjustments subject to Main Street's maintenance of an investment grade rating and extend the final maturity by two years to September 2023. The amended Credit Facility also contains an upsized accordion feature which allows Main Street to increase the total commitments under the facility to up to \$800.0 million from new and existing lenders on the same terms and conditions as the existing commitments.

Borrowings under the Credit Facility bear interest, subject to Main Street's election, on a per annum basis at a rate equal to the applicable LIBOR rate (2.3% as of September 30, 2018) plus (i) 1.875% (or the applicable base rate (Prime Rate of 5.25% as of September 30, 2018) plus 0.875%) as long as Main Street meets certain agreed upon excess collateral and maximum leverage requirements or (ii) 2.0% (or the applicable base rate plus 1.0%) otherwise. Main Street pays unused commitment fees of 0.25% per annum on the unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership or assets of the Funds and the External Investment Manager. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining a minimum availability of at least 10% of the borrowing base, (ii) maintaining an interest coverage ratio of at least 2.0 to 1.0, (iii) maintaining an asset coverage ratio (tangible net worth to Credit Facility borrowings) of at least 1.5 to 1.0 and (iv) maintaining a minimum tangible net worth. The Credit Facility is provided on a revolving basis through its final maturity date in September 2023, and contains two, one-year

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

extension options which could extend the final maturity by up to two years, subject to certain conditions, including lender approval.

At September 30, 2018, Main Street had \$250.0 million in borrowings outstanding under the Credit Facility. As of September 30, 2018, if Main Street had adopted the fair value option under ASC 825 for its Credit Facility, Main Street estimates its fair value would approximate its recorded value. Main Street recognized interest expense related to the Credit Facility, including unused commitment fees and amortization of deferred issuance costs, of \$3.3 million and \$3.1 million for the three months ended September 30, 2018 and 2017, respectively, and \$8.1 million and \$8.3 million for the nine month periods ended September 30, 2018 and 2017, respectively. As of September 30, 2018, the interest rate on the Credit Facility was 4.0%. The average interest rate was 4.0% and 3.7% for the three and nine months ended September 30, 2018, respectively. As of September 30, 2018, Main Street was in compliance with all financial covenants of the Credit Facility.

**NOTE G NOTES**

**6.125% Notes**

In April 2013, Main Street issued \$92.0 million, including the underwriters full exercise of their option to purchase additional principal amounts to cover over-allotments, in aggregate principal amount of 6.125% Notes due 2023 (the "6.125% Notes"). The 6.125% Notes bore interest at a rate of 6.125% per year payable quarterly on January 1, April 1, July 1 and October 1 of each year. The total net proceeds to Main Street from the 6.125% Notes, after underwriting discounts and estimated offering expenses payable, were approximately \$89.0 million. On April 2, 2018, Main Street redeemed the entire principal amount of the issued and outstanding 6.125% Notes effective April 1, 2018 (the "Redemption Date"). The 6.125% Notes were redeemed at par value, plus the accrued and unpaid interest thereon from January 1, 2018, through, but excluding, the Redemption Date. As part of the redemption, Main Street recognized a realized loss on extinguishment of debt of \$1.5 million in the second quarter of 2018 related to the write-off of the related unamortized deferred financing costs. Main Street recognized no interest expense related to the 6.125% Notes, including amortization of unamortized deferred issuance costs, for the three months ended September 30, 2018, \$1.5 million for the three months ended September 30, 2017 and \$1.5 million and \$4.4 million for the nine months ended September 30, 2018 and 2017, respectively.

**4.50% Notes due 2019**

In November 2014, Main Street issued \$175.0 million in aggregate principal amount of 4.50% unsecured notes due 2019 (the "4.50% Notes due 2019") at an issue price of 99.53%. The 4.50% Notes due 2019 are unsecured obligations and rank pari passu with Main Street's current and future unsecured indebtedness; senior to any of its future indebtedness that expressly provides it is subordinated to the 4.50% Notes due 2019; effectively subordinated to all of its existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under its Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes due 2019 mature on December 1, 2019, and may be redeemed in whole or in part at any time at Main Street's option subject to certain make-whole provisions. The 4.50% Notes due 2019 bear interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year. The total net proceeds from the 4.50% Notes due 2019,

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

resulting from the issue price and after underwriting discounts and estimated offering expenses payable, were approximately \$171.2 million. Main Street may from time to time repurchase the 4.50% Notes due 2019 in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2018, the outstanding balance of the 4.50% Notes due 2019 was \$175.0 million and the recorded value of \$174.2 million was net of unamortized debt issuance costs of \$0.8 million. As of September 30, 2018, if Main Street had adopted the fair value option under ASC 825 for the 4.50% Notes due 2019, Main Street estimates its fair value would be approximately \$176.6 million. Main Street recognized interest expense related to the 4.50% Notes due 2019, including amortization of unamortized deferred issuance costs, of \$2.1 million and \$6.4 million for the three and nine months ended September 30, 2018 and 2017, respectively.

The indenture governing the 4.50% Notes due 2019 (the "4.50% Notes due 2019 Indenture") contains certain covenants, including covenants requiring Main Street's compliance with (regardless of whether Main Street is subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act, as well as covenants requiring Main Street to provide financial information to the holders of the 4.50% Notes due 2019 and the Trustee if Main Street ceases to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the 4.50% Notes due 2019 Indenture. As of September 30, 2018, Main Street was in compliance with these covenants.

**4.50% Notes due 2022**

In November 2017, Main Street issued \$185.0 million in aggregate principal amount of 4.50% unsecured notes due 2022 (the "4.50% Notes due 2022") at an issue price of 99.16%. The 4.50% Notes due 2022 are unsecured obligations and rank pari passu with Main Street's current and future unsecured indebtedness; senior to any of its future indebtedness that expressly provides it is subordinated to the 4.50% Notes due 2022; effectively subordinated to all of its existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under its Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes due 2022 mature on December 1, 2022, and may be redeemed in whole or in part at any time at Main Street's option subject to certain make-whole provisions. The 4.50% Notes due 2022 bear interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year. The total net proceeds from the 4.50% Notes due 2022, resulting from the issue price and after underwriting discounts and estimated offering expenses payable, were approximately \$182.2 million. Main Street may from time to time repurchase the 4.50% Notes due 2022 in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2018, the outstanding balance of the 4.50% Notes due 2022 was \$185.0 million and the recorded value of \$182.5 million was net of unamortized debt issuance costs of \$2.5 million. As of September 30, 2018, if Main Street had adopted the fair value option under ASC 825 for the 4.50% Notes due 2022, Main Street estimates its fair value would be approximately \$183.3 million. Main Street recognized interest expense related to the 4.50% Notes due 2022, including amortization of unamortized deferred issuance costs, of \$2.2 million and \$6.7 million for the three and nine months ended September 30, 2018, respectively.

The indenture governing the 4.50% Notes due 2022 (the "4.50% Notes due 2022 Indenture") contains certain covenants, including covenants requiring Main Street's compliance with (regardless of whether Main Street is subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as



Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

modified by Section 61(a)(1) of the 1940 Act, as well as covenants requiring Main Street to provide financial information to the holders of the 4.50% Notes due 2022 and the Trustee if Main Street ceases to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the 4.50% Notes due 2022 Indenture. As of September 30, 2018, Main Street was in compliance with these covenants.

**NOTE H FINANCIAL HIGHLIGHTS**

|   | <b>Nine Months Ended<br/>September 30,</b> |             |
|---|--|-------------|
|   | <b>2018</b>                                | <b>2017</b> |
| <b>Per Share Data:</b>  |  |             |
| NAV at the beginning of the period  | \$ 23.53                                   | \$ 22.10    |
| Net investment income(1)  | 1.91                                       | 1.74        |
| Net realized gain (loss)(1)(2)  |  | 0.40        |
| Net unrealized appreciation(1)(2)   | 0.81                                       | 0.02        |
| Income tax provision(1)(2)  | (0.07)                                     | (0.22)      |
| Net increase in net assets resulting from operations(1)   | 2.65                                       | 1.94        |
| Dividends paid from net investment income   | (1.80)                                     | (1.46)      |
| Distributions from capital gains  | (0.19)                                     | (0.48)      |
| Total dividends paid  | (1.99)                                     | (1.94)      |
| Impact of the net change in monthly dividends declared prior to the end of the period and paid in the subsequent period | (0.01)                                     | (0.01)      |
| Accretive effect of stock offerings (issuing shares above NAV per share)  | 0.44                                       | 0.84        |
| Accretive effect of DRIP issuance (issuing shares above NAV per share)  | 0.06                                       | 0.04        |
| Other(3)  | 0.01                                       | 0.05        |
| NAV at the end of the period  | \$ 24.69                                   | \$ 23.02    |
| Market value at the end of the period   | \$ 38.50                                   | \$ 39.75    |
| Shares outstanding at the end of the period   | 60,962,505                                 | 57,756,193  |

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

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

(3) 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

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

certain per share data based on the shares outstanding as of a period end or transaction date.

|   | <b>Nine Months<br/>Ended September 30,</b> |              |
|---|--|--------------|
|   | <b>2018</b>                                | <b>2017</b>  |
|   | <b>(dollars in thousands)</b>              |              |
| NAV at end of period  | \$ 1,505,442                               | \$ 1,329,666 |
| Average NAV   | \$ 1,432,441                               | \$ 1,264,457 |
| Average outstanding debt  | \$ 927,962                                 | \$ 846,255   |
| Ratio of total expenses, including income tax expense, to average NAV(1)(2)   | 4.44%                                      | 5.10%        |
| Ratio of operating expenses to average NAV(2)(3)                              | 4.15%                                      | 4.12%        |
| Ratio of operating expenses, excluding interest expense, to average NAV(2)(3) | 1.92%                                      | 2.00%        |
| Ratio of net investment income to average NAV(2)                              | 8.00%                                      | 7.74%        |
| Portfolio turnover ratio(2)   | 23.12%                                     | 28.31%       |
| Total investment return(2)(4)   | 2.05%                                      | 13.68%       |
| Total return based on change in NAV(2)(5)                                     | 11.50%                                     | 9.09%        |

- (1) Total expenses are the sum of operating expenses and net income tax provision/benefit. Net income tax provision/benefit includes the accrual of net deferred tax provision/benefit relating to the net unrealized appreciation/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. Main Street is required to include net deferred tax provision/benefit in calculating its total expenses even though these net deferred taxes are not currently payable/receivable.
- (2) Not annualized.
- (3) Unless otherwise noted, operating expenses include interest, compensation, general and administrative and share-based compensation expenses, net of expenses allocated to the External Investment Manager.
- (4) Total investment return is based on the purchase of stock at the current market price on the first day and a sale at the current market price on the last day of each period reported on the table and assumes reinvestment of dividends at prices obtained by Main Street's dividend reinvestment plan during the period. The return does not reflect any sales load that may be paid by an investor.
- (5) Total return is based on change in net asset value was calculated using the sum of ending net asset value plus dividends to stockholders and other non-operating changes during the period, as divided by the beginning net asset value. Non-operating changes include any items that affect net asset value other than the net increase in net assets resulting from operations, such as the effects of stock offerings, shares issued under the DRIP and equity incentive plans and other miscellaneous items.

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

**NOTE I DIVIDENDS, DISTRIBUTIONS AND TAXABLE INCOME**

Main Street paid regular monthly dividends of \$0.19 per share for each month of January through September 2018, totaling \$34.5 million, or \$0.570 per share, for the three months ended September 30, 2018, and \$101.8 million, or \$1.71 per share, for the nine months ended September 30, 2018. The third quarter 2018 regular monthly dividends represent a 2.7% increase from the regular monthly dividends paid for the third quarter of 2017. Additionally, Main Street paid a \$0.275 per share semi-annual supplemental dividend, totaling \$16.6 million, in June 2018 compared to \$15.6 million, or \$0.275 per share, paid in June 2017. The regular monthly dividends equaled a total of approximately \$31.5 million, or \$0.555 per share, for the three months ended September 30, 2017, and \$92.9 million, or \$1.665 per share, for the nine months ended September 30, 2017.

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that MSCC distributes to its stockholders. MSCC 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 12 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 Main Street'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 capital gains, but may also include qualified dividends or return of capital.

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

Listed below is a reconciliation of "Net increase in net assets resulting from operations" to taxable income and to total distributions declared to common stockholders for the nine months ended September 30, 2018 and 2017.

|  | <b>Nine Months Ended<br/>September 30,</b>   |             |
|--|--|-------------|
|  | <b>2018</b>                                  | <b>2017</b> |
|  | <b>(estimated, dollars<br/>in thousands)</b> |             |
| Net increase in net assets resulting from operations   | \$ 158,708                                   | \$ 109,180  |
| Book tax difference from share-based compensation expense  | (3,686)                                      | (3,352)     |
| Net unrealized appreciation  | (48,386)                                     | (1,050)     |
| Income tax provision   | 4,097  | 12,383      |
| Pre-tax book loss not consolidated for tax purposes  | 1,049  | 1,386       |
| Book income and tax income differences, including debt origination, structuring fees, dividends, realized gains and changes in estimates | 21,493                                       | 2,711       |
| Estimated taxable income(1)  | 133,275                                      | 121,258     |
| Taxable income earned in prior year and carried forward for distribution in current year   | 42,357                                       | 42,362      |
| Taxable income earned prior to period end and carried forward for distribution next period   | (68,387)                                     | (65,233)    |
| Dividend payable as of period end and paid in the following period   | 11,889                                       | 10,934      |
| Total distributions accrued or paid to common stockholders   | \$ 119,134                                   | \$ 109,321  |

(1)

Main Street's taxable income for each period is an estimate and will not be finally determined until the company 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 portfolio investments for Main Street. The Taxable Subsidiaries permit Main Street 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 Main Street for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in Main Street's consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC 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 its book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at their normal corporate 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 Main Street's consolidated financial statements.

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

For the three months ended September 30, 2018, Main Street recognized a net income tax provision of \$3.8 million, principally consisting of a deferred tax provision of \$3.0 million, which is primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries, including changes in the loss carryforwards, changes in net unrealized appreciation or depreciation and other temporary book-tax differences, and a \$0.8 million current tax expense, which is primarily related to a \$0.5 million accrual for excise tax on Main Street's estimated undistributed taxable income and \$0.3 million provision for current U.S. federal income and state taxes. For the nine months ended September 30, 2018, Main Street recognized a net income tax provision of \$4.1 million, principally consisting of a deferred tax provision of \$3.3 million, which is primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries, including changes in the loss carryforwards, changes in net unrealized appreciation or depreciation and other temporary book-tax differences, and a \$0.8 million current tax expense, which is primarily related to a \$1.0 million accrual for excise tax on Main Street's estimated undistributed taxable income, partially offset by a \$0.2 million benefit for current U.S. federal income and state taxes. For the three months ended September 30, 2017, Main Street recognized a net income tax provision of \$4.6 million, principally consisting of a deferred tax provision of \$3.8 million, which is primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries, including changes in the loss carryforwards, changes in net unrealized appreciation or depreciation and other temporary book-tax differences, and a \$0.8 million current tax expense, which is primarily related to a \$0.5 million accrual for excise tax on Main Street's estimated undistributed taxable income and \$0.3 million provision for current U.S. federal income and state taxes. For the nine months ended September 30, 2017, Main Street recognized a net income tax provision of \$12.4 million, principally consisting of a deferred tax provision of \$9.9 million, which is primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries, including changes in the loss carryforwards, changes in net unrealized appreciation or depreciation and other temporary book-tax differences, and \$2.5 million current tax expense, which is primarily related to a \$1.6 million accrual for excise tax on Main Street's estimated undistributed taxable income and \$0.9 million provision for current U.S. federal income and state taxes.

The net deferred tax liability at September 30, 2018 was \$14.2 million compared to \$10.6 million at December 31, 2017, primarily related to loss carryforwards, timing differences in net unrealized appreciation or depreciation and other temporary book-tax differences relating to portfolio investments held by the Taxable Subsidiaries. The net deferred tax liability as of December 31, 2017 equal to \$10.6 million reflects a reduction of \$2.8 million resulting from the decrease in the U.S. federal corporate income tax rate from 35% to 21% as enacted by the Tax Cuts and Jobs Act (see further discussion in Note B.9.). At September 30, 2018, 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 various taxable years from 2028 through 2037. Under the Tax Cuts and Jobs Act, any net operating losses generated in 2018 and future periods will have an indefinite carryforward. The timing and manner in which Main Street will utilize any loss carryforwards generated before December 31, 2017 may be limited in the future under the provisions of the Code.

**NOTE J COMMON STOCK**

Main Street maintains a program with certain selling agents through which it can sell shares of its common stock by means of at-the-market offerings from time to time (the "ATM Program"). During the nine months ended September 30, 2018, Main Street sold 1,901,630 shares of its common stock at a

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

weighted-average price of \$38.48 per share and raised \$73.2 million of gross proceeds under the ATM Program. Net proceeds were \$72.1 million after commissions to the selling agents on shares sold and offering costs. As of September 30, 2018, there were 3,152,858 shares available for sale under the ATM Program.

During the year ended December 31, 2017, Main Street sold 3,944,972 shares of its common stock at a weighted-average price of \$38.72 per share and raised \$152.8 million of gross proceeds under the ATM Program. Net proceeds were \$150.9 million after commissions to the selling agents on shares sold and offering costs.

**NOTE K DIVIDEND REINVESTMENT PLAN ("DRIP")**

Main Street's DRIP provides for the reinvestment of dividends on behalf of its stockholders, unless a stockholder has elected to receive dividends in cash. As a result, if Main Street declares a cash dividend, the company's stockholders who have not "opted out" of the DRIP by the dividend record date will have their cash dividend automatically reinvested into additional shares of MSCC common stock. The share requirements of the DRIP may be satisfied through the issuance of shares of common stock or through open market purchases of common stock. Newly issued shares will be valued based upon the final closing price of MSCC's common stock on the valuation date determined for each dividend by Main Street's Board of Directors. Shares purchased in the open market to satisfy the DRIP requirements will be valued based upon the average price of the applicable shares purchased, before any associated brokerage or other costs. Main Street's DRIP is administered by its transfer agent on behalf of Main Street's record holders and participating brokerage firms. Brokerage firms and other financial intermediaries may decide not to participate in Main Street's DRIP but may provide a similar dividend reinvestment plan for their clients.

For the nine months ended September 30, 2018, \$9.7 million of the total \$118.4 million in dividends paid to stockholders represented DRIP participation. During this period, the DRIP participation requirements were satisfied with the issuance of 253,125 newly issued shares. For the nine months ended September 30, 2017, \$6.1 million of the total \$108.4 million in dividends paid to stockholders represented DRIP participation. During this period, the DRIP participation requirements were satisfied with the issuance of 158,301 newly issued shares. The shares disclosed above relate only to Main Street's DRIP and exclude any activity related to broker-managed dividend reinvestment plans.

**NOTE L SHARE-BASED COMPENSATION**

Main Street accounts for its share-based compensation plans using the fair value method, as prescribed by ASC 718, *Compensation Stock Compensation*. Accordingly, for restricted stock awards, Main Street measured the grant date fair value based upon the market price of its common stock on the date of the grant and amortizes the fair value of the awards as share-based compensation expense over the requisite service period, which is generally the vesting term.

Main Street's Board of Directors approves the issuance of shares of restricted stock to Main Street employees pursuant to the Main Street Capital Corporation 2015 Equity and Incentive Plan (the "Equity and Incentive Plan"). These shares generally vest over a three-year period from the grant date. The fair value is expensed over the service period, starting on the grant date. The following table summarizes the restricted stock issuances approved by Main Street's Board of Directors under the

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

Equity and Incentive Plan, net of shares forfeited, if any, and the remaining shares of restricted stock available for issuance as of September 30, 2018.

|  |           |
|--|-----------|
| Restricted stock authorized under the plan                       | 3,000,000 |
| Less net restricted stock granted during:                        |           |
| Year ended December 31, 2015                                     | (900)     |
| Year ended December 31, 2016                                     | (260,514) |
| Year ended December 31, 2017                                     | (223,812) |
| Nine Months ended September 30, 2018                             | (244,285) |
| Restricted stock available for issuance as of September 30, 2018 | 2,270,489 |

As of September 30, 2018, the following table summarizes the restricted stock issued to Main Street's non-employee directors and the remaining shares of restricted stock available for issuance pursuant to the Main Street Capital Corporation 2015 Non-Employee Director Restricted Stock Plan. These shares are granted upon appointment or election to the board and vest on the day immediately preceding the annual meeting of stockholders following the respective grant date and are expensed over such service period.

|  |         |
|--|---------|
| Restricted stock authorized under the plan                       | 300,000 |
| Less net restricted stock granted during:                        |         |
| Year ended December 31, 2015                                     | (6,806) |
| Year ended December 31, 2016                                     | (6,748) |
| Year ended December 31, 2017                                     | (5,948) |
| Nine Months ended September 30, 2018                             | (6,376) |
| Restricted stock available for issuance as of September 30, 2018 | 274,122 |

For the three months ended September 30, 2018 and 2017, Main Street recognized total share-based compensation expense of \$2.1 million and \$2.5 million, respectively, related to the restricted stock issued to Main Street employees and non-employee directors and, for the nine months ended September 30, 2018 and 2017, Main Street recognized total share-based compensation expense of \$6.9 million and \$7.5 million, respectively, related to the restricted stock issued to Main Street employees and non-employee directors.

As of September 30, 2018, there was \$13.2 million of total unrecognized compensation expense related to Main Street's non-vested restricted shares. This compensation expense is expected to be recognized over a remaining weighted-average period of approximately 2.0 years as of September 30, 2018.

Table of Contents

## MAIN STREET CAPITAL CORPORATION

## Notes to Consolidated Financial Statements (Continued)

(Unaudited)

## NOTE M COMMITMENTS AND CONTINGENCIES

At September 30, 2018, Main Street had the following outstanding commitments (in thousands):

|  | Amount    |
|--|-----------|
| <u>Investments with equity capital commitments that have not yet funded:</u> |           |
| <u>Congruent Credit Opportunities Funds</u>                                  |           |
| Congruent Credit Opportunities Fund II, LP                                   | \$ 8,488  |
| Congruent Credit Opportunities Fund III, LP                                  | 8,117     |
|  | \$ 16,605 |
| <u>Encap Energy Fund Investments</u>   |           |
| EnCap Energy Capital Fund VIII, L.P.   | \$ 356    |
| EnCap Energy Capital Fund IX, L.P.   | 463       |
| EnCap Energy Capital Fund X, L.P.  | 2,619     |
| EnCap Energy Capital Fund VIII Co-Investors, L.P.                            | 30        |
| EnCap Flatrock Midstream Fund II, L.P.                                       | 6,311     |
| EnCap Flatrock Midstream Fund III, L.P.                                      | 2,220     |
|  | \$ 11,999 |
| <u>Brightwood Capital Fund Investments</u>                                   |           |
| Brightwood Capital Fund III, LP  | \$ 3,000  |
| Brightwood Capital Fund IV, LP   | 3,500     |
|  | \$ 6,500  |
| <u>Freeport Fund Investments</u>   |           |
| Freeport First Lien Loan Fund III LP   | \$ 3,942  |
| Freeport Financial SBIC Fund LP  | 1,375     |
|  | \$ 5,317  |
| <u>Harris Preston Fund Investments</u>                                       |           |
| HPEP 3, L.P.   | \$ 3,267  |
| EIG Fund Investments   | \$ 4,693  |
| LKCM Headwater Investments I, L.P.   | \$ 2,500  |
| <u>Dos Rios Partners</u>   |           |
| Dos Rios Partners, LP  | \$ 1,594  |
| Dos Rios Partners A, LP  | 506       |
|  | \$ 2,100  |
| <u>Copper Trail Fund Investments</u>   |           |
| Copper Trail Energy Fund I, LP   | \$ 1,730  |
| I-45 SLF LLC   |           |



Edgar Filing: Main Street Capital CORP - Form 497

|                            |    |    |        |
|----------------------------|----|----|--------|
|                            |    | \$ | 800    |
| Access Media Holdings, LLC |    | \$ | 486    |
| Total equity commitments   |    | \$ | 55,997 |
|                            | 95 |    |        |

---

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

|  | <b>Amount</b>     |
|--|-------------------|
| <u>Investments with commitments to fund revolving loans that have not been fully drawn or term loans with additional commitments not yet funded:</u> |                   |
| SI East, LLC   | 7,500             |
| NexRev LLC   | 4,000             |
| PT Network, LLC  | 3,618             |
| California Splendor Holdings LLC   | 3,509             |
| Adams Publishing Group, LLC  | 3,035             |
| Hoover Group, Inc.   | 2,113             |
| Wireless Vision Holdings, LLC  | 2,068             |
| NNE Partners, LLC  | 2,042             |
| Chamberlin Holding LLC   | 1,600             |
| Direct Marketing Solutions, Inc.   | 1,600             |
| Hawk Ridge Systems, LLC  | 1,600             |
| Meisler Operating LLC  | 1,600             |
| Hojeij Branded Foods, LLC  | 1,588             |
| IDX Broker, LLC  | 1,500             |
| Lamb Ventures, LLC   | 1,500             |
| Boccella Precast Products LLC  | 1,440             |
| American Nuts, LLC   | 1,266             |
| Gamber-Johnson Holdings, LLC   | 1,200             |
| Volusion, LLC  | 1,075             |
| NRI Clinical Research, LLC   | 1,000             |
| Aethon United BR LP  | 938               |
| CTVSH, PLLC  | 800               |
| DTE Enterprises RLOC   | 750               |
| ASC Ortho Management Company, LLC  | 750               |
| Barfly Ventures, LLC   | 735               |
| Jensen Jewelers of Idaho, LLC  | 500               |
| UniTek Global Services, Inc.   | 500               |
| New Era Technology, Inc.   | 479               |
| Clad-Rex Steel, LLC  | 400               |
| Dynamic Communities, LLC   | 250               |
| ATS Workholding, LLC   | 146               |
| Arcus Hunting LLC  | 120               |
| BigName Commerce, LLC  | 29                |
| <b>Total loan commitments</b>  | <b>\$ 51,251</b>  |
| <b>Total commitments</b>   | <b>\$ 107,248</b> |

Main Street 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 Facility). Main Street follows a process to manage its liquidity and ensure that it has available capital to fund its unfunded commitments as necessary. The Company had total unrealized depreciation of \$0.5 million on the outstanding unfunded commitments as of September 30, 2018.



Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

Main Street has an operating lease for office space. Total rent expense incurred by Main Street for each of the three months ended September 30, 2018 and 2017 was \$0.2 million. Total rent expense incurred by Main Street for each of the nine months ended September 30, 2018 and 2017 was \$0.5 million.

The following table shows future minimum payments under Main Street's operating lease as of September 30, 2018:

| <b>For the Years Ended December 31,</b> | <b>Amount</b>   |
|---|-----------------|
| 2018                                    | \$ 184          |
| 2019                                    | 749             |
| 2020                                    | 763             |
| 2021                                    | 777             |
| 2022                                    | 791             |
| Thereafter                              | 4,239           |
| <b>Total</b>                            | <b>\$ 7,503</b> |

Main Street 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 Main Street 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, Main Street 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 Main Street's financial condition or results of operations in any future reporting period.

**NOTE N RELATED PARTY TRANSACTIONS**

As discussed further in Note D, the External Investment Manager is treated as a wholly owned portfolio company of MSCC and is included as part of Main Street's Investment Portfolio. At September 30, 2018, Main Street had a receivable of approximately \$3.0 million due from the External Investment Manager which included (i) approximately \$1.9 million related primarily to operating expenses incurred by MSCC or its subsidiaries as required to support the External Investment Manager's business and amounts due from the External Investment Manager to Main Street under a tax sharing agreement (see further discussion in Note D) and (ii) approximately \$1.1 million of dividends declared but not paid by the External Investment Manager.

In November 2015, Main Street's Board of Directors approved and adopted the Main Street Capital Corporation Deferred Compensation Plan (the "2015 Deferred Compensation Plan"). The 2015 Deferred Compensation Plan became effective on January 1, 2016 and replaced the Deferred Compensation Plan for Non-Employee Directors previously adopted by the Board of Directors in June 2013 (the "2013 Deferred Compensation Plan"). Under the 2015 Deferred Compensation Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation and directors' fees, subject to certain limitations. Individuals participating in the 2015 Deferred Compensation Plan receive distributions of their respective balances based on predetermined payout schedules or other events as defined by the plan and are also able to direct investments made on their behalf among investment alternatives permitted from time to time under the plan, including phantom Main Street stock units. As of September 30, 2018, \$5.9 million of compensation and

Table of Contents

**MAIN STREET CAPITAL CORPORATION**

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

**(Unaudited)**

directors' fees had been deferred under the 2015 Deferred Compensation Plan (including amounts previously deferred under the 2013 Deferred Compensation Plan). Of this amount, \$3.3 million was deferred into phantom Main Street stock units, representing 97,344 shares of Main Street's common stock. Including phantom stock units issued through dividend reinvestment and net of any shares distributed, the phantom stock units outstanding as of September 30, 2018 represented 116,989 shares of Main Street's common stock. Any amounts deferred under the plan represented by phantom Main Street stock units will not be issued or included as outstanding on the consolidated statements of changes in net assets until such shares are actually distributed to the participant in accordance with the plan, but are included in operating expenses and weighted-average shares outstanding in Main Street's consolidated statements of operations as earned.

**NOTE O SUBSEQUENT EVENTS**

In October 2018, Main Street declared a semi-annual supplemental cash dividend of \$0.275 per share payable in December 2018. This supplemental cash dividend is in addition to the previously announced regular monthly cash dividends that Main Street declared for the fourth quarter of 2018 of \$0.195 per share for each of October, November and December 2018.

During October 2018, Main Street declared regular monthly dividends of \$0.195 per share for each month of January, February and March of 2019. These regular monthly dividends equal a total of \$0.585 per share for the first quarter of 2019 and represent a 2.6% increase from the regular monthly dividends declared for the first quarter of 2018. Including the semi-annual supplemental dividend declared for December 2018 and the regular monthly dividends declared for the fourth quarter of 2018 and the first quarter of 2019, Main Street will have paid \$24.820 per share in cumulative dividends since its October 2007 initial public offering.

## MAIN STREET CAPITAL CORPORATION

**Consolidated Schedule of Investments in and Advances to Affiliates**  
**September 30, 2018**  
(dollars in thousands)  
(unaudited)

| Company                                  | Investment(1)(10)(11)           | Geography | Amount of Realized Gain/(Loss) | Amount of Unrealized Gain/(Loss) | Amount of Interest, Fees or Dividend Credited to Income(2) | December 31, 2017 Fair Value | Gross Additions(3) | Gross Reductions(4) | September 30, 2018 Fair Value |
|--|---------------------------------|-----------|--------------------------------|----------------------------------|--|------------------------------|--------------------|---------------------|-------------------------------|
| <b><u>Majority-owned investments</u></b> |                                 |           |                                |                                  |  |                              |                    |                     |                               |
| <b>Café Brazil, LLC</b>                  | Member Units                    | (8)       | \$                             | \$ (120)                         | \$ 222   | \$ 4,900                     | \$                 | \$ 120              | \$ 4,780                      |
| <b>California Splendor Holdings LLC</b>  | LIBOR Plus 8.00% (Floor 1.00%)  | (9)       |                                |                                  | 702  | 18,318                       | 3,500              |                     | 14,818                        |
|  | LIBOR Plus 10.00% (Floor 1.00%) | (9)       |                                |                                  | 2,084  | 27,744                       |                    |                     | 27,744                        |
|  | Preferred Member Units          | (9)       |                                |                                  | 115  | 12,500                       | 1,725              |                     | 10,775                        |
| <b>Clad-Rex Steel, LLC</b>               | LIBOR Plus 9.50% (Floor 1.00%)  | (5)       |                                | (24)                             | 1,148  | 13,280                       | 24                 | 824                 | 12,480                        |
|  | Member Units                    | (5)       |                                | 880                              | 400  | 9,500                        | 880                |                     | 10,380                        |
|  | 10% Secured Debt                | (5)       |                                |                                  | 88   | 1,183                        |                    | 16                  | 1,167                         |
|  | Member Units                    | (5)       |                                |                                  |  | 280                          |                    |                     | 280                           |
| <b>CMS Minerals Investments</b>          | Member Units                    | (9)       |                                | 748                              | 83   | 2,392                        | 748                | 549                 | 2,591                         |
| <b>Direct Marketing Solutions, Inc.</b>  | LIBOR Plus 11.00% (Floor 1.00%) | (9)       |                                |                                  | 1,872  | 18,621                       | 548                |                     | 18,073                        |
|  | Preferred Stock                 | (9)       |                                | 3,380                            |  | 11,780                       |                    |                     | 11,780                        |
| <b>Gamber-Johnson Holdings, LLC</b>      | LIBOR Plus 9.00% (Floor 2.00%)  | (5)       |                                | (40)                             | 1,997  | 23,400                       | 40                 | 914                 | 22,526                        |
|  | Member Units                    | (5)       |                                | 16,750                           | 1,436  | 23,370                       | 16,750             |                     | 40,120                        |
| <b>GRT Rubber Technologies LLC</b>       | LIBOR Plus 9.00% (Floor 1.00%)  | (8)       |                                | (23)                             | 916  | 11,603                       | 23                 | 1,525               | 10,101                        |
|  | Member Units                    | (8)       |                                | 10,070                           | 979  | 21,970                       | 10,070             |                     | 32,040                        |
| <b>Harborside Holdings, LLC</b>          | Member Units                    | (8)       |                                |                                  |  | 9,400                        | 100                |                     | 9,500                         |
| <b>Harris Preston Fund Investments</b>   | LP Interests (2717 MH, L.P.)    | (8)       |                                | 93                               |  | 536                          | 597                |                     | 1,133                         |
| <b>Hydratec, Inc.</b>                    | Common Stock                    | (9)       | 7,922                          | (7,905)                          | 332  | 15,000                       |                    | 15,000              |                               |
| <b>IDX Broker, LLC</b>                   | 11.5% Secured Debt              | (9)       |                                | (35)                             | 1,330  | 15,250                       | 35                 | 785                 | 14,500                        |
|  | Preferred Member Units          | (9)       |                                | 810                              | 206  | 11,660                       | 810                |                     | 12,470                        |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                                |     |         |       |        |        |        |        |
|--|--------------------------------|-----|---------|-------|--------|--------|--------|--------|
| <b>Jensen Jewelers of Idaho, LLC</b>   | Prime Plus 6.75% (Floor 2.00%) | (9) | (15)    | 338   | 3,955  | 15     | 465    | 3,505  |
|  | Member Units                   | (9) | (10)    | 190   | 5,100  |        | 10     | 5,090  |
| <b>Lamb Ventures, LLC</b>  | 11% Secured Debt               | (8) | (16)    | 739   | 9,942  | 215    | 1,818  | 8,339  |
|  | Preferred Equity               | (8) |         |       | 400    |        |        | 400    |
|  | Member Units                   | (8) | (60)    |       | 6,790  |        | 60     | 6,730  |
|  | 9.5% Secured Debt              | (8) |         | 31    | 432    |        |        | 432    |
|  | Member Units                   | (8) | 110     | 20    | 520    | 110    |        | 630    |
| <b>Mid-Columbia Lumber Products, LLC</b>                                       | 10% Secured Debt               | (9) |         | 136   | 1,390  | 355    |        | 1,745  |
|  | 12% Secured Debt               | (9) |         | 367   | 3,863  | 12     |        | 3,875  |
|  | Member Units                   | (9) | 1,689   | 5     | 1,575  | 2,285  |        | 3,860  |
|  | 9.5% Secured Debt              | (9) |         | 56    | 791    |        | 34     | 757    |
|  | Member Units                   | (9) | 180     | 39    | 1,290  | 180    |        | 1,470  |
| <b>MSC Adviser I, LLC</b>  | Member Units                   | (8) | 28,380  | 2,661 | 41,768 | 28,380 |        | 70,148 |
| <b>Mystic Logistics Holdings, LLC</b>  | 12% Secured Debt               | (6) |         | 726   | 7,696  | 32     | 232    | 7,496  |
|  | Common Stock                   | (6) | (6,110) |       | 6,820  |        | 6,110  | 710    |
| <b>NexRev LLC</b>  | 11% Secured Debt               | (8) |         |       | 1,346  |        | 17,281 | 17,281 |
|  | Preferred Member Units         | (8) | 1,010   |       | 40     |        | 7,890  | 7,890  |
| <b>NRP Jones, LLC</b>  | 12% Secured Debt               | (5) |         | 580   | 6,376  |        |        | 6,376  |
|  | Member Units                   | (5) | 2,120   |       | 3,250  | 2,120  |        | 5,370  |
| <b>PPL RVs, Inc.</b>   | LIBOR Plus 7.00% (Floor 0.50%) | (8) | (28)    | 1,118 | 16,100 | 28     | 1,028  | 15,100 |
|  | Common Stock                   | (8) | (660)   | 53    | 12,440 |        | 660    | 11,780 |
| <b>Principle Environmental, LLC (d/b.a TruHorizon Environmental Solutions)</b> | 13% Secured Debt               | (8) | (37)    | 775   | 7,477  | 37     | 37     | 7,477  |
|  | Preferred Member Units         | (8) | 1,600   | 1,282 | 11,490 | 1,600  |        | 13,090 |
|  | Warrants                       | (8) | 130     |       | 650    | 130    |        | 780    |
| <b>Quality Lease Service, LLC</b>  | Zero Coupon Secured Debt       | (7) | (500)   |       | 6,950  |        | 500    | 6,450  |
|  | Member Units                   | (7) | (1,668) |       | 4,938  | 1,100  | 1,668  | 4,370  |
| <b>Tedder Industries, LLC</b>  | 12%, Secured Debt              | (9) |         | 501   |        | 16,240 |        | 16,240 |
|  | Member Units                   | (9) |         |       |        | 7,476  |        | 7,476  |
| <b>The MPI Group, LLC</b>  | 9% Secured Debt                | (7) | (1,301) | 201   | 2,410  | 1      | 1,301  | 1,110  |
|  | Series A Preferred Units       | (7) |         |       |        |        |        |        |
|  | Warrants                       | (7) |         |       |        |        |        |        |
|  | Member Units                   | (7) | 90      | 92    | 2,389  | 91     |        | 2,480  |
| <b>Uvalco Supply, LLC</b>  | 9% Secured Debt                | (8) |         | 7     | 348    |        | 348    |        |
|  | Member Units                   | (8) | 301     | (301) | 898    |        | 3,880  | 3,880  |

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

| Company                                    | Investment(1)(10)(11)                         | Geography | Amount of Realized Gain/(Loss) | Amount of Unrealized Gain/(Loss) | Amount of Interest, Fees or Dividend Credited to Income(2) | December 31, 2017 Fair Value | Gross Additions(3) | Gross Reductions(4) | September 30, 2018 Fair Value |
|--|---|-----------|--------------------------------|----------------------------------|--|------------------------------|--------------------|---------------------|-------------------------------|
| Vision Interests, Inc.                     | 13% Secured Debt                              | (9)       |                                |                                  | 284  | 2,797                        | 13                 | 499                 | 2,311                         |
|  | Series A Preferred Stock                      | (9)       |                                | 280                              |  | 3,000                        | 740                |                     | 3,740                         |
|  | Common Stock                                  | (9)       |                                | 740                              |  |                              | 280                |                     | 280                           |
| Ziegler's NYPD, LLC                        | 6.5% Secured Debt                             | (8)       |                                | 2                                | 51   | 996                          | 4                  |                     | 1,000                         |
|  | 12% Secured Debt                              | (8)       |                                |                                  | 34   | 300                          | 125                |                     | 425                           |
|  | 14% Secured Debt                              | (8)       |                                |                                  | 292  | 2,750                        |                    |                     | 2,750                         |
|  | Warrants                                      | (8)       |                                |                                  |  |                              |                    |                     |                               |
|  | Preferred Member Units                        | (8)       |                                | (1,150)                          |  | 3,220                        |                    | 1,149               | 2,071                         |
| <b><i>Other controlled investments</i></b> |   |           |                                |                                  |  |                              |                    |                     |                               |
| Access Media Holdings, LLC                 | 10% PIK Secured Debt                          | (5)       |                                |                                  | 13   | 17,150                       |                    | 2,030               | 15,120                        |
|  | Preferred Member Units (12)                   | (5)       |                                | (1,517)                          |  |                              | 1,030              | 1,517               | (487)                         |
|  | Member Units                                  | (5)       |                                |                                  |  |                              |                    |                     |                               |
| ASC Interests, LLC                         | 11% Secured Debt                              | (8)       |                                |                                  | 148  | 1,795                        |                    | 178                 | 1,617                         |
|  | Member Units                                  | (8)       |                                | (160)                            |  | 1,530                        |                    | 160                 | 1,370                         |
| ATS Workholding, LLC                       | 5% Secured Debt                               | (9)       |                                |                                  | 245  | 3,249                        | 1,125              |                     | 4,374                         |
|  | Preferred Member Units                        | (9)       |                                |                                  |  | 3,726                        |                    |                     | 3,726                         |
| Bond-Coat, Inc.                            | 12% Secured Debt                              | (8)       |                                | 253                              | 1,102  | 11,596                       |                    |                     | 11,596                        |
|  | Common Stock                                  | (8)       |                                |                                  |  | 9,370                        |                    |                     | 9,370                         |
| Brewer Crane Holdings, LLC                 | LIBOR Plus 10.00% (Floor 1.00%)               | (9)       |                                |                                  | 969  |                              | 9,834              | 248                 | 9,586                         |
|  | Preferred Member Units                        | (9)       |                                |                                  | 87   |                              | 4,280              |                     | 4,280                         |
| CBT Nuggets, LLC                           | Member Units                                  | (9)       |                                | (27,470)                         | 11,395   | 89,560                       |                    | 27,470              | 62,090                        |
| Chamberlin Holding LLC                     | LIBOR Plus 10.00% (Floor 1.00%)               | (8)       |                                |                                  | 1,956  |                              | 21,405             |                     | 21,405                        |
|  | Member Units                                  | (8)       |                                | 6,350                            | 1,367  |                              | 17,790             |                     | 17,790                        |
| Charps, LLC                                | LIBOR Plus 7.00% (Floor 1.00%)                | (5)       |                                |                                  |  |                              | 1,587              |                     | 1,587                         |
|  | 12% Secured Debt                              | (5)       |                                |                                  | 1,587  | 18,225                       | 58                 | 2,500               | 15,783                        |
|  | Preferred Member Units                        | (5)       |                                | 400                              |  | 650                          | 400                |                     | 1,050                         |
| Copper Trail Fund Investments              | LP Interests (CTMH, LP)                       | (9)       |                                |                                  | 10   |                              | 872                |                     | 872                           |
|  | LP Interests (Copper Trail Energy Fund I, LP) | (9)       |                                | 229                              | 57   | 2,500                        | 999                |                     | 3,499                         |
| Datacom, LLC                               | 8% Secured Debt                               | (8)       |                                | (110)                            | 33   | 1,575                        | 225                | 110                 | 1,690                         |
|  | 10.50% PIK Secured Debt                       | (8)       |                                | (718)                            | 330  | 11,110                       | 168                | 718                 | 10,560                        |
|  | Class A Preferred Member Units                | (8)       |                                | (843)                            |  | 730                          | 113                | 843                 |                               |
|  | Class B Preferred Member Units                | (8)       |                                |                                  |  |                              |                    |                     |                               |
|  |   | (5)       |                                |                                  | 1,886  |                              | 26,158             | 330                 | 25,828                        |



Edgar Filing: Main Street Capital CORP - Form 497

|                                       |                                 |     |         |       |        |       |       |        |
|---------------------------------------|---------------------------------|-----|---------|-------|--------|-------|-------|--------|
| <b>Digital Products Holdings LLC</b>  | LIBOR Plus 10.00% (Floor 1.00%) |     |         |       |        |       |       |        |
|                                       | Preferred Member Units          | (5) |         | 100   |        | 8,800 | 334   | 8,466  |
| <b>Garreco, LLC</b>                   | LIBOR Plus 10.00% (Floor 1.00%) | (8) |         | 497   | 5,443  | 13    | 121   | 5,335  |
|                                       | Member Units                    | (8) |         |       | 1,940  |       |       | 1,940  |
| <b>Guerdon Modular Holdings, Inc.</b> | 13% Secured Debt                | (9) | (570)   | 871   | 10,632 | 2,316 | 970   | 11,978 |
|                                       | Preferred Stock                 | (9) |         |       |        |       |       |        |
|                                       | Common Stock                    | (9) |         |       |        |       |       |        |
|                                       | Warrants                        | (9) |         |       |        |       |       |        |
| <b>Gulf Manufacturing, LLC</b>        | Member Units                    | (8) | 1,630   | 1,227 | 10,060 | 1,630 |       | 11,690 |
| <b>Gulf Publishing Holdings, LLC</b>  | LIBOR Plus 9.50% (Floor 1.00%)  | (8) |         | 9     | 80     | 160   | 80    | 160    |
|                                       | 12.5% Secured Debt              | (8) |         | 1,223 | 12,703 | 19    | 134   | 12,588 |
|                                       | Member Units                    | (8) | (270)   |       | 4,840  |       | 270   | 4,570  |
| <b>Harrison Hydra-Gen, Ltd.</b>       | Common Stock                    | (8) | 3,990   | 120   | 3,580  | 3,990 |       | 7,570  |
| <b>HW Temps LLC</b>                   | LIBOR Plus 11.00% (Floor 1.00%) | (6) |         | 1,035 | 9,918  | 14    |       | 9,932  |
|                                       | Preferred Member Units          | (6) | 2       | 135   | 3,940  | 2     |       | 3,942  |
| <b>KBK Industries, LLC</b>            | 10% Secured Debt                | (5) | (3)     | 9     | 375    | 3     | 378   |        |
|                                       | 12.5% Secured Debt              | (5) | (33)    | 546   | 5,900  | 33    | 5,933 |        |
|                                       | Member Units                    | (5) | 2,680   | 756   | 4,420  | 2,680 |       | 7,100  |
| <b>Marine Shelters Holdings, LLC</b>  | 12% PIK Secured Debt            | (8) | (3,361) | 3,078 |        | 3,361 | 3,361 |        |
|                                       | Preferred Member Units          | (8) | (5,352) | 5,352 |        | 5,352 | 5,352 |        |
| <b>Market Force Information, LLC</b>  | LIBOR Plus 11.00% (Floor 1.00%) | (9) |         | 16    |        | 680   | 280   | 400    |
|                                       | LIBOR Plus 11.00% (Floor 1.00%) | (9) |         | 2,322 | 23,143 | 32    | 560   | 22,615 |
|                                       | Member Units                    | (9) | (450)   |       | 14,700 |       | 450   | 14,250 |
| <b>MH Corbin Holding LLC</b>          | 10% Secured Debt                | (5) |         | 1,044 | 12,526 |       | 527   | 11,999 |
|                                       | Preferred Member Units          | (5) | (1,500) | 105   | 6,000  |       | 1,500 | 4,500  |
| <b>NAPCO Precast, LLC</b>             | LIBOR Plus 8.50%                | (8) | (18)    | 946   | 11,475 | 18    | 18    | 11,475 |
|                                       | Member Units                    | (8) | 1,610   | 1,024 | 11,670 | 1,610 |       | 13,280 |
| <b>NRI Clinical Research, LLC</b>     | 14% Secured Debt                | (9) | 152     | 726   | 4,265  | 3,035 | 400   | 6,900  |
|                                       | Warrants                        | (9) |         |       | 500    |       |       | 500    |
|                                       | Member Units                    | (9) |         |       | 2,500  |       |       | 2,500  |
| <b>NuStep, LLC</b>                    | 12% Secured Debt                | (5) |         | 1,907 | 20,420 | 28    |       | 20,448 |
|                                       | Preferred Member Units          | (5) |         |       | 10,200 |       |       | 10,200 |
| <b>OMi Holdings, Inc.</b>             | Common Stock                    | (8) | 1,370   | 1,128 | 14,110 | 1,370 |       | 15,480 |
| <b>Pegasus Research Group, LLC</b>    | Member Units                    | (8) | (2,060) |       | 10,310 |       | 2,060 | 8,250  |



Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

| Company   | 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, 2017 Fair Value | Gross Additions(3) | Gross Reductions(4) | September 30, 2018 Fair Value |
|---|--------------------------------|-----------|--------------------------------|----------------------------------|---|------------------------------|--------------------|---------------------|-------------------------------|
| <b>River Aggregates, LLC</b>  | Zero Coupon Secured Debt       | (8)       |                                | (28)                             | 43  | 707                          | 43                 | 28                  | 722                           |
|   | Member Units                   | (8)       |                                |                                  |   | 4,610                        |                    |                     | 4,610                         |
|   | Member Units                   | (8)       |                                | 171                              |   | 2,559                        | 171                |                     | 2,730                         |
| <b>SoftTouch Medical Holdings LLC</b>   | LIBOR Plus 9.00% (Floor 1.00%) | (7)       |                                | (30)                             | 120   | 7,140                        | 30                 | 7,170               |                               |
|   | Member Units                   | (7)       | 5,171                          | (5,159)                          | 865   | 10,089                       |                    | 10,089              |                               |
| <b>Other</b>  |                                |           |                                |                                  |   |                              |                    |                     |                               |
| Amounts related to investments transferred to or from other 1940 Act classification during the period |                                |           |                                |                                  |   |                              |                    |                     |                               |
|   |                                |           |                                |                                  | 25  | (10,632)                     |                    |                     |                               |
| <b>Total Control investments</b>  |                                |           | <b>\$ 4,681</b>                | <b>\$ 33,357</b>                 | <b>\$ 64,756</b>  | <b>\$ 750,706</b>            | <b>\$ 327,214</b>  | <b>\$ 121,424</b>   | <b>\$ 967,128</b>             |
| <b><i>Affiliate Investments</i></b>   |                                |           |                                |                                  |   |                              |                    |                     |                               |
| <b>AFG Capital Group, LLC</b>   | Warrants                       | (8)       | \$                             | \$ 80                            | \$  | \$ 860                       | \$ 80              | \$                  | \$ 940                        |
|   | Preferred Member Units         | (8)       |                                | 350                              | 30  | 3,590                        | 350                |                     | 3,940                         |
| <b>Barfly Ventures, LLC</b>   | 12% Secured Debt               | (5)       |                                | (4)                              | 859   | 8,715                        | 1,097              | 4                   | 9,808                         |
|   | Options                        | (5)       |                                | (190)                            |   | 920                          |                    | 190                 | 730                           |
|   | Warrants                       | (5)       |                                | (110)                            |   | 520                          |                    | 110                 | 410                           |
| <b>BBB Tank Services, LLC</b>   | LIBOR Plus 10% (Floor 1.00%)   | (8)       |                                |                                  | 63  | 778                          | 417                | 562                 | 633                           |
|   | 17% Secured Debt               | (8)       |                                |                                  | 511   | 3,876                        | 22                 |                     | 3,898                         |
|   | Member Units                   | (8)       |                                | (30)                             |   | 500                          |                    | 30                  | 470                           |
| <b>Boccella Precast Products LLC</b>  | LIBOR Plus 8% (Floor 1.00%)    | (6)       |                                | (29)                             | 1,442   | 16,400                       | 2,188              | 2,304               | 16,284                        |
|   | Member Units                   | (6)       |                                | 1,520                            | 510   | 3,440                        | 1,520              |                     | 4,960                         |
| <b>Boss Industries, LLC</b>   | Preferred Member Units         | (5)       |                                | 1,777                            | 495   | 3,930                        | 1,900              |                     | 5,830                         |
| <b>Bridge Capital Solutions Corporation</b>   | 13% Secured Debt               | (6)       |                                |                                  | 1,011   | 5,884                        | 246                |                     | 6,130                         |
|   | Warrants                       | (6)       |                                | 500                              |   | 3,520                        | 500                |                     | 4,020                         |
|   | 13% Secured Debt               | (6)       |                                | (1)                              | 100   | 1,000                        | 1                  | 1                   | 1,000                         |
|   | Preferred Member Units         | (6)       |                                |                                  | 83  | 1,000                        |                    |                     | 1,000                         |
| <b>Buca C, LLC</b>  | LIBOR Plus 9.25% (Floor 1.00%) | (7)       |                                |                                  | 1,708   | 20,193                       | 34                 | 900                 | 19,327                        |
|   | Preferred Member Units         | (7)       |                                | 5                                | 188   | 4,172                        | 193                |                     | 4,365                         |
| <b>CAI Software LLC</b>   | 12% Secured Debt               | (6)       |                                | (11)                             | 367   | 4,083                        | 11                 | 811                 | 3,283                         |
|   | Member Units                   | (6)       |                                | (610)                            | 20  | 3,230                        |                    | 610                 | 2,620                         |

Edgar Filing: Main Street Capital CORP - Form 497

|  |   |     |       |       |        |        |        |        |
|--|---|-----|-------|-------|--------|--------|--------|--------|
| <b>Chandler Signs Holdings, LLC</b>            | 12% Secured Debt/1.00% PIK                          | (8) | (6)   | 451   | 4,500  | 40     | 6      | 4,534  |
|  | Class A Units                                       | (8) | (390) | 45    | 2,650  |        | 390    | 2,260  |
| <b>Charlotte Russe, Inc</b>                    | 8.50% Secured Debt                                  | (9) | 7,779 | 458   | 7,807  | 16,658 | 17,400 | 7,065  |
|  | Common Stock  | (9) |       |       |        | 3,141  |        | 3,141  |
| <b>Condit Exhibits, LLC</b>                    | Member Units  | (9) |       | 104   | 1,950  |        |        | 1,950  |
| <b>Congruent Credit Opportunities Funds</b>    | LP Interests (Fund II)                              | (8) | (140) |       | 1,515  |        | 660    | 855    |
|  | LP Interests (Fund III)                             | (8) | (10)  | 1,486 | 18,632 | 4,014  | 1,465  | 21,181 |
| <b>Dos Rios Partners</b>                       | LP Interests (Dos Rios Partners, LP)                | (8) | 241   |       | 7,165  | 241    | 150    | 7,256  |
|  | LP Interests (Dos Rios Partners A, LP)              | (8) | 462   |       | 1,889  | 462    | 47     | 2,304  |
| <b>East Teak Fine Hardwoods, Inc.</b>          | Common Stock  | (7) | (70)  | 30    | 630    |        | 70     | 560    |
| <b>EIG Fund Investments</b>                    | LP Interests (EIG Global Private Debt fund A, L.P.) | (8) |       | 37    | 1,055  | 416    | 1,030  | 441    |
| <b>Freeport Financial Funds</b>                | LP Interests (Freeport Financial SBIC Fund LP)      | (5) | 247   | 102   | 5,614  | 247    |        | 5,861  |
|  | LP Interests (Freeport First Lien Loan Fund III LP) | (5) | (123) | 660   | 8,506  |        | 123    | 8,383  |
| <b>Gault Financial, LLC (RMB Capital, LLC)</b> | 8% Secured Debt                                     | (7) | 228   | 734   | 11,532 | 228    | 450    | 11,310 |
|  | Warrants  | (7) |       |       |        |        |        |        |
| <b>Harris Preston Fund Investments</b>         | LP Interests (HPEP 3, L.P.)                         | (8) |       |       | 943    | 790    |        | 1,733  |
| <b>Hawk Ridge Systems, LLC</b>                 | 10.5% Secured Debt                                  | (9) | (20)  | 1,168 | 14,300 | 20     | 20     | 14,300 |
|  | Preferred Member Units                              | (9) | 3,210 | 352   | 3,800  | 3,210  |        | 7,010  |
|  | Preferred Member Units                              | (9) | 170   |       | 200    | 170    |        | 370    |
| <b>Houston Plating and Coatings, LLC</b>       | 8% Unsecured Convertible Debt                       | (8) | 280   | 182   | 3,200  | 280    |        | 3,480  |
|  | Member Units  | (8) | 1,293 | 177   | 6,140  | 1,350  |        | 7,490  |
| <b>I-45 SLF LLC</b>                            | Member Units  | (8) | (219) | 2,154 | 16,841 |        | 219    | 16,622 |
| <b>L.F. Manufacturing Holdings, LLC</b>        | Member Units  | (8) | 60    |       | 2,000  | 60     |        | 2,060  |
| <b>Meisler Operating LLC</b>                   | LIBOR Plus 8.50% (Floor 1.00%)                      | (5) |       | 1,646 | 16,633 | 3,989  | 320    | 20,302 |
|  | Member Units  | (5) | 525   |       | 3,390  | 2,181  |        | 5,571  |
| <b>OnAsset Intelligence, Inc.</b>              | 12% PIK Secured Debt                                | (8) |       | 477   | 5,094  | 478    |        | 5,572  |
|  | 10% PIK Secured Debt                                | (8) |       | 4     | 48     | 3      |        | 51     |
|  | Preferred Stock                                     | (8) |       |       |        |        |        |        |
|  | Warrants  | (8) |       |       |        |        |        |        |
| <b>OPI International Ltd.</b>                  | Common Stock  | (8) |       |       |        |        |        |        |



Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

| Company   | 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, 2017 Fair Value | Gross Additions(3) | Gross Reductions(4) | September 30, 2018 Fair Value |
|---|--|-----------|--------------------------------|----------------------------------|---|------------------------------|--------------------|---------------------|-------------------------------|
| PCI Holding Company, Inc.                             | 12% Current/3% PIK Secured Debt          | (9)       |                                |                                  | 1,639   | 12,593                       | 513                | 976                 | 12,130                        |
|   | Preferred Stock                          | (9)       |                                | (890)                            |   | 890                          |                    | 890                 |                               |
|   | Preferred Stock                          | (9)       |                                | 570                              |   | 2,610                        | 570                |                     | 3,180                         |
|   |  |           |                                |                                  |   |                              |                    |                     |                               |
| Rocacea, LLC (Quality Lease and Rental Holdings, LLC) | 12% Secured Debt                         | (8)       |                                |                                  |   | 250                          |                    |                     | 250                           |
|   | Preferred Member Units                   | (8)       |                                |                                  |   |                              |                    |                     |                               |
| Salado Acquisition, LLC                               | Class A Preferred Units                  | (8)       |                                | (430)                            | 23  | 1,790                        |                    | 430                 | 1,360                         |
| SI East, LLC  | 10.25% Current, Secured Debt             | (7)       |                                |                                  | 499   |                              | 34,869             |                     | 34,869                        |
|   | Preferred Member Units                   | (7)       |                                |                                  |   |                              | 6,000              |                     | 6,000                         |
| Slick Innovations, LLC                                | 14.00% Current, Secured Debt             | (6)       |                                |                                  | 197   |                              | 6,950              |                     | 6,950                         |
|   | Warrants                                 | (6)       |                                |                                  |   |                              | 181                |                     | 181                           |
|   | Preferred Member Units                   | (6)       |                                |                                  |   |                              | 700                |                     | 700                           |
| Tin Roof Acquisition Company                          | 12% Secured Debt                         | (7)       |                                |                                  | 841   | 12,722                       | 561                | 13,283              |                               |
|   | Class C Preferred Stock                  | (7)       |                                |                                  | 152   | 3,027                        | 152                | 3,179               |                               |
| UniTek Global Services, Inc.                          | LIBOR Plus 5.50% (Floor 1.00%)           | (6)       |                                |                                  | 57  |                              | 2,476              |                     | 2,476                         |
|   | LIBOR Plus 8.50% (Floor 1.00%)           | (6)       |                                | (6)                              | 819   | 8,535                        | 6                  | 8,541               |                               |
|   | LIBOR Plus 7.50% (Floor 1.00%)/1.00% PIK | (6)       |                                |                                  | 7   | 137                          |                    | 137                 |                               |
|   | 15% PIK Unsecured Debt                   | (6)       |                                |                                  | 122   | 865                          | 87                 | 952                 |                               |
|   | Preferred Stock                          | (6)       |                                | 41                               | 780   | 7,320                        | 820                |                     | 8,140                         |
|   | Preferred Stock                          | (6)       |                                |                                  |   |                              | 1,772              |                     | 1,772                         |
|   | Preferred Stock                          | (6)       |                                | 8                                | 432   | 2,850                        | 440                |                     | 3,290                         |
| Common Stock  | (6)                                      |           | 800                            | 41                               | 2,490   | 800                          |                    | 3,290               |                               |
| Universal Wellhead Services Holdings, LLC             | Preferred Member Units                   | (8)       |                                | 30                               | 60  | 830                          | 90                 |                     | 920                           |
|   | Member Units                             | (8)       |                                | 300                              |   | 1,910                        | 301                |                     | 2,211                         |
| Valley Healthcare Group, LLC                          | LIBOR Plus 10.50% (Floor 0.50%)          | (8)       |                                |                                  | 1,400   | 11,685                       | 81                 | 11,766              |                               |
|   | Preferred Member Units                   | (8)       | 1,898                          |                                  | 58  | 1,600                        |                    | 1,600               |                               |
| Volusion, LLC   | 11.5% Secured Debt                       | (8)       |                                |                                  | 2,074   | 15,200                       | 3,027              |                     | 18,227                        |
|   | 8% Unsecured Convertible Debt            | (8)       |                                |                                  | 9   |                              | 297                |                     | 297                           |
|   | Preferred Member Units                   | (8)       |                                |                                  | 1   | 14,000                       |                    |                     | 14,000                        |
|   | Warrants                                 | (8)       |                                | (190)                            |   | 2,080                        |                    | 189                 | 1,891                         |
| Other   |  |           |                                |                                  | 365   | 2,825                        |                    |                     |                               |

## Edgar Filing: Main Street Capital CORP - Form 497

Amounts related to  
investments transferred  
to or from other 1940  
Act classification during  
the period

|                                |          |           |           |            |            |           |            |
|--------------------------------|----------|-----------|-----------|------------|------------|-----------|------------|
| Total Affiliate<br>investments | \$ 1,898 | \$ 16,997 | \$ 27,230 | \$ 338,854 | \$ 107,230 | \$ 69,815 | \$ 373,444 |
|--------------------------------|----------|-----------|-----------|------------|------------|-----------|------------|

- 
- (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.
  - (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 from investments transferred from other 1940 Act classifications during the period."
  - (3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest, and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in net unrealized depreciation as well as the movement of an existing portfolio company into this category and out of a different category.
  - (4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increases in net unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
  - (5) Portfolio company located in the Midwest region as determined by location of the corporate headquarters. The fair value as of September 30, 2018 for control investments located in this region was \$220,293. This represented 14.6% of net assets as of September 30, 2018. The fair value as of September 30, 2018 for affiliate investments located in this region was \$56,895. This represented 3.8% of net assets as of September 30, 2018.

Table of Contents

- (6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of September 30, 2018 for control investments located in this region was \$22,080. This represented 1.5% of net assets as of September 30, 2018. The fair value as of September 30, 2018 for affiliate investments located in this region was \$66,096. This represented 4.4% of net assets as of September 30, 2018.
- (7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of September 30, 2018 for control investments located in this region was \$14,410. This represented 1.0% of net assets as of September 30, 2018. The fair value as of September 30, 2018 for affiliate investments located in this region was \$76,431. This represented 5.1% of net assets as of September 30, 2018.
- (8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of September 30, 2018 for control investments located in this region was \$399,675. This represented 26.5% of net assets as of September 30, 2018. The fair value as of September 30, 2018 for affiliate investments located in this region was \$124,876. This represented 8.3% of net assets as of September 30, 2018.
- (9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of September 30, 2018 for control investments located in this region was \$310,670. This represented 20.6% of net assets as of September 30, 2018. The fair value as of September 30, 2018 for affiliate investments located in this region was \$49,146. This represented 3.3% of net assets as of September 30, 2018.
- (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. Supplemental information can be located within the schedule of investments including end of period interest rate, preferred dividend rate, maturity date, investments not paid currently in cash and investments whose value was determined using significant unobservable inputs.
- (12) Investment has an unfunded commitment as of September 30, 2018 (see Note M). The fair value of the investment includes the impact of the fair value of any unfunded commitments.



## MAIN STREET CAPITAL CORPORATION

**Consolidated Schedule of Investments In and Advances to Affiliates**  
**September 30, 2017**  
(dollars in thousands)  
(unaudited)

| Company                                  | Investment(1)(10)(11)           | Geography | Amount<br>of<br>Realized<br>Gain/<br>(Loss) | Amount<br>of<br>Unrealized<br>Gain/<br>(Loss) | Amount<br>of<br>Interest,<br>Fees or<br>Dividend<br>Credited<br>to<br>Income(2) | December 31,<br>2016<br>Fair<br>Value | Gross<br>Additions(3) | Gross<br>Reductions(4) | September 30,<br>2017<br>Fair<br>Value |
|--|---------------------------------|-----------|---|---|---|---------------------------------------|-----------------------|------------------------|--|
| <b><u>Majority-owned investments</u></b> |                                 |           |   |   |   |                                       |                       |                        |  |
| <b>Café Brazil, LLC</b>                  | Member Units                    | (8)       | \$  | \$ (650)                                      | \$ 127  | \$ 6,040                              | \$                    | \$ 650                 | \$ 5,390                               |
| <b>Clad-Rex Steel, LLC</b>               | LIBOR Plus 9.50% (Floor 1.00)   | (5)       |   | 121   | 1,163   | 14,337                                | 143                   | 800                    | 13,680                                 |
|  | Member Units                    | (5)       |   | 1,240   | 311   | 7,280                                 | 1,240                 |                        | 8,520                                  |
|  | 10% Secured Debt                | (5)       |   |   | 89  | 1,190                                 |                       | 13                     | 1,177                                  |
|  | Member Units                    | (5)       |   |   |   | 210                                   |                       |                        | 210                                    |
| <b>CMS Minerals Investments</b>          | Preferred Member Units          | (8)       | 1,405                                       | (1,578)                                       | 96  | 3,682                                 |                       | 3,682                  |  |
|  | Member Units                    | (8)       |   | (461)   | 185   | 3,381                                 |                       | 799                    | 2,582                                  |
| <b>Gamber-Johnson Holdings, LLC</b>      | LIBOR Plus 11.00% (Floor 1.00%) | (5)       |   | 200   | 2,235   | 23,846                                | 235                   | 401                    | 23,680                                 |
|  | Member Units                    | (5)       |   | 4,040   | 353   | 18,920                                | 4,040                 |                        | 22,960                                 |
| <b>GRT Rubber Technologies LLC</b>       | LIBOR Plus 9.00% (Floor 1.00%)  | (8)       |   | (25)  | 996   | 13,274                                | 25                    | 1,269                  | 12,030                                 |
|  | Member Units                    | (8)       |   | 370   | 584   | 20,310                                | 370                   |                        | 20,680                                 |
| <b>Harborside Holdings, LLC</b>          | Member Units                    | (8)       |   | 3,194   |   |                                       | 9,400                 |                        | 9,400                                  |
| <b>Hydratec, Inc.</b>                    | Common Stock                    | (9)       |   | (160)   | 1,343   | 15,640                                |                       | 160                    | 15,480                                 |
| <b>IDX Broker, LLC</b>                   | 11.5% Secured Debt              | (9)       |   | (19)  | 971   | 10,950                                | 19                    | 919                    | 10,050                                 |
|  | Member Units                    | (9)       |   | 1,960   | 136   | 7,040                                 | 1,960                 |                        | 9,000                                  |
| <b>Jensen Jewelers of Idaho, LLC</b>     | Prime Plus 6.75% (Floor 2.00%)  | (9)       |   | (16)  | 331   | 4,055                                 | 516                   | 466                    | 4,105                                  |
|  | Member Units                    | (9)       |   |   | 127   | 4,460                                 |                       |                        | 4,460                                  |
| <b>Lamb Ventures, LLC</b>                | 11% Secured Debt                | (8)       |   |   | 709   | 7,657                                 | 2,795                 | 428                    | 10,024                                 |
|  | Preferred Equity                | (8)       |   |   |   | 400                                   |                       |                        | 400                                    |
|  | Member Units                    | (8)       |   | 440   | 40  | 5,990                                 | 440                   |                        | 6,430                                  |
|  | 9.5% Secured Debt               | (8)       |   | 4   | 54  | 1,170                                 | 432                   | 1,170                  | 432                                    |
|  | Member Units                    | (8)       |   | (820)   | 850   | 1,340                                 |                       | 820                    | 520                                    |
| <b>Lighting Unlimited, LLC</b>           | 8% Secured Debt                 | (8)       |   |   | 29  | 1,514                                 |                       | 1,514                  |  |
|  | Preferred Equity                | (8)       | (434)                                       | 24  |   | 410                                   | 24                    | 434                    |  |

Edgar Filing: Main Street Capital CORP - Form 497

|  |                                |     |         |       |        |        |       |        |
|--|--------------------------------|-----|---------|-------|--------|--------|-------|--------|
|  | Warrants                       | (8) | (54)    | 54    |        | 54     | 54    |        |
|  | Member Units                   | (8) | (100)   | 100   |        | 100    | 100   |        |
| <b>Mid-Columbia Lumber Products, LLC</b>                                       | 10% Secured Debt               | (9) |         | 133   | 1,750  |        |       | 1,750  |
|  | 12% Secured Debt               | (9) |         | 355   | 3,900  |        |       | 3,900  |
|  | Member Units                   | (9) | (1,500) | 5     | 2,480  |        | 1,500 | 980    |
|  | 9.5% Secured Debt              | (9) |         | 59    | 836    |        | 34    | 802    |
|  | Member Units                   | (9) | 150     | 43    | 600    | 690    |       | 1,290  |
| <b>MSC Adviser I, LLC</b>  | Member Units                   | (8) |         | 8,687 | 2,132  | 30,617 | 8,687 | 39,304 |
| <b>Mystic Logistics Holdings, LLC</b>  | 12% Secured Debt               | (6) | (42)    | 824   | 9,176  | 42     | 1,450 | 7,768  |
|  | Common Stock                   | (6) |         | 810   | 5,780  | 810    |       | 6,590  |
| <b>NRP Jones, LLC</b>  | 8% Current/4% PIK Secured Debt | (5) |         | 1,302 | 13,915 | 1,122  |       | 15,037 |
|  | Warrants                       | (5) | 687     |       | 130    | 687    | 817   |        |
|  | Member Units                   | (5) | 33      |       | 410    | 850    |       | 1,260  |
| <b>PPL RVs, Inc.</b>   | LIBOR Plus 7.00% (Floor 0.50%) | (8) | 135     | 1,123 | 17,826 | 174    | 1,900 | 16,100 |
|  | Common Stock                   | (8) |         | 100   | 11,780 |        |       | 11,780 |
| <b>Principle Environmental, LLC (d/b.a TruHorizon Environmental Solutions)</b> | Zero Coupon Secured Debt       | (8) |         | 738   | 7,438  |        | 103   | 7,335  |
|  | Preferred Member Units         | (8) | (63)    | 2,913 | 5,370  | 2,913  | 63    | 8,220  |
|  | Warrants                       | (8) |         | 150   | 270    | 150    |       | 420    |
| <b>Quality Lease Service, LLC</b>  | 8% PIK Secured Debt            | (7) | (391)   | 273   | 7,068  | 273    | 391   | 6,950  |
|  | Member Units                   | (7) |         |       | 3,188  | 1,650  |       | 4,838  |
| <b>The MPI Group, LLC</b>  | 9% Secured Debt                | (7) | (303)   | 201   | 2,922  | 1      | 304   | 2,619  |
|  | Series A Preferred Units       | (7) |         |       |        |        |       |        |
|  | Warrants                       | (7) |         |       |        |        |       |        |
|  | Member Units                   | (7) | 90      | 92    | 2,300  | 90     |       | 2,390  |
| <b>Uvalco Supply, LLC</b>  | 9% Secured Debt                | (8) |         | 45    | 872    |        | 398   | 474    |
|  | Member Units                   | (8) | 69      | (69)  | 146    | 4,640  | 333   | 4,307  |
| <b>Vision Interests, Inc.</b>  | 13% Secured Debt               | (9) |         | 285   | 2,814  |        | 20    | 2,794  |
|  | Series A Preferred Stock       | (9) |         |       | 3,000  |        |       | 3,000  |
|  | Common Stock                   | (9) |         |       |        |        |       |        |

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

| Company                                    | Investment(1)(10)(11)                  | Geography | Amount of Realized Gain/(Loss) | Amount of Unrealized Gain/(Loss) | Amount of Interest, Fees or Dividend Credited to Income(2) | December 31, 2016 Fair Value | Gross Additions(3) | Gross Reductions(4) | September 30, 2017 Fair Value |
|--|--|-----------|--------------------------------|----------------------------------|--|------------------------------|--------------------|---------------------|-------------------------------|
| <b>Ziegler's NYPD, LLC</b>                 | 6.5% Secured Debt                      | (8)       |                                |                                  | 51   | 994                          | 1                  |                     | 995                           |
|  | 12% Secured Debt                       | (8)       |                                |                                  | 27   | 300                          |                    |                     | 300                           |
|  | 14% Secured Debt                       | (8)       |                                |                                  | 292  | 2,750                        |                    |                     | 2,750                         |
|  | Warrants                               | (8)       |                                | (50)                             |  | 240                          |                    | 50                  | 190                           |
|  | Preferred Member Units                 | (8)       |                                | (700)                            |  | 4,100                        |                    | 700                 | 3,400                         |
| <b><u>Other controlled investments</u></b> |  |           |                                |                                  |  |                              |                    |                     |                               |
| <b>Access Media Holdings, LLC</b>          | 5% Current/5% PIK Secured Debt         | (5)       |                                | (1,125)                          | 1,768  | 19,700                       | 865                | 1,125               | 19,440                        |
|  | Preferred Member Units                 | (5)       |                                | (1,280)                          |  | 240                          | 1,191              | 1,281               | 150                           |
|  | Member Units                           | (5)       |                                |                                  |  |                              |                    |                     |                               |
| <b>Ameritech College Operations, LLC</b>   | 13% Secured Debt                       | (9)       |                                |                                  | 96   | 1,003                        |                    | 1,003               |                               |
|  | 13% Secured Debt                       | (9)       |                                |                                  | 285  | 3,025                        |                    | 3,025               |                               |
|  | Preferred Member Units                 | (9)       | (3,321)                        |                                  | 198  | 2,291                        | 3,900              | 6,191               |                               |
| <b>ASC Interests, LLC</b>                  | 11% Secured Debt                       | (8)       |                                | (8)                              | 164  | 2,100                        | 8                  | 183                 | 1,925                         |
|  | Member Units                           | (8)       |                                | (860)                            |  | 2,680                        |                    | 860                 | 1,820                         |
| <b>Bond-Coat, Inc.</b>                     | 12% Secured Debt                       | (8)       |                                | (29)                             | 1,085  | 11,596                       | 29                 | 29                  | 11,596                        |
|  | Common Stock                           | (8)       |                                | 1,770                            |  | 6,660                        | 1,770              |                     | 8,430                         |
| <b>CBT Nuggets, LLC</b>                    | Member Units                           | (9)       |                                | 16,370                           | 5,155  | 55,480                       | 16,370             |                     | 71,850                        |
| <b>Charps, LLC</b>                         | 12% Secured Debt                       | (5)       |                                |                                  | 1,794  |                              | 19,017             | 800                 | 18,217                        |
|  | Preferred Member Units                 | (5)       |                                |                                  |  |                              | 400                |                     | 400                           |
| <b>Copper Trail Energy Fund I, LP</b>      | Member Units                           | (9)       |                                |                                  |  |                              | 2,500              |                     | 2,500                         |
| <b>Datacom, LLC</b>                        | 8% Secured Debt                        | (8)       |                                |                                  | 72   | 900                          | 720                | 270                 | 1,350                         |
|  | 5.25% Current / 5.25% PIK Secured Debt | (8)       |                                | (116)                            | 963  | 11,049                       | 437                | 116                 | 11,370                        |
|  | Class A Preferred Member Units         | (8)       |                                | (8)                              |  | 1,368                        |                    | 8                   | 1,360                         |
|  | Class B Preferred Member Units         | (8)       |                                | (1,529)                          |  | 1,529                        |                    | 1,529               |                               |
| <b>Garreco, LLC</b>                        | LIBOR Plus 10.00% (Floor 1.00%)        | (8)       |                                |                                  | 534  | 5,219                        | 985                | 526                 | 5,678                         |
|  | Member Units                           | (8)       |                                | 680                              |  | 1,150                        | 680                |                     | 1,830                         |
| <b>Gulf Manufacturing, LLC</b>             | 9% PIK Secured Debt                    | (8)       |                                |                                  | 51   | 777                          |                    | 777                 |                               |
|  | Member Units                           | (8)       |                                | 1,910                            | 281  | 8,770                        | 1,910              |                     | 10,680                        |
| <b>Gulf Publishing Holdings, LLC</b>       | LIBOR Plus 9.50% (Floor 1.00%)         | (8)       |                                |                                  | 2  |                              | 80                 |                     | 80                            |
|  | 12% Secured Debt                       | (8)       |                                |                                  | 1,142  | 9,911                        | 2,786              |                     | 12,697                        |
|  | Member Units                           | (8)       |                                | 649                              | 40   | 3,124                        | 1,206              |                     | 4,330                         |
|  | Common Stock                           | (8)       |                                | (320)                            |  | 3,120                        |                    | 320                 | 2,800                         |

Edgar Filing: Main Street Capital CORP - Form 497

Harrison  
Hydra-Gen, Ltd.

|   |                                 |     |       |         |       |        |        |       |        |
|---|---------------------------------|-----|-------|---------|-------|--------|--------|-------|--------|
| <b>Hawthorne Customs and Dispatch Services, LLC</b> | Member Units                    | (8) | (159) | 309     |       | 280    | 309    | 589   |        |
|   | Member Units                    | (8) | 632   | (825)   | 127   | 2,040  |        | 2,040 |        |
| <b>HW Temps LLC</b>                                 | LIBOR Plus 13.00% (Floor 1.00%) | (6) |       |         | 1,095 | 10,500 | 13     | 600   | 9,913  |
|   | Preferred Member Units          | (6) |       |         | 105   | 3,940  |        |       | 3,940  |
| <b>Indianapolis Aviation Partners, LLC</b>          | 15% Secured Debt                | (8) |       |         | 292   | 3,100  |        | 3,100 |        |
|   | Warrants                        | (8) | 2,385 | (1,520) |       | 2,649  |        | 2,649 |        |
| <b>KBK Industries, LLC</b>                          | 10% Secured Debt                | (5) |       |         | 81    | 1,250  | 100    | 600   | 750    |
|   | 12.5% Secured Debt              | (5) |       |         | 571   | 5,889  | 11     |       | 5,900  |
|   | Member Units                    | (5) |       | 837     | 75    | 2,780  | 1,280  |       | 4,060  |
| <b>Marine Shelters Holdings, LLC</b>                | 12% PIK Secured Debt            | (8) |       | (2,551) |       | 9,387  |        | 9,387 |        |
|   | Preferred Member Units          | (8) | (101) |         |       |        | 100    | 100   |        |
| <b>Market Force Information, LLC</b>                | LIBOR Plus 7.00% (Floor 1.00%)  | (9) |       |         | 9     |        | 512    |       | 512    |
|   | LIBOR Plus 11.00% (Floor 1.00%) | (9) |       |         | 767   |        | 23,293 |       | 23,293 |
|   | Member Units                    | (9) |       |         |       |        | 14,700 |       | 14,700 |
| <b>MH Corbin Holding LLC</b>                        | 10% Secured Debt                | (5) |       |         | 1,003 | 13,197 | 21     | 524   | 12,694 |
|   | Preferred Member Units          | (5) |       |         | 105   | 6,000  |        |       | 6,000  |
| <b>NAPCO Precast, LLC</b>                           | LIBOR Plus 8.50%                | (8) |       |         | 621   |        | 11,433 |       | 11,433 |
|   | Prime Plus 2.00% (Floor 7.00%)  | (8) |       | (20)    | 122   | 2,713  | 20     | 2,733 |        |
|   | 18% Secured Debt                | (8) |       | (30)    | 327   | 3,952  | 31     | 3,983 |        |
|   | Member Units                    | (8) |       | (90)    | 264   | 10,920 |        | 90    | 10,830 |
| <b>NRI Clinical Research, LLC</b>                   | LIBOR Plus 6.50% (Floor 1.50%)  | (9) |       |         | 27    | 200    | 200    |       | 400    |
|   | 14% Secured Debt                | (9) |       | (33)    | 508   | 4,261  | 34     | 90    | 4,205  |
|   | Warrants                        | (9) |       | (180)   |       | 680    |        | 180   | 500    |
|   | Member Units                    | (9) |       | 38      |       | 2,462  | 360    | 322   | 2,500  |
| <b>NuStep, LLC</b>                                  | 12% Secured Debt                | (5) |       |         | 2,003 |        | 20,411 |       | 20,411 |
|   | Preferred Member Units          | (5) |       |         |       |        | 10,200 |       | 10,200 |
| <b>OMi Holdings, Inc.</b>                           | Common Stock                    | (8) |       | (340)   | 672   | 13,080 |        | 340   | 12,740 |
| <b>Pegasus Research Group, LLC</b>                  | Member Units                    | (8) |       | 730     | 207   | 8,620  | 730    |       | 9,350  |
| <b>River Aggregates, LLC</b>                        | Zero Coupon Secured Debt        | (8) |       |         | 59    | 627    | 59     |       | 686    |
|   | Member Units                    | (8) |       | (190)   |       | 4,600  |        | 190   | 4,410  |
|   | Member Units                    | (8) |       |         |       | 2,510  |        |       | 2,510  |
| <b>SoftTouch Medical Holdings LLC</b>               | LIBOR Plus 9.00% (Floor 1.00%)  | (7) |       | (11)    | 557   | 7,140  | 11     | 11    | 7,140  |
|   | Member Units                    | (7) |       | 370     | 758   | 9,170  | 370    |       | 9,540  |

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

| Company   | 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, 2016 Fair Value | Gross Additions(3) | Gross Reductions(4) | September 30, 2017 Fair Value |
|---|--------------------------------|-----------|--------------------------------|----------------------------------|---|------------------------------|--------------------|---------------------|-------------------------------|
| <b>Other</b>  |                                |           |                                |                                  |   |                              |                    |                     |                               |
| Amounts related to investments transferred to or from other 1940 Act classification during the period |                                |           |                                |                                  |   |                              |                    |                     |                               |
|   |                                |           |                                |                                  | (220)   | (9,919)                      |                    |                     |                               |
| <b>Total Control investments</b>  |                                |           | \$ 259                         | \$ 31,216                        | \$ 42,720   | \$ 594,282                   | \$ 178,985         | \$ 67,313           | \$ 715,873                    |
| <b><u>Affiliate Investments</u></b>   |                                |           |                                |                                  |   |                              |                    |                     |                               |
| <b>AFG Capital Group, LLC</b>   | Warrants                       | (8)       | \$                             | \$ 80                            | \$  | \$ 670                       | \$ 80              | \$                  | \$ 750                        |
|   | Member Units                   | (8)       |                                | 380                              | 26  | 2,750                        | 380                |                     | 3,130                         |
| <b>Barfly Ventures, LLC</b>   | 12% Secured Debt               | (5)       |                                | 154                              | 734   | 5,827                        | 2,862              |                     | 8,689                         |
|   | Options                        | (5)       |                                | 290                              |   | 490                          | 290                |                     | 780                           |
|   | Warrants                       | (5)       |                                | 160                              |   | 280                          | 160                |                     | 440                           |
| <b>BBB Tank Services, LLC</b>   | LIBOR Plus 9.50% (Floor 1.00%) | (8)       |                                |                                  | 65  | 797                          |                    |                     | 797                           |
|   | 15% Secured Debt               | (8)       |                                |                                  | 463   | 3,991                        | 4                  |                     | 3,995                         |
|   | Member Units                   | (8)       |                                | (220)                            |   | 800                          |                    | 220                 | 580                           |
| <b>Bocella Precast Products LLC</b>   | LIBOR Plus 10.0% (Floor 1.00%) | (6)       |                                |                                  | 718   |                              | 16,223             |                     | 16,223                        |
|   | Member Units                   | (6)       |                                |                                  | 7   |                              | 2,160              |                     | 2,160                         |
| <b>Boss Industries, LLC</b>   | Preferred Member Units         | (5)       |                                | 786                              | 266   | 2,800                        | 930                |                     | 3,730                         |
| <b>Bridge Capital Solutions Corporation</b>   | 13% Secured Debt               | (6)       |                                |                                  | 939   | 5,610                        | 200                |                     | 5,810                         |
|   | Warrants                       | (6)       |                                |                                  |   | 3,370                        |                    |                     | 3,370                         |
|   | 13% Secured Debt               | (6)       |                                | (1)                              | 100   | 1,000                        | 1                  | 1                   | 1,000                         |
|   | Preferred Member Units         | (6)       |                                |                                  | 75  | 1,000                        |                    |                     | 1,000                         |
| <b>Buca C, LLC</b>  | LIBOR Plus 7.25% (Floor 1.00%) | (7)       |                                | (167)                            | 1,420   | 22,671                       | 40                 | 1,633               | 21,078                        |
|   | Preferred Member Units         | (7)       |                                | (728)                            | 177   | 4,660                        | 177                | 727                 | 4,110                         |
| <b>CAI Software LLC</b>   | 12% Secured Debt               | (6)       |                                | (6)                              | 326   | 3,683                        | 6                  | 206                 | 3,483                         |
|   | Member Units                   | (6)       |                                | 560                              | 59  | 2,480                        | 560                |                     | 3,040                         |
| <b>CapFusion, LLC</b>   | 13% Secured Debt               | (5)       |                                | (3,582)                          | 1,401   | 13,202                       | 138                | 6,662               | 6,678                         |
|   | Warrants                       | (5)       |                                | (1,200)                          |   | 1,200                        |                    | 1,200               |                               |
| <b>Chandler Signs Holdings, LLC</b>   | 12% Secured Debt               | (8)       |                                | (5)                              | 415   | 4,500                        | 5                  | 5                   | 4,500                         |
|   | Class A Units                  | (8)       |                                | (590)                            | 63  | 3,240                        |                    | 590                 | 2,650                         |
| <b>Condit Exhibits, LLC</b>   | Member Units                   | (9)       |                                |                                  | 61  | 1,840                        |                    |                     | 1,840                         |

Edgar Filing: Main Street Capital CORP - Form 497

|  |   |     |         |          |       |        |       |     |        |
|--|---|-----|---------|----------|-------|--------|-------|-----|--------|
| <b>Congruent Credit Opportunities Funds</b>    | LP Interests (Fund II)                              | (8) |         | (3)      | 2     | 1,518  |       | 3   | 1,515  |
|  | LP Interests (Fund III)                             | (8) |         | 418      | 1,144 | 16,181 | 2,533 |     | 18,714 |
| <b>Daseke, Inc.</b>                            | 12% Current / 2.5% PIK Secured Debt                 | (8) |         | (167)    | 676   | 21,799 | 255   |     | 22,054 |
|  | Common Stock  | (8) | 22,859  | (18,849) |       | 24,063 |       |     | 24,063 |
| <b>Dos Rios Partners</b>                       | LP Interests (Dos Rios Partners, LP)                | (8) |         | 1,502    |       | 4,925  | 1,502 |     | 6,427  |
|  | LP Interests (Dos Rios Partners A, LP)              | (8) |         | 445      |       | 1,444  | 445   |     | 1,889  |
| <b>Dos Rios Stone Products LLC</b>             | Class A Units                                       | (8) |         | (200)    |       | 2,070  |       | 200 | 1,870  |
| <b>East Teak Fine Hardwoods, Inc.</b>          | Common Stock  | (7) |         | (230)    | 50    | 860    |       | 230 | 630    |
| <b>East West Copolymer &amp; Rubber, LLC</b>   | 12% Current/2% PIK Secured Debt                     | (8) |         | (2,665)  |       | 8,630  |       |     | 8,630  |
|  | Warrants  | (8) |         |          |       |        |       |     |        |
| <b>EIG Fund Investments</b>                    | LP Interests (EIG Global Private Debt fund A, L.P.) | (8) | 71      | (48)     | 90    | 2,804  | 352   |     | 2,909  |
|  | LP Interests (EIG Traverse Co-Investment, L.P.)     | (8) |         | (100)    | 1,534 | 9,905  |       |     | 9,905  |
| <b>Freeport Financial Fund Investments</b>     | LP Interests (Freeport Financial SBIC Fund LP)      | (5) |         | (101)    | 306   | 5,620  |       | 101 | 5,519  |
|  | LP Interests (Freeport First Lien Loan Fund III LP) | (5) |         | (52)     | 503   | 4,763  | 2,796 | 52  | 7,507  |
| <b>Gault Financial, LLC (RMB Capital, LLC)</b> | 10.5% Current Secured Debt                          | (7) |         | 1,016    | 976   | 11,079 | 1,017 | 454 | 11,642 |
|  | Warrants  | (7) |         |          |       |        |       |     |        |
| <b>Glowpoint, Inc.</b>                         | 12% Secured Debt                                    | (6) | (6,450) | 4,951    | 685   | 3,997  | 5,003 |     | 9,000  |
|  | Common Stock  | (6) | (3,974) | 1,878    |       | 2,080  | 1,878 |     | 3,958  |
| <b>Guerdon Modular Holdings, Inc.</b>          | 13% Secured Debt                                    | (9) |         |          | 1,084 | 10,594 | 28    |     | 10,622 |
|  | Preferred Stock                                     | (9) |         | (190)    |       | 1,140  |       | 190 | 950    |
|  | Common Stock  | (9) |         | (80)     |       | 80     |       | 80  |        |
| <b>HPEP 3, L.P.</b>                            | LP Interests (HPEP 3, L.P.)                         | (8) |         |          |       |        | 943   |     | 943    |
|  | LP Interests (2717 MH, L.P.)                        | (8) |         |          |       |        | 400   |     | 400    |
| <b>Hawk Ridge Systems, LLC</b>                 | 10% Secured Debt                                    | (9) |         |          | 774   | 9,901  | 16    | 500 | 9,417  |
|  | Preferred Member Units                              | (9) |         | 380      | 265   | 2,850  | 380   |     | 3,230  |
|  | Preferred Member Units                              | (9) |         | 20       | 6     | 150    | 20    |     | 170    |
| <b>Houston Plating and Coatings, LLC</b>       | 8% Unsecured Convertible Debt                       | (8) |         | 80       | 104   |        | 3,080 |     | 3,080  |
|  | Member Units  | (8) |         | 810      | 4     | 4,000  | 1,560 |     | 5,560  |
| <b>I-45 SLF LLC</b>                            | Member Units  | (8) |         | 311      | 2,148 | 14,586 | 2,311 |     | 16,897 |

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

| Company  | 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, 2016 Fair Value | Gross Additions(3) | Gross Reductions(4) | September 30, 2017 Fair Value |
|--|---------------------------------|-----------|--------------------------------|----------------------------------|---|------------------------------|--------------------|---------------------|-------------------------------|
| <b>Indianhead Pipeline Services, LLC</b>                     | 12% Secured Debt                | (5)       |                                |                                  | 947   | 5,079                        | 563                | 5,642               |                               |
|  | Preferred Member Units          | (5)       |                                | (338)                            | 514   | 2,677                        | 514                | 3,191               |                               |
|  | Warrants                        | (5)       | 134                            | 459                              |   |                              | 459                | 459                 |                               |
|  | Member Units                    | (5)       | 272                            | 1                                |   |                              | 1                  | 1                   |                               |
| <b>L.F. Manufacturing Holdings, LLC</b>                      | Member Units                    | (8)       |                                | 470                              |   | 1,380                        | 470                |                     | 1,850                         |
| <b>Meisler Operating LLC</b>                                 | LIBOR Plus 8.50% (Floor 1.00%)  | (5)       |                                |                                  | 818   |                              | 16,626             |                     | 16,626                        |
|  | Member Units                    | (5)       |                                |                                  |   |                              | 3,200              |                     | 3,200                         |
| <b>OnAsset Intelligence, Inc.</b>                            | 12% PIK Secured Debt            | (8)       | (28)                           |                                  | 424   | 4,519                        | 424                |                     | 4,943                         |
|  | 10% PIK Secured Debt            | (8)       |                                |                                  | 1   |                              | 47                 |                     | 47                            |
|  | Preferred Stock                 | (8)       |                                |                                  |   |                              |                    |                     |                               |
|  | Warrants                        | (8)       |                                |                                  |   |                              |                    |                     |                               |
| <b>OPI International Ltd.</b>                                | 10% Unsecured Debt              | (8)       | (86)                           | (473)                            | 16  | 473                          |                    | 473                 |                               |
|  | Common Stock                    | (8)       |                                | (1,600)                          |   | 1,600                        |                    | 1,600               |                               |
| <b>PCI Holding Company, Inc.</b>                             | 12% Secured Debt                | (9)       |                                | (102)                            | 1,522   | 13,000                       | 333                | 427                 | 12,906                        |
|  | Preferred Stock                 | (9)       |                                | (1,368)                          | 548   | 5,370                        | 548                | 1,368               | 4,550                         |
|  | Preferred Stock                 | (9)       |                                | 870                              |   |                              | 2,610              |                     | 2,610                         |
| <b>Rocacea, LLC (Quality Lease and Rental Holdings, LLC)</b> | 12% Secured Debt                | (8)       |                                |                                  |   | 250                          |                    |                     | 250                           |
|  | Preferred Member Units          | (8)       |                                |                                  |   |                              |                    |                     |                               |
| <b>Tin Roof Acquisition Company</b>                          | 12% Secured Debt                | (7)       |                                |                                  | 1,248   | 13,385                       | 49                 | 501                 | 12,933                        |
|  | Class C Preferred Stock         | (7)       |                                |                                  | 213   | 2,738                        | 213                |                     | 2,951                         |
| <b>UniTek Global Services, Inc.</b>                          | LIBOR Plus 8.50% (Floor 1.00%)  | (6)       |                                | (4)                              | 507   | 5,021                        | 3,518              | 4                   | 8,535                         |
|  | LIBOR Plus 8.50% (Floor 1.00%)  | (6)       |                                |                                  | 33  | 824                          | 3                  | 690                 | 137                           |
|  | 15% PIK Unsecured Debt          | (6)       |                                |                                  | 94  | 745                          | 88                 |                     | 833                           |
|  | Preferred Stock                 | (6)       |                                | (632)                            | 1,302   | 6,410                        | 1,302              | 632                 | 7,080                         |
|  | Preferred Stock                 | (6)       |                                | (5)                              | 207   |                              | 2,725              | 5                   | 2,720                         |
|  | Common Stock                    | (6)       |                                | (690)                            |   | 3,010                        |                    | 690                 | 2,320                         |
| <b>Universal Wellhead Services Holdings, LLC</b>             | Preferred Member Units          | (8)       |                                | 80                               |   | 720                          | 80                 |                     | 800                           |
|  | Member Units                    | (8)       |                                | 620                              |   | 610                          | 620                |                     | 1,230                         |
| <b>Valley Healthcare Group, LLC</b>                          | LIBOR Plus 12.50% (Floor 0.50%) | (8)       |                                |                                  | 1,306   | 12,844                       | 25                 | 1,110               | 11,759                        |
|  | Preferred Member Units          | (8)       |                                |                                  |   | 1,600                        |                    |                     | 1,600                         |
| <b>Volusion, LLC</b>   | 11.5% Secured Debt              | (8)       |                                |                                  | 2,015   | 15,298                       | 517                | 766                 | 15,049                        |

Edgar Filing: Main Street Capital CORP - Form 497

|                        |     |       |  |        |     |  |        |
|------------------------|-----|-------|--|--------|-----|--|--------|
| Preferred Member Units | (8) |       |  | 14,000 |     |  | 14,000 |
| Warrants               | (8) | (337) |  | 2,576  | 336 |  | 2,240  |

Other

Amounts related to investments transferred to or from other 1940 Act classification during the period

122 220 9,919

Total Affiliate investments

\$ 12,920 \$ (18,012) \$ 29,601 \$ 375,948 \$ 83,670 \$ 111,468 \$ 338,231

- (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.
- (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 from investments transferred from other 1940 Act classifications during the period."
- (3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest, and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in net unrealized depreciation as well as the movement of an existing portfolio company into this category and out of a different category.
- (4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increases in net unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
- (5) Portfolio company located in the Midwest region as determined by location of the corporate headquarters. The fair value as of September 30, 2017 for control investments located in this



## Edgar Filing: Main Street Capital CORP - Form 497

### Table of Contents

region was \$184,746. This represented 13.9% of net assets as of September 30, 2017. The fair value as of September 30, 2017 for affiliate investments located in this region was \$53,169. This represented 4.0% of net assets as of September 30, 2017.

(6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of September 30, 2017 for control investments located in this region was \$28,211. This represented 2.1% of net assets as of September 30, 2017. The fair value as of September 30, 2017 for affiliate investments located in this region was \$57,711. This represented 4.3% of net assets as of September 30, 2017.

(7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of September 30, 2017 for control investments located in this region was \$33,477. This represented 2.5% of net assets as of September 30, 2017. The fair value as of September 30, 2017 for affiliate investments located in this region was \$53,344. This represented 4.0% of net assets as of September 30, 2017.

(8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of September 30, 2017 for control investments located in this region was \$291,368. This represented 21.9% of net assets as of September 30, 2017. The fair value as of September 30, 2017 for affiliate investments located in this region was \$127,712. This represented 9.6% of net assets as of September 30, 2017.

(9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of September 30, 2017 for control investments located in this region was \$178,071. This represented 13.4% of net assets as of September 30, 2017. The fair value as of September 30, 2017 for affiliate investments located in this region was \$46,295. This represented 3.5% of net assets as of September 30, 2017.

(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. Supplemental information can be located within the 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.

Table of Contents

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

*The information in this section contains forward-looking statements that involve risks and uncertainties. Please see "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements" in our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission (the "SEC") on February 23, 2018, for a discussion of the uncertainties, risks and assumptions associated with these statements. You should read the following discussion in conjunction with the consolidated financial statements and related notes and other financial information included elsewhere in this Quarterly Report and in the Annual Report on Form 10-K for the year ended December 31, 2017.*

**ORGANIZATION**

Main Street Capital Corporation ("MSCC") is a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies and debt capital to middle market ("Middle Market") companies. The portfolio investments of MSCC and its consolidated subsidiaries are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in a variety of industry sectors. MSCC seeks to partner with entrepreneurs, business owners and management teams and generally provides "one stop" financing alternatives within its LMM portfolio. MSCC and its consolidated subsidiaries invest primarily in secured debt investments, equity investments, warrants and other securities of LMM companies based in the United States and in secured debt investments of Middle Market companies generally headquartered in the United States.

MSCC was formed in March 2007 to operate as an internally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSCC wholly owns several investment funds, including Main Street Mezzanine Fund, LP ("MSMF"), Main Street Capital II, LP ("MSC II") and Main Street Capital III, LP ("MSC III" and, collectively with MSMF and MSC II, the "Funds"), and each of their general partners. The Funds are each licensed as a Small Business Investment Company ("SBIC") by the United States Small Business Administration ("SBA"). Because MSCC is internally managed, all of the executive officers and other employees are employed by MSCC. Therefore, MSCC does not pay any external investment advisory fees, but instead directly incurs the operating costs associated with employing investment and portfolio management professionals.

MSC Adviser I, LLC (the "External Investment Manager") was formed in November 2013 as a wholly owned subsidiary of MSCC to provide investment management and other services to parties other than MSCC and its subsidiaries or their portfolio companies ("External Parties") and receives fee income for such services. MSCC has been granted no-action relief by the Securities and Exchange Commission ("SEC") to allow the External Investment Manager to register as a registered investment adviser under the Investment Advisers Act of 1940, as amended. Since the External Investment Manager conducts all of its investment management activities for External Parties, it is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements.

MSCC 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, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that it distributes to its stockholders.

MSCC 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 MSCC to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes.

Table of Contents

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our," the "Company" and "Main Street" refer to MSCC and its consolidated subsidiaries, which include the Funds and the Taxable Subsidiaries.

**OVERVIEW**

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments 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. Our LMM companies generally have annual revenues between \$10 million and \$150 million, and our LMM portfolio investments generally range in size from \$5 million to \$50 million. Our Middle Market investments are made in businesses that are generally larger in size than our LMM portfolio companies, with annual revenues typically between \$150 million and \$1.5 billion, and our Middle Market investments generally range in size from \$3 million to \$20 million. Our private loan ("Private Loan") portfolio investments are primarily debt securities in privately held companies which have been originated through strategic relationships with other investment funds on a collaborative basis. Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio.

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 participations. Our ability to invest across a company's capital structure, from secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing options, or a "one stop" financing solution. Providing customized, "one stop" financing solutions is important to LMM portfolio companies. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. Our LMM portfolio debt investments are generally secured by a first lien on the assets of the portfolio company and typically have a term of between five and seven years from the original investment date.

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

Our Private Loan portfolio investments are primarily debt securities in privately held companies which have been originated through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals." 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 either a first or second 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.

Our other portfolio ("Other Portfolio") investments primarily consist of investments which are not consistent with the typical profiles for our LMM, Middle Market or Private Loan 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 external asset management business is conducted through the External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. We have entered into an agreement with the External Investment Manager to share

Table of Contents

employees in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, we share employees with the External Investment Manager, including their related infrastructure, business relationships, management expertise and capital raising capabilities.

The following tables provide a summary of our investments in the LMM, Middle Market and Private Loan portfolios as of September 30, 2018 and December 31, 2017 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

|  | As of September 30, 2018 |               |              |
|--|--------------------------|---------------|--------------|
|  | LMM(a)                   | Middle Market | Private Loan |
|  | (dollars in millions)    |               |              |
| Number of portfolio companies                                | 70                       | 58            | 54           |
| Fair value   | \$ 1,149.0               | \$ 607.7      | \$ 490.8     |
| Cost   | \$ 965.4                 | \$ 613.4      | \$ 517.3     |
| % of portfolio at cost debt                                  | 69.2%                    | 96.1%         | 92.9%        |
| % of portfolio at cost equity                                | 30.8%                    | 3.9%          | 7.1%         |
| % of debt investments at cost secured by first priority lien | 98.5%                    | 89.0%         | 92.7%        |
| Weighted-average annual effective yield(b)                   | 12.2%                    | 9.4%          | 10.1%        |
| Average EBITDA(c)  | \$ 4.6                   | \$ 89.7       | \$ 46.2      |

(a) At September 30, 2018, we had equity ownership in approximately 99% of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 39%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2018, 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. Weighted-average annual effective yield is higher than what an investor in shares of our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor.

(c) The average EBITDA is calculated using a simple average for the LMM portfolio and a weighted-average for the Middle Market and Private Loan portfolios. These calculations exclude certain portfolio companies, including three LMM portfolio companies and three Private Loan portfolio companies, as EBITDA is not a meaningful valuation metric for

## Edgar Filing: Main Street Capital CORP - Form 497

### Table of Contents

our investments in these portfolio companies, and those portfolio companies whose primary purpose is to own real estate.

|  | As of December 31, 2017 |                  |              |
|--|-------------------------|------------------|--------------|
|  | LMM(a)                  | Middle<br>Market | Private Loan |
|  | (dollars in millions)   |                  |              |
| Number of portfolio companies                                | 70                      | 62               | 54           |
| Fair value   | \$ 948.2                | \$ 609.3         | \$ 467.5     |
| Cost   | \$ 776.5                | \$ 629.7         | \$ 489.2     |
| % of portfolio at cost debt                                  | 67.1%                   | 97.3%            | 93.6%        |
| % of portfolio at cost equity                                | 32.9%                   | 2.7%             | 6.4%         |
| % of debt investments at cost secured by first priority lien | 98.1%                   | 90.5%            | 94.5%        |
| Weighted-average annual effective yield(b)                   | 12.0%                   | 9.0%             | 9.2%         |
| Average EBITDA(c)  | \$ 4.4                  | \$ 78.3          | \$ 39.6      |

- (a) At December 31, 2017, we had equity ownership in approximately 97% of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 39%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2017, 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. Weighted-average annual effective yield is higher than what an investor in shares of our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor.
- (c) The average EBITDA is calculated using a simple average for the LMM portfolio and a weighted-average for the Middle Market and Private Loan portfolios. These calculations exclude certain portfolio companies, including six LMM portfolio companies, one Middle Market portfolio company and three Private Loan 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 September 30, 2018, we had Other Portfolio investments in eleven companies, collectively totaling approximately \$109.2 million in fair value and approximately \$115.7 million in cost basis and which comprised approximately 4.5% of our Investment Portfolio (as defined in "Critical Accounting Policies Basis of Presentation" below) at fair value. As of December 31, 2017, we had Other Portfolio investments in eleven companies, collectively totaling approximately \$104.6 million in fair value and approximately \$109.4 million in cost basis and which comprised approximately 4.8% of our Investment Portfolio at fair value.

As previously discussed, the External Investment Manager is a wholly owned subsidiary that is treated as a portfolio investment. As of September 30, 2018, there was no cost basis in this investment and the investment had a fair value of approximately \$70.1 million, which comprised approximately 2.9% of our Investment Portfolio at fair value. As of December 31, 2017, there was no cost basis in this investment and the investment had a fair value of approximately \$41.8 million, which comprised approximately 1.9% of our Investment Portfolio at fair value.

Our portfolio investments are generally made through MSCC and the Funds. MSCC and the Funds share the same investment strategies and criteria, although they are subject to different

Table of Contents

regulatory regimes. An investor's return in MSCC will depend, in part, on the Funds' investment returns as they are wholly owned subsidiaries of MSCC.

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

Because we are internally managed, we do not pay any external investment advisory fees, but instead directly incur the operating costs associated with employing investment and portfolio management professionals. We believe that our internally managed structure provides us with a beneficial operating expense structure when compared to other publicly traded and privately held investment firms which are externally managed, and our internally managed structure allows us the opportunity to leverage our non-interest operating expenses as we grow our Investment Portfolio. For each of the three months ended September 30, 2018 and 2017, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.5% on an annualized basis. For the nine months ended September 30, 2018 and 2017, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.5% and 1.6%, respectively, on an annualized basis and 1.6% for the year ended December 31, 2017.

During May 2012, we entered into an investment sub-advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income, a non-listed BDC, to provide certain investment advisory services to HMS Adviser. In December 2013, after obtaining required no-action relief from the SEC to allow us to own a registered investment adviser, we assigned the sub-advisory agreement to the External Investment Manager since the fees received from such arrangement could otherwise have negative consequences on our ability to meet the source-of-income requirement necessary for us to maintain our RIC tax treatment. Under the investment sub-advisory agreement, the External Investment Manager is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. The External Investment Manager has conditionally agreed to waive a limited amount of the historical incentive fees otherwise earned. During the three months ended September 30, 2018 and 2017, the External Investment Manager earned \$3.0 million and \$2.8 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser. During the nine months ended September 30, 2018 and 2017, the External Investment Manager earned \$8.7 million and \$8.1 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser.

During April 2014, we received an exemptive order from the SEC permitting co-investments by us and HMS Income in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act. We have made, and in the future intend to continue to make, such co-investments with HMS Income in accordance with the conditions of the order. The order requires, among other things, that we and the External Investment Manager consider whether each such investment opportunity is appropriate for HMS Income and, if it is appropriate, to propose an allocation of the investment opportunity between us and HMS Income. Because the External Investment Manager may

Table of Contents

receive performance-based fee compensation from HMS Income, this may provide it an incentive to allocate opportunities to HMS Income instead of us. However, both we and the External Investment Manager have policies and procedures in place to manage this conflict.

**CRITICAL ACCOUNTING POLICIES**

*Basis of Presentation*

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). For each of the periods presented herein, our consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of our investments in LMM portfolio companies, investments in Middle Market portfolio companies, Private Loan portfolio investments, Other Portfolio investments, and the investment in the External Investment Manager. Our results of operations for the three and nine months ended September 30, 2018 and 2017, cash flows for the nine months ended September 30, 2018 and 2017, and financial position as of September 30, 2018 and December 31, 2017, are presented on a consolidated basis. The effects of all intercompany transactions between us and our consolidated subsidiaries have been eliminated in consolidation. Certain reclassifications have been made to prior period balances to conform with the current presentation.

Our accompanying unaudited consolidated financial statements are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and nine months ended September 30, 2018 and 2017 are not necessarily indicative of the operating results to be expected for the full year. Also, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2017. 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 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.

We are an investment company following the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services Investment Companies* ("ASC 946"). Under regulations pursuant to Article 6 of Regulation S-X applicable to BDCs and ASC 946, we are precluded from consolidating other entities in which we have equity investments, including those in which we have a controlling interest, unless the other entity is another investment company. An exception to this general principle in ASC 946 occurs if we hold a controlling interest in an operating company that provides all or substantially all of its services directly to us or to any of our portfolio companies. Accordingly, as noted above, our consolidated financial statements include the financial position and operating results for the Funds and the Taxable Subsidiaries. We have determined that all of our portfolio investments do not qualify for this exception, including the investment in the External Investment Manager. Therefore, our Investment Portfolio is carried on the consolidated balance sheet at fair value with any adjustments to fair value recognized as "Net Unrealized Appreciation (Depreciation)" on the consolidated statements of operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss)."

Table of Contents

***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. As of both September 30, 2018 and December 31, 2017, our Investment Portfolio valued at fair value represented approximately 96% of our total assets. We are required to report our investments at fair value. We follow the provisions of Financial Accounting Standards Board ("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. Valuation of the Investment Portfolio" in the notes to consolidated financial statements 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.

Our Board of Directors has the final responsibility for overseeing, reviewing and approving, in good faith, our determination of the fair value for our Investment Portfolio and our valuation procedures, consistent with 1940 Act requirements. We believe our Investment Portfolio as of September 30, 2018 and December 31, 2017 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. In accordance with our valuation policies, 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 all of its debt or other obligations, 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 or other obligations, 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 deferred and accreted into income over the life of the financing.



Table of Contents

*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 below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though we may not have collected the PIK interest and cumulative dividends in cash. We stop accruing PIK interest and cumulative dividends and write off any accrued and uncollected interest and dividends in arrears when we determine that such PIK interest and dividends in arrears are no longer collectible. For the three months ended September 30, 2018 and 2017, (i) approximately 1.4% and 1.9%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.1% and 1.8%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash. For the nine months ended September 30, 2018 and 2017, (i) approximately 1.0% and 2.7%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.0% and 1.8%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash.

*Share-Based Compensation*

We account for our share-based compensation plans using the fair value method, as prescribed by ASC 718, *Compensation Stock Compensation*. Accordingly, for restricted stock awards, we measure the grant date fair value based upon the market price of our common stock on the date of the grant and amortize the fair value of the awards as share-based compensation expense over the requisite service period, which is generally the vesting term.

*Income Taxes*

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that MSCC distributes to its stockholders. MSCC 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 12 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 Taxable Subsidiaries primarily hold certain portfolio investments for us. The Taxable Subsidiaries permit us 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 us for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in our consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC for income tax purposes and may

Table of Contents

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 their normal corporate 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 our consolidated financial statements.

The External Investment Manager is an indirect wholly owned subsidiary of MSCC owned through a Taxable Subsidiary and is a disregarded entity for tax purposes. The External Investment Manager has entered into a tax sharing agreement with its Taxable Subsidiary owner. Since the External Investment Manager is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements, and as a result of the tax sharing agreement with its Taxable Subsidiary owner, for its stand-alone financial reporting purposes the External Investment Manager is treated as if it is taxed at normal corporate tax rates based on its taxable income and, as a result of its activities, may generate income tax expense or benefit. The income tax expense, or benefit, if any, and the related tax assets and liabilities, of the External Investment Manager are reflected in the External Investment Manager's separate financial statements.

In December 2017, the "Tax Cuts and Jobs Act" legislation was enacted. The Tax Cuts and Jobs Act includes significant changes to the U.S. corporate tax system, including a U.S. Federal corporate income tax rate reduction from 35% to 21% and other changes. ASC 740, *Income Taxes*, requires the effects of changes in tax rates and laws on deferred tax balances to be recognized in the period in which the legislation was enacted. As such, we have accounted for the tax effects as a result of the enactment of the Tax Cuts and Jobs Act beginning with the period ended December 31, 2017.

The Taxable Subsidiaries and the External Investment Manager 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.

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.

## **INVESTMENT PORTFOLIO COMPOSITION**

Our LMM portfolio investments primarily consist of secured debt, equity warrants and direct equity investments in privately held, LMM companies based in the United States. Our LMM portfolio companies generally have annual revenues between \$10 million and \$150 million, and our LMM investments generally range in size from \$5 million to \$50 million. The LMM debt investments are typically secured by either a first or second priority lien on the assets of the portfolio company, generally bear interest at fixed rates, and generally have a term of between five and seven years from the original investment date. In most LMM portfolio companies, we receive nominally priced equity warrants and/or make direct equity investments in connection with a debt investment.

Our Middle Market portfolio investments primarily consist of direct investments in or secondary purchases of interest-bearing debt securities in privately held companies based in the United States that are generally larger in size than the companies included in our LMM portfolio. Our Middle Market portfolio companies generally have annual revenues between \$150 million and \$1.5 billion, and our Middle Market investments generally range in size from \$3 million to \$20 million. Our Middle Market portfolio debt investments are generally secured by either a first or second priority lien on the assets of

Table of Contents

the portfolio company and typically have a term of between three and seven years from the original investment date.

Our Private Loan portfolio investments are primarily debt securities in privately held companies which have been originated through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals." 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 either a first or second 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.

Our Other Portfolio investments primarily consist of investments which are not consistent with the typical profiles for LMM, Middle Market and Private Loan portfolio investments, including investments which may be managed by third parties. In the 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 external asset management business is conducted through the External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. We have entered into an agreement with the External Investment Manager to share employees in connection with its asset management business generally, and specifically for its relationship with HMS Income. Through this agreement, we share employees with the External Investment Manager, including their related infrastructure, business relationships, management expertise and capital raising capabilities, and we allocate the related expenses to the External Investment Manager pursuant to the sharing agreement. Our total expenses for the three months ended September 30, 2018 and 2017 are net of expenses allocated to the External Investment Manager of \$1.6 million and \$1.7 million, respectively. Our total expenses for the nine months ended September 30, 2018 and 2017 are net of expenses allocated to the External Investment Manager of \$5.3 million and \$4.8 million, respectively. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. The total contribution of the External Investment Manager to our net investment income consists of the combination of the expenses allocated to the External Investment Manager and the dividend income received from the External Investment Manager. For the three months ended September 30, 2018 and 2017, the total contribution to our net investment income was \$2.7 million and \$2.4 million, respectively. For the nine months ended September 30, 2018 and 2017, the total contribution to our net investment income was \$8.0 million and \$6.9 million, respectively.

The following tables summarize the composition of our total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments as of September 30, 2018

## Edgar Filing: Main Street Capital CORP - Form 497

### Table of Contents

and December 31, 2017 (this information excludes the Other Portfolio investments and the External Investment Manager).

| <b>Cost:</b>     | <b>September 30,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|------------------|-------------------------------|------------------------------|
| First lien debt  | 77.7%                         | 79.0%                        |
| Equity           | 16.4%                         | 15.3%                        |
| Second lien debt | 4.8%                          | 4.5%                         |
| Equity warrants  | 0.7%                          | 0.7%                         |
| Other            | 0.4%                          | 0.5%                         |
|                  | 100.0%                        | 100.0%                       |

| <b>Fair Value:</b> | <b>September 30,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|--------------------|-------------------------------|------------------------------|
| First lien debt    | 69.9%                         | 70.5%                        |
| Equity             | 24.8%                         | 24.4%                        |
| Second lien debt   | 4.4%                          | 4.1%                         |
| Equity warrants    | 0.5%                          | 0.6%                         |
| Other              | 0.4%                          | 0.4%                         |
|                    | 100.0%                        | 100.0%                       |

Our LMM portfolio investments, Middle Market portfolio investments and Private Loan 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 "Risk Factors - Risks Related to Our Investments" contained in our Form 10-K for the fiscal year ended December 31, 2017 and "Risk Factors" below for a more complete discussion of the risks involved with investing in our Investment Portfolio.

### **PORTFOLIO ASSET QUALITY**

As of September 30, 2018, our total Investment Portfolio had five investments on non-accrual status, which comprised approximately 1.2% of its fair value and 3.5% of its cost. As of December 31, 2017, our total Investment Portfolio had five investments on non-accrual status, which comprised approximately 0.2% of its fair value and 2.3% of its cost.

The operating results of our portfolio companies are impacted by changes in the broader fundamentals of the United States economy. In the event that 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 economic cycles or other conditions, which could also have a negative impact on our future results.

Table of Contents**DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS***Comparison of the three months ended September 30, 2018 and September 30, 2017*

|  | Three Months Ended<br>September 30, |           | Net Change |     |
|--|-------------------------------------|-----------|------------|-----|
|  | 2018                                | 2017      | Amount     | %   |
|  | (dollars in thousands)              |           |            |     |
| Total investment income                              | \$ 58,263                           | \$ 51,786 | \$ 6,477   | 13% |
| Total expenses                                       | (20,188)                            | (17,757)  | (2,431)    | 14% |
| Net investment income                                | 38,075                              | 34,029    | 4,046      | 12% |
| Net realized gain (loss) from investments            | 9,238                               | (10,706)  | 19,944     |     |
| Net unrealized appreciation (depreciation) from:     |                                     |           |            |     |
| Portfolio investments                                | 25,261                              | 16,368    | 8,893      |     |
| SBIC debentures                                      | (53)                                | (221)     | 168        |     |
| Total net unrealized appreciation                    | 25,208                              | 16,147    | 9,061      |     |
| Income tax provision                                 | (3,781)                             | (4,571)   | 790        |     |
| Net increase in net assets resulting from operations | \$ 68,740                           | \$ 34,899 | \$ 33,841  | 97% |

|  | Three Months Ended<br>September 30,                 |           | Net Change |     |
|--|---|-----------|------------|-----|
|  | 2018  | 2017      | Amount     | %   |
|  | (dollars in thousands, except<br>per share amounts) |           |            |     |
| Net investment income  | \$ 38,075   | \$ 34,029 | \$ 4,046   | 12% |
| Share-based compensation expense                                   | 2,147   | 2,476     | (329)      | 13% |
| Distributable net investment income(a)                             | \$ 40,222   | \$ 36,505 | \$ 3,717   | 10% |
| Net investment income per share Basic and diluted                  | \$ 0.63   | \$ 0.60   | \$ 0.03    | 5%  |
| Distributable net investment income per share Basic and diluted(a) | \$ 0.66   | \$ 0.64   | \$ 0.02    | 3%  |

(a)

Distributable net investment income is net investment income as determined in accordance with U.S. GAAP, excluding the impact of share-based compensation expense which is non-cash in nature. We believe presenting distributable net investment income and related per share amounts is useful and appropriate supplemental disclosure of information for analyzing our financial performance since share-based compensation does not require settlement in cash. However, distributable net investment income is a non-U.S. GAAP measure and should not be considered as a replacement to net investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, distributable net investment income should be reviewed only in connection with such U.S. GAAP measures

## Edgar Filing: Main Street Capital CORP - Form 497

in analyzing our financial performance. A reconciliation of net investment income in accordance with U.S. GAAP to distributable net investment income is presented in the table above.

### *Investment Income*

For the three months ended September 30, 2018, total investment income was \$58.3 million, a 13% increase over the \$51.8 million of total investment income for the corresponding period of 2017. This comparable period increase was principally attributable to (i) a \$6.5 million increase in interest income primarily related to (a) an increase in the average effective yields and higher average levels of portfolio debt investments and (b) increased activities involving existing Investment Portfolio debt investments

Table of Contents

and (ii) a \$1.5 million increase in fee income, with these increases partially offset by a \$1.6 million decrease in dividend income from Investment Portfolio equity investments. The \$6.5 million increase in total investment income in the three months ended September 30, 2018 includes an increase of \$2.0 million primarily related to higher accelerated prepayment, repricing and other activity for certain Private Loan Investment Portfolio debt investments, partially offset by a decrease of \$1.7 million in dividend income that is considered less consistent on a recurring basis or non-recurring, when compared to the same period in the prior year.

*Expenses*

For the three months ended September 30, 2018, total expenses increased to \$20.2 million from \$17.8 million for the corresponding period of 2017. This comparable period increase in operating expenses was principally attributable to (i) a \$1.5 million increase in interest expense, primarily due to a \$2.2 million increase as a result of the issuance of our 4.50% Notes due 2022 in November 2017 and a \$0.5 million increase from the SBIC debentures due to the higher average balance outstanding, with these increases partially offset by a decrease of \$1.5 million resulting from the redemption of the 6.125% Notes effective April 1, 2018 (as discussed further below in "Liquidity and Capital Resources Capital Resources") and (ii) a \$1.0 million increase in compensation expense related to increases in the number of personnel, base compensation levels and incentive compensation accruals, with these increases partially offset by a \$0.3 million decrease in share-based compensation expense. The ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets for each of the three months ended September 30, 2018 and 2017 was 1.5% on an annualized basis and 1.6% for the year ended December 31, 2017.

*Net Investment Income*

Net investment income for the three months ended September 30, 2018 was \$38.1 million, or a 12% increase, compared to net investment income of \$34.0 million for the corresponding period of 2017. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses both as discussed above.

*Distributable Net Investment Income*

For the three months ended September 30, 2018, distributable net investment income increased 10% to \$40.2 million, or \$0.66 per share, compared with \$36.5 million, or \$0.64 per share, in the corresponding period of 2017. The increase in distributable net investment income was primarily due to the higher level of total investment income, partially offset by higher operating expenses both as discussed above. Distributable net investment income on a per share basis for the three months ended September 30, 2018 reflects (i) an increase of approximately \$0.03 per share from the comparable period in 2017 related to the higher levels of accelerated prepayment, repricing and other activity for certain Investment Portfolio debt investments, offset by a decrease of approximately \$0.03 per share in dividend income that is considered less consistent on a recurring basis or non-recurring and (ii) a greater number of average shares outstanding compared to the corresponding period in 2017 primarily due to shares issued through the ATM Program (as defined in "Liquidity and Capital Resources Capital Resources" below), shares issued pursuant to our equity incentive plans and shares issued pursuant to our dividend reinvestment plan.

*Net Increase in Net Assets Resulting from Operations*

The net increase in net assets resulting from operations during the three months ended September 30, 2018 was \$68.7 million, or \$1.13 per share, compared with \$34.9 million, or \$0.61 per share, during the three months ended September 30, 2017. This \$33.8 million improvement from the prior year was primarily the result of (i) a \$19.9 million improvement in the net realized gain (loss)

## Edgar Filing: Main Street Capital CORP - Form 497

### Table of Contents

from investments to a net realized gain of \$9.2 million for the three months ended September 30, 2018, (ii) a \$9.1 million increase in net unrealized appreciation from portfolio investments, including the impact of accounting reversals relating to realized gains/income (losses), (iii) a \$4.0 million increase in net investment income as discussed above and (iv) a \$0.8 million decrease in the income tax provision. The net realized gain from investments of \$9.2 million for the three months ended September 30, 2018 was primarily the result of (i) the net realized gain of \$17.3 million resulting primarily from gains on the exits of three LMM investments and other activity in the LMM portfolio, (ii) the realized gains of \$2.7 million due to activity in our Other Portfolio and (iii) the realized gain of \$1.4 million on other activity in the Private Loan portfolio, partially offset by the realized loss of \$12.3 million on the restructure of one Middle Market investment.

The following table provides a summary of the total net unrealized appreciation of \$25.2 million for the three months ended September 30, 2018:

|   | <b>Three Months Ended September 30, 2018</b> |                      |                     |               |                | <b>Total</b>   |
|---|--|----------------------|---------------------|---------------|----------------|----------------|
|   | <b>LMM(a)</b>                                | <b>Middle Market</b> | <b>Private Loan</b> | <b>Other</b>  |                |                |
|   | <b>(dollars in millions)</b>                 |                      |                     |               |                |                |
| Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains / income) losses recognized during the current period | \$ (16.5)                                    | \$ 10.1              | \$ (2.1)            | \$ (2.2)      | \$ (10.7)      |                |
| Net unrealized appreciation relating to portfolio investments   | 26.3   | 0.8                  | 0.1                 | 8.8(b)        | 36.0           |                |
| <b>Total net unrealized appreciation (depreciation) relating to portfolio investments</b>   | <b>\$ 9.8</b>                                | <b>\$ 10.9</b>       | <b>\$ (2.0)</b>     | <b>\$ 6.6</b> | <b>\$ 25.3</b> |                |
| Unrealized depreciation relating to SBIC debentures(c)  |  |                      |                     |               |                | (0.1)          |
| <b>Total net unrealized appreciation</b>  |  |                      |                     |               |                | <b>\$ 25.2</b> |

(a) LMM includes unrealized appreciation on 30 LMM portfolio investments and unrealized depreciation on 13 LMM portfolio investments.

(b) Other includes \$7.5 million of unrealized appreciation relating to the External Investment Manager and \$1.3 million of net unrealized appreciation relating to the Other Portfolio.

(c) Relates to unrealized depreciation on the SBIC debentures held by MSC II which are accounted for on a fair value basis.

The income tax provision for the three months ended September 30, 2018 of \$3.8 million principally consisted of a deferred tax provision of \$3.0 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 other current tax expense of \$0.8 million related to (i) a \$0.5 million accrual for excise tax on our estimated undistributed taxable income and (ii) other current tax expense of \$0.3 million related to accruals for current U.S. federal and state income taxes.



Table of Contents*Comparison of the nine months ended September 30, 2018 and September 30, 2017*

|  | Nine Months Ended<br>September 30, |            | Net Change |     |
|--|------------------------------------|------------|------------|-----|
|  | 2018                               | 2017       | Amount     | %   |
|  | (dollars in thousands)             |            |            |     |
| Total investment income                              | \$ 174,075                         | \$ 149,944 | \$ 24,131  | 16% |
| Total expenses                                       | (59,514)                           | (52,056)   | (7,458)    | 14% |
| Net investment income                                | 114,561                            | 97,888     | 16,673     | 17% |
| Net realized gain from investments                   | 2,754                              | 27,842     | (25,088)   |     |
| Net realized loss on extinguishment of debt          | (2,896)                            | (5,217)    | 2,321      |     |
| Net unrealized appreciation (depreciation) from:     |                                    |            |            |     |
| Portfolio investments                                | 47,090                             | (4,358)    | 51,448     |     |
| SBIC debentures                                      | 1,296                              | 5,408      | (4,112)    |     |
| Total net unrealized appreciation                    | 48,386                             | 1,050      | 47,336     |     |
| Income tax provision                                 | (4,097)                            | (12,383)   | 8,286      |     |
| Net increase in net assets resulting from operations | \$ 158,708                         | \$ 109,180 | \$ 49,528  | 45% |

|  | Nine Months Ended<br>September 30,               |            | Net Change |      |
|--|--|------------|------------|------|
|  | 2018   | 2017       | Amount     | %    |
|  | (dollars in thousands, except per share amounts) |            |            |      |
| Net investment income  | \$ 114,561                                       | \$ 97,888  | \$ 16,673  | 17%  |
| Share-based compensation expense                                   | 6,883  | 7,542      | (659)      | (9)% |
| Distributable net investment income(a)                             | \$ 121,444                                       | \$ 105,430 | \$ 16,014  | 15%  |
| Net investment income per share Basic and diluted                  | \$ 1.91  | \$ 1.74    | \$ 0.17    | 10%  |
| Distributable net investment income per share Basic and diluted(a) | \$ 2.03  | \$ 1.88    | \$ 0.15    | 8%   |

(a)

Distributable net investment income is net investment income as determined in accordance with U.S. GAAP, excluding the impact of share-based compensation expense which is non-cash in nature. We believe presenting distributable net investment income and related per share amounts is useful and appropriate supplemental disclosure of information for analyzing our financial performance since share-based compensation does not require settlement in cash. However, distributable net investment income is a non-U.S. GAAP measure and should not be considered as a replacement to net investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, distributable net investment income should be reviewed only in connection with such U.S. GAAP measures in analyzing our financial performance. A reconciliation of net investment income in accordance with U.S. GAAP to distributable net investment income is presented in the table above.

*Investment Income*

For the nine months ended September 30, 2018, total investment income was \$174.1 million, a 16% increase over the \$149.9 million of total investment income for the corresponding period of 2017. This comparable period increase was principally attributable to (i) a \$12.9 million net increase in interest income primarily related to an increase in the average effective yields and higher average levels of Investment Portfolio debt investments, partially offset by a decrease in interest income associated with prepayment, repricing and other activities involving existing Investment Portfolio debt investments,

Table of Contents

(ii) a \$10.8 million increase in dividend income from Investment Portfolio equity investments and (iii) a \$0.4 million increase in fee income. The \$24.1 million increase in total investment income in the nine months ended September 30, 2018 includes \$6.3 million related to elevated dividend income activity from certain Investment Portfolio equity investments that is considered to be less consistent on a recurring basis or non-recurring, partially offset by a decrease of \$0.9 million related to lower accelerated prepayment, repricing and other activity for certain Investment Portfolio debt investments when compared to the same period in the prior year.

*Expenses*

For the nine months ended September 30, 2018, total expenses increased to \$59.5 million from \$52.1 million for the corresponding period of 2017. This comparable period increase in operating expenses was principally attributable to (i) a \$5.2 million increase in interest expense, primarily due to (a) a \$6.7 million increase as a result of the issuance of our 4.50% Notes due 2022 in November 2017 and (b) a \$1.6 million increase from the SBIC debentures due to the higher average balance outstanding, with these increases partially offset by (a) a \$2.9 million decrease from the redemption of the 6.125% Notes effective April 1, 2018 and (b) a \$0.2 million decrease related to the Credit Facility due primarily to the lower average balance outstanding and (ii) a \$3.2 million increase in compensation expense related to increases in the number of personnel, base compensation levels and incentive compensation accruals, with these increases partially offset by (i) a \$0.7 million decrease in share-based compensation expense and (ii) a \$0.5 million increase in the expenses allocated to the External Investment Manager as a result of elevated non-recurring strategic activities at the External Investment Manager during the nine months ended September 30, 2018. The ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets for the nine months ended September 30, 2018 was 1.5% on an annualized basis compared to 1.6% for each of the nine months ended September 30, 2017 and the year ended December 31, 2017.

*Net Investment Income*

Net investment income for the nine months ended September 30, 2018 was \$114.6 million, or a 17% increase, compared to net investment income of \$97.9 million for the corresponding period of 2017. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses both as discussed above.

*Distributable Net Investment Income*

For the nine months ended September 30, 2018, distributable net investment income increased 15% to \$121.4 million, or \$2.03 per share, compared with \$105.4 million, or \$1.88 per share, in the corresponding period of 2017. The increase in distributable net investment income was primarily due to the higher level of total investment income, partially offset by higher operating expenses both as discussed above. Distributable net investment income on a per share basis for the nine months ended September 30, 2018 reflects (i) an increase of approximately \$0.08 per share from the comparable period in 2017 attributable to the net effect of the elevated dividend income activity and decrease in the comparable levels of accelerated prepayment, repricing and other activity discussed above and (ii) a greater number of average shares outstanding compared to the corresponding period in 2017 primarily due to shares issued through the ATM Program (as defined in "Liquidity and Capital Resources - Capital Resources" below), shares issued pursuant to our equity incentive plans and shares issued pursuant to our dividend reinvestment plan.

Table of Contents

*Net Increase in Net Assets Resulting from Operations*

The net increase in net assets resulting from operations during the nine months ended September 30, 2018 was \$158.7 million, or \$2.65 per share, compared with \$109.2 million, or \$1.94 per share, during the nine months ended September 30, 2017. This \$49.5 million improvement from the prior year was primarily the result of (i) a \$47.3 million increase in net unrealized appreciation (depreciation) from portfolio investments and SBIC debentures, including the impact of accounting reversals relating to realized gains/income (losses), (ii) a \$16.7 million increase in net investment income as discussed above, (iii) a \$8.3 million decrease in the income tax provision and (iv) a \$2.3 million improvement in the net realized loss on extinguishment of debt, with these increases partially offset by a \$25.1 million decrease in the net realized gain (loss) from investments to a total net realized gain from investments of \$2.8 million for the nine months ended September 30, 2018. The net realized gain from investments of \$2.8 million for the nine months ended September 30, 2018 was primarily the result of (i) the net realized gain of \$16.0 million resulting from the net effect of gains on the exits of six LMM investments, partially offset by losses on the exits of two LMM investments and other activity in the LMM portfolio, (ii) the realized gains of \$5.9 million due to activity in our Other Portfolio, and (iii) the realized gains of \$2.8 million in our Private Loan portfolio which is primarily the result of (a) the realized gain of \$1.4 million on the exit of one Private Loan investment and (b) the realized gain of \$1.4 million on other activity in the Private Loan portfolio, with the effect of these net realized gains partially offset by (i) the net realized loss of \$22.0 million in our Middle Market portfolio, which is primarily the result of (a) the realized losses of \$17.6 million on the restructures of two Middle Market investments and (b) the realized losses of \$4.4 million on the exits of two Middle Market investments.

The following table provides a summary of the total net unrealized appreciation of \$48.4 million for the nine months ended September 30, 2018:

|   | Nine Months Ended September 30, 2018 |               |              |          |           | Total   |
|---|--------------------------------------|---------------|--------------|----------|-----------|---------|
|   | LMM(a)                               | Middle Market | Private Loan | Other    | Total     |         |
|   | (dollars in millions)                |               |              |          |           |         |
| Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains / income) losses recognized during the current period | \$ (25.0)                            | \$ 18.9       | \$ (4.2)     | \$ (2.7) | \$ (13.0) |         |
| Net unrealized appreciation (depreciation) relating to portfolio investments  | 36.4                                 | (3.9)         | (1.7)        | 29.3(b)  | 60.1      |         |
| Total net unrealized appreciation (depreciation) relating to portfolio investments  | \$ 11.4                              | \$ 15.0       | \$ (5.9)     | \$ 26.6  | \$ 47.1   |         |
| Unrealized appreciation relating to SBIC debentures (c)   |                                      |               |              |          |           | 1.3     |
| Total net unrealized appreciation   |                                      |               |              |          |           | \$ 48.4 |

(a) LMM includes unrealized appreciation on 36 LMM portfolio investments and unrealized depreciation on 20 LMM portfolio investments.

(b) Other includes \$28.4 million of unrealized appreciation relating to the External Investment Manager and \$0.9 million of net unrealized appreciation relating to the Other Portfolio.

(c) Primarily relates to unrealized appreciation on the SBIC debentures held by MSC II which are accounted for on a fair value basis and includes \$1.4 million of accounting reversals of previously



Table of Contents

recognized unrealized depreciation recorded since the date of acquisition of MSC II on the debentures repaid due to fair value adjustments since such date.

The income tax provision for the nine months ended September 30, 2018 of \$4.1 million principally consisted of a deferred tax provision of \$3.3 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences, and other current tax expense of \$0.8 million related to a \$1.0 million accrual for excise tax on our estimated undistributed taxable income, partially offset by other current tax benefit of \$0.2 million related to accruals for current U.S. federal and state income taxes.

*Liquidity and Capital Resources*

*Cash Flows*

For the nine months ended September 30, 2018, we experienced a net decrease in cash and cash equivalents in the amount of approximately \$1.2 million, which is the net result of approximately \$103.4 million of cash used in our operating activities and approximately \$102.2 million of cash provided by our financing activities.

The \$103.4 million of cash used in our operating activities resulted primarily from (i) cash flows we generated from the operating profits earned through our operating activities totaling \$109.1 million, which is our \$121.4 million of distributable net investment income, excluding the non-cash effects of the accretion of unearned income of \$11.3 million, payment-in-kind interest income of \$1.8 million, cumulative dividends of \$1.7 million and the amortization expense for deferred financing costs of \$2.5 million, (ii) cash uses totaling \$766.5 million for the funding of new portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2017, and (iii) cash proceeds totaling \$553.9 million which resulted from (a) \$551.7 million related to the sales and repayments of debt investments and sales of and return on capital of equity investments, (b) \$1.8 million related to decreases in other assets and (c) \$0.4 million related to increases in payables and accruals.

The \$102.2 million of cash provided by our financing activities principally consisted of (i) \$72.3 million in net cash proceeds from the ATM Program (described below), (ii) \$186.0 million in net cash proceeds from the Credit Facility and (iii) \$54.0 million in cash proceeds from issuance of SBIC debentures, partially offset by (i) \$90.7 million for repurchase of the 6.125% Notes, (ii) \$108.7 million in cash dividends paid to stockholders, (iii) \$4.1 million for purchases of vested restricted stock from employees to satisfy their tax withholding requirements upon the vesting of such restricted stock, (iv) \$4.0 million in repayment of SBIC debentures and (v) \$2.8 million for payment of deferred debt issuance costs, SBIC debenture fees and other costs.

*Capital Resources*

As of September 30, 2018, we had \$50.3 million in cash and cash equivalents and \$430.0 million of unused capacity under the Credit Facility, which we maintain to support our investment and operating activities. As of September 30, 2018, our net asset value totaled \$1,505.4 million, or \$24.69 per share.

The Credit Facility, which provides additional liquidity to support our investment and operational activities, was amended and restated during June 2018 and further amended in July 2018 to provide for an increase in total commitments from \$585.0 million to \$680.0 million and to increase the diversified group of lenders to seventeen lenders, eliminate interest rate adjustments subject to our maintenance of an investment grade rating and extend the final maturity by two years to September 2023. The amended Credit Facility also contains an upsized accordion feature which allows us to increase the total

Table of Contents

commitments under the facility to up to \$800.0 million from new and existing lenders on the same terms and conditions as the existing commitments.

Borrowings under the Credit Facility bear interest, subject to our election, on a per annum basis at a rate equal to the applicable LIBOR rate (2.3% as of September 30, 2018) plus (i) 1.875% (or the applicable base rate (Prime Rate of 5.25% as of September 30, 2018) plus 0.875%) as long as we meet certain agreed upon excess collateral and maximum leverage requirements or (ii) 2.0% (or the applicable base rate plus 1.0%) otherwise. We pay unused commitment fees of 0.25% per annum on the unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership or assets of the Funds and the External Investment Manager. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining a minimum availability of at least 10% of the borrowing base, (ii) maintaining an interest coverage ratio of at least 2.0 to 1.0, (iii) maintaining an asset coverage ratio (tangible net worth to Credit Facility borrowings) of at least 1.5 to 1.0 and (iv) maintaining a minimum tangible net worth. The Credit Facility is provided on a revolving basis through its final maturity date in September 2023, and contains two, one-year extension options which could extend the final maturity by up to two years, subject to certain conditions, including lender approval. As of September 30, 2018, we had \$250.0 million in borrowings outstanding under the Credit Facility, the interest rate on the Credit Facility was 4.0% and we were in compliance with all financial covenants of the Credit Facility.

Through the Funds, we have the ability to issue SBIC debentures guaranteed by the SBA at favorable interest rates and favorable terms and conditions. Under existing SBIC regulations, SBA approved SBICs under common control have the ability to issue debentures guaranteed by the SBA up to a regulatory maximum amount of \$350.0 million. Through the Funds, we have an effective maximum amount of \$346.0 million following the prepayment of \$4.0 million of existing SBIC debentures as discussed below. During the nine months ended September 30, 2018, we issued \$54.0 million of SBIC debentures and opportunistically prepaid \$4.0 million of our existing SBIC debentures as part of an effort to manage the maturity dates of our oldest SBIC debentures. Debentures guaranteed by the SBA have fixed interest rates that equal prevailing 10-year Treasury Note rates plus a market spread and have a maturity of ten years with interest payable semiannually. The principal amount of the debentures is not required to be paid before maturity, but may be pre-paid at any time with no prepayment penalty. We expect to issue new SBIC debentures under the SBIC program in the future in an amount up to the regulatory maximum amount for affiliated SBIC funds. As of September 30, 2018, through our three wholly owned SBICs, we had \$345.8 million of outstanding SBIC debentures guaranteed by the SBA, which bear a weighted-average annual fixed interest rate of approximately 3.7%, paid semiannually, and mature ten years from issuance. The first maturity related to our SBIC debentures occurs in 2019, and the weighted-average remaining duration is approximately 5.9 years as of September 30, 2018.

In April 2013, we issued \$92.0 million, including the underwriters' full exercise of their over-allotment option, in aggregate principal amount of the 6.125% Notes (the "6.125% Notes"). The 6.125% Notes bore interest at a rate of 6.125% per year payable quarterly on January 1, April 1, July 1 and October 1 of each year. The total net proceeds to us from the 6.125% Notes, after underwriting discounts and estimated offering expenses payable, were approximately \$89.0 million. On April 2, 2018, we redeemed the entire principal amount of the issued and outstanding 6.125% Notes effective April 1, 2018 (the "Redemption Date"). The 6.125% Notes were redeemed at par value, plus the accrued and unpaid interest thereon from January 1, 2018, through, but excluding, the Redemption Date. As part of the redemption, we recognized a realized loss on extinguishment of debt of \$1.5 million in the second quarter of 2018 related to the write-off of the related unamortized deferred financing costs.

In November 2014, we issued \$175.0 million in aggregate principal amount of 4.50% Notes (the "4.50% Notes due 2019") at an issue price of 99.53%. The 4.50% Notes due 2019 are unsecured

Table of Contents

obligations and rank pari passu with our current and future unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 4.50% Notes due 2019; effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under our Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes due 2019 mature on December 1, 2019, and may be redeemed in whole or in part at any time at our option subject to certain make-whole provisions. The 4.50% Notes due 2019 bear interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year, beginning June 1, 2015. We may from time to time repurchase 4.50% Notes due 2019 in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2018, the outstanding balance of the 4.50% Notes due 2019 was \$175.0 million.

The indenture governing the 4.50% Notes due 2019 (the "4.50% Notes due 2019 Indenture") contains certain covenants, including covenants requiring our compliance with (regardless of whether we are subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act, as well as covenants requiring us to provide financial information to the holders of the 4.50% Notes due 2019 and the Trustee if we cease to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the 4.50% Notes due 2019 Indenture.

In November 2017, we issued \$185.0 million in aggregate principal amount of 4.50% Notes (the "4.50% Notes due 2022") at an issue price of 99.16%. The 4.50% Notes due 2022 are unsecured obligations and rank pari passu with our current and future unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 4.50% Notes due 2022; effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under our Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes due 2022 mature on December 1, 2022, and may be redeemed in whole or in part at any time at our option subject to certain make-whole provisions. The 4.50% Notes due 2022 bear interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year, beginning June 1, 2018. We may from time to time repurchase 4.50% Notes due 2022 in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2018, the outstanding balance of the 4.50% Notes due 2022 was \$185.0 million.

The indenture governing the 4.50% Notes due 2022 (the "4.50% Notes due 2022 Indenture") contains certain covenants, including covenants requiring our compliance with (regardless of whether we are subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act, as well as covenants requiring us to provide financial information to the holders of the 4.50% Notes due 2022 and the Trustee if we cease to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the 4.50% Notes due 2022 Indenture.

We maintain a program with certain selling agents through which we can sell shares of our common stock by means of at-the-market offerings from time to time (the "ATM Program"). During the nine months ended September 30, 2018, we sold 1,901,630 shares of our common stock at a weighted-average price of \$38.48 per share and raised \$73.2 million of gross proceeds under the ATM Program. Net proceeds were \$72.1 million after commissions to the selling agents on shares sold and offering costs. As of September 30, 2018, there were 3,152,858 shares available for sale under the ATM Program.



Table of Contents

During the year ended December 31, 2017, we sold 3,944,972 shares of our common stock at a weighted-average price of \$38.72 per share and raised \$152.8 million of gross proceeds under the ATM Program. Net proceeds were \$150.9 million after commissions to the selling agents on shares sold and offering costs.

We anticipate that we will continue to fund our investment activities through existing cash and cash equivalents, cash flows generated through our ongoing operating activities, utilization of available borrowings under our Credit Facility, and a combination of future issuances of debt and equity capital. Our primary uses of funds will be investments in portfolio companies, operating expenses and cash distributions to holders of our common stock.

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 LMM, Middle Market and Private Loan portfolio investments. Marketable securities and idle funds investments generally consist of debt investments, independently rated debt investments, certificates of deposit with financial institutions, diversified bond funds and publicly traded debt and equity investments.

If our common stock trades below our net asset value per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board of Directors makes certain determinations. We did not seek stockholder authorization to sell shares of our common stock below the then current net asset value per share of our common stock at our 2018 annual meeting of stockholders because our common stock price per share had been trading significantly above the net asset value per share of our common stock since 2011. We would therefore need future approval from our stockholders to issue shares below the then current net asset value per share.

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. In addition, as a BDC, we generally are required to meet a 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%. This requirement limits the amount that we may borrow. In January 2008, we received an exemptive order from the SEC to exclude SBA-guaranteed debt securities issued by MSMF and any other wholly owned subsidiaries of ours which operate as SBICs from the asset coverage requirements of the 1940 Act as applicable to us, which, in turn, enables us to fund more investments with debt capital.

Although we have been able to secure access to additional liquidity, including through the Credit Facility, public debt issuances, leverage available through the SBIC program and equity offerings, 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***

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 supersedes the revenue recognition requirements under ASC 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the ASC. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Under the guidance, an entity is required to perform the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction

Table of Contents

price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance will significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. Additionally, the guidance requires improved disclosures as to the nature, amount, timing and uncertainty of revenue that is recognized. In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which clarified the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, which clarified the implementation guidance regarding performance obligations and licensing arrangements. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606) Narrow-Scope Improvements and Practical Expedients*, which clarified guidance on assessing collectability, presenting sales tax, measuring noncash consideration, and certain transition matters. In December 2016, the FASB issued ASU No. 2016-20, *Revenue from Contracts with Customers (Topic 606) Technical Corrections and Improvements*, which provided disclosure relief, and clarified the scope and application of the new revenue standard and related cost guidance. The guidance is effective for the annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. Substantially all of our income is not within the scope of ASU 2014-09. For those income items that are within the scope (primarily fee income), we have similar performance obligations as compared with deliverables and separate units of account previously identified. As a result, our timing of income recognition remains the same and the adoption of the standard was not material.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to recognize on the balance sheet a right-of-use asset, representing its right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The guidance is effective for annual periods beginning after December 15, 2018, and interim periods therein. Early application is permitted. While we continue to assess the effect of adoption, we currently believe the most significant change relates to the recognition of a new right-of-use asset and lease liability on our consolidated balance sheet for our office space operating lease. We currently have one operating lease for office space and do not expect a significant change in our leasing activity between now and adoption. See further discussion of our operating lease obligation in "Note M Commitments and Contingences" in the notes to the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230)*, which is intended to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance is effective for annual periods beginning after December 15, 2017, and interim periods therein. Early application is permitted. The impact of the adoption of this accounting standard on our consolidated financial statements was not material.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*, which is intended to improve fair value and defined benefit disclosure requirements by removing disclosures that are not cost-beneficial, clarifying disclosures' specific requirements, and adding relevant disclosure requirements. The amendments take effect for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact the adoption of this accounting standard will have on our consolidated financial statements and related disclosures.

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

Table of Contents

recently issued standards and any that are not yet effective will not have a material impact on our consolidated financial statements upon adoption.

***Inflation***

Inflation has not had a significant effect on our results of operations in any of the reporting periods presented herein. However, our portfolio companies have experienced, and may in the future experience, the 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.

***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 balance sheet. At September 30, 2018, we had a total of \$107.2 million in outstanding commitments comprised of (i) 33 investments with commitments to fund revolving loans that had not been fully drawn or term loans with additional commitments not yet funded and (ii) 11 investments with equity capital commitments that had not been fully called.

***Contractual Obligations***

As of September 30, 2018, the future fixed commitments for cash payments in connection with our SBIC debentures, the 4.50% Notes due 2019, the 4.50% Notes due 2022 and rent obligations under our office lease for each of the next five years and thereafter are as follows:

|                                      | 2018     | 2019       | 2020      | 2021      | 2022       | Thereafter | Total      |
|--------------------------------------|----------|------------|-----------|-----------|------------|------------|------------|
| SBIC debentures                      | \$       | \$ 16,000  | \$ 55,000 | \$ 40,000 | \$ 5,000   | \$ 229,800 | \$ 345,800 |
| Interest due on SBIC debentures      |          | 12,738     | 11,819    | 9,260     | 8,248      | 31,186     | 73,251     |
| 4.50% Notes due 2019                 |          | 175,000    |           |           |            |            | 175,000    |
| Interest due on 4.50% Notes due 2019 | 3,938    | 7,875      |           |           |            |            | 11,813     |
| 4.50% Notes due 2022                 |          |            |           |           | 185,000    |            | 185,000    |
| Interest due on 4.50% Notes due 2022 | 4,163    | 8,325      | 8,325     | 8,325     | 8,325      |            | 37,463     |
| Operating Lease Obligation(1)        | 184      | 749        | 763       | 777       | 791        | 4,239      | 7,503      |
| Total                                | \$ 8,285 | \$ 220,687 | \$ 75,907 | \$ 58,362 | \$ 207,364 | \$ 265,225 | \$ 835,830 |

(1) Operating Lease Obligation means a rent payment obligation under a lease classified as an operating lease and disclosed pursuant to FASB ASC 840, as may be modified or supplemented.

As of September 30, 2018, we had \$250.0 million in borrowings outstanding under our Credit Facility, and the Credit Facility is currently scheduled to mature in September 2023. The Credit Facility contains two, one-year extension options which could extend the maturity to September 2025, subject to lender approval. See further discussion of the Credit Facility terms in "Liquidity and Capital Resources - Capital Resources."

***Related Party Transactions***

As discussed further above, the External Investment Manager is treated as a wholly owned portfolio company of MSCC and is included as part of our Investment Portfolio. At September 30, 2018, we had a receivable of approximately \$3.0 million due from the External Investment Manager which included approximately \$1.9 million primarily related to operating expenses incurred by us as



Table of Contents

required to support the External Investment Manager's business and amounts due from the External Investment Manager to Main Street under a tax sharing agreement (see further discussion above in " Critical Accounting Policies Income Taxes") and approximately \$1.1 million of dividends declared but not paid by the External Investment Manager.

In November 2015, our Board of Directors approved and adopted the Main Street Capital Corporation Deferred Compensation Plan (the "2015 Deferred Compensation Plan"). The 2015 Deferred Compensation Plan became effective on January 1, 2016 and replaced the Deferred Compensation Plan for Non-Employee Directors previously adopted by the Board of Directors in June 2013 (the "2013 Deferred Compensation Plan"). Under the 2015 Deferred Compensation Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation and directors' fees, subject to certain limitations. Individuals participating in the 2015 Deferred Compensation Plan receive distributions of their respective balances based on predetermined payout schedules or other events as defined by the plan and are also able to direct investments made on their behalf among investment alternatives permitted from time to time under the plan, including phantom Main Street stock units. As of September 30, 2018, \$5.9 million of compensation and directors' fees had been deferred under the 2015 Deferred Compensation Plan (including amounts previously deferred under the 2013 Deferred Compensation Plan). Of this amount, \$3.3 million was deferred into phantom Main Street stock units, representing 97,344 shares of our common stock. Including phantom stock units issued through dividend reinvestment and net of any shares distributed, the phantom stock units outstanding as of September 30, 2018 represented 116,989 shares of our common stock. Any amounts deferred under the plan represented by phantom Main Street stock units will not be issued or included as outstanding on the consolidated statements of changes in net assets until such shares are actually distributed to the participant in accordance with the plan, but are included in operating expenses and weighted-average shares outstanding in our consolidated statements of operations as earned.

***Recent Developments***

In October 2018, we declared a semi-annual supplemental cash dividend of \$0.275 per share payable in December 2018. This supplemental cash dividend is in addition to the previously announced regular monthly cash dividends that we declared for the fourth quarter of 2018 of \$0.195 per share for each of October, November and December 2018.

During October 2018, we declared regular monthly dividends of \$0.195 per share for each month of January, February and March of 2019. These regular monthly dividends equal a total of \$0.585 per share for the first quarter of 2019 and represent a 2.6% increase from the regular monthly dividends declared for the first quarter of 2018. Including the regular monthly dividends declared for the fourth quarter of 2018 and the first quarter of 2019, we will have paid \$24.820 per share in cumulative dividends since our October 2007 initial public offering.

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

We are subject to financial market risks, including changes in interest rates. Changes in interest rates may affect both our cost of funding 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 rates, including LIBOR and prime rates, to the extent that any debt investments include floating interest rates. The majority of our debt investments are made with either fixed interest rates or floating rates that are subject to contractual minimum interest rates for the term of the investment. As of September 30, 2018, approximately 72% of our debt investment portfolio (at cost) bore interest at floating rates, 93% of which were subject to contractual minimum interest rates. Our interest expense will be affected by changes in the published LIBOR rate in connection with our

Table of Contents

Credit Facility; however, the interest rates on our outstanding SBIC debentures, 4.50% Notes due 2019 and 4.50% Notes due 2022, which comprise the majority of our outstanding debt, are fixed for the life of such debt. As of September 30, 2018, we had not entered into any interest rate hedging arrangements. The following table shows the approximate annualized increase or decrease in the components of net investment income due to hypothetical base rate changes in interest rates, assuming no changes in our investments and borrowings as of September 30, 2018.

| Basis Point Change     | Increase<br>(Decrease)<br>in Interest<br>Income | (Increase)<br>Decrease<br>in Interest<br>Expense | Increase<br>(Decrease) in Net<br>Investment<br>Income | Increase<br>(Decrease) in Net<br>Investment<br>Income per Share |
|------------------------|---|--|---|---|
| (dollars in thousands) |   |  |   |   |
| (50)                   | \$ (6,301)                                      | \$ 1,250   | \$ (5,051)  | \$ (0.08)   |
| (25)                   | (3,172)   | 625  | (2,547)   | (0.04)  |
| 25                     | 3,185   | (625)  | 2,560   | 0.04  |
| 50                     | 6,370   | (1,250)  | 5,120   | 0.08  |
| 100                    | 12,740  | (2,500)  | 10,240  | 0.17  |
| 200                    | 25,480  | (5,000)  | 20,480  | 0.34  |
| 300                    | 38,220  | (7,500)  | 30,720  | 0.50  |
| 400                    | 50,960  | (10,000)   | 40,960  | 0.67  |

The hypothetical results would also be impacted by the changes in the amount of debt outstanding under our Credit Facility (with an increase (decrease) in the debt outstanding under the Credit Facility 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 report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chairman and Chief Executive Officer, our President, our Chief Financial Officer, our Chief Compliance Officer and our 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 Securities Exchange Act of 1934). Based on that evaluation, our Chairman and Chief Executive Officer, our President, our Chief Financial Officer, our Chief Compliance Officer and our 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 Securities Exchange Act of 1934. There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents**PART II OTHER INFORMATION****Item 1. Legal Proceedings**

We 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 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 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 financial condition or results of operations in any future reporting period.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017 that we filed with the SEC on February 23, 2018, and as updated in our registration statement on Form N-2 filed on April 27, 2018.

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

During the three months ended September 30, 2018, we issued 84,699 shares of our common stock under our dividend reinvestment plan. These issuances were not subject to the registration requirements of the Securities Act of 1933, as amended. The aggregate value of the shares of common stock issued during the three months ended September 30, 2018 under the dividend reinvestment plan was approximately \$3.3 million.

**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<br>Number | Description of Exhibit   |
|-------------------|--|
| 14.1              | Code of Business Conduct and Ethics.   |
| 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). |

Table of Contents

**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.

**Main Street Capital Corporation**

Date: November 2, 2018

/s/ VINCENT D. FOSTER

---

Vincent D. Foster  
*Chairman and Chief Executive Officer*  
*(principal executive officer)*

Date: November 2, 2018

/s/ BRENT D. SMITH

---

Brent D. Smith  
*Chief Financial Officer and Treasurer*  
*(principal financial officer)*

Date: November 2, 2018

/s/ SHANNON D. MARTIN

---

Shannon D. Martin  
*Vice President and Chief Accounting Officer*  
*(principal accounting officer)*



**MAIN STREET CAPITAL CORPORATION**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

October 2018

---

**CODE OF BUSINESS CONDUCT AND ETHICS**

**TABLE OF CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| Introduction   | 1           |
| Purpose of the Code                                    | 1           |
| Conflicts of Interest                                  | 1           |
| Corporate Opportunities                                | 2           |
| Confidentiality  | 2           |
| Fair Dealing   | 2           |
| Protection and Proper Use of Company Assets            | 2           |
| Compliance with Applicable Laws, Rules and Regulations | 2           |
| Equal Opportunity, Harassment                          | 3           |
| Political Activities                                   | 3           |
| Loans  | 3           |
| Accuracy of Company Records                            | 4           |
| Retaining Business Communications                      | 4           |
| Media Relations  | 4           |
| Intellectual Property Information                      | 4           |
| Internet and E-mail Policy                             | 5           |
| Reporting Violations and Complaint Handling            | 5           |
| Administration of the Code                             | 5           |
| Sanctions for Code Violations                          | 6           |
| Application/Waivers                                    | 6           |
| Revisions and Amendments                               | 6           |

**Appendices**

Code Acknowledgment

A-1

## CODE OF BUSINESS CONDUCT AND ETHICS

### Introduction

Ethics are important to Main Street Capital Corporation ("*Main Street*" or the "*Company*") and to its management. Main Street is committed to the highest ethical standards and to conducting its business with the highest level of integrity. This code of business conduct and ethics (the "*Code*") has been adopted by Main Street in order to establish applicable policies, guidelines, and procedures that promote ethical practices and conduct by Main Street and all its employees, officers, and directors.

All officers, directors and employees of Main Street are responsible for maintaining this level of integrity and for complying with the policies contained in this Code. If you have a question or concern about what is proper conduct for you or anyone else, please raise these concerns with any member of management, or follow the procedures outlined in applicable sections of this Code.

### Purpose of the Code

This Code is intended to:

help you recognize ethical issues and take the appropriate steps to resolve these issues;

deter ethical violations and avoid any abuse of position of trust and responsibility;

maintain confidentiality of our business activities;

assist you in complying with applicable securities laws;

assist you in reporting any unethical or illegal conduct; and

reaffirm and promote our commitment to a corporate culture that values honesty and accountability.

All employees, as a condition of employment or continued employment, will acknowledge in writing that they have received a copy of this Code, read it, and understand that the Code contains our expectations regarding their conduct. All employees will receive any updates and updated versions of this Code and will be required to read and acknowledge such updates.

### Conflicts of Interest

You must avoid any conflict, or the appearance of a conflict, between your personal interests and our interests. A conflict exists when your personal interest in any way interferes with our interests, or when you take any action or have any interest that may make it difficult for you to perform your job objectively and effectively. For example, a conflict of interest probably exists if:

you cause us to enter into business relationships with you or a member of your family, or invest in companies affiliated with you or a member of your family;

you use any non-public information about us, our customers or our other business partners for your personal gain, or the gain of a member of your family; or

Edgar Filing: Main Street Capital CORP - Form 497

you use or communicate confidential information obtained in the course of your work for your or another's personal benefit.

### **Corporate Opportunities**

Each of us has a duty to advance the legitimate interests of Main Street when the opportunity to do so presents itself. Therefore, you may not:

take for yourself personally opportunities, including investment opportunities, discovered through the use of your position with us, or through the use of our property or information;

use our property, information, or position for your personal gain or the gain of a family member; or

compete, or prepare to compete, with us.

### **Confidentiality**

You must not disclose confidential information regarding us, our affiliates, our lenders, our clients, or our other business partners, unless disclosure is authorized or required by law. Confidential information includes all non-public information that might be harmful to, or useful to the competitors of, Main Street, our affiliates, our lenders, our clients, or our other business partners. Even after you leave Main Street, this obligation continues until the information becomes publicly available.

### **Fair Dealing**

You must endeavor to deal fairly with our customers, suppliers and business partners, or any other companies or individuals with whom we do business or come into contact with, including fellow employees and our competitors. You must not take unfair advantage of these or other parties by means of:

manipulation;

concealment;

abuse of privileged information;

misrepresentation of material facts; or

any other unfair-dealing practice.

### **Protection and Proper Use of Company Assets**

Our assets are to be used only for legitimate business purposes. You should protect our assets and ensure that they are used efficiently.

Incidental personal use of telephones, fax machines, copy machines, personal computers and similar equipment is generally allowed if there is no significant added cost to us, it does not interfere with your work duties, and is not related to an illegal activity or to any outside business.

### **Compliance with Applicable Laws, Rules and Regulations**

## Edgar Filing: Main Street Capital CORP - Form 497

Each of us has a duty to comply with all laws, rules and regulations that apply to our business. Highlighted below are some of the key compliance guidelines that must be followed.

**Insider trading.** It is against the law to buy or sell securities using material information that is not available to the public. Individuals who give this "inside" information to others may be liable to the same extent as the individuals who trade while in possession of such information. You must not trade in our securities, or the securities of our affiliates, our lenders, our clients, or our other business partners while in the possession of "inside" information. All employees are required to be familiar and comply with our Insider Trading Policy and Procedures.

**"Whistleblower" protections.** It is against the law to discharge, demote, suspend, threaten, harass, or discriminate in any manner against an employee who provides information or otherwise assists in investigations or proceedings relating to violations of federal securities laws or other federal laws prohibiting fraud against stockholders. You must not discriminate in any way against an employee who engages in these "whistleblower" activities.

**Investment Company Act requirements.** A separate code of ethics has been established to comply with the Investment Company Act of 1940 and is applicable to those persons designated in such code.

**Document Retention.** You must adhere to appropriate procedures governing the retention and destruction of records consistent with applicable laws, regulations and our policies. You may not destroy, alter or falsify any document that may be relevant to a threatened or pending lawsuit or governmental investigation.

Please talk to our Chief Compliance Officer if you have any questions about how to comply with the above regulations and other laws, rules and regulations.

In addition, we expect you to comply with all of our policies and procedures that apply to you. We may modify or update our policies and procedures in the future, and may adopt new policies and procedures from time to time. You are also expected to observe the terms of any confidentiality agreement, employment agreement or other similar agreement that applies to you.

### **Equal Opportunity, Harassment**

We are committed to providing equal opportunity in all of our employment practices including selection, hiring, promotion, transfer, and compensation of all qualified applicants and employees without regard to race, color, sex or gender, gender identity, sexual orientation, religion, age, national origin, handicap, disability, citizenship status, or any other status protected by law. With this in mind, there are certain behaviors that will not be tolerated. These include harassment, violence, intimidation, and discrimination of any kind involving race, color, religion, gender, gender identity, sexual orientation, age, national origin, citizenship status, handicap, disability, marital status, or any other status protected by law.

### **Political Activities**

Main Street encourages its employees to be actively involved in the civic affairs of the communities in which they live. When speaking on public issues, however, employees should do so only as individual citizens of the community and must be careful not to create the impression that they are acting for, or representing the views of, Main Street. Additionally, Main Street and its employees are prohibited from making any contribution or giving a gift to a state or local political candidate, official, party or organization that would be prohibited by applicable law. In order for the Company to determine whether a gift or political contribution may be prohibited, employees are required to provide advance notice to the Chief Compliance Officer in advance of a proposed contribution.

The Chief Compliance Officer retains discretion to monitor all business activities between the Company and the provider or recipient of any gift or political contribution in connection with this policy. Any questions regarding this policy or the application of this policy should be directed to the Chief Compliance Officer or Chief Executive Officer.

### **Loans**

No employee may borrow funds from or become indebted to any person, business or company having business dealings or a relationship with Main Street, except with respect to customary personal loans (*e.g.*, home mortgage loans, automobile loans, lines of credit, etc.), unless the arrangement is

## Edgar Filing: Main Street Capital CORP - Form 497

disclosed in writing and receives prior written approval from the Chief Compliance Officer of the Company. No employee may use the Company's name, position in a particular market or goodwill to receive any benefit on loan transactions without the prior express written consent of the Chief Compliance Officer of the Company.

### **Accuracy of Company Records**

We require honest and accurate recording and reporting of information in order to make responsible business decisions. This includes such data as quality, safety, and personnel records, as well as financial records.

All financial books, records and accounts must accurately reflect transactions and events, and conform both to required accounting principles and to our system of internal controls. No false or artificial entries may be made.

### **Retaining Business Communications**

The law requires us to maintain certain types of corporate records, usually for specified periods of time. Failure to retain those records for those minimum periods could subject us to penalties and fines, cause the loss of rights, obstruct justice, place us in contempt of court, or seriously disadvantage us in litigation.

From time to time we establish retention or destruction policies in order to ensure legal compliance. We expect you to fully comply with any published records retention or destruction policies, provided that you should note the following exception: If you believe, or we inform you, that our records are relevant to any litigation or governmental action, or any potential litigation or action, then you must preserve those records until we determine the records are no longer needed. This exception supersedes any previously or subsequently established destruction policies for those records. If you believe that this exception may apply, or have any questions regarding the possible applicability of that exception, please contact our Chief Compliance Officer.

### **Media Relations**

We must speak with a unified voice in all dealings with the press and other media. As a result, our Chief Executive Officer, President, Chief Financial Officer, Executive Chairman or other designated persons will serve as our contact persons for media seeking information about Main Street. Any requests from the media must be referred to our Chief Executive Officer, President, Chief Financial Officer, Executive Chairman or other designated persons.

### **Intellectual Property Information**

Information generated in our business is a valuable asset. Protecting this information plays an important role in our growth and ability to compete. Such information includes business and research plans; objectives and strategies; trade secrets; unpublished financial information; salary and benefits data; lender and other business partner lists. Employees who have access to our intellectual property information are obligated to safeguard it from unauthorized access and:

not disclose this information to persons outside of Main Street;

not use this information for personal benefit or the benefit of persons outside of Main Street; and

not share this information with other employees except on a legitimate "need to know" basis.



### **Internet and E-Mail Policy**

We provide an e-mail system and Internet access to our employees to help them do their work. You may use the e-mail system and the Internet only for legitimate business purposes in the course of your duties. Incidental and occasional personal use is permitted, but never for personal gain or any improper use. Further, you are prohibited from discussing or posting information regarding Main Street in any external electronic forum, including Internet chat rooms or electronic bulletin boards or social media sites.

### **Reporting Violations and Complaint Handling**

You are responsible for compliance with the rules, standards and principles described in this Code. In addition, you should be alert to possible violations of the Code by Main Street's employees, officers and directors, and you are expected to report a violation promptly. Normally, reports should be made to one's immediate supervisor. Under some circumstances, it may be impractical or you may feel uncomfortable raising a matter with your supervisor. In those instances, you are encouraged to report through the Company's employee hotline or contact our Chief Compliance Officer who will investigate and report the matter to our Chief Executive Officer and/or Board of Directors, as the circumstance dictates. You will also be expected to cooperate in an investigation of a violation.

Anyone who has a concern about our conduct, the conduct of an officer of Main Street or our accounting, internal accounting controls or auditing matters, may communicate that concern through the Company's employee hotline or to the Audit Committee of the Board of Directors by direct communication with our Chief Compliance Officer or by email or in writing. All reported concerns shall be forwarded to the Audit Committee and will be simultaneously addressed by our Chief Compliance Officer in the same way that other concerns are addressed by us. The status of all outstanding concerns forwarded to the Audit Committee will be reported on a quarterly basis by our Chief Compliance Officer. The Audit Committee may direct that certain matters be presented to the full board and may also direct special treatment, including the retention of outside advisors or counsel, for any concern reported to it.

All reports will be investigated and whenever possible, requests for confidentiality shall be honored. And, while anonymous reports will be accepted, please understand that anonymity may hinder or impede the investigation of a report. All cases of questionable activity or improper actions will be reviewed for appropriate action, discipline or corrective actions. Whenever possible, we will keep confidential the identity of employees, officers or directors who are accused of violations, unless or until it has been determined that a violation has occurred.

**There will be no reprisal, retaliation or adverse action taken against any employee who, in good faith, reports or assists in the investigation of, a violation or suspected violation, or who makes an inquiry about the appropriateness of an anticipated or actual course of action. For the avoidance of doubt, nothing in this Code shall be interpreted as impeding an employee from communicating directly with the staff of the Securities and Exchange Commission about suspected securities law violations.**

In the case of a confidential, anonymous submission, employees should communicate their concerns through the Company's employee hotline or in writing and forward them in a sealed envelope to the Chair of the Audit Committee, in care of our Chief Compliance Officer, such envelope to be labeled with a legend such as: "To be opened by the Audit Committee only."

### **Administration of the Code**

The Chief Compliance Officer has overall responsibility for administering the Code and reporting on the administration of and compliance with the Code and related matters to our Board of Directors.

**Sanctions for Code Violations**

All violations of the Code will result in appropriate corrective action, up to and including dismissal. If the violation involves potentially criminal activity, the individual or individuals in question will be reported, as warranted, to the appropriate authorities.

**Application/Waivers**

All of our directors, officers and employees are subject to this Code.

Any amendment or waiver of the Code for an executive officer or member of our Board of Directors must be made by our Board of Directors and will be publicly disclosed in the manner required pursuant to Item 5.05 of Form 8-K.

**Revisions and Amendments**

This Code may be revised, changed or amended at any time by our Board of Directors. Following any material revisions or updates, an updated version of this Code will be distributed to you, and will supersede the prior version of this Code effective upon distribution. We may ask you to sign an acknowledgement confirming that you have read and understood the revised version of the Code, and that you agree to comply with the provisions.

**APPENDIX A**

**Main Street Capital Corporation**

**Acknowledgment Regarding  
Code of Business Conduct and Ethics**

*This acknowledgment is to be signed and returned to our Chief Compliance Officer and will be retained as part of your permanent personnel file.*

I have received a copy of Main Street Capital Corporation's Code of Business Conduct and Ethics, read it, and understand that the Code contains the expectations of Main Street Capital Corporation regarding conduct. I agree to observe the policies and procedures contained in the Code of Business Conduct and Ethics and have been advised that, if I have any questions or concerns relating to such policies or procedures, I understand that I have an obligation to report to the Audit Committee, Chairman or President or other such designated officer, any suspected violations of the Code of which I am aware. I also understand that the Code is issued for informational purposes and that it is not intended to create, nor does it represent, a contract of employment.

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Date Received: \_\_\_\_\_

Reviewed By: \_\_\_\_\_  
Date

*The failure to read and/or sign this acknowledgment in no way relieves you of your responsibility to comply with Main Street Capital Corporation's Code of Business Conduct and Ethics.*

I, Vincent D. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2018 of Main Street Capital Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this November 2, 2018.

By:           /s/ VINCENT D. FOSTER

Vincent D. Foster

*Chairman and Chief Executive Officer*

---

I, Brent D. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2018 of Main Street Capital Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this November 2, 2018.

By:           /s/ BRENT D. SMITH

Brent D. Smith

*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 Quarterly Report of Main Street Capital Corporation (the "Registrant") on Form 10-Q for the quarter ended September 30, 2018 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Vincent D. Foster, the Chairman and 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/ VINCENT D. FOSTER

\_\_\_\_\_  
Name: Vincent D. Foster  
Date: November 2, 2018

---



**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 Quarterly Report of Main Street Capital Corporation (the "Registrant") on Form 10-Q for the quarter ended September 30, 2018 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Brent D. Smith, 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/ BRENT D. SMITH

\_\_\_\_\_  
Name: Brent D. Smith  
Date: November 2, 2018

---