

Main Street Capital CORP
Form 497
April 18, 2019

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[AUDITED FINANCIAL STATEMENTS](#)

[TABLE OF CONTENTS](#)

[INDEX TO FINANCIAL STATEMENTS](#)

[Table of Contents](#)

Filed Pursuant to Rule 497
Registration Statement No. 333-223483

PROSPECTUS SUPPLEMENT
(to Prospectus dated April 27, 2018)

\$250,000,000

5.20% Notes due 2024

We are offering \$250,000,000 in aggregate principal amount of 5.20% notes due 2024, which we refer to as the Notes. The Notes will mature on May 1, 2024. We will pay interest on the Notes on May 1 and November 1 of each year, beginning on November 1, 2019. We may redeem the Notes in whole or in part at any time or from time to time, at the redemption price set forth under the caption "Description of the Notes - Optional Redemption" in this prospectus supplement. In addition, holders of the Notes can require us to repurchase some or all of the Notes at a purchase price equal to 100% of their principal amount, plus accrued and unpaid interest to, but not including, the repurchase date upon the occurrence of a "Change of Control Repurchase Event" (as defined herein). The Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The Notes will be our direct unsecured obligations and rank *pari passu* with our existing and future unsecured indebtedness but will rank senior to our future indebtedness that is expressly subordinated in right of payment to the Notes issued by Main Street Capital Corporation. See "Summary of the Offering - Ranking of Notes."

We are 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. 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.

The LMM and Middle Market securities in which we invest generally would be rated below investment grade if they were rated by rating agencies. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be difficult to value and are illiquid.

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.

Edgar Filing: Main Street Capital CORP - Form 497

We are an internally managed, closed-end, non-diversified management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended.

Investing in the Notes involves a high degree of risk and should be considered highly speculative. See "Supplementary Risk Factors" beginning on page S-10 of this prospectus supplement and "Risk Factors" beginning on page 15 of the accompanying prospectus to read about factors you should consider, including the risk of leverage, before investing in the Notes.

This prospectus supplement and the accompanying prospectus contain important information about us that a prospective investor should know before investing in our Notes. Please read this prospectus supplement and the accompanying prospectus before investing and keep them for future reference. We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. This information is available free of charge by contacting us at 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056 or by telephone at (713) 350-6000 or on our website at www.mainstreetcapital.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus. The SEC also maintains a website at www.sec.gov that contains such information.

Neither the Securities and Exchange Commission nor any state securities commission, nor any other regulatory body, has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price	99.125%	\$247,812,500
Underwriting discount (sales load)	0.65%	\$1,625,000
Proceeds to Main Street Capital Corporation (before estimated expenses of \$350,000)	98.475%	\$246,187,500

The public offering price set forth above does not include accrued interest, if any. Interest on the Notes will accrue from April 23, 2019 and must be paid by the purchaser if the Notes are delivered after April 23, 2019.

THE NOTES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

Delivery of the Notes in book-entry form only through The Depository Trust Company will be made on or about April 23, 2019.

Joint Book-Running Managers

RBC Capital Markets

Goldman Sachs & Co. LLC

BB&T Capital Markets
Co-Managers

Raymond James

Comerica Securities

TCB Capital Markets

The date of this prospectus supplement is April 17, 2019.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>Prospectus Summary</u>	<u>S-1</u>
<u>Summary of the Offering</u>	<u>S-6</u>
<u>Supplementary Risk Factors</u>	<u>S-10</u>
<u>Use of Proceeds</u>	<u>S-16</u>
<u>Capitalization</u>	<u>S-17</u>
<u>Selected Financial Data</u>	<u>S-18</u>
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>S-20</u>
<u>Management</u>	<u>S-47</u>
<u>Certain Relationships and Related Party Transactions</u>	<u>S-75</u>
<u>Control Persons and Principal Stockholders</u>	<u>S-75</u>
<u>Description of the Notes</u>	<u>S-78</u>
<u>Certain U.S. Federal Income Tax Consequences</u>	<u>S-89</u>
<u>Underwriting (Conflicts of Interest)</u>	<u>S-95</u>
<u>Legal Matters</u>	<u>S-99</u>
<u>Independent Registered Public Accounting Firm</u>	<u>S-99</u>
<u>Available Information</u>	<u>S-99</u>
<u>Audited Financial Statements</u>	<u>S-100</u>

Prospectus

	Page
<u>Prospectus Summary</u>	<u>1</u>
<u>Fees and Expenses</u>	<u>13</u>
<u>Risk Factors</u>	<u>15</u>
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	<u>42</u>
<u>Use of Proceeds</u>	<u>43</u>
<u>Price Range of Common Stock and Distributions</u>	<u>44</u>
<u>Ratios of Earnings to Fixed Charges</u>	<u>50</u>
<u>Selected Financial Data</u>	<u>51</u>
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>53</u>
<u>Senior Securities</u>	<u>79</u>
<u>Business</u>	<u>80</u>
<u>Portfolio Companies</u>	<u>93</u>
<u>Management</u>	<u>121</u>
<u>Certain Relationships and Related Party Transactions</u>	<u>148</u>
<u>Control Persons and Principal Stockholders</u>	<u>148</u>
<u>Sales of Common Stock Below Net Asset Value</u>	<u>151</u>
<u>Dividend Reinvestment and Direct Stock Purchase Plan</u>	<u>156</u>
<u>Description of Common Stock</u>	<u>157</u>
<u>Description of Our Preferred Stock</u>	<u>164</u>
<u>Description of Our Subscription Rights</u>	<u>165</u>
<u>Description of Our Debt Securities</u>	<u>166</u>
<u>Material U.S. Federal Income Tax Considerations</u>	<u>180</u>
<u>Regulation</u>	<u>188</u>
<u>Plan of Distribution</u>	<u>194</u>
<u>Custodian, Transfer and Distribution Paying Agent and Registrar</u>	<u>195</u>
<u>Brokerage Allocation and Other Practices</u>	<u>195</u>
<u>Legal Matters</u>	<u>196</u>

Edgar Filing: Main Street Capital CORP - Form 497

<u>Independent Registered Public Accounting Firm</u>	<u>196</u>
<u>Available Information</u>	<u>196</u>
<u>Privacy Notice</u>	<u>196</u>
<u>Index to Financial Statements</u>	<u>F-1</u>

Table of Contents

ABOUT THE PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of Notes and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which provides more information about the securities we may offer from time to time. To the extent the information contained in this prospectus supplement differs from the information contained in the accompanying prospectus, the information in this prospectus supplement shall control.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized any other person to provide you with different information from that contained in this prospectus supplement or the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to buy, any Notes by any person in any jurisdiction where it is unlawful for that person to make such an offer or solicitation or to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation. The information contained in this prospectus supplement and the accompanying prospectus is complete and accurate only as of their respective dates, regardless of the time of their delivery or sale of our Notes. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information different from or additional to the information in that prospectus.

Forward-Looking Statements

Information contained in this prospectus supplement and the accompanying prospectus may contain forward-looking statements, which can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," or "continue" or the negative thereof or other variations thereon or comparable terminology. The matters described in the sections titled "Supplementary Risk Factors" in this prospectus supplement and "Risk Factors" in the accompanying prospectus and certain other factors noted throughout this prospectus supplement and the accompanying prospectus constitute cautionary statements identifying important factors with respect to any such forward-looking statements, including certain risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We undertake no obligation to revise or update any forward-looking statements but advise you to consult any additional disclosures that we may make directly to you or through reports that we may file in the future with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. We note that the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995 does not apply to statements made in this prospectus supplement or the accompanying prospectus.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. To understand the terms of the Notes offered hereby, you should read the entire prospectus supplement and the accompanying prospectus carefully. Together, these documents describe the specific terms of the Notes we are offering. You should carefully read the sections titled "Supplementary Risk Factors," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Audited Financial Statements" in this prospectus supplement and the documents identified in the section titled "Available Information" in this prospectus supplement, as well as the section titled "Risk Factors" in the accompanying prospectus.

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

Table of Contents

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.

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.

Table of Contents

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 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.

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 regulatory regimes (see "Regulation" in the accompanying prospectus). 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.

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.

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 receive performance-based fee compensation from HMS Income, this may provide it an incentive to

Table of Contents

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.

You should be aware that investments in our portfolio companies carry a number of risks including, but not limited to, investing in companies which may have limited operating histories and financial resources and other risks common to investing in below investment grade debt and equity investments in private, smaller companies. Please see "Risk Factors Risks Related to Our Investments" in the accompanying prospectus for a more complete discussion of the risks involved with investing in our portfolio companies.

Our principal executive offices are located at 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056, and our telephone number is (713) 350-6000. We maintain a website at <http://www.mainstcapital.com>. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus.

Business Strategies

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. We have adopted the following business strategies to achieve our investment objective. Please see "Business Business Strategies" in the accompanying prospectus for a more complete discussion of our business strategies.

Deliver Customized Financing Solutions in the Lower Middle Market. We offer LMM portfolio companies customized debt and equity financing solutions that are tailored to the facts and circumstances of each situation.

Focus on Established Companies. We generally invest in companies with established market positions, experienced management teams and proven revenue streams.

Leverage the Skills and Experience of Our Investment Team. Our investment team has significant experience in lending to and investing in LMM and Middle Market companies.

Invest Across Multiple Companies, Industries, Regions and End Markets. We seek to maintain a portfolio of investments that is appropriately balanced among various companies, industries, geographic regions and end markets.

Capitalize on Strong Transaction Sourcing Network. Our investment team seeks to leverage its extensive network of referral sources for portfolio company investments.

Benefit from Lower, Fixed, Long-Term Cost of Capital. The SBIC licenses held by the Funds have allowed them to issue SBA-guaranteed debentures. SBA-guaranteed debentures carry long-term fixed interest rates that are generally lower than interest rates on comparable bank loans and other debt.

Investment Criteria

Our investment team has identified the following investment criteria that it believes are important in evaluating prospective portfolio companies. Our investment team uses these criteria in evaluating investment opportunities. However, not all of these criteria have been, or will be, met in connection with each of our investments. Please see "Business Investment Criteria" in the accompanying prospectus for a more complete discussion of our investment criteria.

Table of Contents

Proven Management Team with Meaningful Equity Stake. We look for operationally-oriented management with direct industry experience and a successful track record. In addition, we expect the management team of each LMM portfolio company to have meaningful equity ownership in the portfolio company to better align our respective economic interests.

Established Companies with Positive Cash Flow. We seek to invest in established companies with sound historical financial performance.

Defensible Competitive Advantages/Favorable Industry Position. We primarily focus on companies having competitive advantages in their respective markets and/or operating in industries with barriers to entry, which may help to protect their market position and profitability.

Exit Alternatives. We exit our debt investments primarily through the repayment of our investment from internally generated cash flow of the portfolio company and/or a refinancing. In addition, we seek to invest in companies whose business models and expected future cash flows may provide alternate methods of repaying our investment, such as through a strategic acquisition by other industry participants or a recapitalization.

Recent Developments

In January 2019, we led a new portfolio investment to facilitate the minority recapitalization of Centre Technologies, Inc. ("Centre"), a premier provider of IT hardware, software and service solutions. We, along with our co-investors, partnered with Centre's founder and Chief Executive Officer and management team to facilitate the transaction, with us funding \$18.1 million in a combination of first-lien, senior secured term debt and a direct equity investment. Headquartered in Houston, Texas, and founded in 2006, Centre has established itself as a mission critical IT solutions provider offering a full suite of solutions including managed and hosted services, value-added sourcing and integration, and project services.

In January 2019, we led a new portfolio investment to facilitate the management buyout of CompareNetworks Inc. ("CompareNetworks"), a leading provider of media, marketing and technology solutions that drive revenue for life science and healthcare product manufacturers. We, along with our co-investors, partnered with CompareNetworks' founders and management team to facilitate the transaction, with us funding \$10.7 million in a combination of first-lien, senior secured term debt and a direct equity investment. Headquartered in South San Francisco, California, and founded in 2000, CompareNetworks provides life scientists, researchers, lab-based professionals, pharmaceutical professionals and healthcare professionals with digital tools and information resources to research, identify and determine which products and technologies to use.

In January 2019, we fully exited our equity investment in Boss Industries, LLC ("Boss"). Boss markets, designs and manufacturers vehicle-mounted, and portable air compressor and generator systems utilized in municipal and utility services, energy product and industrial services. We realized a gain of approximately \$4.0 million on the exit of our equity investment in Boss.

During February 2019, we declared regular monthly dividends of \$0.200 per share for each month of April, May and June 2019. These regular monthly dividends equal a total of \$0.600 per share for the second quarter of 2019 and represent a 5.3% increase from the dividends declared for the second quarter of 2018. Including the dividends declared for the second quarter of 2019, we will have paid \$25.420 per share in cumulative dividends since our October 2007 initial public offering.

Table of Contents**SUMMARY OF THE OFFERING**

This prospectus supplement sets forth certain terms of the Notes that we are offering pursuant to this prospectus supplement and supplements the accompanying prospectus that is attached to the back of this prospectus supplement. You should read this section of the prospectus supplement together with the more general description of the Notes under the heading "Description of the Notes" in this prospectus supplement and in the accompanying prospectus under the heading "Description of Our Debt Securities" before investing in the Notes. Capitalized terms used in this prospectus supplement and not otherwise defined shall have the meanings ascribed to them in the accompanying prospectus or in the indenture governing the Notes.

Issuer	Main Street Capital Corporation
Title of the securities	5.20% Notes due 2024
Aggregate principal amount being offered	\$250,000,000
Initial public offering price	99.125% of the aggregate principal amount
Principal payable at maturity	100% of the aggregate principal amount; the principal amount of each Note will be payable on its stated maturity date at the office of the Trustee, Paying Agent, Registrar and Transfer Agent for the Notes or at such other office in New York City as we may designate.
Interest rate	5.20% per year
Yield to maturity	5.401%
Trade date	April 17, 2019
Maturity date	May 1, 2024
Day count basis	360-day year of twelve 30-day months
Date interest starts accruing	April 23, 2019
Interest payment dates	Every May 1 and November 1, commencing November 1, 2019. If an interest payment date is a non-business day, the applicable interest payment will be made on the next business day, and no additional interest will accrue as a result of such delayed payment.
Ranking of Notes	The Notes will be our direct unsecured obligations and will rank:

pari passu with our existing and future general unsecured and senior unsecured indebtedness, including (i) our 4.50% Notes due 2019 (the "4.50% Notes due 2019") of which approximately \$175.0 million was outstanding as of April 12, 2019 and (ii) our 4.50% Notes due 2022 (the "4.50% Notes due 2022") of which approximately \$185.0 million was outstanding as of April 12, 2019;

senior to any of our future indebtedness that expressly states it is subordinated to the Notes;

Table of Contents

effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured, but to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, including without limitation, borrowings under our credit facility, or the Credit Facility; and

structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles or similar facilities, including without limitation, the Funds' SBIC debentures.

Denominations

We will issue the Notes in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Optional redemption

We may redeem in whole or in part at any time, or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the Notes to be redeemed, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) using the applicable Treasury Rate (as defined in "Description of the Notes") plus 45 basis points, plus, in each case, accrued and unpaid interest to, but excluding, the redemption date.

Sinking fund

The Notes will not be subject to any sinking fund.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event (as defined in "Description of the Notes") occurs prior to maturity, holders will have the right, at their option, to require us to repurchase for cash some or all of the Notes at a repurchase price equal to 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date.

Defeasance

The Notes are subject to legal and covenant defeasance by us.

Form of Notes

The Notes will be represented by global securities that will be deposited and registered in the name of The Depository Trust Company, or DTC, or its nominee. This means that, except in limited circumstances, you will not receive certificates for the Notes. Beneficial interests in the Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Notes through either DTC, if they are a participant, or indirectly through organizations that are participants in DTC.

Trustee, Paying Agent, Registrar and Transfer Agent

The Bank of New York Mellon Trust Company, N.A.

Table of Contents

Events of default If an event of default (as described herein under "Description of the Notes") on the Notes occurs, the principal amount of the Notes, plus accrued and unpaid interest, may be declared immediately due and payable, subject to conditions set forth in the indenture.

Other covenants In addition to any covenants described elsewhere in this prospectus supplement or the accompanying prospectus, the following covenants shall apply to the Notes:

We agree that for the period of time during which the Notes are outstanding, we will not violate Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt or the sale of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 200% (or 150% if certain requirements are met) after such borrowings. See "Risk Factors Risks Relating to Our Business and Structure Recent legislation may allow us to incur additional leverage" in the accompanying prospectus.

If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, to file any periodic reports with the SEC, we agree to furnish to holders of the Notes and the Trustee, for the period of time during which the Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable United States generally accepted accounting principles, or U.S. GAAP.

Further issuances We have the ability to issue additional debt securities under the indenture with terms different from the Notes and, without the consent of the holders thereof, to reopen the Notes and issue additional Notes.

No Established Trading Market The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or quoted on any automated dealer quotation system. Although certain of the underwriters have informed us that they intend to make a market in the Notes, they are not obligated to do so, and may discontinue any such market at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.

Table of Contents

Use of proceeds

We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our Credit Facility. However, through re-borrowing of the initial repayments under our Credit Facility, we intend to use the net proceeds from this offering to make investments in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus, to make investments in marketable securities and idle funds investments, which may include investments in secured intermediate term bank debt, rated debt securities and other income producing investments, to pay our operating expenses and other cash obligations, and for general corporate purposes. On April 12, 2019, we had approximately \$293.0 million outstanding under our Credit Facility. Our Credit Facility matures in September 2023, unless extended, and bears interest, at our election, on a per annum basis equal to the applicable LIBOR rate plus (A) 1.875% (or the applicable base rate plus 0.875%) so long as we meet certain agreed upon excess collateral and maximum leverage requirements or (B) 2.0% (or the applicable base rate plus 1.0%) if we do not meet certain agreed upon excess collateral and maximum leverage requirements. Amounts repaid under our Credit Facility will remain available for future borrowings. See "Use of Proceeds" below.

S-9

Table of Contents

SUPPLEMENTARY RISK FACTORS

Investing in the Notes involves a number of significant risks. In addition to the other information contained in this prospectus supplement and the accompanying prospectus, you should carefully consider the following supplementary risk factors together with the risk factors set forth in the accompanying prospectus before making an investment in the Notes. The risks set out below and in the accompanying prospectus are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the events described herein or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, the market price, if any, of the Notes could decline, and you may lose part or all of your investment.

Risks Relating to Economic Conditions

Global capital markets could enter a period of severe disruption and instability. These conditions have historically affected and could again materially and adversely affect debt and equity capital markets in the United States, which could have a materially negative impact on our business, financial condition and results of operations.

The U.S. and global capital markets have, from time to time, experienced periods of disruption characterized by the freezing of available credit, a lack of liquidity in the debt capital markets, significant losses in the principal value of investments, the re-pricing of credit risk in the broadly syndicated credit market, the failure of major financial institutions and general volatility in the financial markets. During these periods of disruption, general economic conditions deteriorated with material and adverse consequences for the broader financial and credit markets, and the availability of debt and equity capital for the market as a whole, and financial services firms in particular, was reduced significantly. These conditions may reoccur for a prolonged period of time or materially worsen in the future. In addition, continuing uncertainty arising from the United Kingdom's decision to leave the European Union (the so called "Brexit") could lead to further market disruptions and currency volatility, potentially weakening consumer, corporate and financial confidence and resulting in lower economic growth for companies that rely significantly on Europe for their business activities and revenues. We may in the future have difficulty accessing debt and equity capital markets, and a severe disruption in the global financial markets, deterioration in credit and financing conditions or uncertainty regarding U.S. government spending and deficit levels, Brexit or other global economic conditions could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Our Business and Structure

We are dependent upon our key investment personnel for our future success.

We depend on the members of our investment team, particularly Dwayne L. Hyzak, David L. Magdol, Vincent D. Foster, Curtis L. Hartman, K. Colton Braud, III, Nicholas T. Meserve, Samuel A. Cashiola and Watt R. Matthews, for the identification, review, final selection, structuring, closing and monitoring of our investments. These employees have significant investment expertise and relationships that we rely on to implement our business plan. Although we have entered into a non-compete agreement with Mr. Foster and non-compete arrangements with all of our executive officers and other key employees in connection with their restricted stock grants, we have no guarantee that he or any other employees will remain employed with us. If we lose the services of these individuals, we may not be able to operate our business as we expect, and our ability to compete could be harmed, which could cause our operating results to suffer.

Table of Contents

We, through the External Investment Manager, derive revenues from managing third party funds pursuant to management agreements that may be terminated pursuant to the terms of such agreements or requirements under the 1940 Act.

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, including HMS Income. The terms of fund investment management agreements generally give the manager of the fund and the fund itself the right to terminate the management agreement in certain circumstances. With respect to funds that are not exempt from regulation under the 1940 Act, the fund's investment management agreement must be approved annually by (a) such fund's board of directors or by the vote of a majority of such fund's stockholders and (b) the majority of the independent members of such fund's board of directors and, in certain cases, by its stockholders, as required by law. The funds' investment management agreements can also be terminated by the majority of such fund's stockholders. Termination of any such management agreements would reduce the fees we earn from the relevant funds through the External Investment Manager, which could have a material adverse effect on our results of operations. Currently, HMS Income, an investment company that has elected to be regulated as a business development company under the 1940 Act, is subject to these provisions of the 1940 Act.

Risks Relating to the Notes

The Notes will be unsecured and therefore will be effectively subordinated to any current or future secured indebtedness, including indebtedness under the Credit Facility.

The Notes will not be secured by any of our assets or any of the assets of our subsidiaries and will rank equally in right of payment with all of our existing and future unsubordinated, unsecured indebtedness. As a result, the Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have currently incurred and may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Notes. As of April 12, 2019, we had \$293.0 million outstanding under the Credit Facility out of \$705.0 million in commitments. The indebtedness under the Credit Facility is senior to the Notes to the extent of the value of the assets securing such indebtedness.

The Notes will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The Notes are obligations exclusively of Main Street Capital Corporation and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the Notes, and the Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. In addition, several of our subsidiaries, specifically the Funds, maintain significant indebtedness and as a result the Notes are structurally subordinated to the indebtedness of these subsidiaries. For example, as of April 12, 2019, the Funds had collectively issued \$321.8 million of the current regulatory maximum of \$350.0 million of SBA-guaranteed debentures, which are included in our consolidated financial statements. The assets of such subsidiaries are not directly available to satisfy the claims of our creditors, including holders of the Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources" in this prospectus supplement for more detail on the SBA-guaranteed debentures.

Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of other creditors of our subsidiaries will have priority over our equity interests in such subsidiaries (and

Table of Contents

therefore the claims of our creditors, including holders of the Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the Notes will be structurally subordinated to all indebtedness, including the SBA-guaranteed debentures, and other liabilities of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the Notes.

There is no active trading market for the Notes. If an active trading market does not develop for the Notes you may not be able to sell them.

The Notes are a new issue of debt securities for which there currently is no trading market. We do not intend to list the Notes on any securities exchange or for quotation of the Notes on any automated dealer quotation system. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, our financial condition or other relevant factors. The underwriters may discontinue any market-making in the Notes at any time at their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the Notes, that you will be able to sell your Notes at a particular time or that the price you receive when you sell will be favorable. To the extent an active trading market does not develop, the liquidity and trading price for the Notes may be harmed. Accordingly, you may be required to bear the financial risk of an investment in the Notes for an indefinite period of time.

A downgrade, suspension or withdrawal of the credit rating assigned by a rating agency to us or the Notes, if any, or change in the debt markets could cause the liquidity or market value of the Notes to decline significantly.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the Notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. Neither we nor any underwriter undertakes any obligation to maintain our credit ratings or to advise holders of Notes of any changes in our credit ratings. The Notes will be rated by Standard & Poor's Ratings Services, or S&P. There can be no assurance that our credit ratings will remain for any given period of time or that such credit ratings will not be lowered or withdrawn entirely by the rating agency if in their judgment future circumstances relating to the basis of the credit ratings, such as adverse changes in our company, so warrant. The conditions of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the Notes.

The indenture under which the Notes will be issued contains limited protection for holders of the Notes.

The indenture under which the Notes will be issued offers limited protection to holders of the Notes. The terms of the indenture and the Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on your investment in the Notes. In particular, the terms of the indenture and the Notes will not place any restrictions on our or our subsidiaries' ability to:

issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in

Table of Contents

right of payment to the Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, but giving effect, in each case, to any exemptive relief granted to us by the SEC (currently, this provision generally prohibits us from making additional borrowings, including through the issuance of additional debt or the sale of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 200% (or 150% if certain requirements are met) after such borrowings);

pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the Notes, including subordinated indebtedness;

sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);

enter into transactions with affiliates;

create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;

make investments; or

create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

Furthermore, the terms of the indenture and the Notes do not protect holders of the Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, if any, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow or liquidity.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the Notes may have important consequences for you as a holder of the Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes or negatively affecting the trading value of the Notes.

Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the Notes.

The optional redemption provision may materially adversely affect your return on the Notes.

The Notes are redeemable in whole or in part upon certain conditions at any time or from time to time at our option. We may choose to redeem the Notes at times when prevailing interest rates are lower than the interest rate paid on the Notes. In this circumstance, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the Notes being redeemed.

We may not be able to repurchase the Notes upon a Change of Control Repurchase Event.

We may not be able to repurchase the Notes upon a Change of Control Repurchase Event because we may not have sufficient funds. Upon a Change of Control Repurchase Event, holders of the Notes

Table of Contents

may require us to repurchase for cash some or all of the Notes at a repurchase price equal to 100% of the aggregate principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date. The terms of our Credit Facility provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under our Credit Facility at that time and to terminate the Credit Facility. Our and our subsidiaries' future financing facilities may contain similar restrictions and provisions. Our failure to purchase such tendered Notes upon the occurrence of such Change of Control Repurchase Event would cause an event of default under the indenture governing the Notes and a cross-default under the agreements governing certain of our other indebtedness, which may result in the acceleration of such indebtedness requiring us to repay that indebtedness immediately. If a Change of Control Repurchase Event were to occur, we may not have sufficient funds to repay any such accelerated indebtedness. See "Description of the Notes Offer to Repurchase Upon a Change of Control Repurchase Event" in this prospectus supplement for more information.

Our amount of debt outstanding will increase as a result of this offering, and if we default on our obligations to pay our other indebtedness, we may not be able to make payments on the Notes.

As of April 12, 2019, we had approximately \$974.8 million of principal indebtedness, including \$293.0 million outstanding under the Credit Facility, \$321.8 million outstanding from SBA-guaranteed debentures, \$175.0 million of the 4.50% Notes due 2019 and \$185.0 million of the 4.50% Notes due 2022 outstanding. Any default under the agreements governing our indebtedness, including a default under the Credit Facility, under the 4.50% Notes due 2019, under the 4.50% Notes due 2022 or under other indebtedness to which we may be a party that is not waived by the required lenders or debt holders, and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the Notes and substantially decrease the market value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Credit Facility or other debt we may incur in the future could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. Our ability to generate sufficient cash flow in the future is, to some extent, subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under the Credit Facility or otherwise, in an amount sufficient to enable us to meet our payment obligations under the Notes and our other debt and to fund other liquidity needs.

If our operating performance declines and we are not able to generate sufficient cash flow to service our debt obligations, we may in the future need to refinance or restructure our debt, including the Notes, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the required lenders under the Credit Facility or the required holders of our 4.50% Notes due 2019, our 4.50% Notes due 2022 or other debt that we may incur in the future to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the Notes and our other debt. If we breach our covenants under the Credit Facility, the 4.50% Notes due 2019, the 4.50% Notes due 2022 or other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders or debt holders. If this occurs, we would be in default under the Credit Facility, the 4.50% Notes due 2019, the 4.50% Notes due 2022 or other debt, the lenders or debt holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having

Table of Contents

secured obligations could proceed against the collateral securing the debt. Because the Credit Facility has, and any future credit facilities will likely have, customary cross-default provisions, if the indebtedness under the Notes, the 4.50% Notes due 2019, the 4.50% Notes due 2022, the Credit Facility or under any future credit facility is accelerated, we may be unable to repay or finance the amounts due.

S-15

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of the \$250.0 million aggregate principal amount of the Notes in this offering will be approximately \$245.8 million, based on a public offering price of 99.125% of par, after deducting the underwriting discount and estimated offering expenses payable by us.

We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our Credit Facility. However, through re-borrowing of the initial repayments under our Credit Facility, we intend to use the net proceeds from this offering to make investments in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus, to make investments in marketable securities and idle funds investments, which may include investments in secured intermediate term bank debt, rated debt securities and other income producing investments, to pay our operating expenses and other cash obligations, and for general corporate purposes. Our ability to achieve our investment objective may be limited to the extent that the net proceeds from an offering, pending full investment, are held in interest bearing deposits or other short-term instruments. See "Risk Factors Risks Relating to Our Securities We may be unable to invest a significant portion of the net proceeds from an offering or from exiting an investment or other capital on acceptable terms, which could harm our financial condition and operating results" in the accompanying prospectus.

On April 12, 2019, we had approximately \$293.0 million outstanding under our Credit Facility. Our Credit Facility matures in September 2023, unless extended, and bears interest, at our election, on a per annum basis equal to (A)(i) the applicable LIBOR rate plus (A) 1.875% (or the applicable base rate plus 0.875%) so long as we meet certain agreed upon excess collateral and maximum leverage requirements or (B) 2.0% (or the applicable base rate plus 1.0%) if we do not meet certain agreed upon excess collateral and maximum leverage requirements. Amounts repaid under our Credit Facility will remain available for future borrowings.

Affiliates of RBC Capital Markets, LLC, Goldman Sachs & Co. LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, Raymond James & Associates, Inc., Comerica Securities, Inc. and WoodRock Securities, L.P., underwriters in this offering, act as lenders and/or agents under our Credit Facility. As described above, we intend to use net proceeds of this offering to repay the outstanding indebtedness under our Credit Facility, and such affiliates therefore may receive a portion of the proceeds from this offering through the repayment of those borrowings. See "Underwriting (Conflicts of Interest) Conflicts of Interest" below.

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization:

on an actual basis as of December 31, 2018; and

on an as-adjusted basis giving effect to the sale of \$250.0 million aggregate principal amount of Notes in this offering, less estimated underwriting discounts and offering expenses payable by us, and the application of the proceeds thereof.

This table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Audited Financial Statements" in this prospectus supplement.

	As of December 31, 2018	
	Actual	As-adjusted for this Offering (Unaudited)
	(in thousands, except shares)	
Cash and cash equivalents	\$ 54,181	\$ 54,181
Debt		
Credit facility(1)	\$ 301,000	\$ 55,162
SBIC debentures (par: \$345,800)	338,186	338,186
4.50% Notes due 2022 (par: \$185,000)	182,622	182,622
4.50% Notes due 2019 (par: \$175,000)	174,338	174,338
Notes offered hereby		245,838
Total debt	996,146	996,146
Net Assets		
Common stock, \$0.01 par value per share (150,000,000 shares authorized; 61,264,861 shares issued and outstanding)	613	613
Additional paid-in capital	1,409,945	1,409,945
Total distributable earnings	65,491	65,491
Total net assets	1,476,049	1,476,049
Total capitalization	\$ 2,472,195	\$ 2,472,195

-
- (1) As of April 12, 2019, we had approximately \$293.0 million outstanding under our Credit Facility. This table has not been adjusted to reflect the changes in our outstanding borrowings under the Credit Facility subsequent to December 31, 2018.

Table of Contents**SELECTED FINANCIAL DATA**

The selected financial and other data as of and for the years ended December 31, 2018, 2017, 2016, 2015 and 2014 have been derived from consolidated financial statements that have been audited by Grant Thornton LLP, an independent registered public accounting firm. You should read this selected financial and other data in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and the consolidated financial statements and related notes thereto in the accompanying prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Audited Financial Statements" in this prospectus supplement.

	Twelve Months Ended December 31,				
	2018	2017	2016	2015	2014
	(dollars in thousands, except per share amounts)				
Statement of operations data:					
Investment income:					
Total interest, fee and dividend income	\$ 233,355	\$ 205,741	\$ 178,165	\$ 163,603	\$ 139,939
Interest from idle funds and other			174	986	824
Total investment income	233,355	205,741	178,339	164,589	140,763
Expenses:					
Interest	(43,493)	(36,479)	(33,630)	(32,115)	(23,589)
Compensation	(18,966)	(18,560)	(16,408)	(14,852)	(12,337)
General and administrative	(11,868)	(11,674)	(9,284)	(8,621)	(7,134)
Share-based compensation	(9,151)	(10,027)	(8,304)	(6,262)	(4,215)
Expenses allocated to the External Investment Manager	6,768	6,370	5,089	4,335	2,048
Total expenses	(76,710)	(70,370)	(62,537)	(57,515)	(45,227)
Net investment income	156,645	135,371	115,802	107,074	95,536
Total net realized gain (loss) from investments	1,341	16,182	29,389	(21,316)	23,206
Realized loss on extinguishment of debt	(2,896)	(5,217)			
Total net unrealized appreciation (depreciation) from investments	17,981	42,545	(6,576)	10,871	(776)
Total net unrealized appreciation (depreciation) from SBIC debentures	1,294	6,212	(943)	(879)	(10,931)
Income tax benefit (provision)	(6,152)	(24,471)	1,227	8,687	(6,287)
Net increase in net assets resulting from operations attributable to common stock	\$ 168,213	\$ 170,622	\$ 138,899	\$ 104,437	\$ 100,748
Net investment income per share basic and diluted	\$ 2.60	\$ 2.39	\$ 2.23	\$ 2.18	\$ 2.20
Net increase in net assets resulting from operations attributable to common stock per share basic and diluted	\$ 2.80	\$ 3.01	\$ 2.67	\$ 2.13	\$ 2.31
Weighted-average shares outstanding basic and diluted	60,176,843	56,691,913	52,025,002	49,071,492	43,522,397

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

	As of December 31,				
	2018	2017	2016	2015	2014
	(dollars in thousands)				
Balance sheet data:					
Assets:					
Total portfolio investments at fair value	\$ 2,453,909	\$ 2,171,305	\$ 1,996,906	\$ 1,799,996	\$ 1,563,330
Marketable securities and idle funds investments				3,693	9,067
Cash and cash equivalents	54,181	51,528	24,480	20,331	60,432
Interest receivable and other assets	40,875	38,725	37,123	37,638	46,406
Deferred financing costs, net of accumulated amortization	4,461	3,837	12,645	13,267	14,550
Deferred tax asset, net			9,125	4,003	
Total assets	\$ 2,553,426	\$ 2,265,395	\$ 2,080,279	\$ 1,878,928	\$ 1,693,785
Liabilities and net assets:					
Credit facility	\$ 301,000	\$ 64,000	\$ 343,000	\$ 291,000	\$ 218,000
SBIC debentures at fair value(1)	338,186	288,483	239,603	223,660	222,781
4.50% Notes due 2022	182,622	182,015			
4.50% Notes due 2019	174,338	173,616	175,000	175,000	175,000
6.125% Notes		89,057	90,655	90,738	90,823
Accounts payable and other liabilities	17,962	20,168	14,205	12,292	10,701
Payable for securities purchased	28,254	40,716	2,184	2,311	14,773
Interest payable	6,041	5,273	4,103	3,959	4,848
Dividend payable	11,948	11,146	10,048	9,074	7,663
Deferred tax liability, net	17,026	10,553			9,214
Total liabilities	1,077,377	885,027	878,798	808,034	753,803
Total net asset value	1,476,049	1,380,368	1,201,481	1,070,894	939,982
Total liabilities and net assets	\$ 2,553,426	\$ 2,265,395	\$ 2,080,279	\$ 1,878,928	\$ 1,693,785
Other data:					
Weighted-average effective yield on LMM debt investments(2)(3)	12.3%	12.0%	12.5%	12.2%	13.2%
Number of LMM portfolio companies	69	70	73	71	66
Weighted-average effective yield on Middle Market debt investments(2)(3)	9.6%	9.0%	8.5%	8.0%	7.8%
Number of Middle Market portfolio companies	56	62	78	86	86
Weighted-average effective yield on Private Loan debt investments(2)(3)	10.4%	9.2%	9.6%	9.5%	10.1%
Number of Private Loan portfolio companies	59	54	46	40	31
Expense ratios (as percentage of average net assets):					
Total expenses, including income tax expense	5.7%	7.4%	5.5%	4.6%	5.8%
Operating expenses	5.3%	5.5%	5.6%	5.5%	5.1%
Operating expenses, excluding interest expense	2.3%	2.6%	2.6%	2.4%	2.4%
Total investment return(4)	8.3%	16.0%	37.4%	8.5%	3.1%
Total return based on change in NAV(5)	12.2%	14.2%	13.0%	11.1%	12.7%

(1) SBIC debentures for December 31, 2018, 2017, 2016, 2015 and 2014 are \$345,800, \$295,800, \$240,000, \$225,000 and \$225,000 at par, respectively.

(2) Weighted-average effective yield is calculated based on our debt investments at the end of each period and includes amortization of deferred debt origination fees and accretion of original issue discount, but excludes liquidation fees payable upon repayment and any debt investments on non-accrual status. The 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 any debt investments on non-accrual status, our expenses or any sales load paid by an investor. For information on our investments on non-accrual status, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio Asset Quality" elsewhere in this prospectus supplement.

Edgar Filing: Main Street Capital CORP - Form 497

- (3) Including investments on non-accrual status, the weighted-average effective yield for LMM, Middle Market, and Private Loan debt investments was 11.3%, 9.5%, and 9.8%, respectively, as of December 31, 2018.
- (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 our 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 and 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.

S-19

Table of Contents

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

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto contained elsewhere in this prospectus supplement.

Statements we make in the following discussion which express a belief, expectation or intention, as well as those that are not historical fact, are forward-looking statements that are subject to risks, uncertainties and assumptions. Our actual results, performance or achievements, or industry results, could differ materially from those we express in the following discussion as a result of a variety of factors, including the risks and uncertainties we have referred to under the headings "Supplementary Risk Factors" in this prospectus supplement and "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors" in the accompanying prospectus.

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.

Table of Contents

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.

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.

Table of Contents

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 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 December 31, 2018 and 2017 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

	As of December 31, 2018		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	69	56	59
Fair value	\$ 1,195.0	\$ 576.9	\$ 507.9
Cost	\$ 990.9	\$ 608.8	\$ 553.3
% of portfolio at cost debt	68.7%	96.3%	93.0%
% of portfolio at cost equity	31.3%	3.7%	7.0%
% of debt investments at cost secured by first priority lien	98.5%	87.9%	92.0%
Weighted-average annual effective yield(b)	12.3%	9.6%	10.4%
Average EBITDA(c)	\$ 4.7	\$ 99.1	\$ 46.1

- (a) At December 31, 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 40%.
- (b) The weighted average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 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 two LMM portfolio companies, one Middle Market portfolio company and four Private Loan portfolio companies, as EBITDA is not

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

a meaningful valuation metric for our investments in these portfolio companies, and those portfolio companies whose primary purpose is to own real estate.

	As of December 31, 2017		
	LMM(a)	Middle 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 December 31, 2018, we had Other Portfolio investments in eleven companies, collectively totaling approximately \$108.3 million in fair value and approximately \$116.0 million in cost basis and which comprised approximately 4.4% 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 December 31, 2018, there was no cost basis in this investment and the investment had a fair value of approximately \$65.7 million, which comprised approximately 2.7% 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 the years ended December 31, 2018 and 2017, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.4% and 1.6%, respectively.

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 the historical incentive fees otherwise earned. During the years ended December 31, 2018, 2017 and 2016, the External Investment Manager earned \$11.6 million, \$10.9 million and \$9.5 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 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.

Table of Contents

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 and cash flows for the years ended December 31, 2018, 2017 and 2016 and financial position as of December 31, 2018 and 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.

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 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)."

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 December 31, 2018 and 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 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

Table of Contents

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 December 31, 2018 and 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.

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 years ended December 31, 2018, 2017 and 2016, (i) approximately 1.0%, 2.4%, and 3.6%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.0%, 1.6%, and 1.2%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash.

Table of Contents

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.

We have also adopted Accounting Standards Update ("ASU") 2016-09, *Compensation Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which requires that all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) be recognized as income tax expense or benefit in the income statement and not delay recognition of a tax benefit until the tax benefit is realized through a reduction to taxes payable. The tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. Additionally, we have elected to account for forfeitures as they occur.

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 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

Table of Contents

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, can include either fixed or floating rate terms and generally have a term of between five and seven years from the original investment date. In most LMM portfolio investments, 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 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.

Table of Contents

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 years ended December 31, 2018, 2017 and 2016 are net of expenses allocated to the External Investment Manager of \$6.8 million, \$6.4 million and \$5.1 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 years ended December 31, 2018, 2017 and 2016, the total contribution to our net investment income was \$10.6 million, \$9.4 million and \$7.9 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 December 31, 2018 and 2017 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	December 31, 2018	December 31, 2017
First lien debt	77.1%	79.0%
Equity	16.6%	15.3%
Second lien debt	5.3%	4.5%
Equity warrants	0.6%	0.7%
Other	0.4%	0.5%
	100.0%	100.0%

Fair Value:	December 31, 2018	December 31, 2017
First lien debt	69.0%	70.5%
Equity	25.5%	24.4%
Second lien debt	4.6%	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" in the accompanying prospectus and "Supplementary Risk Factors" in this prospectus supplement for a more complete discussion of the risks involved with investing in our Investment Portfolio.

Table of Contents

PORTFOLIO ASSET QUALITY

We utilize an internally developed investment rating system to rate the performance of each LMM portfolio company and to monitor our expected level of returns on each of our LMM investments in relation to our expectations for the portfolio company. The investment rating system takes into consideration various factors, including each investment's expected level of returns, the collectability of our debt investments and the ability to receive a return of the invested capital in our equity investments, comparisons to competitors and other industry participants, the portfolio company's future outlook and other factors that are deemed to be significant to the portfolio company.

As of December 31, 2018, our total Investment Portfolio had six investments on non-accrual status, which comprised approximately 1.3% of its fair value and 3.9% 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 years ended December 31, 2018 and 2017*

	Twelve Months Ended December 31,		Net Change	
	2018	2017	Amount	%
	(dollars in thousands)			
Total investment income	\$ 233,355	\$ 205,741	\$ 27,614	13%
Total expenses	(76,710)	(70,370)	(6,340)	9%
Net investment income	156,645	135,371	21,274	16%
Net realized gain from investments	1,341	16,182	(14,841)	
Net realized loss on extinguishment of debt	(2,896)	(5,217)	2,321	
Net unrealized appreciation from:				
Portfolio investments	17,981	42,545	(24,564)	
SBIC debentures	1,294	6,212	(4,918)	
Total net unrealized appreciation	19,275	48,757	(29,482)	
Income tax provision	(6,152)	(24,471)	18,319	
Net increase in net assets resulting from operations	\$ 168,213	\$ 170,622	\$ (2,409)	(1)%

	Twelve Months Ended December 31,		Net Change	
	2018	2017	Amount	%
	(dollars in thousands, except per share amounts)			
Net investment income	\$ 156,645	\$ 135,371	\$ 21,274	16%
Share-based compensation expense	9,151	10,027	(876)	(9)%
Distributable net investment income(a)	\$ 165,796	\$ 145,398	\$ 20,398	14%
Net investment income per share Basic and diluted	\$ 2.60	\$ 2.39	\$ 0.21	9%
Distributable net investment income per share Basic and diluted(a)	\$ 2.76	\$ 2.56	\$ 0.20	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

Edgar Filing: Main Street Capital CORP - Form 497

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 year ended December 31, 2018, total investment income was \$233.4 million, a 13% increase over the \$205.7 million of total investment income for the corresponding period of 2017. This comparable period increase was principally attributable to (i) a \$15.2 million net increase in interest

S-31

Table of Contents

income primarily related to higher average levels of Investment Portfolio debt investments and an increase in their average effective yields, partially offset by decreases in interest income associated with activity from portfolio companies that is considered to be less consistent on a recurring basis or non-recurring and prepayment, repricing and other activities involving existing Investment Portfolio debt investments, (ii) a \$11.8 million increase in dividend income from Investment Portfolio equity investments and (iii) a \$0.7 million increase in fee income. The \$27.6 million increase in total investment income in the year ended December 31, 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 (i) a decrease of \$2.7 million related to interest income activity from portfolio companies that is considered to be less consistent on a recurring basis or non-recurring and (ii) a decrease of \$2.5 million related to lower accelerated prepayment, repricing and other activity for certain Investment Portfolio debt investments, in each case when compared to the same period in 2017.

Expenses

For the year ended December 31, 2018, total expenses increased to \$76.7 million from \$70.4 million for the corresponding period of 2017. This comparable period increase in operating expenses was principally attributable to (i) a \$7.0 million increase in interest expense, primarily due to an \$8.0 million increase as a result of the issuance of our 4.50% Notes due 2022 in November 2017, with the remainder of the difference from prior year due to the higher average balance of SBIC debentures outstanding and an increase in both the average balance outstanding and the interest rate on our multi-year revolving credit facility (the "Credit Facility"), with these increases partially offset by a decrease from the redemption of the 6.125% Notes effective April 1, 2018, and (ii) a \$0.4 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 \$0.9 million decrease in share-based compensation expense, (ii) a decrease of \$0.9 million related to an additional decrease in incentive compensation accruals and (iii) a \$0.4 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 year ended December 31, 2018. The \$0.4 million increase in compensation expense is after (i) a \$1.5 million decrease that is considered to be a one-time non-recurring benefit due to the conversion of a cash bonus to an expected non-cash restricted stock grant for an executive that will be amortized as non-cash, share-based compensation expense over the future service period and (ii) a \$0.4 million decrease as a result of the decrease in the fair value of our deferred compensation plan assets. The ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets for the year ended December 31, 2018 was 1.4% on an annualized basis compared to 1.6% for the year ended December 31, 2017.

Net Investment Income

Net investment income for the year ended December 31, 2018 was \$156.6 million, or a 16% increase, compared to net investment income of \$135.4 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 year ended December 31, 2018, distributable net investment income increased 14% to \$165.8 million, or \$2.76 per share, compared with \$145.4 million, or \$2.56 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 year ended

Table of Contents

December 31, 2018 reflects (i) a consistent level of income per share from the comparable period in 2017 attributable to the net effect of the elevated dividend income activity, offset by the decreases in interest income associated with the comparable levels of activity from portfolio companies that is considered to be less consistent on a recurring basis or non-recurring and accelerated prepayment, repricing and other income activity considered non-recurring, as discussed above, (ii) an increase of \$0.03 per share due to the non-recurring benefit to compensation expense and the decrease in the fair value of the deferred compensation plan assets, both as discussed above, and (iii) 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 year ended December 31, 2018 was \$168.2 million, or \$2.80 per share, compared with \$170.6 million, or \$3.01 per share, during the year ended December 31, 2017. This \$2.4 million decrease from the prior year was primarily the result of (i) a \$29.5 million decrease in net unrealized appreciation from portfolio investments and SBIC debentures, including the impact of accounting reversals relating to realized gains/income (losses), and (ii) a \$14.8 million decrease in the net realized gain from investments, with these decreases partially offset by (i) a \$21.3 million increase in net investment income as discussed above, (ii) a \$18.3 million decrease in the income tax provision and (iii) a \$2.3 million improvement in the net realized loss on extinguishment of debt. The net realized gain from investments of \$1.3 million for the year ended December 31, 2018 was primarily the result of (i) the net realized gain of \$13.7 million resulting from the net effect of gains on the exits of six LMM investments, partially offset by losses on the exits of four LMM investments and other activity in the LMM portfolio, (ii) the realized gains of \$6.1 million due to activity in our Other Portfolio and (iii) the realized gains of \$2.5 million in our Private Loan portfolio, with the effect of these net realized gains partially offset by the net realized loss of \$20.9 million in our Middle Market portfolio, which is primarily the result of (i) the realized losses of \$17.6 million on the restructures of two Middle Market investments and (ii) the realized losses of \$4.4 million on the exits of two Middle Market investments.

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

The following table provides a summary of the total net unrealized appreciation of \$19.3 million for the year ended December 31, 2018:

	Twelve Months Ended December 31, 2018				
	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	\$ (22.2)	\$ 19.6	\$ (4.4)	\$ (2.6)	\$ (9.6)
Net unrealized appreciation (depreciation) relating to portfolio investments	54.5	(31.3)	(19.3)	23.7(b)	27.6
Total net unrealized appreciation (depreciation) relating to portfolio investments	\$ 32.3	\$ (11.7)	\$ (23.7)	\$ 21.1	\$ 18.0
Unrealized appreciation relating to SBIC debentures(c)					1.3
Total net unrealized appreciation					\$ 19.3

-
- (a) LMM includes unrealized appreciation on 39 LMM portfolio investments and unrealized depreciation on 19 LMM portfolio investments.
- (b) Other includes \$24.0 million of unrealized appreciation relating to the External Investment Manager and \$0.3 million of net unrealized depreciation 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 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 year ended December 31, 2018 of \$6.2 million principally consisted of a deferred tax provision of \$5.8 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences, and other current tax expense of \$0.4 million.

Table of Contents*Comparison of the years ended December 31, 2017 and 2016*

	Twelve Months Ended December 31,		Net Change	
	2017	2016	Amount	%
	(dollars in thousands)			
Total investment income	\$ 205,741	\$ 178,339	\$ 27,402	15%
Total expenses	(70,370)	(62,537)	(7,833)	13%
Net investment income	135,371	115,802	19,569	17%
Net realized gain from investments	16,182	29,389	(13,207)	
Net realized loss from SBIC debentures	(5,217)		(5,217)	
Net unrealized appreciation (depreciation) from:				
Portfolio investments	42,545	(8,305)	50,850	
SBIC debentures and marketable securities and idle funds	6,212	786	5,426	
Total net unrealized appreciation (depreciation)	48,757	(7,519)	56,276	
Income tax benefit (provision)	(24,471)	1,227	(25,698)	
Net increase in net assets resulting from operations	\$ 170,622	\$ 138,899	\$ 31,723	23%

	Twelve Months Ended December 31,		Net Change	
	2017	2016	Amount	%
	(dollars in thousands, except per share amounts)			
Net investment income	\$ 135,371	\$ 115,802	\$ 19,569	17%
Share-based compensation expense	10,027	8,304	1,723	21%
Distributable net investment income(a)	\$ 145,398	\$ 124,106	\$ 21,292	17%
Net investment income per share Basic and diluted	\$ 2.39	\$ 2.23	\$ 0.16	7%
Distributable net investment income per share Basic and diluted(a)	\$ 2.56	\$ 2.39	\$ 0.17	7%

(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 year ended December 31, 2017, total investment income was \$205.7 million, a 15% increase over the \$178.3 million of total investment income for the corresponding period of 2016. This comparable period increase was principally attributable to (i) a \$23.2 million increase in interest income primarily related to higher average levels of portfolio debt investments and increased activities involving

S-35

Table of Contents

existing Investment Portfolio debt investments, (ii) a \$2.5 million increase in dividend income from Investment Portfolio equity investments and (iii) a \$1.8 million increase in fee income. The \$27.4 million increase in total investment income in the year ended December 31, 2017 includes (i) an increase of \$6.7 million related to higher accelerated prepayment, repricing and other activity for certain portfolio debt investments when compared to the same period in 2016, (ii) an increase of \$2.7 million related to interest income activity from portfolio companies that is considered to be less consistent on a recurring basis or non-recurring during the period when compared to the same period in 2016 and (iii) includes \$1.7 million related to dividend income activity from portfolio companies that is considered to be less consistent on a recurring basis or non-recurring which is consistent with the amount from such dividend income activity in the same period in 2016.

Expenses

For the year ended December 31, 2017, total expenses increased to \$70.4 million from \$62.5 million for the corresponding period of 2016. This comparable period increase in operating expenses was principally attributable to (i) a \$2.8 million increase in interest expense, primarily due to (a) a \$1.4 million increase on the Credit Facility due to the higher average interest rate during 2017, (b) a \$0.9 million increase due to the issuance of our 4.50% Notes due 2022 in November 2017 and (c) a \$0.5 million increase due to the higher average balance of SBIC debentures outstanding, (ii) a \$2.4 million increase in general and administrative expenses, including approximately \$0.6 million related to non-recurring professional fees and other expenses incurred on certain potential new portfolio investment opportunities which were terminated during the due diligence and legal documentation processes, (iii) a \$2.2 million increase in compensation expense related to increases in the number of personnel, base compensation levels and incentive compensation accruals and (iv) a \$1.7 million increase in share-based compensation expense, with these increases partially offset by a \$1.3 million increase in the expenses allocated to the External Investment Manager, in each case when compared to the same period in the prior year. For the years ended December 31, 2017 and 2016, the ratio of our total operating expenses, excluding interest expense and the non-recurring professional fees and other expenses discussed above as a percentage of our quarterly average total assets was 1.5%. Including the effect of the non-recurring expenses, the ratio for the year ended December 31, 2017 was 1.6%.

Net Investment Income

Net investment income for the year ended December 31, 2017 was \$135.4 million, or a 17% increase, compared to net investment income of \$115.8 million for the corresponding period of 2016. 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 year ended December 31, 2017, distributable net investment income increased 17% to \$145.4 million, or \$2.56 per share, compared with \$124.1 million, or \$2.39 per share in 2016. 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 year ended December 31, 2017 reflects an (i) increase of approximately \$0.16 per share from the comparable period in 2016 attributable to the net increase in the comparable levels of accelerated prepayment, repricing and other, unusual activity for certain Investment Portfolio debt investments and (ii) a greater number of average shares outstanding compared to the corresponding period in 2016 primarily due to shares issued through the ATM Program (as defined in "Liquidity and Capital Resources - Capital Resources" below), shares

Table of Contents

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 year ended December 31, 2017 was \$170.6 million, or \$3.01 per share, compared with \$138.9 million, or \$2.67 per share, during the year ended December 31, 2016. This \$31.7 million increase from the prior year was primarily the result of (i) a \$56.3 million improvement in net unrealized appreciation (depreciation) from portfolio investments and SBIC debentures, including the impact of accounting reversals relating to realized gains/income (losses), from net unrealized depreciation of \$7.5 million for the year ended December 31, 2016 to net unrealized appreciation of \$48.8 million for the year ended December 31, 2017, which includes the impact of approximately \$15.0 million of unrealized appreciation in the LMM equity portfolio related to the enactment of the Tax Cuts and Jobs Act (see further discussion above in "Critical Accounting Policies - Income Taxes") and (ii) a \$19.6 million increase in net investment income as discussed above, with these increases partially offset by (i) a \$25.7 million change in the income tax benefit (provision) from an income tax benefit of \$1.2 million for the year ended December 31, 2016 to an income tax provision of \$24.5 million for the year ended December 31, 2017, (ii) a \$13.2 million decrease in the net realized gain from investments to a total net realized gain from investments of \$16.2 million for the year ended December 31, 2017 and (iii) a \$5.2 million realized loss on the repayment of SBIC debentures outstanding at MSC II which had previously been accounted for on the fair value method of accounting. The net realized gain from investments of \$16.2 million for the year ended December 31, 2017 was primarily the result of (i) the net realized gain of \$11.8 million resulting from gains on the exits of five LMM investments and losses on the exits of four LMM investments, (ii) realized gains of \$9.3 million due to activity in our Other Portfolio, (iii) net realized gains of \$3.0 million in our Private Loan portfolio resulting from gains on the exits of two Private Loan investments and a loss on the restructure of a Private Loan investment, (iv) realized gains of \$2.1 million related to other activity in the LMM portfolio and (v) the net realized loss of \$9.8 million in our Middle Market portfolio, which is primarily the result of (a) realized losses of \$7.9 million on the exits of two Middle Market investments and (b) the realized loss of \$3.5 million on the restructure of a Middle Market investment, with these changes partially offset by \$1.5 million of net realized gains on other activity in our Middle Market portfolio. The realized loss of \$5.2 million on the repayment of SBIC debentures is related to the previously recognized bargain purchase gain resulting from recording the MSC II debentures at fair value on the date of the acquisition of the majority of the equity interests of MSC II in 2010. The effect of the realized loss is offset by the reversal of all previously recognized unrealized depreciation on these SBIC debentures due to fair value adjustments since the date of the acquisition.

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

The following table provides a summary of the total net unrealized appreciation of \$48.8 million for the year ended December 31, 2017:

	Twelve Months Ended December 31, 2017					Total
	LMM(a)	Middle Market	Private Loan	Other(b)		
(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	\$ (11.1)	\$ 5.6	\$ (3.1)	\$ (8.1)	\$ (16.7)	
Net unrealized appreciation (depreciation) relating to portfolio investments	50.6	(9.6)	(3.1)	21.4	59.3	
Total net unrealized appreciation (depreciation) relating to portfolio investments	\$ 39.5	\$ (4.0)	\$ (6.2)	\$ 13.3	\$ 42.6	
Unrealized appreciation relating to SBIC debentures(c)						6.2
Total net unrealized appreciation						\$ 48.8

-
- (a) LMM includes unrealized appreciation on 39 LMM portfolio investments and unrealized depreciation on 25 LMM portfolio investments.
- (b) Other includes \$11.2 million of unrealized appreciation relating to the External Investment Manager and \$10.2 million of net unrealized appreciation relating to the Other Portfolio.
- (c) Relates to unrealized appreciation on the SBIC debentures held by MSC II which are accounted for on a fair value basis and includes \$6.0 million of accounting reversals resulting from the reversal of previously recognized unrealized depreciation recorded since the date of acquisition of MSC II on the debentures repaid due to fair value adjustments since such date and \$0.2 million of current period unrealized appreciation on the remaining SBIC debentures.

The income tax provision for the year ended December 31, 2017 of \$24.5 million principally consisted of a deferred tax provision of \$19.3 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 \$5.2 million related to (i) a \$1.9 million accrual for excise tax on our estimated undistributed taxable income and (ii) current tax expense of \$3.3 million related to accruals for U.S. federal and state income taxes.

Liquidity and Capital Resources

Cash Flows

For the year ended December 31, 2018, we experienced a net increase in cash and cash equivalents in the amount of approximately \$2.7 million, which is the net result of approximately \$109.1 million of cash used in our operating activities and approximately \$111.7 million of cash provided by our financing activities.

During the year ended December 31, 2018, \$109.1 million of cash was used in our operating activities, which resulted primarily from (i) cash flows we generated from the operating profits earned through our operating activities totaling \$149.8 million, which is our \$165.8 million of distributable net investment income, excluding the non-cash effects of the accretion of unearned income of \$14.7 million,

payment-in-kind interest income of \$2.3 million, cumulative dividends of \$2.3 million and the

S-38

Table of Contents

amortization expense for deferred financing costs of \$3.3 million, and (ii) cash uses totaling \$963.4 million, which principally consisted of \$962.5 million for the funding of new portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2017 and \$0.9 million related to decreases in payables and accruals and (iii) cash proceeds totaling \$704.6 million from \$703.2 million in cash proceeds from the sales and repayments of debt investments and sales of and return on capital of equity investments and \$1.4 million related to decreases in other assets.

During the year ended December 31, 2018, \$111.7 million in cash was provided by financing activities, which principally consisted of (i) \$237.0 million in net cash proceeds from the Credit Facility (ii) \$78.4 million in net cash proceeds from the ATM Program (described below), and (iii) \$54.0 million in cash proceeds from issuance of SBIC debentures, partially offset by (i) \$156.0 million in cash dividends paid to stockholders, (ii) \$90.7 million in redemption of 6.125% Notes, (iii) \$4.0 million in repayment of SBIC debentures, (iv) \$4.1 million for purchases of vested restricted stock from employees to satisfy their tax withholding requirements upon the vesting of such restricted stock and (v) \$2.9 million for payment of deferred debt issuance costs, SBIC debenture fees and other costs.

For the year ended December 31, 2017, we experienced a net increase in cash and cash equivalents in the amount of approximately \$27.0 million, which is the result of approximately \$72.9 million of cash provided by our operating activities and approximately \$45.9 million of cash used in financing activities.

During the year ended December 31, 2017, \$72.9 million of cash was provided by our operating activities, which resulted primarily from (i) cash flows we generated from the operating profits earned through our operating activities totaling \$123.1 million, which is our \$145.4 million of distributable net investment income, excluding the non-cash effects of the accretion of unearned income of \$17.0 million, payment-in-kind interest income of \$4.9 million, cumulative dividends of \$3.2 million and the amortization expense for deferred financing costs of \$2.8 million, (ii) cash uses totaling \$876.7 million for the funding of new portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2016, and (iii) cash proceeds totaling \$826.5 million from (a) \$819.4 million in cash proceeds from the sales and repayments of debt investments and sales of and return on capital of equity investments, (b) \$4.5 million related to decreases in other assets and (c) \$2.6 million related to increases in payables and accruals.

During the year ended December 31, 2017, \$45.9 million in cash was used in financing activities, which principally consisted of (i) \$150.9 million in net cash proceeds from the ATM Program (described below), (ii) \$185.0 million in cash proceeds from the issuance of 4.50% Notes due 2022 in November 2017 and (iii) \$81.0 million in cash proceeds from issuance of SBIC debentures, partially offset by (i) \$279.0 million in net repayments on the Credit Facility and (ii) \$148.4 million in cash dividends paid to stockholders, (iii) \$25.2 million in repayment of SBIC debentures, (iii) \$4.4 million for purchases of vested restricted stock from employees to satisfy their tax withholding requirements upon the vesting of such restricted stock and (iv) \$5.9 million for payment of deferred debt issuance costs, SBIC debenture fees and other costs.

Capital Resources

As of December 31, 2018, we had \$54.2 million in cash and cash equivalents and \$404.0 million of unused capacity under the Credit Facility, which we maintain to support our investment and operating activities. As of December 31, 2018, our net asset value totaled \$1,476.0 million, or \$24.09 per share.

The Credit Facility, which provides additional liquidity to support our investment and operational activities, was amended and restated during 2018 to provide for an increase in total commitments from \$585.0 million to \$705.0 million and to increase the diversified group of lenders to eighteen, eliminate interest rate adjustments previously 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 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.

Table of Contents

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 (2.5% as of December 31, 2018) plus (i) 1.875% (or the applicable base rate (Prime Rate of 5.5% as of December 31, 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 December 31, 2018, we had \$301.0 million in borrowings outstanding under the Credit Facility, the interest rate on the Credit Facility was 4.2% 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 SBA 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 year ended December 31, 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 December 31, 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 5.6 years as of December 31, 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% 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 our current and future unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 4.50% Notes

Table of Contents

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. 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 December 31, 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, as amended (the "Exchange Act"). 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% 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 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. 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 December 31, 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 Exchange Act. 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 year ended December 31, 2016, we sold 3,324,646 shares of our common stock at a weighted-average price of \$34.17 per share and raised \$113.6 million of gross proceeds under the ATM Program. Net proceeds were \$112.0 million after commissions to the selling agents on shares sold and offering costs.

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

Table of Contents

Program. Net proceeds were \$150.9 million after commissions to the selling agents on shares sold and offering costs.

During the year ended December 31, 2018, we sold 2,060,019 shares of our common stock at a weighted-average price of \$38.48 per share and raised \$79.3 million of gross proceeds under the ATM Program. Net proceeds were \$78.0 million after commissions to the selling agents on shares sold and offering costs. As of December 31, 2018, 2,994,469 shares remained available for sale under the ATM Program.

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% (or 150% if certain requirements are met). 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

Table of Contents

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 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 K 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. We have adopted ASU 2016-15. 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 have

Table of Contents

elected to early adopt ASU 2018-13 in the current annual period. No significant changes were made to our fair value disclosures in the notes to the consolidated financial statements in order to comply with ASU 2018-13.

In August 2018, the SEC adopted rules (the "SEC Release") amending certain disclosure requirements intended to eliminate redundant, duplicative, overlapping, outdated, or superseded, in light of other SEC disclosure requirements, US GAAP requirements, or changes in the information environment. In part, the SEC Release requires an investment company to present distributable earnings in total on the consolidated balance sheet and consolidated statement of changes in net assets, rather than showing the three components of distributable earnings as previously shown. We adopted this part of the SEC Release in the current annual period and the changes in presentation have been retrospectively applied to the consolidated balance sheet as of December 31, 2017 and to the consolidated statements of changes in net assets for the years ended December 31, 2017 and 2016. The impact of the adoption of these rules on our consolidated financial statements was not material. Additionally, the SEC Release requires disclosure of changes in net assets within a registrant's Form 10-Q filing on a quarter-to-date and year-to-date basis for both the current year and prior year comparative periods. We expect to adopt the new requirement to present changes in shareholders' equity in interim financial statements within Form 10-Q filings starting with the quarter ending March 31, 2019. The compliance date for the SEC Release was for all filings, as applicable, on or after November 5, 2018. The adoption of these additional rules will not have a material impact on the consolidated financial statements.

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by us as of the specified effective date. We believe that the impact of recently issued standards and any that are not yet effective will not have a material impact on our consolidated financial statements upon adoption.

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 December 31, 2018, we had a total of \$136.9 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.

Table of Contents***Contractual Obligations***

As of December 31, 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:

	2019	2020	2021	2022	2023	Thereafter	Total
SBIC debentures	\$ 16,000	\$ 55,000	\$ 40,000	\$ 5,000	\$ 16,000	\$ 213,800	\$ 345,800
Interest due on SBIC debentures	12,738	11,819	9,260	8,248	7,868	23,317	73,250
4.50% Notes due 2019	175,000						175,000
Interest due on 4.50% Notes due 2019	7,875						7,875
4.50% Notes due 2022				185,000			185,000
Interest due on 4.50% Notes due 2022	8,325	8,325	8,325	8,325			33,300
Operating Lease Obligation(1)	748	762	776	790	804	3,429	7,309
Total	\$ 220,686	\$ 75,906	\$ 58,361	\$ 207,363	\$ 24,672	\$ 240,546	\$ 827,534

(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 December 31, 2018, we had \$301.0 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 December 31, 2018, we had a receivable of approximately \$2.9 million due from the External Investment Manager which included approximately \$1.8 million primarily related to operating expenses incurred by us 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 above in "Critical Accounting Policies Income Taxes") and approximately \$1.2 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 December 31, 2018, \$6.1 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.

Table of Contents

Including phantom stock units issued through dividend reinvestment and net of any shares distributed, the phantom stock units outstanding as of December 31, 2018 represented 119,639 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 January 2019, we led a new portfolio investment to facilitate the minority recapitalization of Centre Technologies, Inc. ("Centre"), a premier provider of IT hardware, software and service solutions. We, along with our co-investors, partnered with Centre's founder and Chief Executive Officer and management team to facilitate the transaction, with us funding \$18.1 million in a combination of first-lien, senior secured term debt and a direct equity investment. Headquartered in Houston, Texas, and founded in 2006, Centre has established itself as a mission critical IT solutions provider offering a full suite of solutions including managed and hosted services, value-added sourcing and integration, and project services.

In January 2019, we led a new portfolio investment to facilitate the management buyout of CompareNetworks Inc. ("CompareNetworks"), a leading provider of media, marketing and technology solutions that drive revenue for life science and healthcare product manufacturers. We, along with our co-investors, partnered with CompareNetworks' founders and management team to facilitate the transaction, with us funding \$10.7 million in a combination of first-lien, senior secured term debt and a direct equity investment. Headquartered in South San Francisco, California, and founded in 2000, CompareNetworks provides life scientists, researchers, lab-based professionals, pharmaceutical professionals and healthcare professionals with digital tools and information resources to research, identify and determine which products and technologies to use.

In January 2019, we fully exited our equity investment in Boss Industries, LLC ("Boss"). Boss markets, designs and manufacturers vehicle-mounted, and portable air compressor and generator systems utilized in municipal and utility services, energy product and industrial services. We realized a gain of approximately \$4.0 million on the exit of our equity investment in Boss.

During February 2019, we declared regular monthly dividends of \$0.200 per share for each month of April, May and June 2019. These regular monthly dividends equal a total of \$0.600 per share for the second quarter of 2019 and represent a 5.3% increase from the dividends declared for the second quarter of 2018. Including the dividends declared for the second quarter of 2019, we will have paid \$25.420 per share in cumulative dividends since our October 2007 initial public offering.

Table of Contents**MANAGEMENT**

Our business and affairs are managed under the direction of our Board of Directors. Our Board of Directors appoints our officers, who serve at the discretion of the Board of Directors. The responsibilities of the Board of Directors include, among other things, the oversight of our investment activities, the quarterly valuation of our assets, oversight of our financing arrangements and corporate governance activities. The Board of Directors has an Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, and may establish additional committees from time to time as necessary.

Board of Directors and Executive Officers

Our Board of Directors consists of ten members, eight of whom are classified under applicable NYSE listing standards as "independent" directors and under Section 2(a)(19) of the 1940 Act as not "interested persons." Pursuant to our articles of incorporation, each member of our Board of Directors serves a one-year term, with each current director serving until the 2019 annual meeting of stockholders and until his or her respective successor is duly qualified and elected. Our articles of incorporation give our Board of Directors sole authority to appoint directors to fill vacancies that are created either through an increase in the number of directors or due to the resignation, removal or death of any director.

Directors

Information regarding our current Board of Directors is set forth below as of March 6, 2019. We have divided the directors into two groups independent directors and interested directors. Interested directors are "interested persons" of MSCC as defined in Section 2(a)(19) of the 1940 Act. The address for each director is c/o Main Street Capital Corporation, 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056.

Independent Directors

Name	Age	Director Since	Expiration of Term
Michael Appling Jr.	52	2007	2019
Valerie L. Banner	63	2017	2019
Joseph E. Canon	76	2007	2019
Arthur L. French	78	2007	2019
J. Kevin Griffin	47	2011	2019
John E. Jackson	60	2013	2019
Brian E. Lane	61	2015	2019
Stephen B. Solcher	58	2015	2019

Interested Directors

Name	Age	Director Since	Expiration of Term
Vincent D. Foster	62	2007	2019
Dwayne L. Hyzak	46	2018	2019

S-47

Table of Contents

Executive Officers

Our executive officers serve at the discretion of our Board of Directors. The following persons serve as our executive officers or significant employees in the following capacities (information as of March 6, 2019):

Name	Age	Position(s) Held
Dwayne L. Hyzak*	46	Member of the Board, Chief Executive Officer and Senior Managing Director
David L. Magdol*	48	President, Chief Investment Officer and Senior Managing Director
Vincent D. Foster*	62	Executive Chairman of the Board
Curtis L. Hartman*	46	Vice Chairman, Chief Credit Officer and Senior Managing Director
Jason B. Beauvais	43	Senior Vice President, General Counsel, Chief Compliance Officer and Secretary
Brent D. Smith	43	Chief Financial Officer and Treasurer
Nicholas T. Meserve	39	Managing Director
K. Colton Braud, III	33	Managing Director
Alejandro Capetillo	32	Managing Director
Samuel A. Cashiola	33	Managing Director
Watt R. Matthews	32	Managing Director
Shannon D. Martin	49	Vice President, Chief Accounting Officer and Assistant Treasurer
Katherine S. Silva	39	Vice President and Assistant Treasurer

*

Member of our management team's investment and executive committees. The investment committee is responsible for all aspects of our lower middle market investment process, including approval of such investments. The executive committee consults with and advises our Chief Executive Officer on significant firm-wide operational and strategic priorities.

Member of our management team's credit committee. The credit committee is responsible for all aspects of our investment process with respect to our middle market portfolio investments, including approval of such investments.

Portfolio manager primarily responsible for the day-to-day management of our investment portfolio.

The address for each executive officer and significant employee is c/o Main Street Capital Corporation, 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056.

Biographical Information

Independent Directors

Michael Appling, Jr. is the Chief Executive Officer of TNT Crane & Rigging Inc., a privately held full service crane and rigging operator. From July 2002 through August 2007, he was the Executive Vice President and Chief Financial Officer of XServ, Inc., a large private equity funded, international industrial services and rental company. Mr. Appling also held the position of CEO and President for United Scaffolding, Inc., an XServ, Inc. operating subsidiary. In February 2007, XServ, Inc. was sold to The Brock Group, a private industrial services company headquartered in Texas. From March 2000 to June 2002, Mr. Appling served as the Chief Financial Officer of CheMatch.com, an online commodities trading forum. ChemConnect, Inc., a venture backed independent trading exchange, acquired CheMatch.com in January 2002. From June 1999 to March 2000, Mr. Appling was Vice President and Chief Financial Officer of American Eco Corporation, a publicly traded, international fabrication, construction and maintenance provider to the energy, pulp and paper and power industries. Mr. Appling worked for ITEQ, Inc., a publicly traded, international fabrication and services company,

Table of Contents

from September 1997 to May 1999, first as a Director of Corporate Development and then as Vice President, Finance and Accounting. From July 1991 to September 1997, Mr. Appling worked at Arthur Andersen, where he practiced as a certified public accountant. We believe Mr. Appling is qualified to serve on our Board of Directors because of his extensive finance and accounting experience, as well as his executive leadership and management experience as a chief executive officer.

Valerie L. Banner has served as Senior Vice President, General Counsel and Corporate Secretary of Exterran Corporation (NYSE: EXTN), a global systems and process company offering solutions in the oil, gas, water and power markets, since November 2018, and as its Vice President, General Counsel and Corporate Secretary from November 2015 through October 2018. Prior to the spin-off of Exterran Corporation from Archrock, Inc., formerly known as Exterran Holdings, Inc. (NYSE: AROC, formerly EXH) in November 2015, Ms. Banner served as Associate General Counsel of Exterran Holdings from 2008 to 2015 and as special counsel from 2007 to 2008. Prior to the merger of Hanover Compressor Company and Universal Compression Holdings, Inc. in August 2007 to form Exterran Holdings, she served Universal as special counsel from 2000 to 2007, and served as Senior Vice President, General Counsel and Secretary from 1998 through 2000. Ms. Banner held various roles prior to 1998, including Vice President, General Counsel and Secretary of Team, Inc. (NYSE: TISI), having begun her career as an associate with Hunton Andrews Kurth LLP. Ms. Banner also serves as an officer and director of certain Exterran Corporation domestic and international subsidiaries. We believe Ms. Banner is qualified to serve on our Board of Directors because of her extensive legal and executive leadership experience at public companies and her broad knowledge in the areas of mergers and acquisitions, corporate finance, risk management, regulatory compliance and corporate governance.

Joseph E. Canon, since 2008, Mr. Canon has been the Executive Vice President and Executive Director, and a member of the Board of Directors, of Kickapoo Springs Foundation and The Legett Foundation, two private family foundations, as well as the General Manager of a family office, all located in Abilene, Texas. He has also been involved during this time as an executive officer and director of several private companies and partnerships with emphasis on energy, financial and other alternative investments. From 1982 to December 2018, Mr. Canon served as the Executive Vice President and Executive Director, and a member of the Board of Directors, of Dodge Jones Foundation, a private charitable foundation located in Abilene, Texas. From 1974 to 1982, he served as Executive Vice President and Trust Officer of First National Bank of Abilene. Mr. Canon served until April 2014 on the Board of Directors of First Financial Bankshares, Inc. (NASDAQ: FFIN), a bank and financial holding company headquartered in Abilene, Texas. Mr. Canon also served until April 2014 on the Board of Directors for several bank and trust/asset management subsidiaries of First Financial Bankshares, Inc. and currently serves on the Investment Committee of First Financial Trust and Asset Management Company, a \$5.6 billion trust services company affiliated with FFIN. He has also served as an executive officer and member of the Board of Directors of various other organizations including the Abilene Convention and Visitors Bureau, Abilene Chamber of Commerce, Conference of Southwest Foundations, City of Abilene Tax Increment District, West Central Texas Municipal Water District and the John G. and Marie Stella Kenedy Memorial Foundation. We believe Mr. Canon's qualifications to serve on our Board of Directors include his many years of managing and investing assets on behalf of public and private entities, his considerable experience in trust banking activities and practices, and his experience on other public boards of directors.

Arthur L. French has served in a variety of executive management and board of director roles over the course of his business career. He began his private investment activities in 2000 and served as a director of Fab Tech Industries, a steel fabricator, from November 2000 until August 2009, as a director of Houston Plating and Coatings Company, an industrial coatings company, from 2002 until 2007, as a director of Rawson LP, an industrial distribution and maintenance services company, from May 2003 until June 2009, and as non-executive chairman of Rawson Holdings, LLC from March 2009 until December 2010. From September 2003 through March 2007, Mr. French was a member of the Advisory

Table of Contents

Board of Main Street Capital Partners, LLC and a limited partner of Main Street Mezzanine Fund, LP (both of which are now subsidiaries of Main Street). Mr. French currently serves as an advisor to LKCM Capital Group, LLC, an alternative investment vehicle for Luther King Capital Management headquartered in Fort Worth, Texas ("LKCM"). In addition, he serves as an independent director, Chairman of the Audit Committee and a member of the Compensation Committee of Relevant Solutions Inc. (previously LKCM Distribution Holdings LP), an LKCM portfolio company which provides industrial instrumentation and controls, air compressor products and systems, heat transfer and filter systems and related maintenance services to chemical, petrochemical, oil and gas and power generation customers in Texas, Oklahoma and Louisiana as well as other key markets in the central and western United States. From 1996 to 1999, Mr. French was Chairman and Chief Executive Officer of Metals USA Inc. (NYSE), where he managed the process of founders acquisition, assembled the management team and took the company through a successful IPO in July 1997. From 1989 to 1996, he served as Executive Vice President and Director of Keystone International, Inc. (NYSE), a manufacturer of flow controls equipment. After serving as a helicopter pilot in the United States Army, Captain, Corps of Engineers from 1963 to 1966, Mr. French began his career as a Sales Engineer for Fisher Controls International, Inc., in 1966. During his 23-year career at Fisher Controls, from 1966 to 1989, Mr. French held various titles, and ended his career at Fisher Controls as President, Chief Operating Officer and Director. We believe Mr. French is qualified to serve on our Board of Directors because of his executive management and leadership roles within numerous public and private companies and his experience in investing in private companies.

J. Kevin Griffin is the Senior Vice President of Financial Planning & Analysis at Novant Health, a not-for-profit integrated system of 15 hospitals and a medical group consisting of approximately 1,600 physicians in 500 clinic locations, as well as numerous outpatient surgery centers, medical plazas, rehabilitation programs, diagnostic imaging centers, and community health outreach programs. Mr. Griffin's responsibilities at Novant primarily include debt capital market and M&A transactions, along with various other strategic analysis projects. From 2007 to October 2012, Mr. Griffin was a Managing Director of Fennebresque & Co., LLC, a boutique investment banking firm located in Charlotte, North Carolina. From 2003 through 2007, he was a Partner at McColl Partners, LLC, where he originated and executed middle market M&A transactions. Prior to McColl Partners, Mr. Griffin worked in the M&A and corporate finance divisions of Lazard Ltd, JPMorgan, and Bank of America in New York, Chicago, and Charlotte. Mr. Griffin's investment banking experience consists primarily of executing and originating mergers and acquisitions and corporate finance transactions. We believe Mr. Griffin is qualified to serve on our Board of Directors because of his extensive finance and valuation experience, his knowledge of the healthcare industry, and his extensive background in working with middle market companies in an M&A and advisory capacity.

John E. Jackson is the President and Chief Executive Officer of Spartan Energy Partners, LP, a gas gathering, treating and processing company. He has also been a director of Seitel, Inc., a privately owned provider of onshore seismic data to the oil and gas industry in North America, since August 2007, CNX Midstream Partners, LP, formerly known as CONE Midstream Partners, LP (NYSE: CNXM, formerly CNNX), a master limited partnership that owns and operates natural gas gathering and other midstream energy assets in the Marcellus Shale in Pennsylvania and West Virginia, since January 2015, and Basic Energy Services, Inc. (NYSE: BAS), a provider of well site services in the United States to oil and natural gas drilling and producing companies, since December 2016. Mr. Jackson was Chairman, Chief Executive Officer and President of Price Gregory Services, Inc., a pipeline-related infrastructure service provider in North America, from February 2008 until its sale in October of 2009. He served as a director of Hanover Compressor Company ("Hanover"), now known as Exterran Corporation (NYSE: EXTN) and Archrock, Inc. (NYSE: AROC), from July 2004 until May 2010. Mr. Jackson also served as Hanover's President and Chief Executive Officer from October 2004 to August 2007 and as Chief Financial Officer from January 2002 to October 2004. He also serves on the board of several non-profit organizations. We believe Mr. Jackson's qualifications to serve on

Table of Contents

our Board of Directors include his extensive background in executive and director roles of public and private companies.

Brian E. Lane has served as Chief Executive Officer and President of Comfort Systems USA, Inc. (NYSE: FIX), a leading provider of commercial, industrial and institutional heating, ventilation and air conditioning ("HVAC") services, since December 2011 and as a director of Comfort Systems since November 2010. Mr. Lane served as Comfort Systems' President and Chief Operating Officer from March 2010 until December 2011. Mr. Lane joined Comfort Systems in October 2003 and served as Vice President and then Senior Vice President for Region One until he was named Executive Vice President and Chief Operating Officer in January 2009. Prior to joining Comfort Systems, Mr. Lane spent fifteen years at Halliburton Company (NYSE: HAL), a global service and equipment company devoted to energy, industrial, and government customers. During his tenure at Halliburton, he held various positions in business development, strategy and project initiatives, and he departed as the Regional Director of Europe and Africa. Mr. Lane's additional experience included serving as a Regional Director of Capstone Turbine Corporation (NASDAQ: CPST), a distributed power manufacturer. He also was a Vice President of Kvaerner, an international engineering and construction company, where he focused on the chemical industry. Mr. Lane is also a member of the Board of Directors of Griffen Dewatering Corporation, a privately held company. Mr. Lane earned a Bachelor of Science in Chemistry from the University of Notre Dame and his MBA from Boston College. We believe Mr. Lane is qualified to serve on our Board of Directors because of his background in executive and director roles of public and private companies and his extensive knowledge of the construction and industrial services industries.

Stephen B. Solcher has served as the Senior Vice President of Finance and Business Operations and Chief Financial Officer of BMC Software, Inc., a privately held company that is a global leader in software solutions, since 2005. Previously, Mr. Solcher served as BMC's Treasurer and Vice President of Finance. He joined BMC in 1991 as Assistant Treasurer and became Treasurer the following year. During Mr. Solcher's tenure, BMC grew from nearly \$130 million in annual revenue to \$2.2 billion in annual revenue in 2013, its last year operating as a public company. In addition to leading many M&A transactions as Chief Financial Officer, Mr. Solcher was instrumental in BMC's transition from being a publicly traded company to becoming a privately held company in 2013. Prior to joining BMC, he was employed by Arthur Andersen as a certified public accountant. Mr. Solcher also serves on the development board of the Mays Business School at Texas A&M University and has served on the board of numerous nonprofit organizations. He was recognized by Institutional Investor magazine as part of the "All American Executive Team" in 2010 and 2012 and by Houston Business Journal as 2012 Best CFO Large Public Company. We believe Mr. Solcher's qualifications to serve on our Board of Directors include his thorough knowledge of the information technology and software industries and his accounting, finance and M&A experience as a chief financial officer of a large public and private company qualifying him to be an audit committee financial expert.

Interested Directors

Vincent D. Foster has served as Executive Chairman since November 2018 and as Chairman of Main Street's Board of Directors since 2007. Mr. Foster previously served as Main Street's Chief Executive Officer from 2007 until November 2018 and also served as Main Street's President from 2012 until 2015. He has also been a member of our management team's investment committee since its formation in 2007, a member of our management team's credit committee since its formation in 2011 and a member of our management team's executive committee since its formation in 2015. Mr. Foster also currently serves as a founding director of Quanta Services, Inc. (NYSE: PWR), which provides specialty contracting services to the power, natural gas and telecommunications industries. He also served as a director of U.S. Concrete, Inc. (NASDAQ-CM: USCR) from 1999 until 2010, Carriage Services, Inc. (NYSE: CSV) from 1999 to 2011, HMS Income Fund, Inc., a non-publicly traded

Table of Contents

business development company of which MSC Adviser I, LLC, a wholly owned subsidiary of Main Street, acts as the investment sub-adviser, from 2012 until 2013 and Team, Inc. (NYSE: TISI) from 2005 until 2017. In addition, Mr. Foster served as a founding director of the Texas TriCities Chapter of the National Association of Corporate Directors from 2004 to 2011. Mr. Foster, a certified public accountant, had a 19-year career with Arthur Andersen, where he was a partner from 1988 to 1997. Mr. Foster was the director of Arthur Andersen's Corporate Finance and Mergers and Acquisitions practice for the Southwest United States and specialized in working with companies involved in consolidating their respective industries. From 1997, Mr. Foster co-founded and has acted as co-managing partner and in other senior executive positions of several Main Street predecessor funds and entities, which are now subsidiaries of ours. We believe Mr. Foster is qualified to serve on our Board of Directors because of his intimate knowledge of our business and operations, along with his comprehensive experience on other public Boards of Directors and his extensive experience in tax, accounting, mergers and acquisitions, corporate governance and finance.

Dwayne L. Hyzak has served as Main Street's Chief Executive Officer since November 2018 and as a member of our Board of Directors since January 2018. Mr. Hyzak also serves as a member of our management team's investment, credit and executive committees. Previously, he served as President (2015 until November 2018), Chief Operating Officer (2014 until November 2018), Chief Financial Officer (2011 until 2014) and Senior Managing Director since 2011. Mr. Hyzak has served in other senior executive positions at Main Street since prior to its IPO in 2007. From 2002, Mr. Hyzak has also served as a Senior Managing Director and in other executive positions of several Main Street predecessor funds and entities, which are now subsidiaries of ours. From 2000 to 2002, Mr. Hyzak was a Director of Integration with Quanta Services, Inc. (NYSE: PWR), which provides specialty contracting services to the power, natural gas and telecommunications industries, where he was principally focused on the company's mergers and acquisitions and corporate finance activities. Prior to joining Quanta Services, Inc., Mr. Hyzak, a certified public accountant, was a Manager with Arthur Andersen in its Transaction Advisory Services group. We believe Mr. Hyzak is qualified to serve on our Board of Directors because of his long tenure in leadership roles at Main Street, currently as Chief Executive Officer and previously as President and Chief Operating Officer, in which roles he has successfully led our lower middle market investment activities, and also previously as Chief Financial Officer, along with his extensive experience in investing and managing investments in lower middle market companies, mergers and acquisitions, corporate finance, tax and accounting.

Non-Director Officers

David L. Magdol has served as President since November 2018 and Chief Investment Officer and Senior Managing Director since 2011. Mr. Magdol is also the chairman of our management team's investment committee and a member of our management team's executive committee. Previously, he served as Vice Chairman from 2015 until November 2018. Mr. Magdol has served in other senior executive positions at Main Street since prior to its IPO in 2007. Mr. Magdol has also served as a Senior Managing Director and in other executive positions of several Main Street predecessor funds and entities, which are now subsidiaries of ours, since 2002. Mr. Magdol joined Main Street from the investment banking group at Lazard Freres & Co. Prior to Lazard, he managed a portfolio of private equity investments for the McMullen Group, a private investment firm/family office capitalized by Dr. John J. McMullen, the former owner of the New Jersey Devils and the Houston Astros. Mr. Magdol began his career in the structured finance services group of JP Morgan Chase.

Curtis L. Hartman has served as Vice Chairman since 2015 and Chief Credit Officer and Senior Managing Director since 2011. Mr. Hartman is also the chairman of our management team's credit committee and a member of our management team's investment and executive committees. Previously, he served in other senior executive positions at Main Street since prior to its IPO in 2007. From 2000, Mr. Hartman has also served as a Senior Managing Director and in other executive positions of several

Table of Contents

Main Street predecessor funds and entities, which are now subsidiaries of ours. Mr. Hartman also served on the Board of Directors of HMS Income Fund, Inc., a non-publicly traded business development company of which MSC Adviser I, LLC, a wholly owned subsidiary of Main Street, acts as the investment sub-adviser, from 2013 to 2016. Mr. Hartman currently serves as an executive officer of the Small Business Investor Alliance (SBIA) and has been a member of SBIA's Board of Governors since 2011 where he previously chaired the BDC Committee. From 1999 to 2000, Mr. Hartman was a Director for Sterling City Capital, LLC, a private investment firm. Concurrently with joining Sterling City Capital, he joined United Glass Corporation, a Sterling City Capital portfolio company, as Director of Corporate Development. Prior to joining Sterling City Capital, Mr. Hartman, a certified public accountant, was a manager with PricewaterhouseCoopers LLP in its M&A/Transaction Services group and a senior auditor with Deloitte & Touche LLP in its Financial Assurance Group.

Jason B. Beauvais has served as Senior Vice President, General Counsel, Chief Compliance Officer and Secretary since 2012. Previously, Mr. Beauvais served as Vice President, General Counsel and Secretary since 2008. From 2006 through 2008, Mr. Beauvais was an attorney with Occidental Petroleum Corporation (NYSE: OXY), an international oil and gas exploration and production company. Prior to joining Occidental Petroleum Corporation, Mr. Beauvais practiced corporate and securities law at Baker Botts L.L.P., where he primarily counseled companies in public issuances and private placements of debt and equity and handled a wide range of general corporate and securities matters as well as mergers and acquisitions.

Brent D. Smith has served as Chief Financial Officer and Treasurer since November 2014 and previously as Senior Vice President Finance since August 2014. Mr. Smith previously served as Executive Vice President, Chief Financial Officer and Treasurer of Cal Dive International, Inc. from 2010 through June 2014 and in various finance and accounting roles at Cal Dive from 2005 through 2010. On March 3, 2015, Cal Dive and certain of its subsidiaries, excluding its foreign subsidiaries, filed for voluntary protection under Chapter 11 of the Bankruptcy Code. Prior to joining Cal Dive, Mr. Smith was a manager with FTI Consulting (NYSE: FCN). Prior to that, Mr. Smith, a certified public accountant, was employed as a senior auditor at Arthur Andersen LLP.

Nicholas T. Meserve has served as Managing Director on our middle market investment team since 2012. Mr. Meserve is also a member of our management team's credit committee. Mr. Meserve has also served on the Board of Directors of HMS Income Fund, Inc., a non-publicly traded business development company of which MSC Advisor I, LLC, a wholly owned subsidiary of Main Street, acts as the investment sub-advisor, since April 2016. Previously, from 2004 until 2012, Mr. Meserve worked at Highland Capital Management, LP, a large alternative credit manager, and certain of its affiliates, where he managed a portfolio of senior loans and high yield bonds across a diverse set of industries. Prior to Highland, he was a Credit Analyst at JP Morgan Chase & Co.

K. Colton Braud, III has served as a Managing Director on our lower middle market team since January 2017 and has been with the firm in Associate to Director roles since 2012. Prior to joining Main Street, Mr. Braud spent two years as an Associate at Wellspring Capital Management, a middle market private equity firm based in New York. While at Wellspring, Mr. Braud's responsibilities included evaluating leveraged buyout opportunities, conducting due diligence across a wide array of industries and portfolio management. Prior to Wellspring, Mr. Braud served as an Analyst at J.P. Morgan Securities Inc. in its Financial Sponsor Group.

Alejandro Capetillo has served as a Managing Director on our lower middle market team since October 2017 and has been with the firm in Analyst to Director roles since 2008. During his time with Main Street, Mr. Capetillo has been part of a lower middle market team that has closed over 30 transactions, including growth financings, dividend recapitalizations, management buyouts and control leveraged buyouts. In addition to having led a number of platform and add-on transactions in diverse industries on behalf of Main Street, Mr. Capetillo has been a member of the board of directors

Table of Contents

of several of Main Street's portfolio companies, assisting those companies with issues ranging from day-to-day operations to broader growth and exit strategies.

Samuel A. Cashiola has served as a Managing Director since January 2019 and various other roles since joining Main Street in 2012. Prior to joining Main Street, Mr. Cashiola was an Associate Analyst on Morgan Keegan's Internet & e-Commerce Equity Research team, which focused on companies in the digital media and e-commerce segments, and an Associate at T. Rowe Price Associates. Mr. Cashiola holds a B.S. degree in Finance from Wake Forest University and a M.S. degree in Finance from the Owen Graduate School of Management at Vanderbilt University. He is a CFA charterholder and is a member of the CFA Society of Houston.

Watt R. Matthews has served as a Managing Director since January 2019 and in various other roles since joining Main Street in 2010. He graduated from the University of Texas at Austin in May 2008 with a B.B.A. in Finance degree and a minor in Accounting, followed by post-graduate study in Ranch Management from Texas Christian University.

Shannon D. Martin has served as Vice President, Chief Accounting Officer and Assistant Treasurer since 2012. From 2006 to 2012, Mr. Martin worked as an independent consultant and performed financial advisory services for several clients, including functioning as acting Chief Accounting Officer from 2008 to 2011 for EquaTerra, Inc. From 1999 to 2006, Mr. Martin was a director of accounting integration and audit with Quanta Services, Inc. (NYSE: PWR), which provides specialty contracting services to the power, natural gas and telecommunications industries, where he focused on the development of integrated accounting, business and information system processes and the company's acquisition and integration strategies. From 1992 to 1999, Mr. Martin, a certified public accountant, worked at Arthur Andersen as a manager in the Commercial Services group.

Katherine S. Silva, a certified public accountant, has served as Vice President since 2015, with responsibility for managing Small Business Administration matters and several administrative functions, and Assistant Treasurer since 2010, with responsibility for managing day-to-day treasury activities. She also serves as special assistant to Mr. Foster. Ms. Silva has worked at Main Street since 2005 and holds a Bachelor of Arts in Journalism from the University of Georgia.

CORPORATE GOVERNANCE

We maintain a corporate governance section on our website which contains copies of the charters for the committees of our Board of Directors. The corporate governance section may be found at <http://mainstcapital.com> under "Corporate Governance Governance Docs" in the "Investors" section of our website. The corporate governance section contains the following documents, which are available in print to any stockholder who requests a copy in writing to Main Street Capital Corporation, Corporate Secretary's Office, 1300 Post Oak Blvd., 8th Floor, Houston, Texas 77056:

- Audit Committee Charter
- Nominating and Corporate Governance Committee Charter
- Compensation Committee Charter

In addition, our Code of Business Conduct and Ethics and our Corporate Governance and Stock Ownership Guidelines may be found at <http://mainstcapital.com> under "Corporate Governance Governance Docs" in the "Investors" section of our website and are available in print to any stockholder who requests a copy in writing. Our Board of Directors adopted the Code of Business Conduct and Ethics in order to establish 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 the level of integrity and for complying with the policies contained in the Code of Business Conduct and Ethics. Each employee of Main Street is required to acknowledge that he or she has received, read and understands the Code of Business

Table of Contents

Conduct and Ethics and agrees to observe the policies and procedures contained therein at the time of hire and annually thereafter. We intend to disclose any substantive amendments to, or waivers from, our Code of Business Conduct and Ethics within four business days of the waiver or amendment through a posting on our website. The Corporate Governance and Stock Ownership Guidelines adopted by our Board of Directors establish our corporate governance principles and practices on a variety of topics, including the responsibilities, composition and functioning of the Board, responsibilities of management and interaction with the Board and stock ownership guidelines for management and Board members. The Nominating and Corporate Governance Committee of our Board assesses the Corporate Governance and Stock Ownership Guidelines periodically and makes recommendations to the Board on any changes to implement.

Director Independence

Our Board of Directors currently consists of ten members, eight of whom are classified under applicable listing standards of the New York Stock Exchange as "independent" directors and under Section 2(a)(19) of the 1940 Act as not "interested persons." Based on these independence standards and the recommendation of the Nominating and Corporate Governance Committee, our Board of Directors has affirmatively determined that the following directors are independent:

Michael Appling Jr.
Valerie L. Banner
Joseph E. Canon
Arthur L. French
J. Kevin Griffin
John E. Jackson
Brian E. Lane
Stephen B. Solcher

Our Board of Directors considered certain portfolio investments and other transactions in which our independent directors may have had a direct or indirect interest, including the transactions, if any, described under the heading "Certain Relationships and Related Party Transactions" in evaluating each director's independence under the 1940 Act and applicable listing standards of the New York Stock Exchange, and the Board of Directors determined that no such transaction would impact the ability of any director to exercise independent judgment or impair his or her independence.

Communications with the Board

Stockholders or other interested persons may send written communications to the members of our Board of Directors, addressed to Board of Directors, c/o Main Street Capital Corporation, Corporate Secretary's Office, 1300 Post Oak Blvd., 8th Floor, Houston, Texas 77056. All communications received in this manner will be delivered to one or more members of our Board of Directors.

Board Leadership Structure

Mr. Foster currently serves as the Executive Chairman of our Board of Directors and, prior to November 2018, served as our Chief Executive Officer. In November 2018, in connection with a previously announced long-term succession plan, the Board of Directors elected Mr. Hyzak as Chief Executive Officer of the Company, succeeding Mr. Foster who continues to serve as Main Street's Executive Chairman. Mr. Foster is an "interested person" under Section 2(a)(19) of the 1940 Act due to his current position with the Company as Executive Chairman. The Board believes that Mr. Foster is currently best situated to serve as Chairman of our Board of Directors given his history with the Company, his deep knowledge of the Company's business and his extensive experience in managing private debt and equity investments in lower middle market companies and debt investments in middle

Table of Contents

market companies. The Company's independent directors bring experience, oversight and expertise from outside the Company and industry, while Mr. Foster brings Company-specific and industry-specific experience and expertise. The Board believes that the current leadership structure with Mr. Foster serving as Executive Chairman of the Board promotes strategy development and execution while facilitating effective, timely communication between management and the Board and is optimum for effective corporate governance.

Our Board of Directors has designated Arthur L. French as Lead Independent Director to preside over all executive sessions of non-management directors. In the Lead Independent Director's absence, the remaining non-management directors may appoint a presiding director by majority vote. The non-management directors meet in executive session without management on a regular basis. The Lead Independent Director also has the responsibility of consulting with management on Board and committee meeting agendas, acting as a liaison between management and the non-management directors, including maintaining frequent contact with the Executive Chairman and the Chief Executive Officer and facilitating collaboration and communication between the non-management directors and management. Stockholders or other interested persons may send written communications to Arthur L. French, addressed to Lead Independent Director, c/o Main Street Capital Corporation, Corporate Secretary's Office, 1300 Post Oak Blvd., 8th Floor, Houston, Texas 77056.

Board of Directors and its Committees

Board of Directors. Our Board of Directors met four times and acted by unanimous written consent twenty-six times during 2018. All directors attended 100% of the meetings of the Board of Directors and of the committees on which they served during 2018, and all ten directors attended the 2018 annual meeting of stockholders in person. Our Board of Directors expects each director to make a diligent effort to attend all Board and committee meetings, as well as each annual meeting of stockholders.

Committees. Our Board of Directors currently has, and appoints the members of, standing Audit, Compensation and Nominating and Corporate Governance Committees. Each of those committees is comprised entirely of independent directors and has a written charter approved by our Board of Directors. The current members of the committees are identified in the following table.

Director	Board Committees		
	Audit	Compensation	Nominating and Corporate Governance
Michael Appling Jr.	ý		ý
Valerie L. Banner			ý
Joseph E. Canon		ý	Chair
Arthur L. French		ý	
J. Kevin Griffin	Chair		ý
John E. Jackson	ý	Chair	
Brian E. Lane		ý	ý
Stephen B. Solcher	ý		

S-56

Table of Contents

Audit Committee. During the year ended December 31, 2018, the Audit Committee met four times. The Audit Committee is responsible for selecting, engaging and discharging our independent accountants, reviewing the plans, scope and results of the audit engagement with our independent accountants, approving professional services provided by our independent accountants (as well as the compensation for those services), reviewing the independence of our independent accountants and reviewing the adequacy of our internal control over financial reporting. In addition, the Audit Committee is responsible for assisting our Board of Directors with its review and approval of the determination of the fair value of our investments. Our Board of Directors has determined that each of Messrs. Appling, Griffin, Jackson and Solcher is an "Audit Committee financial expert" as defined by the Securities and Exchange Commission, or the SEC. For more information on the backgrounds of these directors, see their biographical information under "Biographical Information" above.

Compensation Committee. During the year ended December 31, 2018, the Compensation Committee met four times and acted by unanimous written consent five times. The Compensation Committee determines the compensation and related benefits for our executive officers including the amount of salary, bonus and stock-based compensation to be included in the compensation package for each of our executive officers. In addition, the Compensation Committee assists the Board of Directors in developing and evaluating the compensation of our non-management directors and evaluating succession planning with respect to the chief executive officer and other key executive positions. The Compensation Committee has the authority to engage the services of outside advisers, experts and others as it deems necessary to assist the committee in connection with its responsibilities. The actions of the Compensation Committee are generally reviewed and ratified by the entire Board of Directors, except the employee directors do not vote with respect to their compensation.

Nominating and Corporate Governance Committee. During the year ended December 31, 2018, the Nominating and Corporate Governance Committee met four times. The Nominating and Corporate Governance Committee is responsible for determining criteria for service on our Board of Directors, identifying, researching and recommending to the Board of Directors director nominees for election by our stockholders, selecting nominees to fill vacancies on our Board of Directors or a committee of the Board, developing and recommending to our Board of Directors any amendments to our corporate governance principles and overseeing the self-evaluation of our Board of Directors and its committees.

Board and Committee Evaluation Process

Each year, our Board of Directors conducts a thorough self-assessment evaluation process. Detailed questionnaires solicit anonymous input from directors regarding the performance and effectiveness of the Board, Board committees, individual directors and interaction with management and provide an opportunity for Board members to identify areas for improvement. The Nominating and Corporate Governance Committee reviews the results and feedback from this process and makes recommendations for improvements as appropriate. The Board has successfully used this process to evaluate Board and Board committee effectiveness and identify opportunities to strengthen the Board.

Compensation Committee Interlocks and Insider Participation

Each member of the Compensation Committee is independent for purposes of the applicable listing standards of the New York Stock Exchange. During the year ended December 31, 2018, no member of the Compensation Committee was an officer, former officer or employee of ours or had a relationship disclosable under "Certain Relationships and Related Party Transactions," except as disclosed therein. No interlocking relationship, as defined by the rules adopted by the SEC, existed during the year ended December 31, 2018 between any member of the Board of Directors or the Compensation Committee and an executive officer of Main Street.

Table of Contents

Director Nomination Process

Our Nominating and Corporate Governance Committee has determined that a candidate for election to our Board of Directors must satisfy certain general criteria, including, among other things:

be an individual of the highest character and integrity and have an inquiring mind, vision, a willingness to ask hard questions and the ability to work professionally with others;

be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;

be willing and able to devote sufficient time to the affairs of our Company and be diligent in fulfilling the responsibilities of a member of our Board of Directors and a member of any committee thereof (including: developing and maintaining sufficient knowledge of our Company and the specialty finance industry in general; reviewing and analyzing reports and other information important to responsibilities of our Board of Directors and any committee thereof; preparing for, attending and participating in meetings of our Board of Directors and meetings of any committee thereof; and satisfying appropriate orientation and continuing education guidelines); and

have the capacity and desire to represent the balanced, best interests of our stockholders as a whole and not primarily a special interest group or constituency.

The Nominating and Corporate Governance Committee seeks to identify potential director candidates who will strengthen the Board of Directors and will contribute to the overall mix of general criteria identified above. In addition to the general criteria, the Nominating and Corporate Governance Committee considers specific criteria, such as particular skills, experiences (whether in business or in other areas such as public service, academia or scientific communities), areas of expertise, specific backgrounds, and other characteristics, that should be represented on the Board of Directors to enhance its effectiveness and the effectiveness of its committees. The Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity; however, the Board and the Nominating and Corporate Governance Committee believe that it is essential that the Board members represent diverse experience and viewpoints and a diverse mix of the specific criteria above. The process of identifying potential director candidates includes establishing procedures for soliciting and reviewing potential nominees from directors and for advising those who suggest nominees of the outcome of such review. The Nominating and Corporate Governance Committee also has the authority to retain and terminate any search firm used to identify director candidates.

Any stockholder may nominate one or more persons for election as one of our directors at an annual meeting of stockholders if the stockholder complies with the notice, information and consent provisions contained in our bylaws and any other applicable law, rule or regulation regarding director nominations. When submitting a nomination to our Company for consideration, a stockholder must provide certain information that would be required under applicable SEC rules, including the following minimum information for each director nominee: full name, age and address; number of any shares of our stock beneficially owned by the nominee, if any; the date such shares were acquired and the investment intent of such acquisition; whether such stockholder believes the nominee is an "interested person" of our Company, as defined in 1940 Act; and all other information required to be disclosed in solicitations of proxies for election of directors in an election contest or is otherwise required, including the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected. See "Stockholders' Proposals" in our proxy statement and the relevant provisions of our bylaws for other requirements of stockholder proposals.

The Nominating and Corporate Governance Committee will consider candidates identified through the processes described above, and will evaluate each of them, including incumbents, based on the same criteria. The Nominating and Corporate Governance Committee also takes into account the

Table of Contents

contributions of incumbent directors as Board members and the benefits to us arising from their experience on our Board of Directors. Although the Nominating and Corporate Governance Committee will consider candidates identified by stockholders, the Nominating and Corporate Governance Committee may determine not to recommend those candidates to our Board of Directors, and our Board of Directors may determine not to nominate any candidates recommended by the Nominating and Corporate Governance Committee. No director nominee named in this prospectus supplement was nominated by stockholders.

Board's Role in the Oversight of Risk Management

Our Board of Directors as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant Board committees that report on their deliberations to the full Board. The oversight responsibility of the Board and its committees is enabled by management reporting processes that are designed to provide visibility to the Board about the identification, assessment and management of critical risks and management's risk mitigation strategies. Areas of focus include competitive, economic, operational, financial (accounting, credit, liquidity and tax), legal, regulatory, compliance and other risks. The Board and its committees oversee risks associated with their respective principal areas of focus, as summarized below. Committees meet in executive session with key management personnel regularly and with representatives of outside advisors as necessary.

Board/Committee	Primary Areas of Risk Oversight
Full Board	Strategic, financial and execution risks and exposures associated with the annual operating plan and five-year strategic plan; major litigation and regulatory exposures and other current matters that may present material risk to our operations, plans, prospects or reputation; material acquisitions and divestitures.
Audit Committee	Risks and exposures associated with financial matters, particularly investment valuation, financial reporting and disclosure, tax, accounting, oversight of independent accountants, internal control over financial reporting, financial policies and credit and liquidity matters, along with information technology systems and policies including data privacy and security and business continuity and operational risks.
Compensation Committee	Risks and exposures associated with leadership assessment, senior management succession planning, executive and director compensation programs and arrangements, including incentive plans, and compensation related regulatory compliance.
Nominating and Corporate Governance Committee	Risks and exposures relating to our programs and policies relating to legal compliance, corporate governance, and director nomination, evaluation and succession planning.

COMPENSATION OF DIRECTORS

The following table sets forth the compensation that we paid during the year ended December 31, 2018 to our non-employee directors. Directors who are also employees of Main Street or any of its subsidiaries do not receive compensation for their services as directors.

Table of Contents**Director Compensation Table**

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Total
Arthur L. French	\$ 227,500	\$ 30,015	\$ 257,515
Michael Appling Jr.	197,500	30,015	227,515
Valerie L. Banner	182,500	30,015	212,515
Joseph E. Canon	200,000	30,015	230,015
J. Kevin Griffin	215,000	30,015	245,015
John E. Jackson	210,000	30,015	240,015
Brian E. Lane	192,500	30,015	222,515
Stephen B. Solcher	190,000	30,015	220,015

(1)

Non-employee directors may elect to defer a portion of their annual cash retainers under the Main Street Capital Corporation Deferred Compensation Plan (the "2015 Deferred Compensation Plan"). Amounts deferred under the plan earn a return based on the returns on certain investment alternatives permitted under the plan, including phantom Main Street stock units, as designated by the participant. The following table sets forth information regarding the activity during 2018 related to the accounts of our non-employee directors under the 2015 Deferred Compensation Plan:

Name	Aggregate Balance at December 31, 2017	2018 Director Contributions	2018 Company Contributions	2018 Aggregate Earnings	2018 Aggregate Withdrawals/ Distributions	Aggregate Balance at December 31, 2018
Arthur L. French	\$ 532,206	\$ 75,000		\$ (48,461)		\$ 558,745
Michael Appling Jr.	506,951	70,000		(46,077)		530,874
Valerie L. Banner	88,039	182,500		(18,034)		252,505
Joseph E. Canon	852,497	200,000		(82,329)		970,168
J. Kevin Griffin	606,106	100,000		(53,727)		652,379
John E. Jackson	477,429	80,000		(44,222)		513,207
Brian E. Lane	227,320	85,000		(23,818)		288,502
Stephen B. Solcher	284,065	95,000		(29,103)		349,962

(2)

Each of Ms. Banner and Messrs. French, Appling, Canon, Griffin, Jackson, Lane and Solcher received an award of 797 restricted shares on May 1, 2018 under the Main Street Capital Corporation 2015 Non-Employee Director Restricted Stock Plan (the "Non-Employee Director Plan"), which will vest 100% on May 6, 2019, the day of the annual meeting since the prior day is not a business day, provided that the grantee has been in continuous service as a member of the Board through such date. These amounts represent the grant date fair value of the 2018 stock awards in accordance with FASB ASC Topic 718 based on the closing price of our common stock on the date of grant. Dividends paid on restricted stock awards are reflected in the grant date fair value and, therefore, are not shown in the table. Pursuant to SEC rules, the amounts shown exclude the impact of any estimated forfeitures related to service-based vesting conditions. These amounts may not correspond to the actual value that will be recognized by our directors upon vesting. Each of Ms. Banner and Messrs. French, Appling, Canon, Griffin, Jackson, Lane and Solcher had 797 unvested shares of restricted stock outstanding as of December 31, 2018. Please see the discussion of the assumptions made in the valuation of these awards in Note J to the audited consolidated financial statements included in this prospectus supplement.

The compensation for non-employee directors for 2018 was comprised of cash compensation paid to or earned by directors in connection with their service as a director. That cash compensation consisted of an annual retainer of \$175,000, and an additional \$42,500 retainer for the Lead

Table of Contents

Independent Director. Non-employee directors do not receive fees based on meetings attended absent circumstances that require an exceptionally high number of meetings within an annual period. We also reimburse our non-employee directors for all reasonable expenses incurred in connection with their service on our Board. The chairpersons and members of our Board committees received additional annual retainers for 2018 as follows:

the chairperson of the Audit Committee: \$32,500;

members of the Audit Committee other than the chairperson: \$15,000;

the chairperson of the Compensation Committee: \$20,000;

members of the Compensation Committee other than the chairperson: \$10,000;

the chairperson of the Nominating and Corporate Governance Committee: \$15,000; and

members of the Nominating and Corporate Governance Committee other than the chairperson: \$7,500.

The Non-Employee Director Plan provides a means through which we may attract and retain qualified non-employee directors to enter into and remain in service on our Board of Directors. Under the Non-Employee Director Plan, at the beginning of each one-year term of service on our Board of Directors, each non-employee director receives a number of shares equivalent to \$30,000 based on the closing price of a share of our common stock on the New York Stock Exchange (or other exchange on which our shares are then listed) on the date of grant. These shares are subject to forfeiture provisions that will lapse as to an entire award at the end of the one-year term.

In November 2015, our Board of Directors approved and adopted 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 and approved by the Board in 2013. Under the 2015 Deferred Compensation Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation, 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 for which shares of Main Street common stock will be issued upon distribution.

For the beneficial ownership of our common stock by each of our directors and the dollar range value of such ownership, please see "Control Persons and Principal Stockholders".

COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion and Analysis, or CD&A, provides information relating to the compensation of Main Street's Named Executive Officers, or NEOs, for 2018, who were:

Dwayne L. Hyzak, Member of the Board, Chief Executive Officer and Senior Managing Director;

David L. Magdol, President, Chief Investment Officer and Senior Managing Director;

Vincent D. Foster, Executive Chairman of the Board;

Edgar Filing: Main Street Capital CORP - Form 497

Jason B. Beauvais, Senior Vice President, General Counsel, Chief Compliance Officer and Secretary;

Brent D. Smith, Chief Financial Officer and Treasurer; and

Nicholas T. Meserve, Managing Director.

S-61

Table of Contents

In November 2018, Main Street announced that in connection with its long-term succession plans, Mr. Hyzak was promoted to Chief Executive Officer, succeeding Mr. Foster in that role. Mr. Foster continues to serve as Main Street's Executive Chairman. Main Street also announced the promotion of Mr. Magdol to President in November 2018, succeeding Mr. Hyzak in that role.

Compensation Philosophy and Objectives

The Main Street compensation system was developed by the Compensation Committee and approved by all independent directors. The system is designed to attract and retain key executives, motivate them to achieve the Company's business objectives and reward them for performance while aligning management's interests with those of the Company's stockholders. The structure of Main Street's incentive compensation programs is formulated to encourage and reward the following, among other things:

achievement of income and capital gains to sustain and grow the Company's dividend payments;

maintenance of liquidity and capital flexibility to accomplish the Company's business objectives, including the preservation of investor capital;

attainment of superior risk-adjusted returns on the Company's investment portfolio; and

professional development and growth of individual executives, the management team and other employees.

The Compensation Committee has the primary authority to establish compensation for the NEOs and other key employees and administers all executive compensation arrangements and policies. Main Street's Chief Executive Officer assists the Committee by providing recommendations regarding the compensation of NEOs and other key employees, excluding himself. The Committee exercises its discretion by modifying or accepting these recommendations. The Chief Executive Officer routinely attends a portion of the Committee meetings. However, the Committee often meets in executive session without the Chief Executive Officer or other members of management when discussing compensation matters and on other occasions as determined by the Committee.

The compensation packages for Main Street NEOs and other key employees are structured to reflect the Compensation Committee's commitment to corporate governance best practices and performance-oriented executive compensation. Specifically, the Compensation Committee has implemented the following practices for NEOs and other key employees:

no employment agreements;

no cash severance benefits;

no supplemental defined benefit pensions; and

no tax gross-up payments.

The Compensation Committee believes the above practices are appropriate in light of the Company's current objectives and compensation philosophies but reserves the right to re-visit these practices in the future as may be appropriate. The Compensation Committee takes into account competitive market practices with respect to the salaries and total direct compensation of the NEOs and other key employees. Members of the Committee consider market practices by reviewing public and non-public information for executives at comparable companies and funds. The Committee also has the authority to utilize compensation consultants to better understand competitive pay practices and has retained such expertise in the past.

Table of Contents

Independent Compensation Consultant

The Compensation Committee has from time to time engaged independent compensation consultants to assist the Committee and provide advice on a variety of compensation matters relating to NEO, other key employee and independent director compensation, incentive compensation plans and compensation trends, best practices and regulatory matters. Any such compensation consultants are hired by and report directly to the Compensation Committee. Although compensation consultants may work directly with management on behalf of the Compensation Committee, any such work is under the control and supervision of the Compensation Committee. The Compensation Committee did not retain any independent compensation consultants or pay any fees for compensation consulting services for fiscal 2018.

Assessment of Market Data

In assessing the competitiveness of executive compensation levels, the Compensation Committee analyzes market data of certain companies, including internally managed business development companies, or BDCs, private equity firms and other asset management and financial services companies. This analysis focuses on key elements of compensation practices in general, and more specifically, the compensation practices at companies and funds reasonably comparable in asset size, typical investment size and type, market capitalization and general business scope as compared to the Company.

As regards other internally managed BDCs like Main Street, the Compensation Committee considers the compensation practices and policies pertaining to executive officers as detailed in their company's respective proxies, research analysts' reports and other publicly available information. However, there are relatively few internally managed BDCs and none that are directly comparable to the Company as regards business strategies, assets under management, typical investment size and type and market capitalization. Moreover, regarding the compensation and retention of executive talent, the Company also competes with private equity funds, private credit funds, hedge funds and other types of specialized investment funds. Since these funds are generally private companies that are not required to publicly disclose their executive compensation practices and policies, the Committee relies on third-party compensation surveys as well as other available information to compare compensation practices and policies.

Items taken into account from comparable companies and funds include, but are not necessarily limited to, base compensation, bonus compensation, stock option awards, restricted stock awards, carried interest and other compensation. In addition to actual levels of cash and equity related compensation, the Compensation Committee also considers other approaches comparable companies are taking with regard to overall executive compensation practices. Such items include, but are not necessarily limited to, the use of employment agreements for certain employees, the mix of cash and equity compensation, the use of third-party compensation consultants and certain corporate and executive performance measures that are established to achieve longer term total return for stockholders. Finally, in addition to analyzing comparable companies and funds, the Committee also evaluates the relative cost structure of the Company as compared to the entire BDC sector, including internally and externally managed BDCs, as well as other private funds.

Assessment of Company Performance

The Compensation Committee believes that sustained financial performance coupled with consistent stockholders' returns as well as proportional employee compensation are essential components for Main Street's long-term business success. Main Street typically makes three to seven-year investments in its portfolio companies. However, the Company's business plan involves taking on investment risks over a range of time periods. Accordingly, much emphasis is focused on

Table of Contents

maintaining the stability of net asset values as well as the continuity of earnings to pass through to stockholders in the form of recurring dividends. The quality of the earnings supporting the dividends as well as the maintenance and growth of dividends are key metrics in the Committee's assessment of financial performance.

Main Street's primary strategy is to generate current income from debt investments and to realize capital gains from equity-related investments. This income supports the payment of dividends to stockholders. The recurring payment of dividends requires a methodical investment acquisition approach and active monitoring and management of the investment portfolio over time. A meaningful part of the Company's employee base is dedicated to the maintenance of asset values and expansion of this recurring income to sustain and grow dividends. The Committee believes that stability of the management team is critical to achieving successful implementation of the Company's strategies. Further, the Committee, in establishing and assessing executive salary and performance incentives, is more focused on Main Street results as compared to its business objectives rather than the performance of Main Street relative to other comparable companies or industry metrics.

Executive Compensation Components

For 2018, the components of Main Street's direct compensation program for NEOs included:

base salary;

annual cash bonuses;

long-term compensation pursuant to the 2015 Equity and Incentive Plan; and

other benefits.

The Compensation Committee designs each NEO's direct compensation package to appropriately reward the NEO for his or her contribution to the Company. The judgment and experience of the Committee are weighed with individual and Company performance metrics and consultation with the Chief Executive Officer (except with respect to himself) to determine the appropriate mix of compensation for each individual. The Compensation Committee does not target a specific level of compensation relative to market practice, and only uses such data as a reference point when establishing compensation levels for NEOs. Cash compensation consisting of base salary and discretionary bonuses tied to achievement of individual performance goals that are reviewed and approved by the Committee, as well as corporate objectives, are intended to motivate NEOs to remain with the Company and work to achieve expected business objectives. Stock-based compensation is awarded based on performance expectations approved by the Committee for each NEO. The blend of short-term and long-term compensation may be adjusted from time to time to balance the Committee's views regarding the benefits of current cash compensation and appropriate retention incentives.

Base Salary

Base salary is used to recognize the experience, skills, knowledge and responsibilities required of the NEOs in their roles. In connection with establishing the base salary of each NEO, the Compensation Committee and management consider a number of factors, including the seniority and experience level of the individual, the functional responsibilities of the position, the experience level of the individual, the Company's ability to replace the executive, the past base salary of the individual and the relative number of well-qualified candidates available in the area. In addition, the Committee considers publicly available information regarding the base salaries paid to similarly situated executive officers and other competitive market practices.

Table of Contents

The salaries of the NEOs are reviewed on an annual basis, as well as at the time of promotion or any substantial change in responsibilities. The key factors in determining increases in salary level are relative performance and competitive pressures.

Annual Cash Bonuses

Annual cash bonuses are intended to reward individual performance on an annual basis and can therefore be variable from year to year. Cash bonus awards for the NEOs are determined by the Compensation Committee on a discretionary basis based on performance criteria, particularly the Company's dividend performance as well as corporate and individual performance goals and other measures established by the Committee with the Chief Executive Officer's input (except with respect to his own performance criteria). Should actual performance exceed expected performance criteria, the Committee may adjust individual cash bonuses to take such superior performance into account.

Long-Term Incentive Awards

Main Street's Board of Directors and stockholders approved the 2015 Equity and Incentive Plan in May 2015 to provide stock-based awards as long-term incentive compensation to employees, including the NEOs. The Company uses stock-based awards to (i) attract and retain key employees, (ii) motivate employees by means of performance-related incentives to achieve long-range performance goals, (iii) enable employees to participate in the Company's long-term growth in value and (iv) link employees' compensation to the long-term interests of stockholders. At the time of each award, the Compensation Committee will determine the terms of the award, including any performance period (or periods) and any performance objectives relating to vesting of the award. Prior to the adoption of the 2015 Equity and Incentive Plan, stock-based awards to employees were made under and are governed by the 2008 Equity Incentive Plan. Terms of the 2008 Equity Incentive Plan are substantially similar to the 2015 Equity and Incentive Plan. After adoption of the 2015 Equity and Incentive Plan no further awards have been, or will be, granted under the 2008 Equity Incentive Plan.

Restricted Stock. Main Street has received exemptive relief from the SEC that permits the Company to grant restricted stock in exchange for or in recognition of services by its executive officers and employees. Pursuant to the 2015 Equity and Incentive Plan, the Compensation Committee may award shares of restricted stock to plan participants in such amounts and on such terms as the Committee determines in its sole discretion, provided that such awards are consistent with the conditions set forth in the SEC's exemptive order. Each restricted stock grant will be for a fixed number of shares as set forth in an award agreement between the grantee and Main Street. Award agreements will set forth time and/or performance vesting schedules and other appropriate terms and/or restrictions with respect to awards, including rights to dividends and voting rights. Beginning in 2015, the Committee awarded restricted stock awards to employees, including NEOs, which vest in equal increments over a three-year time frame based on continued service during the vesting period. The Committee's previous practice had been to award restricted stock to employees which vested over a four-year time frame. The change to the vesting period was made to be more closely aligned with comparable companies.

Options. The Compensation Committee may also grant stock options to purchase Main Street's common stock (including incentive stock options and nonqualified stock options). The Committee expects that any options granted will represent a fixed number of shares of common stock, will have an exercise price equal to the fair market value of common stock on the date of grant, and will be exercisable, or "vested," at some later time after grant. Certain stock options may provide for vesting based on the grantee remaining employed by Main Street for a time certain and/or the grantee and/or the Company attaining specified performance criteria. To date, the Committee has not granted stock options to any NEO.

Table of Contents

For a discussion of our policies related to employee and director hedging of economic risk of owning our securities, please see "Control Persons and Principal Stockholders".

Other Benefits

Main Street's NEOs generally participate in the same benefit plans and programs as the Company's other employees, including comprehensive medical, dental and vision insurance, short term and long-term disability insurance and life insurance.

Main Street maintains a 401(k) plan for all full-time employees who are at least 21 years of age through which the Company makes non-discretionary matching contributions to each participant's plan account on the participant's behalf. For each participating employee, the Company's contribution is a 100% match of the employee's contributions up to a 3% contribution level and a 50% match of the employee's contributions from a 3% to a 6% contribution level, with a maximum annual regular matching contribution of \$12,375 during 2018. All contributions to the plan, including those made by the Company, vest immediately. The Board of Directors may also, at its sole discretion, provide that the Company will make additional contributions to employee 401(k) plan accounts, which would also vest immediately.

In November 2015, our Board of Directors approved and adopted the 2015 Deferred Compensation Plan to allow non-employee directors and certain key employees, including each of the NEOs, to defer receipt of some or all of their cash compensation, subject to certain limitations. Although not currently anticipated and subject to prior Compensation Committee approval, discretionary employer contributions are also permitted to the 2015 Deferred Compensation Plan. 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 for which shares of Main Street common stock will be issued upon distribution. The 2015 Deferred Compensation Plan became effective on January 1, 2016.

In November 2018, our Board of Directors approved a policy to allow certain individuals, including members of our board of directors, certain senior officers and NEOs, to personally use Company aircraft when such aircraft is not being used by the Company. All such personal usage, as well as any request to bring a family member or guest on a business trip, is subject to approval by the Company's CEO or Chairman of the Board and reimbursement of the Company by the individual in an amount equal to the aggregate incremental cost to the Company for such usage. The Company retains authority to determine what flights may be scheduled based on the business needs of the Company, and the business needs of the Company take priority in any scheduling conflicts.

Perquisites

The Company provides no other material benefits, perquisites or retirement benefits to the NEOs.

Potential Payments Upon Change in Control or Termination of Employment

Unless the terms of an award provide otherwise, in the event of a specified transaction involving a "change in control" (as defined in the 2015 Equity and Incentive Plan) in which there is an acquiring or surviving entity, the Board of Directors may provide for the assumption of some or all outstanding awards, or for the grant of substitute awards, by the acquirer or survivor. In the event no such assumption or substitution occurs, each stock-based award, subject to its terms, will become fully vested or exercisable prior to the change in control on a basis that gives the holder of the award a reasonable opportunity, as determined by the Board of Directors, to participate as a stockholder in the change in

Table of Contents

control following vesting or exercise. The award will terminate upon consummation of the change in control.

Transactions involving a "change in control" under the 2015 Equity and Incentive Plan include the following, other than where Main Street's stockholders continue to have substantially the same proportionate ownership in an entity which owns substantially all of Main Street's assets immediately following such transaction:

a single person or entity or group of persons and/or entities, other than Main Street, any of its employee benefit plans, a company owned by Main Street's stockholders in substantially the same proportions as their ownership in Main Street or an underwriter temporarily holding securities pursuant to an offering by Main Street, becomes the beneficial owner of more than 30% of the combined voting power of Main Street's voting securities then outstanding;

a change in the membership of the Board of Directors such that the individuals who, as of the effective date of the 2015 Equity and Incentive Plan, constitute the Board of Directors (the "Continuing Directors"), and any new director whose election or nomination to the Board of Directors was approved by a vote of at least a majority of the Continuing Directors, cease to constitute at least a majority of the Board;

a merger, reorganization or business combination of Main Street or one of its subsidiaries with or into any other entity, other than where the holders of Main Street's voting securities outstanding immediately before such transaction would represent immediately thereafter more than a majority of the combined voting power of the voting securities of Main Street or the surviving entity or the parent of such surviving entity;

a sale or disposition of all or substantially all of Main Street's assets, other than where the holders of Main Street's voting securities outstanding immediately before such transaction hold securities immediately thereafter which represent more than a majority of the combined voting power of the voting securities of the acquirer or the parent of such acquirer of such assets;
or

Main Street's stockholders approve a plan of complete liquidation or dissolution of Main Street.

Our restricted stock awards also provide that upon a participant's death, disability, involuntary termination without cause or voluntary termination with good reason (each as defined in the award agreement), the unvested shares of restricted stock will fully vest. The number of shares and value of unvested restricted stock for each NEO as of December 31, 2018 that would have vested under the acceleration scenarios described above is shown under "Compensation of Executive Officers Outstanding Equity Awards at Fiscal Year-End."

In addition, NEOs who participate in the 2015 Deferred Compensation Plan could receive a distribution of their balances in that plan in connection with their death, disability or termination of employment, depending on their distribution elections under the plan. The aggregate balance in the 2015 Deferred Compensation Plan of each NEO as of December 31, 2018 is shown under "Compensation of Executive Officers Nonqualified Deferred Compensation."

Other than the accelerated vesting of restricted stock and amounts due under the 2015 Deferred Compensation Plan, we currently would not incur any other payment obligations to our NEOs in the event of a change in control or any of the aforementioned causes of termination of employment.

1940 Act Restrictions on Company Performance Based Compensation

The 1940 Act provides that a BDC such as Main Street may maintain either an equity incentive plan or a "profit-sharing plan", but not both, for its NEOs and other employees. The Compensation Committee believes that equity incentives closely align the interests of NEOs and employees with those of the Company's stockholders. Accordingly, Main Street has adopted and maintained equity incentive

Table of Contents

plans for its NEOs and employees since 2008. As a result, the 1940 Act prohibits Main Street from having a "profit-sharing plan."

The term "profit-sharing plan" is very broadly defined in the 1940 Act but in this context is generally viewed as referring to incentive and other compensation being directly tied to a company's gross or net income or any other indicia of the company's overall financial performance, such as realized gains or losses and unrealized appreciation or depreciation on investments. In this regard, the SEC has indicated that a compensation program possesses profit-sharing characteristics if a company is obligated to make payments under the program based on company performance metrics.

Due to these restrictions imposed by the 1940 Act, the Compensation Committee is not permitted to use nondiscretionary or formulaic Company performance goals or criteria to determine executive incentive compensation. Instead, the Committee considers overall Company performance along with other factors, including individual performance criteria, and uses its discretion in determining the appropriate compensation for NEOs and other key employees. The Compensation Committee's objective is to work within the 1940 Act regulatory framework to establish appropriate compensation levels, maintain pay-for-performance alignment and implement compensation best practices.

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a deduction to public companies to the extent of excess annual compensation over \$1 million paid to certain executive officers. Section 162(m) was amended and expanded by the Tax Cuts and Jobs Act enacted at the end of 2017. For amounts paid in 2018 and later years, the Section 162(m) deduction limit applies to an expanded group of current and former executive officers with limited exceptions. In addition, the exception for performance-based compensation is no longer available starting in 2018. Accordingly, annual cash bonuses paid for 2018 performance as well as equity awards granted in 2018 and later years are subject to the deduction limit of Section 162(m). Therefore, to the extent any of the covered executive officers are paid compensation in excess of \$1 million for any year after 2017, Main Street generally cannot deduct such excess compensation for U.S. federal income tax purposes.

While the Compensation Committee considers the deductibility of compensation as one factor in determining executive compensation, the Compensation Committee also considers other factors in making compensation decisions as noted herein and retains the flexibility to authorize amounts and forms of compensation that it determines to be consistent with the goals of our executive compensation program even if such compensation is not deductible by the Company for tax purposes.

Stockholder Advisory Vote on Executive Compensation

At our 2018 annual meeting of stockholders, our stockholders provided an advisory vote with 91% of the votes cast approving our compensation philosophy, policies and procedures and the 2017 fiscal year compensation of our NEOs (the "Advisory Vote"). Subsequently, the Compensation Committee considered the results of the Advisory Vote in determining compensation policies and decisions of the Company. The Advisory Vote affected the Company's executive compensation decisions and policies by reaffirming the Company's compensation philosophies, and the Compensation Committee will continue to use these philosophies and past practice in determining future compensation decisions.

2018 Compensation Determination

The Compensation Committee analyzed the competitiveness of the components of compensation described above on both an individual and aggregate basis. The Committee believes that the total compensation paid to the NEOs for the fiscal year ended December 31, 2018, is consistent with the overall objectives of Main Street's executive compensation program.

Table of Contents

Base Salary

The Compensation Committee annually reviews the base salary of each executive officer, including each NEO, and determines whether or not to increase it in its sole discretion. Increases to base salary can be awarded to recognize, among other things, relative performance, relative cost of living and competitive pressures.

In 2018, the Compensation Committee approved base salary increases for each NEO in recognition each NEO's and the Company's performance for the year and also to more closely align each NEO's compensation with similar executive officers of comparable companies.

The amount of annual base salary paid to each NEO for 2018 is presented under the caption entitled "Compensation of Executive Officers Summary Compensation Table." The Committee believes that the salary changes and resulting base salaries were competitive in the market place and appropriate for Main Street executives as a key component of an overall compensation package.

Annual Cash Incentive Bonus

Cash bonuses are determined annually by the Compensation Committee and are based on individual and corporate performance objectives coupled with Committee discretion as appropriate. The 2018 performance criteria used for determining the cash bonuses for NEOs included, among other things, the following:

Achievement of corporate objectives, particularly those related to the maintenance and growth of dividends and preservation of capital through maintenance and growth of net asset value per share;

Individual performance and achievement of individual goals, as well as the contribution to corporate objectives;

Maintaining liquidity and capital flexibility to accomplish the Company's business objectives;

Maintaining the highest ethical standards, internal controls and adherence to regulatory requirements; and

Appropriate and planned development of personnel.

The Company paid cash bonuses to NEOs for 2018 performance in recognition of Main Street's strong financial results. The NEOs contributed significantly to the Company's performance. Major achievements considered by the Compensation Committee included increased distributable net investment income per share, increased regular monthly dividends per share, increased net asset value per share, growth of the investment portfolio, continuation of the Company's low total operating cost structure in comparison to peer organizations, maintaining an investment grade rating from Standard & Poor's Ratings Services, use of our at-the-market equity offering to issue equity efficiently as needed while maintaining a conservative leverage ratio, low employee turnover and development of talented personnel. The Compensation Committee did not weight these achievements and used discretion in determining the cash bonus amount allocated to each executive. In summary, the performance of the NEO group and the management team overall was at a consistent high level in 2018 resulting in excellent financial results. As approved by the Compensation Committee, Mr. Foster's cash bonus related to 2018 performance was issued in the form of shares of restricted stock under the 2015 Equity and Incentive Plan instead of cash, as discussed further in "Compensation of Executive Officers Summary Compensation Table".

The amount of cash bonus paid to each NEO for 2018 is presented under the caption entitled "Compensation of Executive Officers Summary Compensation Table." The Committee believes that

Table of Contents

these cash bonus awards are individually appropriate based on 2018 performance. Such bonuses comprise a key component of the Company's overall compensation program.

Long-Term Incentive Awards

The Company granted restricted shares to our NEOs in 2018 to recognize individual contributions to corporate strategic priorities and to the long-term performance of the Company. Other objectives of restricted stock awards were to assist with retention, align NEO interests with stockholders' and to provide competitive total direct compensation. Contributions to the future success of the Company include expanded roles of NEOs within the Company, recruitment and development of personnel, advancement of strategic initiatives with benefits beyond the current year, development of appropriate capital structure alternatives and enhancement of the Company's reputation with key constituents.

The amount of restricted shares granted to each NEO in 2018 is presented under the caption entitled "Compensation of Executive Officers Grants of Plan-Based Awards." The Committee is currently assessing the potential for long-term incentive compensation through grants of restricted shares to our NEOs for 2019, which are expected to be awarded in April 2019.

Risk Management and Compensation Policies and Practices

We believe that risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on the Company. In addition, the Compensation Committee believes that the mix and design of the elements of executive compensation do not encourage management to assume excessive risks.

The Compensation Committee has reviewed the elements of executive compensation to determine whether any portion of executive compensation encourages excessive risk taking and concluded:

compensation is allocated among base salary and short and long-term compensation opportunities in such a way as to not encourage excessive risk-taking;

significant weighting towards long-term incentive compensation discourages short-term risk taking;

executive goals are appropriately established across several key metrics and criteria in order to avoid an outcome where the failure to achieve any individual target would result in a large percentage loss of compensation; and

multi-year vesting of restricted stock coupled with share ownership guidelines properly account for the time horizon of risks.

Finally, in addition to the factors described above, incentive compensation decisions include subjective considerations that restrain the influence of formulae or objective driven determinations that might lead to excessive risk taking.

COMPENSATION OF EXECUTIVE OFFICERS

The following table summarizes the compensation of our Named Executive Officers, or NEOs, for the fiscal year ended December 31, 2018.

Table of Contents**Summary Compensation Table**

Name and Principal Position(1)	Year	Salary	Bonus(2)	Stock Awards(3)	All Other Compensation(4)	Total
Dwayne L. Hyzak	2018	\$ 557,187	\$ 1,400,000	\$ 1,272,889	\$ 12,375	\$ 3,242,451
Member of the Board, Chief Executive Officer and Senior Managing Director	2017	530,000	1,200,000	1,247,270	12,150	2,989,420
	2016	498,750	1,000,000	1,172,125	11,925	2,682,800
David L. Magdol	2018	\$ 415,000	\$ 1,000,000	\$ 848,605	\$ 12,375	\$ 2,275,980
President, Chief Investment Officer and Senior Managing Director	2017	381,250	900,000	857,203	12,150	2,150,603
	2016	361,250	575,000	815,397	11,925	1,763,572
Vincent D. Foster	2018	\$ 613,125	\$ 1,500,000(5)	\$ 1,906,540	\$ 12,375	\$ 4,032,040
Executive Chairman of the Board	2017	608,750	1,500,000	1,781,107	12,150	3,902,007
	2016	586,250	1,325,000	1,605,277	11,925	3,528,452
Jason B. Beauvais	2018	\$ 386,250	\$ 575,000	\$ 549,084	\$ 12,375	\$ 1,522,709
Senior Vice President, General Counsel, Chief Compliance Officer and Secretary						
Brent D. Smith	2018	\$ 331,250	\$ 500,000	\$ 549,084	\$ 12,375	\$ 1,392,709
Chief Financial Officer and Treasurer	2017	316,250	450,000	533,837	12,150	1,312,237
	2016	300,000	415,000	509,607	11,925	1,236,532
Nicholas T. Meserve	2018	\$ 321,250	\$ 550,000	\$ 549,084	\$ 12,375	\$ 1,432,709
Managing Director						

- (1) Reflects principal position as of December 31, 2018. Mr. Hyzak became Chief Executive Officer on November 15, 2018, succeeding Mr. Foster in that role. Mr. Foster continues to serve as Executive Chairman of the Company after November 15, 2018. Mr. Magdol became President on November 15, 2018, succeeding Mr. Hyzak in that role.
- (2) These amounts reflect annual cash bonuses earned by the NEOs based on individual and corporate performance as determined by the Compensation Committee.
- (3) These amounts represent the fair value of restricted stock awards in accordance with FASB ASC Topic 718 based on the closing price of our common stock on the grant date. Dividends paid on restricted stock awards are reflected in the grant date fair value and, therefore, are not shown in the table. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. These amounts do not correspond to the actual value that will be recognized by our NEOs upon the vesting of such grants. Please see the discussion of the assumptions made in the valuation of these awards in Note J to the audited consolidated financial statements included in this prospectus supplement.
- (4) These amounts reflect employer matching contributions we made to each NEO's account in our 401(k) plan.
- (5) As approved by the Compensation Committee, Mr. Foster's cash bonus related to 2018 performance was issued in the form of 39,695 shares of restricted stock on March 1, 2019 under the 2015 Equity and Incentive Plan instead of cash. The restricted shares vest in three equal installments on April 1, 2020, 2021 and 2022. The number of shares that Mr. Foster received for his forgone cash bonus was determined using a 20-day volume weighted average price, or VWAP, of our common stock on the grant date. The amount included in the "Bonus" column above represents the value of the restricted shares issued based on the 20-day VWAP of our common stock on the grant date. The excess of (i) the aggregate fair value of the restricted stock award determined in accordance with FASB ASC Topic 718 based on the closing price of our common stock on the grant date, as opposed to the 20-day VWAP, over (ii) the cash bonus amount forgone, is included in the "Stock Awards" column above. Dividends paid on restricted stock awards are reflected in the grant date fair value and, therefore, are not shown in the table. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service based vesting conditions. These amounts do not correspond to the actual value that will be recognized by Mr. Foster upon the vesting of such grant. Please see the discussion of the assumptions made in the valuation of restricted stock awards in Note J to the audited consolidated financial statements included in the annual report accompanying this proxy statement.

Table of Contents**Grants of Plan-Based Awards**

The following table sets forth information regarding restricted stock awards granted to our NEOs in fiscal year 2018:

Name	Grant Date	Stock Awards; Number of Shares of Stock(1)	Grant Date Fair Value of Stock Awards
Dwayne L. Hyzak	April 2, 2018	34,627	\$ 1,272,889
David L. Magdol	April 2, 2018	23,085	848,605
Vincent D. Foster	April 2, 2018	51,193	1,881,855
Jason B. Beauvais	April 2, 2018	14,937	549,084
Brent D. Smith	April 2, 2018	14,937	549,084
Nicholas T. Meserve	April 2, 2018	14,937	549,084

- (1) Restricted stock grants to NEOs under the 2015 Equity and Incentive Plan in 2018 vest ratably over three years from the grant date, and all underlying shares are entitled to dividends and voting rights beginning on the grant date.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth the awards of restricted stock for which forfeiture provisions have not lapsed and remain outstanding at December 31, 2018:

Name	Stock Awards	
	Number of Shares of Stock That Have Not Vested(1)	Market Value of Shares of Stock That Have Not Vested(2)
Dwayne L. Hyzak	68,776(3)	\$ 2,325,317
David L. Magdol	46,659(4)	1,577,541
Vincent D. Foster	99,227(5)	3,354,865
Jason B. Beauvais	28,293(6)	956,586
Brent D. Smith	29,638(7)	1,002,061
Nicholas T. Meserve	26,249(8)	887,479

- (1) No restricted stock awards have been transferred.
- (2) The market value of shares of stock that have not vested was determined based on the closing price of our common stock on the New York Stock Exchange at December 31, 2018.
- (3) 34,864 shares will vest on April 1, 2019; 22,369 shares will vest on April 1, 2020; and 11,543 shares will vest on April 1, 2021, subject in each case to the NEO still being employed by us on the respective vesting date.
- (4) 23,828 shares will vest on April 1, 2019; 15,136 shares will vest on April 1, 2020; and 7,695 shares will vest on April 1, 2021, subject in each case to the NEO still being employed by us on the respective vesting date.
- (5) 49,637 shares will vest on April 1, 2019; 32,525 shares will vest on April 1, 2020; and 17,065 shares will vest on April 1, 2021, subject in each case to the NEO still being employed by us on the respective vesting date.

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

- (6) 14,102 shares will vest on April 1, 2019; 9,212 shares will vest on April 1, 2020; and 4,979 shares will vest on April 1, 2021, subject in each case to the NEO still being employed by us on the respective vesting date.
- (7) 15,046 shares will vest on April 1, 2019; 9,613 shares will vest on April 1, 2020; and 4,979 shares will vest on April 1, 2021, subject in each case to the NEO still being employed by us on the respective vesting date.
- (8) 12,726 shares will vest on April 1, 2019; 8,544 shares will vest on April 1, 2020; and 4,979 shares will vest on April 1, 2021, subject in each case to the NEO still being employed by us on the respective vesting date.

Equity Awards Vested in Fiscal Year

The following table sets forth information regarding shares of restricted stock for which forfeiture restrictions lapsed during the fiscal year ended December 31, 2018:

Name	Stock Awards	
	Number of Shares Acquired on Vesting(1)	Value Realized on Vesting(2)
Dwayne L. Hyzak	44,204	\$ 1,639,959
David L. Magdol	31,472	1,169,786
Vincent D. Foster	60,597	2,247,572
Jason B. Beauvais	17,206	638,215
Brent D. Smith	10,066	370,026
Nicholas T. Meserve	14,726	546,334

- (1) Number of shares acquired upon vesting is before withholding of vesting shares by the Company to satisfy tax withholding obligations.
- (2) Value realized upon vesting is based on the closing price of our common stock on the vesting date.

Nonqualified Deferred Compensation

The following table sets forth information regarding the activity during the fiscal year ended December 31, 2018 related to the accounts of our NEOs under the 2015 Deferred Compensation Plan:

Name	Aggregate Balance at December 31, 2017	2018 Executive Contributions(1)	2018 Company Contributions Earnings(2)	2018 Aggregate Withdrawals/ Distributions	Aggregate Balance at December 31, 2018(3)
	Dwayne L. Hyzak	\$ 267,679	\$ 219,268	\$ (33,327)	
David L. Magdol	307,834	188,436	(42,850)		453,420
Vincent D. Foster	522,431	438,875	(49,267)		912,039
Jason B. Beauvais	226,449	133,292	(24,608)		335,133
Brent D. Smith	90,949	34,530	(5,867)		119,612
Nicholas T. Meserve		32,125	(2,012)		30,113

- (1) The 2018 Executive Contributions shown above include amounts reported in the "Salary" column of the Summary Compensation Table for 2018 as follows: \$129,268 for Mr. Hyzak; \$43,104 for Mr. Magdol; \$63,875 for Mr. Foster; \$40,188 for Mr. Beauvais; and

Edgar Filing: Main Street Capital CORP - Form 497

\$32,125 for Mr. Meserve. The remaining amounts included in 2018 Executive Contributions shown above represent contributions

S-73

Table of Contents

from (i) dividends on unvested stock held by our NEOs and (ii) bonuses that accrued in 2017 but were paid in 2018. The dividends are not separately reported in the Summary Compensation Table but are included in the value shown in the "Stock Awards" column in the year of grant.

(2) The 2018 Aggregate Earnings shown above represents earnings on amounts in the 2015 Deferred Compensation Plan during 2018. These amounts are not reported in the Summary Compensation Table.

(3) The Aggregate Balance at December 31, 2018 shown above includes amounts reported in the Summary Compensation Table for prior years as follows: \$316,130 for Mr. Hyzak; \$220,146 for Mr. Magdol; and \$823,187 for Mr. Foster.

In November 2015, our Board of Directors approved and adopted the 2015 Deferred Compensation Plan, an unfunded, nonqualified deferred compensation plan, to allow non-employee directors and certain key employees, including each of the NEOs, to defer receipt of some or all of their cash compensation, subject to certain limitations. Pursuant to the 2015 Deferred Compensation Plan, executives may contribute on a pre-tax basis up to 100% of their salary, bonus and dividends paid on shares of unvested Company stock. Although not currently anticipated and subject to prior Compensation Committee approval, discretionary employer contributions are also permitted to the 2015 Deferred Compensation Plan. 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. Amounts deferred under the plan earn a return based on the returns on certain investment alternatives permitted under the plan, including phantom Main Street stock units, as designated by the participant. The 2015 Deferred Compensation Plan became effective on January 1, 2016.

Potential Payments Upon Change in Control or Termination of Employment

As described in "Compensation Discussion and Analysis," our restricted stock awards to employees, including NEOs, provide that upon certain transactions involving a change in control, or upon a participant's death, disability, involuntary termination without cause or voluntary termination with good reason (each as defined in the award agreement), the unvested shares of restricted stock will fully vest. The number of shares and value of unvested restricted stock for each NEO as of December 31, 2018 that would have vested under the acceleration scenarios described above is shown under the heading " Outstanding Equity Awards at Fiscal Year-End."

In addition, NEOs who participate in the 2015 Deferred Compensation Plan could receive a distribution of their balances in that plan in connection with their death, disability or termination of employment, depending on their distribution elections under the plan. The aggregate balance in the 2015 Deferred Compensation Plan of each NEO as of December 31, 2018 is shown under the heading " Nonqualified Deferred Compensation."

Other than the accelerated vesting of restricted stock and amounts due under the 2015 Deferred Compensation Plan, we currently would not incur any other payment obligations to our NEOs in the event of a change in control or any of the aforementioned causes of termination of employment.

Chief Executive Officer Pay Ratio

For 2018, our last completed fiscal year, the median of the annual total compensation of all of our employees (other than Mr. Hyzak, our Chief Executive Officer (our "CEO")) was \$154,426, and the annualized total compensation of our CEO was \$3,952,209. Based on this information, our CEO's 2018 annual total compensation was approximately 26 times that of the median of the 2018 annual total compensation of all of our employees (the "CEO Pay Ratio").

Table of Contents

We selected December 31, 2018 as the date used to identify our "median employee" whose annual total compensation was the median of the annual total compensation of all our employees (other than our CEO) for 2018. As of December 31, 2018, our employee population consisted of 66 individuals, all located in our Houston, Texas office. We compared the annual total compensation for our employee population in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, which included salary, bonus, stock awards and employer matching contributions to employee accounts in our 401(k) plan. In making this determination, we annualized the compensation of 17 employees who were hired in 2018 but did not work for us the entire fiscal year.

As discussed elsewhere in this prospectus supplement, the Company had two individuals serving in the role of CEO during 2018. We elected to use the compensation of Mr. Hyzak, the active CEO as of December 31, 2018, for purposes of determining the CEO Pay Ratio. Mr. Hyzak became CEO in November 2018. In determining Mr. Hyzak's compensation for purposes of the CEO Pay Ratio, we adjusted the compensation reported in the Summary Compensation Table to reflect his compensation as if he were CEO for the full calendar year. For purposes of calculating the CEO Pay Ratio, this resulted in total annual compensation of \$3,952,209 for the CEO as opposed to the amount shown on the Summary Compensation Table of \$3,242,451.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We have procedures in place for the review, approval and monitoring of transactions involving us and certain persons related to us. As a BDC, the 1940 Act restricts us from participating in transactions with any persons affiliated with us, including our officers, directors and employees and any person controlling or under common control with us, subject to certain exceptions.

In the ordinary course of business, we enter into transactions with portfolio companies that may be considered related party transactions. We have implemented certain policies and procedures, both written and unwritten, to ensure that we do not engage in any prohibited transactions with any persons affiliated with us. If such affiliations are found to exist, we seek Board and/or appropriate Board committee review and approval or exemptive relief for such transactions, as appropriate.

In addition, our Code of Business Conduct and Ethics, which is applicable to all of our employees, officers and directors, requires that all employees, officers and directors avoid any conflict, or the appearance of a conflict, between an individual's personal interests and our interests. Our Code of Business Conduct and Ethics is available at <http://mainstreetcapital.com> under "Corporate Governance Governance Docs" in the "Investors" section of our website.

CONTROL PERSONS AND PRINCIPAL STOCKHOLDERS

The following table sets forth, as of March 6, 2019, information with respect to the beneficial ownership of our common stock by:

each person known to us to beneficially own more than five percent of the outstanding shares of our common stock;

each of our directors and executive officers; and

all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. There is no common stock subject to options that are currently exercisable or exercisable within 60 days of March 6, 2019. Percentage of beneficial ownership is based on 61,888,278 shares of common stock outstanding as of March 6, 2019.

Unless otherwise indicated, to our knowledge, each stockholder listed below has sole voting and investment power with respect to the shares beneficially owned by the stockholder, and maintains an

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

address c/o Main Street Capital Corporation. Our address is 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056.

Name	Shares Owned Beneficially	
	Number	Percentage
Independent Directors:		
Michael Appling Jr.	135,593(1)	*
Valerie L. Banner	9,176(2)	*
Joseph E. Canon	78,013(3)	*
Arthur L. French	67,900(4)	*
J. Kevin Griffin	32,286(5)	*
John E. Jackson	31,214(6)	*
Brian E. Lane	12,745(7)	*
Stephen B. Solcher	14,611(8)	*
Interested Directors:		
Vincent D. Foster	1,817,968(9)	2.94%
Dwayne L. Hyzak	336,977	*
Executive Officers:		
David L. Magdol	324,303	*
Curtis L. Hartman	250,431	*
Jason B. Beauvais	102,484	*
Brent D. Smith	49,255	*
Nicholas T. Meserve	53,816	*
Shannon D. Martin	43,704	*
All Directors and Executive Officers as a Group (16 persons)	3,360,476	5.43%

*

Less than 1%

- (1) Includes 15,867 phantom stock units under the 2015 Deferred Compensation Plan. The director has no investment or voting powers for phantom stock units held under the 2015 Deferred Compensation Plan.
- (2) Includes 7,547 phantom stock units under the 2015 Deferred Compensation Plan. The director has no investment or voting powers for phantom stock units held under the 2015 Deferred Compensation Plan.
- (3) Includes 28,997 phantom stock units under the 2015 Deferred Compensation Plan. The director has no investment or voting powers for phantom stock units held under the 2015 Deferred Compensation Plan.
- (4) Includes 48,402 shares of common stock held by French Family Ranch Ltd., which are beneficially owned by Mr. French, and 16,700 phantom stock units under the 2015 Deferred Compensation Plan. The director has no investment or voting powers for phantom stock units held under the 2015 Deferred Compensation Plan.
- (5) Includes 17,067 phantom stock units under the 2015 Deferred Compensation Plan. The director has no investment or voting powers for phantom stock units held under the 2015 Deferred Compensation Plan.
- (6) Includes 1,306 shares of common stock held by Mr. Jackson's wife and 15,339 phantom stock units under the 2015 Deferred Compensation Plan. The director has no investment or voting powers for phantom stock units held under the 2015 Deferred Compensation Plan.

Table of Contents

- (7) Includes 8,623 phantom stock units under the 2015 Deferred Compensation Plan. The director has no investment or voting powers for phantom stock units held under the 2015 Deferred Compensation Plan.
- (8) Includes 10,460 phantom stock units under the 2015 Deferred Compensation Plan. The director has no investment or voting powers for phantom stock units held under the 2015 Deferred Compensation Plan.
- (9) Includes 188,072 shares of common stock held by family and charitable trusts. For each of these trusts, Mr. Foster acts as trustee, may from time to time direct the trustee to vote or dispose of these shares and/or holds a remainder interest therein.

The Board of Directors has established stock ownership guidelines pursuant to which independent directors and certain key employees, including each executive officer listed in the table above, are required to achieve and maintain minimum levels of stock ownership. Our Corporate Governance and Stock Ownership Guidelines may be found at <http://mainstreetcapital.com> under "Corporate Governance Governance Docs" in the "Investors" section of our website.

Our insider trading policy prohibits all directors, officers and employees from, directly or indirectly, trading while in the possession of material nonpublic information related to the Company and from engaging in short sales and short-term or other speculative trading of our securities and any transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of securities issued by us. Prohibited hedging activity includes market transactions in puts, calls and other derivatives and the purchase of prepaid variable forward contracts, equity swaps, collars and exchange funds related to securities issued by us. Pledging our securities in a margin account or as collateral for a loan is also prohibited under the policy except in limited circumstances that are pre-approved by our chief compliance officer.

The following table sets forth, as of March 6, 2019, the dollar range of our equity securities that is beneficially owned by each of our directors.

	Dollar Range of Equity Securities Beneficially Owned(1)(2)(3)	
Interested Directors:		
Vincent D. Foster	over \$	100,000
Dwayne L. Hyzak	over \$	100,000
Independent Directors:		
Michael Appling Jr.	over \$	100,000
Valerie L. Banner	over \$	100,000
Joseph E. Canon	over \$	100,000
Arthur L. French	over \$	100,000
J. Kevin Griffin	over \$	100,000
John E. Jackson	over \$	100,000
Brian E. Lane	over \$	100,000
Stephen B. Solcher	over \$	100,000

(1) Beneficial ownership has been determined in accordance with Rule 16a-1(a)(2) of the Exchange Act.

(2)

Edgar Filing: Main Street Capital CORP - Form 497

The dollar range of equity securities beneficially owned by our directors is based on the closing price of our common stock on the New York Stock Exchange of \$37.03 per share as of March 6, 2019.

- (3) The dollar ranges of equity securities beneficially owned are: none, \$1-\$10,000, \$10,001-\$50,000, \$50,001-\$100,000, or over \$100,000.

S-77

Table of Contents

DESCRIPTION OF THE NOTES

The following description of the particular terms of the 5.20% Notes due 2024 supplements and, to the extent inconsistent with, replaces the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus.

We will issue the Notes under a base indenture dated as of April 2, 2013, between us and The Bank of New York Mellon Trust Company, N.A., as trustee, or "the trustee," as supplemented by a separate supplemental indenture, to be dated as of the settlement date for the Notes. As used in this section, all references to the indenture mean the base indenture as supplemented by the supplemental indenture. The terms of the Notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the Notes and the indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the Notes and the indenture, including the definitions of certain terms used in the indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the Notes. You may request a copy of the indenture from us by making a written request to Main Street Capital Corporation, 1300 Post Oak Boulevard, 8th Floor, Houston, TX 77056, or by calling us collect at (713) 350-6000, or by visiting our website at www.mainstcapital.com. The information on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

For purposes of this description, references to "we," "our" and "us" refer only to Main Street Capital Corporation and not to any of our current or future subsidiaries and references to "subsidiaries" refer only to our consolidated subsidiaries and exclude any investments held by Main Street Capital Corporation in the ordinary course of business which are not, under GAAP, consolidated on the financial statements of Main Street Capital Corporation and its subsidiaries.

General

The Notes:

will be our general unsecured, senior obligations;

will initially be issued in an aggregate principal amount of \$250,000,000;

will mature on May 1, 2024, unless earlier redeemed or repurchased, as discussed below;

will bear cash interest from April 23, 2019 at an annual rate of 5.20% payable semiannually on May 1 and November 1 of each year, beginning on November 1, 2019;

will be subject to redemption at our option as described under " Optional Redemption;"

will be subject to repurchase by us at the option of the holders following a Change of Control Repurchase Event (as defined below under " Offer to Repurchase Upon a Change of Control Repurchase Event"), at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the date of repurchase;

will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof; and

will be represented by one or more registered Notes in global form, but in certain limited circumstances may be represented by Notes in definitive form. See " Book-Entry, Settlement and Clearance."

Edgar Filing: Main Street Capital CORP - Form 497

The indenture does not limit the amount of debt that may be issued by us or our subsidiaries under the indenture or otherwise, but does contain a covenant regarding our asset coverage that would

S-78

Table of Contents

have to be satisfied at the time of our incurrence of additional indebtedness. See " Covenants Other Covenants." The indenture does not contain any financial covenants and does not restrict us from paying dividends or distributions or issuing or repurchasing our other securities. Other than restrictions described under " Offer to Repurchase Upon a Change of Control Repurchase Event" and " Merger, Consolidation or Sale of Assets" below, the indenture does not contain any covenants or other provisions designed to afford holders of the Notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

We may, without the consent of the holders, issue additional Notes under the indenture with the same terms as the Notes offered hereby in an unlimited aggregate principal amount; *provided* that, if such additional Notes are not fungible with the Notes offered hereby (or any other tranche of additional Notes) for U.S. federal income tax purposes, then such additional Notes will have different CUSIP numbers from the Notes offered hereby (and any such other tranche of additional Notes).

We do not intend to list the Notes on any securities exchange or any automated dealer quotation system.

Payments on the Notes; Paying Agent and Registrar; Transfer and Exchange

We will pay the principal of, and interest on, the Notes in global form registered in the name of or held by DTC, or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such Global Note (as defined below).

Payment of principal of (and premium, if any) and any such interest on the Notes will be made at the corporate trust office of the trustee in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at our option payment of interest may be made by check mailed to the address of the person entitled thereto as such address shall appear in the security register.

A holder of the Notes may transfer or exchange Notes at the office of the security registrar in accordance with the indenture. The security registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee or the security registrar for any registration of transfer or exchange of Notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture.

The registered holder of a Note will be treated as its owner for all purposes.

Interest

The Notes will bear cash interest at a rate of 5.20% per year until maturity. Interest on the Notes will accrue from April 23, 2019 or from the most recent date on which interest has been paid or duly provided for. Interest will be payable semiannually in arrears on May 1 and November 1 of each year, beginning on November 1, 2019.

Interest will be paid to the person in whose name a Note is registered at 5:00 p.m. New York City time, or the close of business, on April 15 or October 15, as the case may be, immediately preceding the relevant interest payment date, or each, a "regular record date." Interest on the Notes will be computed on the basis of a 360-day year composed of twelve 30-day months.

If any interest payment date, the maturity date or any earlier required repurchase date upon a Change of Control Repurchase Event (defined below) of a Note falls on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest on such

Table of Contents

payment will accrue in respect of the delay. The term "business day" means, with respect to any Note, each Monday, Tuesday, Wednesday, Thursday, and Friday that is not a day on which banking institutions in The City of New York are authorized or obligated by law or executive order to close.

Ranking

The Notes will be our general unsecured obligations that rank *pari passu* with our existing and future general unsecured and senior unsecured indebtedness, including our 4.50% Notes due 2019 and our 4.50% Notes due 2022. The Notes will rank senior to any of our future indebtedness that expressly states it is subordinated to the Notes and effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured, but to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, including approximately \$293.0 million of borrowings outstanding as of April 12, 2019 under our Credit Facility to the extent of the value of the assets securing the Credit Facility. The Notes will rank structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles or similar facilities, including the Funds' \$321.8 million of SBIC debentures outstanding as of April 12, 2019. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure secured debt will be available to pay obligations on the Notes only after all indebtedness under such secured debt has been repaid in full from such assets. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the Notes then outstanding.

Optional Redemption

We may redeem some or all of the Notes at any time, or from time to time. If we choose to redeem any Notes prior to maturity, we will pay a redemption price (as determined by us) equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest to, but excluding, the redemption date:

100% of the principal amount of the Notes to be redeemed, or

the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the Notes to be redeemed, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) using the applicable Treasury Rate plus 45 basis points.

If we choose to redeem any Notes, we will deliver a notice of redemption to holders of the Notes not less than 30 nor more than 60 days before the redemption date. If we are redeeming less than all of the Notes, the particular Notes to be redeemed will be selected in accordance with the indenture and, so long as the Notes are registered to DTC or its nominee, in accordance with the procedures of DTC; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than \$2,000. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portions of the Notes called for redemption.

For purposes of calculating the redemption price in connection with the redemption of the Notes, on any redemption date, the following terms have the meanings set forth below:

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield-to-maturity of the Comparable Treasury Issue (computed as of the third business day immediately preceding the redemption), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The redemption price and the Treasury Rate will be determined by us.

Table of Contents

"Comparable Treasury Issue" means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financing practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes being redeemed.

"Comparable Treasury Price" means (1) the average of the remaining Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four such reference treasury dealer quotations, the average of all such quotations.

"Quotation Agent" means a Reference Treasury Dealer selected by us.

"Reference Treasury Dealer" means RBC Capital Markets, LLC and four other financial institutions selected by us, or their affiliates, which are primary U.S. government securities dealers and their respective successors; *provided, however*, that if any of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in the United States, or a "Primary Treasury Dealer," we shall select another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 3:30 p.m. New York City time on the third business day preceding such redemption date.

All determinations made by any Reference Treasury Dealer, including the Quotation Agent, with respect to determining the redemption price will be final and binding absent manifest error.

In addition, we may at any time purchase any of the Notes in the open market or in private transactions, at differing prices, or by tender, subject to applicable law.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs, unless we have exercised our right to redeem the Notes in full, we will make an offer to each holder of Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 principal amount) of that holder's Notes at a repurchase price in cash equal to 100% of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on the Notes repurchased to, but excluding, the date of repurchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will mail a notice to each holder describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e-1 promulgated under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

Table of Contents

On the Change of Control Repurchase Event payment date, subject to extension if necessary to comply with the provisions of the 1940 Act and the rules and regulations promulgated thereunder, we will, to the extent lawful:

accept for payment all Notes or portions of Notes properly tendered pursuant to our offer;

deposit with the paying agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and

deliver or cause to be delivered to the trustee the Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of Notes being purchased by us.

The paying agent will promptly remit to each holder of Notes properly tendered the purchase price for the Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided* that each new Note will be in a minimum principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

We will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all Notes properly tendered and not withdrawn under its offer.

The source of funds that will be required to repurchase Notes in the event of a Change of Control Repurchase Event will be our available cash or cash generated from our operations or other potential sources, including funds provided by a purchaser in the Change of Control transaction, borrowings, sales of assets or sales of equity. We cannot assure you that sufficient funds from such sources will be available at the time of any Change of Control Repurchase Event to make required repurchases of Notes tendered. The terms of our Credit Facility provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under our Credit Facility at that time and to terminate the Credit Facility. Our and our subsidiaries' future financing facilities may contain similar restrictions and provisions. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of the Notes and/or our and our subsidiaries' other debt. See "Risk Factors We may not be able to repurchase the Notes upon a Change of Control Repurchase Event" in this prospectus supplement.

The definition of "Change of Control" includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of our assets and those of our Controlled Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise, established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require us to repurchase the Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of our assets and the assets of our Controlled Subsidiaries taken as a whole to another person or group may be uncertain.

For purposes of the Notes:

"Below Investment Grade Rating Event" means the Notes are downgraded below Investment Grade by the Rating Agency on any date from the date of the public notice of an arrangement that results in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by the Rating Agency); *provided* that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of

Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

Control Repurchase Event hereunder) if the Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the trustee in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

"Change of Control" means the occurrence of any of the following:

the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of Main Street Capital Corporation and its Controlled Subsidiaries taken as a whole to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act), other than to any Permitted Holders; *provided* that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of Main Street Capital Corporation or its Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition;

the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 promulgated under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of Main Street Capital Corporation, measured by voting power rather than number of shares; or

the approval by Main Street Capital Corporation's stockholders of any plan or proposal relating to the liquidation or dissolution of Main Street Capital Corporation.

"Change of Control Repurchase Event" means the occurrence of a Change of Control and a Below Investment Grade Rating Event.

"Controlled Subsidiary" means any subsidiary of Main Street Capital Corporation, 50% or more of the outstanding equity interests of which are owned by Main Street Capital Corporation and its direct or indirect subsidiaries and of which Main Street Capital Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

"Investment Grade" means a rating of BBB or better by S&P (or its equivalent under any successor rating categories of S&P) (or, if such Rating Agency ceases to rate the Notes for reasons outside of our control, the equivalent investment grade credit rating from any Rating Agency selected by us as a replacement Rating Agency).

"Permitted Holders" means (i) us and (ii) one or more of our Controlled Subsidiaries.

"Rating Agency" means:

S&P; and

if S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" as defined in Section (3)(a)(62) of the Exchange Act selected by us as a replacement agency for S&P.

"S&P" means Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc., or any successor thereto.

"Voting Stock" as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for

Table of Contents

the election of a majority of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Covenants

In addition to the covenants described in the base indenture, the following covenants shall apply to the Notes. To the extent of any conflict or inconsistency between the base indenture and the following covenants, the following covenants shall govern:

Merger, Consolidation or Sale of Assets

Under the terms of the indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell all or substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

we are the continuing entity or, if we merge out of existence or sell our assets, the resulting or transferee entity must agree to be legally responsible for our obligations under the Notes;

the merger or sale of assets must not cause a default on the Notes and we must not already be in default (unless the merger or sale would cure the default). For purposes of this no-default test, a default would include an Event of Default that has occurred and has not been cured, as described under "Events of Default" below. A default for this purpose would also include any event that would be an Event of Default if the requirements for giving us a notice of default or our default having to exist for a specific period of time were disregarded;

we must deliver certain certificates and documents to the trustee; and

we must satisfy any other requirements specified in the indenture.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the properties or assets of a person. As a result, it may be unclear as to whether the merger, consolidation or sale of assets covenant would apply to a particular transaction as described above absent a decision by a court of competent jurisdiction. Although these types of transactions are permitted under the indenture, certain of the foregoing transactions could constitute a Change of Control that results in a Change of Control Repurchase Event permitting each holder to require us to repurchase the Notes of such holder as described above.

An assumption by any person of obligations under the Notes and the indenture might be deemed for U.S. federal income tax purposes to be an exchange of the Notes for new Notes by the holders thereof, resulting in recognition of gain or loss for such purposes and possibly other adverse tax consequences to the holders. Holders should consult their own tax advisors regarding the tax consequences of such an assumption.

Other Covenants

We agree that for the period of time during which the Notes are outstanding, we will not violate Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt or the sale of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 200% (or 150% if certain requirements are met) after such

Table of Contents

borrowings. See "Risk Factors Risks Relating to Our Business and Structure Recent legislation may allow us to incur additional leverage" in the accompanying prospectus.

If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the Commission, we agree to furnish to holders of the Notes and the trustee, for the period of time during which the Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with GAAP, as applicable.

Events of Default

The term "Event of Default" in respect of the Notes means any of the following:

default in the payment of interest upon any Note when due and payable, and continuance of such default for a period of 30 days;

default in the payment of the principal (or premium, if any) of any Note when it becomes due and payable at its maturity, including upon any redemption date or required repurchase date;

we remain in breach of any other covenant or agreement in respect of the Notes for 60 days after we receive a written notice of default stating we are in breach. The notice must be sent by either the trustee or holders of at least 25% of the principal amount of the outstanding Notes;

default by us or any of our significant subsidiaries, as defined in Article 1, Rule 1-02 of Regulation S-X promulgated under the Exchange Act (but excluding any subsidiary which is (a) a non-recourse or limited recourse subsidiary, (b) a bankruptcy remote special purpose vehicle, or (c) is not consolidated with Main Street Capital Corporation for purposes of GAAP), with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of \$50 million in the aggregate of us and/or any such subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, unless, in either case, such indebtedness is discharged, or such acceleration is rescinded, stayed or annulled, within a period of 30 calendar days after written notice of such failure is given to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the Notes then outstanding; and

certain events of bankruptcy, insolvency or reorganization involving us occur and remain undischarged or unstayed for a period of 90 days.

An Event of Default for a particular series of debt securities does not necessarily constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. Within 90 days after the occurrence of any default under the indenture with respect to the Notes, the trustee shall transmit notice to the holders of such default known to the trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any, on) or interest, if any, on any Note, the trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors of the trustee in good faith determines that withholding of such notice is in the interest of the holders of the Notes; and provided further that in the case of any default or breach specified in the third bullet point above with respect to the Notes, no such notice shall be given until at least 60 days after the occurrence thereof.

Table of Contents

If an Event of Default occurs and is continuing, then and in every such case (other than an Event of Default specified in the last bullet point above), the trustee or the holders of not less than 25% in principal amount of the outstanding Notes may declare the entire principal amount of, and accrued and unpaid interest on, all the Notes of that series to be due and immediately payable, by a notice in writing to us (and to the trustee if given by the holders), and upon any such declaration such principal amount and accrued and unpaid interest shall become immediately due and payable. This is called a declaration of acceleration of maturity. Notwithstanding the foregoing, in the case of the events of bankruptcy, insolvency or reorganization described in the last bullet point above, 100% of the principal amount of, and accrued and unpaid interest on, the Notes will automatically become due and payable.

At any time after a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in principal amount of the outstanding Notes, by written notice to us and the trustee, may rescind and annul such declaration and its consequences if (i) we have paid or deposited with the trustee a sum sufficient to pay all overdue installments of interest, if any, on all outstanding Notes, the principal of (and premium, if any, on) all outstanding Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates borne by or provided for in such Notes, to the extent that payment of such interest is lawful interest upon overdue installments of interest at the rate or rates borne by or provided for in such Notes, and all sums paid or advanced by the trustee and the reasonable compensation, expenses, disbursements and advances of the trustee, its agents and counsel, and (ii) all Events of Default with respect to the Notes, other than the nonpayment of the principal of (or premium, if any, on) or interest on such Notes that have become due solely by such declaration of acceleration, have been cured or waived. No such rescission will affect any subsequent default or impair any right consequent thereon.

The trustee is not required to exercise any of the rights or powers vested in it by the indenture at the request or direction of any of the holders of the Notes unless such holders shall have offered to the trustee reasonable security or indemnity against the costs, expenses, and liabilities that might be incurred by it in compliance with such request or direction. Subject to the foregoing, the holders of a majority in principal amount of the outstanding Notes shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the Notes, provided that (i) such direction shall not be in conflict with any rule of law or with the indenture, (ii) the trustee may take any other action deemed proper by the trustee that is not inconsistent with such direction and (iii) the trustee need not take any action which might involve it in personal liability or be unjustly prejudicial to the holders of the Notes not consenting. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy, or Event of Default.

Before you are allowed to bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

you must give the trustee written notice that an Event of Default has occurred and remains uncured;

the holders of not less than 25% in principal amount of the outstanding Notes must make a written request to the trustee to take action because of the default and must offer reasonable indemnity, security, or both to the trustee against the cost, expenses, and liabilities of taking that action;

the trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity and/or security;
and

Table of Contents

the holders of a majority in principal amount of the Notes must not have given the trustee a direction inconsistent with the above notice during that 60-day period.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt securities on or after the due date.

Holders of a majority in principal amount of the Notes may waive any past defaults other than:

in respect of the payment of principal, any premium or interest; or

in respect of a covenant that cannot be modified or amended with the consent of the holder of each outstanding Note affected.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of maturity.

Each year, we will furnish to each trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture governing the Notes, or else specifying any default.

Satisfaction and Discharge; Defeasance

We may satisfy and discharge our obligations under the indenture by delivering to the security registrar for cancellation all outstanding Notes or by depositing with the trustee or delivering to the holders, as applicable, after the Notes have become due and payable, or otherwise, moneys sufficient to pay all of the outstanding Notes and paying all other sums payable under the indenture by us. Such discharge is subject to terms contained in the indenture.

In addition, the Notes are subject to defeasance and covenant defeasance, in each case, in accordance with the terms of the indenture. "Covenant defeasance" refers to our ability, under current United States federal tax law and the indenture, to be released from some of the restrictive covenants in the indenture if certain conditions are satisfied. See "Description of Our Debt Securities Defeasance Covenant Defeasance" in the accompanying prospectus for more information. "Defeasance" or "full defeasance" refers to our ability, if there is a change in United States federal tax law or if we obtain an IRS ruling, to legally release ourselves from all payment and other obligations on the Notes if we put in place certain arrangements for you to be repaid. See "Description of Our Debt Securities Defeasance Full Defeasance" in the accompanying prospectus for more information.

Trustee

The Bank of New York Mellon Trust Company, N.A., is the trustee, security registrar and paying agent. The Bank of New York Mellon Trust Company, N.A., in each of its capacities, including without limitation as trustee, security registrar and paying agent, assumes no responsibility for the accuracy or completeness of the information concerning us or our affiliates or any other party contained in this document or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information, or for any information provided to it by us, including but not limited to settlement amounts and any other information.

Governing Law

The indenture provides that it and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflicts of laws.

Table of Contents

Book-Entry, Settlement and Clearance

Global Notes

The Notes will be initially issued in the form of one or more registered Notes in global form, without interest coupons, or the Global Notes. Upon issuance, each of the Global Notes will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC, or the DTC participants, or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

upon deposit of a Global Note with DTC's custodian, DTC will credit portions of the principal amount of the Global Note to the accounts of the DTC participants designated by the underwriters; and

ownership of beneficial interests in a Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the Global Note).

Beneficial interests in Global Notes may not be exchanged for Notes in physical, certificated form except in the limited circumstances described below.

Book-Entry Procedures for Global Notes

All interests in the Global Notes will be subject to the operations and procedures of DTC. We provide the following summary of those operations and procedures solely for the convenience of investors. The operations and procedures of DTC are controlled by that settlement system and may be changed at any time. Neither we nor the underwriters are responsible for those operations or procedures.

DTC has advised us that it is:

a limited purpose trust company organized under the laws of the State of New York;

a "banking organization" within the meaning of the New York State Banking Law;

a member of the Federal Reserve System;

a "clearing corporation" within the meaning of the Uniform Commercial Code; and

a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the underwriters; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a Global Note, that nominee will be considered the sole owner or holder of the Notes represented by that Global Note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a Global Note:

Edgar Filing: Main Street Capital CORP - Form 497

will not be entitled to have Notes represented by the Global Note registered in their names;

S-88

Table of Contents

will not receive or be entitled to receive physical, certificated Notes; and

will not be considered the owners or holders of the Notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a Global Note must rely on the procedures of DTC to exercise any rights of a holder of Notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal and interest with respect to the Notes represented by a Global Note will be made by the trustee to DTC's nominee as the registered holder of the Global Note. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.

Certificated Notes

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related Notes only if:

DTC notifies us at any time that it is unwilling or unable to continue as depository for the Global Notes and a successor depository is not appointed within 90 days; or

DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 90 days.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain material U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax consequences. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated thereunder by the U.S. Treasury (the "Treasury Regulations"), rulings and pronouncements issued by the Internal Revenue Service (the "IRS"), and judicial decisions, all as of the date hereof and all of which are subject to change at any time. Any such change may be applied retroactively in a manner that could adversely affect a holder of the Notes. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following discussion, and there can be no assurance that the IRS will agree with such statements and conclusions.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, including, without limitation:

banks, insurance companies and other financial institutions;

individual retirement accounts and other tax-deferred accounts;

Table of Contents

regulated investment companies and real estate investment trusts;

U.S. expatriates and certain former citizens or long-term residents of the United States;

holders subject to the alternative minimum tax;

dealers in securities or currencies;

traders in securities;

partnerships, S corporations or other pass-through entities;

U.S. holders (as defined below) whose functional currency is not the U.S. dollar;

controlled foreign corporations;

tax-exempt organizations;

passive foreign investment companies;

persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other risk reduction transaction; and

persons deemed to sell the Notes under the constructive sale provisions of the Code.

In addition, this discussion is limited to persons purchasing the Notes for cash at original issue and at their original "issue price" within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of the Notes are sold to the public for cash). Moreover, the effects of other U.S. federal tax laws (such as estate and gift tax laws) and any applicable state, local or foreign tax laws are not discussed. The discussion deals only with Notes held as "capital assets" within the meaning of Section 1221 of the Code. This discussion also does not address the U.S. federal income tax consequences to beneficial owners of the Notes that are subject to the special tax accounting rules under Section 451(b) of the Code.

If an entity taxable as a partnership holds the Notes, the tax treatment of an owner of the entity generally will depend on the status of the particular owner in question and the activities of the entity. Owners of any such entity should consult their tax advisors as to the specific tax consequences to them of holding the Notes indirectly through ownership of such entity.

YOU ARE URGED TO CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

U.S. Holders

Edgar Filing: Main Street Capital CORP - Form 497

The following is a summary of the material U.S. federal income tax consequences that will apply to you if you are a "U.S. holder" of a Note. As used herein, "U.S. holder" means a beneficial owner of a Note who is for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the "substantial presence" test under Section 7701(b) of the Code;

a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;

an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

S-90

Table of Contents

a trust, if a U.S. court can exercise primary supervision over the administration of the trust and one or more "United States persons" within the meaning of Section 7701(a)(30) of the Code can control all substantial trust decisions, or, if the trust was in existence on August 20, 1996, and it has elected to continue to be treated as a United States person.

Payments of Interest

Stated interest on the Notes generally will be taxable to a U.S. holder as ordinary income at the time that such interest is received or accrued, in accordance with such U.S. holder's method of tax accounting for U.S. federal income tax purposes.

Sale or Other Taxable Disposition of Notes

A U.S. holder will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a Note equal to the difference between the amount realized upon the disposition (less any portion allocable to any accrued and unpaid interest, which will be taxable as interest to the extent not previously included in income) and the U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note generally will be equal to the amount that the U.S. holder paid for the Note less any principal payments received by the U.S. holder. Any gain or loss will be a capital gain or loss, and will be a long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of disposition. Otherwise, such gain or loss will be a short-term capital gain or loss. Long-term capital gains recognized by certain non-corporate U.S. holders, including individuals, are currently subject to a reduced tax rate. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

A U.S. holder may be subject to information reporting and backup withholding when such U.S. holder receives interest payments on the Notes held or upon the proceeds received upon the sale or other disposition of such Notes (including a redemption or retirement of the Notes). Certain U.S. holders generally are not subject to information reporting or backup withholding. A U.S. holder will be subject to backup withholding if such U.S. holder is not otherwise exempt and such U.S. holder:

fails to furnish the U.S. holder's taxpayer identification number ("TIN"), which, for an individual, ordinarily is his or her social security number;

furnishes an incorrect TIN;

is notified by the IRS that the U.S. holder has failed properly to report payments of interest or dividends; or

fails to certify, under penalties of perjury, on an IRS Form W-9 (Request for Taxpayer Identification Number and Certification) or a suitable substitute form (or other applicable certificate), that the U.S. holder has furnished a correct TIN and that the IRS has not notified the U.S. holder that the U.S. holder is subject to backup withholding.

U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. Backup withholding is not an additional tax, and taxpayers may use amounts withheld as a credit against their U.S. federal income tax liability or may claim a refund if they timely provide certain information to the IRS.

Unearned Income Medicare Contribution

A tax of 3.8% will be imposed on certain "net investment income" (or "undistributed net investment income", in the case of estates and trusts) received by individuals with adjusted modified

Table of Contents

gross incomes in excess of \$200,000 (\$250,000 in the case of married individuals filing jointly) and certain estates and trusts. "Net investment income" as defined for U.S. federal Medicare contribution purposes generally includes interest payments and gain recognized from the sale or other disposition of the Notes. Tax-exempt trusts, which are not subject to income taxes generally, and foreign individuals will not be subject to this tax. U.S. holders should consult their own tax advisors regarding the effect, if any, of this tax on their ownership and disposition of the Notes.

Non-U.S. Holders

The following is a summary of certain material U.S. federal income tax consequences that will apply to you if you are a "Non-U.S. holder" of a Note. A "Non-U.S. holder" is a beneficial owner of a Note who is not a U.S. holder or a partnership for U.S. federal income tax purposes. Special rules may apply to Non-U.S. holders that are subject to special treatment under the Code, including controlled foreign corporations, passive foreign investment companies, U.S. expatriates, and foreign persons eligible for benefits under an applicable income tax treaty with the U.S. Such Non-U.S. holders should consult their tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them including any reporting requirements.

Payments of Interest

Generally, interest income paid to a Non-U.S. holder that is not effectively connected with the Non-U.S. holder's conduct of a U.S. trade or business is subject to withholding tax at a rate of 30% (or, if applicable, a lower treaty rate). Nevertheless, interest paid on a Note to a Non-U.S. holder that is not effectively connected with the Non-U.S. holder's conduct of a U.S. trade or business generally will not be subject to U.S. federal withholding tax provided that:

such Non-U.S. holder does not directly or indirectly own 10% or more of the total combined voting power of all classes of our voting stock;

such Non-U.S. holder is not a controlled foreign corporation that is related to us through actual or constructive stock ownership and is not a bank that received such Note on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

either (1) the Non-U.S. holder certifies in a statement provided to us or the paying agent, under penalties of perjury, that it is the beneficial owner of the Notes and not a "United States person" within the meaning of the Code and provides its name and address, (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the Note on behalf of the Non-U.S. holder certifies to us or the paying agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. holder, has received from the Non-U.S. holder a statement, under penalties of perjury, that such Non-U.S. holder is the beneficial owner of the Notes and is not a United States person and provides us or the paying agent with a copy of such statement or (3) the Non-U.S. holder holds its Note directly through a "qualified intermediary" and certain conditions are satisfied.

Even if the above conditions are not met, a Non-U.S. holder generally will be entitled to a reduction in or an exemption from withholding tax on interest if the Non-U.S. holder provides us or our paying agent with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or a suitable substitute form (or other applicable certificate) claiming an exemption from or reduction of the withholding tax under the benefit of an income tax treaty between the United States and the Non-U.S. holder's country of residence. A Non-U.S. holder is required to inform the recipient of any change in the information on such statement within 30 days of such change. Special certification rules apply to Non-U.S. holders that are pass-through entities rather than corporations or individuals.

Table of Contents

If interest paid to a Non-U.S. holder is effectively connected with the Non-U.S. holder's conduct of a U.S. trade or business, then, the Non-U.S. holder will be exempt from U.S. federal withholding tax, so long as the Non-U.S. holder has provided an IRS Form W-8ECI or substantially similar substitute form stating that the interest that the Non-U.S. holder receives on the Notes is effectively connected with the Non-U.S. holder's conduct of a trade or business in the United States. In such a case, a Non-U.S. holder will be subject to tax on the interest it receives on a net income basis in the same manner as if such Non-U.S. holder were a U.S. holder. In addition, if the Non-U.S. holder is a foreign corporation, such interest may be subject to a branch profits tax at a rate of 30% or lower applicable treaty rate.

Sale or Other Taxable Disposition of Notes

Any gain realized by a Non-U.S. holder on the sale, exchange, retirement, redemption or other taxable disposition of a Note generally will not be subject to U.S. federal income tax unless:

the gain is effectively connected with the Non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, the Non-U.S. holder maintains a U.S. permanent establishment to which such gain is attributable); or

the Non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of sale, exchange or other disposition, certain conditions are met and the Non-U.S. holder is not eligible for relief under an applicable income tax treaty.

A Non-U.S. holder described in the first bullet point above will be required to pay U.S. federal income tax on the net gain derived from the sale or other taxable disposition generally in the same manner as if such Non-U.S. holder were a U.S. holder, and if such Non-U.S. holder is a foreign corporation, it may also be required to pay an additional branch profits tax at a 30% rate (or a lower rate if so specified by an applicable income tax treaty). A Non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or, if applicable, a lower treaty rate) on the gain derived from the sale or other taxable disposition, which may be offset by certain U.S. source capital losses, even though the Non-U.S. holder is not considered a resident of the United States.

Certain other exceptions may be applicable, and Non-U.S. holders should consult their own tax advisors with regard to whether taxes will be imposed on capital gain in their individual circumstances.

Information Reporting and Backup Withholding

The amount of interest that we pay to any Non-U.S. holder on the Notes will be reported to the Non-U.S. holder and to the IRS annually on an IRS Form 1042-S, regardless of whether any tax was actually withheld. Copies of these information returns may also be made available under the provisions of a specific income tax treaty or agreement to the tax authorities of the country in which the Non-U.S. holder resides. However, a Non-U.S. holder generally will not be subject to backup withholding and certain other information reporting with respect to payments that we make to the Non-U.S. holder, provided that we do not have actual knowledge or reason to know that such Non-U.S. holder is a "United States person," within the meaning of the Code, and the Non-U.S. holder has given us the statement described above under "Non-U.S. holders Payments of Interest."

If a Non-U.S. holder sells or exchanges a Note through a United States broker or the United States office of a foreign broker, the proceeds from such sale or exchange will be subject to information reporting and backup withholding unless the Non-U.S. holder provides a withholding certificate or other appropriate documentary evidence establishing that such holder is not a U.S. holder to the broker and such broker does not have actual knowledge or reason to know that such holder is a U.S. holder, or the Non-U.S. holder is an exempt recipient eligible for an exemption from information

Table of Contents

reporting and backup withholding. If a Non-U.S. holder sells or exchanges a Note through the foreign office of a broker who is a United States person or has certain enumerated connections with the United States, the proceeds from such sale or exchange will be subject to information reporting unless the Non-U.S. holder provides to such broker a withholding certificate or other documentary evidence establishing that such holder is not a U.S. holder and such broker does not have actual knowledge or reason to know that such evidence is false, or the Non-U.S. holder is an exempt recipient eligible for an exemption from information reporting. In circumstances where information reporting by the foreign office of such a broker is required, backup withholding will be required only if the broker has actual knowledge that the holder is a U.S. holder.

A Non-U.S. holder generally will be entitled to credit any amounts withheld under the backup withholding rules against the Non-U.S. holder's U.S. federal income tax liability or may claim a refund provided that the required information is furnished to the IRS in a timely manner.

Non-U.S. holders are urged to consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedures for obtaining such an exemption, if available.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act, or FATCA, and U.S. Treasury Regulations and other IRS administrative guidance thereunder generally impose a U.S. federal withholding tax of 30% on U.S. source interest on a debt obligation and the gross proceeds from the disposition of a debt obligation of a type that produces U.S. source interest, which, in each case, would include the Notes, to certain non-U.S. entities (including, in some circumstances, where such an entity is acting as an intermediary) that fail to comply with certain certification and information reporting requirements, including reporting requirements regarding its United States account holders (in the case of foreign financial institutions) or beneficial United States owners (in the case of non-financial foreign entities). However, under current proposed regulations promulgated by the Treasury Department, withholding under FATCA does not apply to gross proceeds from any sale or disposition of a Note. Taxpayers may generally rely on those proposed regulations until final regulations are issued. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States with respect to FATCA may be subject to different rules. In addition, under certain circumstances, a Non-U.S. holder might be eligible for refunds or credits of any taxes imposed pursuant to FATCA. Prospective investors in the Notes should consult their own tax advisors regarding the effect, if any, of the FATCA rules for them based on their particular circumstances.

Table of Contents**UNDERWRITING (CONFLICTS OF INTEREST)**

Under the terms and subject to the conditions contained in an underwriting agreement dated April 17, 2019, the underwriters named below, for whom RBC Capital Markets, LLC is acting as representative, have severally agreed to purchase, and we have agreed to sell to them, the aggregate principal amount of Notes indicated below:

Name	Principal Amount
RBC Capital Markets, LLC	\$ 112,500,000
Goldman Sachs & Co. LLC	\$ 60,000,000
BB&T Capital Markets, a division of BB&T Securities, LLC	\$ 28,500,000
Raymond James & Associates, Inc	\$ 28,500,000
Comerica Securities, Inc	\$ 10,500,000
WoodRock Securities, L.P.	\$ 10,000,000
Total	\$ 250,000,000

The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the Notes offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are severally obligated to take and pay for all Notes offered hereby if any such Notes are taken. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Commissions and Discounts

An underwriting discount of 0.65% per Note will be paid by us.

The following table shows the total underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering.

	Per Note	Total
Public offering price	99.125%	\$ 247,812,500
Underwriting discount	0.65%	\$ 1,625,000
Proceeds, before expenses, to us	98.475%	\$ 246,187,500

The underwriters propose to offer some of the Notes to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the Notes to certain other broker-dealers at the public offering price less a concession not in excess of 0.40% of the aggregate principal amount of the Notes. The underwriters may allow, and the dealers may reallocate, a discount not in excess of 0.25% of the aggregate principal amount of the Notes. After the initial offering of the Notes to the public, the public offering price and such concessions may be changed. No such change shall change the amount of proceeds to be received by us as set forth on the cover page of this prospectus supplement. The expenses of the offering, not including the underwriting discount, are estimated at \$350,000 and are payable by us.

Alternative Settlement Cycle

We expect that delivery of the Notes will be made against payment therefore on or about April 23, 2019, which will be the third business day following the trade date for the issuance of the Notes (such settlement being herein referred to as "T+3"). Under Rule 15c6-1 promulgated under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the date of delivery hereunder will be required, by virtue of the fact that the Notes

Table of Contents

initially will settle in T+3 business days, to specify an alternative settlement arrangement at the time of any such trade to prevent a failed settlement.

No Sales of Similar Securities

Subject to certain exceptions, we have agreed not to directly or indirectly, offer, pledge, sell, contract to sell, grant any option for the sale of, or otherwise transfer or dispose of any debt securities issued or guaranteed by the Company that are substantially similar to the Notes or any securities convertible into or exercisable or exchangeable for such debt securities for a period of 30 days after the date of this prospectus supplement without first obtaining the written consent of the representative. This consent may be given at any time without public notice.

Listing

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or quoted on any automated dealer quotation system.

We have been advised by the underwriters that they presently intend to make a market in the Notes after completion of the offering as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the Notes and any such market-making may be discontinued at any time in the sole discretion of the underwriters without any notice. Accordingly, no assurance can be given as to the liquidity of, or development of a public trading market for, the Notes. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

Price Stabilization and Short Positions

In connection with the offering, the underwriters may purchase and sell Notes in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of Notes than required to be purchased in this offering. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of Notes made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased Notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

Any of these activities may cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be discontinued at any time without any notice relating thereto.

Conflicts of Interest

Affiliates of RBC Capital Markets, LLC, Goldman Sachs & Co. LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, Raymond James & Associates, Inc., Comerica Securities, Inc. and WoodRock Securities, L.P., underwriters in this offering, act as lenders and/or agents under our Credit Facility. Certain of the net proceeds from the sale of our Notes, not including underwriting compensation, may be paid to such affiliates of RBC Capital Markets, LLC, Goldman Sachs & Co. LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, Raymond James & Associates, Inc., Comerica Securities, Inc. and WoodRock Securities, L.P. in connection with the repayment of debt owed under our Credit Facility. As a result, RBC Capital Markets, LLC, Goldman

Table of Contents

Sachs & Co. LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, Raymond James & Associates, Inc., Comerica Securities, Inc. and WoodRock Securities, L.P. and/or their affiliates may receive more than 5% of the net proceeds of this offering, not including underwriting compensation.

The underwriters and/or their affiliates from time to time provide and may in the future provide investment banking, commercial banking and financial advisory services to us, for which they have received and may receive customary compensation.

In addition, the underwriters and/or their affiliates may from time to time refer investment banking clients to us as potential portfolio investments. If we invest in those clients, we may indirectly utilize net proceeds from this offering to fund such investments, and the referring underwriter or its affiliate may receive placement fees from its client in connection with such financing, which placement fees may be paid out of the amount funded by us.

The addresses of the underwriters are: RBC Capital Markets, LLC, 200 Vesey Street, 8th Floor, New York, NY 10281; Goldman Sachs & Co. LLC, 200 West Street, New York, NY 10282; BB&T Capital Markets, a division of BB&T Securities, LLC, 901 East Byrd Street, Suite 300, Richmond, Virginia 23219; Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, Florida 33716; Comerica Securities, Inc., 201 West Fort St., 3rd Floor, Detroit, MI 48226; and WoodRock Securities, L.P., 4265 San Felipe, Suite 600, Houston, Texas 77027.

Selling Restrictions

European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. This prospectus supplement and accompanying prospectus has been prepared on the basis that any offer of the Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Notes. This prospectus supplement and accompanying prospectus is not a prospectus for the purposes of the Prospectus Directive.

United Kingdom

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Table of Contents

Switzerland

This prospectus supplement may only be freely circulated, and securities of the issuer may only be freely offered or sold, to regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks as well as to regulated insurance companies. Circulating this prospectus supplement and offering or selling the Notes to other persons or entities including qualified investors as defined in the Federal Act on Collective Investment Schemes ("CISA") and its implementing Ordinance ("CISO") may trigger, in particular, (i) licensing/prudential supervision requirements for the distributor and/or the issuer, (ii) a requirement to appoint a representative and paying agent in Switzerland and (iii) the necessity of a written distribution agreement between the representative in Switzerland and the distributor. Accordingly, legal advice should be sought before providing this prospectus supplement to and offering or selling the Notes to any other persons or entities. This prospectus supplement does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The Notes will not be listed on the SIX Swiss Exchange, and consequently the information presented in this document does not necessarily comply with the information standards set out in the relevant listing rules. The documentation of the issuer has not been and will not be approved by the Swiss Financial Market Supervisory Authority FINMA under the CISA. Therefore, purchasers do not benefit from protection under the CISA or supervision by the FINMA. This prospectus supplement does not constitute investment advice. It may only be used by persons to whom it has been handed out in connection with the Notes and may neither be copied or directly/indirectly distributed or made available to other persons.

Hong Kong

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an

Table of Contents

accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, Notes, debentures and units of Notes and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

LEGAL MATTERS

Certain legal matters regarding the Notes offered hereby will be passed upon for us by Dechert LLP, Washington D.C., and certain legal matters in connection with this offering will be passed upon for the underwriters by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audited consolidated financial statements, financial highlights, Schedule 12-14 and the schedule of Senior Securities of Main Street Capital Corporation, included in this prospectus supplement and elsewhere in the registration statement have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, as stated in their reports appearing herein. Grant Thornton LLP's principal business address is Grant Thornton Tower, 171 North Clark, Suite 200, Chicago, Illinois 60601.

AVAILABLE INFORMATION

We have filed with the SEC a universal shelf registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to the Notes offered by this prospectus supplement. The registration statement contains additional information about us and the Notes being offered by this prospectus supplement.

We file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Exchange Act. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available free of charge on the EDGAR Database on the SEC's website at www.sec.gov.

Table of Contents

AUDITED FINANCIAL STATEMENTS

Index to Consolidated Financial Statements

<u>Report of Independent Registered Public Accounting Firm</u>	<u>S-101</u>
<u>Consolidated Balance Sheets as of December 31, 2018 and 2017</u>	<u>S-102</u>
<u>Consolidated Statements of Operations for the Years Ended December 31, 2018, 2017 and 2016</u>	<u>S-103</u>
<u>Consolidated Statements of Changes in Net Assets for the Years Ended December 31, 2018, 2017 and 2016</u>	<u>S-104</u>
<u>Consolidated Statements of Cash Flows for the Years Ended December 31, 2018, 2017 and 2016</u>	<u>S-105</u>
<u>Consolidated Schedules of Investments as of December 31, 2018 and 2017</u>	<u>S-106</u>
<u>Notes to Consolidated Financial Statements</u>	<u>S-164</u>
	S-100

Table of Contents

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders'
Main Street Capital Corporation

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Main Street Capital Corporation (a Maryland corporation) and subsidiaries (the "Company"), including the consolidated schedule of investments, as of December 31, 2018 and 2017, the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2018, and the related notes, schedules and financial highlights (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, and the financial highlights for each of the five years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in the 2013 *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 1, 2019 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included verification by confirmation of securities as of December 31, 2018 and 2017, by correspondence with the portfolio companies and custodians, or by other appropriate auditing procedures where replies were not received. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2007.
Houston, Texas
March 1, 2019

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

	December 31, 2018	December 31, 2017
ASSETS		
Investments at fair value:		
Control investments (cost: \$750,618 and \$530,034 as of December 31, 2018 and December 31, 2017, respectively)	\$ 1,004,993	\$ 750,706
Affiliate investments (cost: \$381,307 and \$367,317 as of December 31, 2018 and December 31, 2017, respectively)	359,890	338,854
Non-Control/Non-Affiliate investments (cost: \$1,137,108 and \$1,107,447 as of December 31, 2018 and December 31, 2017, respectively)	1,089,026	1,081,745
Total investments (cost: \$2,269,033 and \$2,004,798 as of December 31, 2018 and December 31, 2017, respectively)	2,453,909	2,171,305
Cash and cash equivalents	54,181	51,528
Interest receivable and other assets	39,674	36,343
Receivable for securities sold	1,201	2,382
Deferred financing costs (net of accumulated amortization of \$6,562 and \$5,600 as of December 31, 2018 and December 31, 2017, respectively)	4,461	3,837
Total assets	\$ 2,553,426	\$ 2,265,395
LIABILITIES		
Credit facility	\$ 301,000	\$ 64,000
SBIC debentures (par: \$345,800 (\$16,000 due within one year) and \$295,800 as of December 31, 2018 and December 31, 2017, respectively)	338,186	288,483
4.50% Notes due 2022 (par: \$185,000 as of both December 31, 2018 and December 31, 2017)	182,622	182,015
4.50% Notes due 2019 (par: \$175,000 as of both December 31, 2018 and December 31, 2017)	174,338	173,616
6.125% Notes (par: \$90,655 as of December 31, 2017)		89,057
Accounts payable and other liabilities	17,962	20,168
Payable for securities purchased	28,254	40,716
Interest payable	6,041	5,273
Dividend payable	11,948	11,146
Deferred tax liability, net	17,026	10,553
Total liabilities	1,077,377	885,027
Commitments and contingencies (Note K)		
NET ASSETS		
Common stock, \$0.01 par value per share (150,000,000 shares authorized; 61,264,861 and 58,660,680 shares issued and outstanding as of December 31, 2018 and December 31, 2017, respectively)	613	586
Additional paid-in capital	1,409,945	1,310,780
Total distributable earnings (loss)	\$ 65,491	\$ 69,002
Total net assets	1,476,049	1,380,368

Edgar Filing: Main Street Capital CORP - Form 497

Total liabilities and net assets \$ 2,553,426 \$ 2,265,395

NET ASSET VALUE PER SHARE \$ 24.09 \$ 23.53

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

S-102

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

	Twelve Months Ended December 31,		
	2018	2017	2016
INVESTMENT INCOME:			
Interest, fee and dividend income:			
Control investments	\$ 85,853	\$ 62,762	\$ 52,221
Affiliate investments	36,800	37,509	37,702
Non-Control/Non-Affiliate investments	110,702	105,470	88,242
Interest, fee and dividend income	233,355	205,741	178,165
Interest, fee and dividend income from marketable securities and idle funds investments			174
Total investment income	233,355	205,741	178,339
EXPENSES:			
Interest	(43,493)	(36,479)	(33,630)
Compensation	(18,966)	(18,560)	(16,408)
General and administrative	(11,868)	(11,674)	(9,284)
Share-based compensation	(9,151)	(10,027)	(8,304)
Expenses allocated to the External Investment Manager	6,768	6,370	5,089
Total expenses	(76,710)	(70,370)	(62,537)
NET INVESTMENT INCOME	156,645	135,371	115,802
NET REALIZED GAIN (LOSS):			
Control investments	4,681	259	32,220
Affiliate investments	20	8,044	25,167
Non-Control/Non-Affiliate investments	(3,360)	7,879	(26,317)
Marketable securities and idle funds investments			(1,681)
Realized loss on extinguishment of debt	(2,896)	(5,217)	
Total net realized gain (loss)	(1,555)	10,965	29,389
NET UNREALIZED APPRECIATION (DEPRECIATION):			
Control investments	37,826	63,627	(12,674)
Affiliate investments	12,062	(11,330)	(35,540)
Non-Control/Non-Affiliate investments	(31,907)	(9,752)	39,909
Marketable securities and idle funds investments			1,729
SBIC debentures	1,294	6,212	(943)
Total net unrealized appreciation (depreciation)	19,275	48,757	(7,519)
INCOME TAXES:			
Federal and state income, excise and other taxes	(319)	(5,206)	(2,089)
Deferred taxes	(5,833)	(19,265)	3,316
Income tax benefit (provision)	(6,152)	(24,471)	1,227
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 168,213	\$ 170,622	\$ 138,899

NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED	\$	2.60	\$	2.39	\$	2.23
--	----	------	----	------	----	------

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE BASIC AND DILUTED	\$	2.80	\$	3.01	\$	2.67
---	----	------	----	------	----	------

WEIGHTED AVERAGE SHARES OUTSTANDING BASIC AND DILUTED	60,176,843	56,691,913	52,025,002
--	------------	------------	------------

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

S-103

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

(dollars in thousands, except shares)

	Common Stock			Total Distributable Earnings (Loss)	Total Net Asset Value
	Number of Shares	Par Value	Additional Paid-In Capital		
Balances at December 31, 2015	50,413,744	\$ 504	\$ 1,011,467	\$ 58,923	\$ 1,070,894
Public offering of common stock, net of offering costs	3,324,646	33	112,006		112,039
Share-based compensation			8,304		8,304
Purchase of vested stock for employee payroll tax withholding	(80,750)	(1)	(2,592)		(2,593)
Dividend reinvestment	434,631	4	14,073		14,077
Amortization of directors' deferred compensation			628		628
Issuance of restricted stock, net of forfeited shares	262,586	3	(3)		
Dividends to stockholders (\$2.725 dividends per share comprised of \$2.175 regular monthly dividends and \$0.550 supplemental dividends)				(142,573)	(142,573)
Cumulative-effect to retained earnings for excess tax benefit				1,806	1,806
Net increase resulting from operations				138,899	138,899
Balances at December 31, 2016	54,354,857	\$ 543	\$ 1,143,883	\$ 57,055	\$ 1,201,481
Public offering of common stock, net of offering costs	3,947,165	40	150,946		150,986
Share-based compensation			10,027		10,027
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	234,513	2	9,154		9,156
Amortization of directors' deferred compensation			680		680
Issuance of restricted stock, net of forfeited shares	226,052	2	(2)		
Dividends to stockholders (\$2.785 dividends per share comprised of \$2.235 regular monthly dividends and \$0.550 supplemental dividends)				(158,675)	(158,675)
Net increase resulting from operations				170,622	170,622
Balances at December 31, 2017	58,660,680	\$ 586	\$ 1,310,780	\$ 69,002	\$ 1,380,368
Public offering of common stock, net of offering costs	2,069,103	21	78,373		78,394
Share-based compensation			9,151		9,151
Purchase of vested stock for employee payroll tax withholding	(109,693)	(1)	(4,076)		(4,077)
Dividend reinvestment	394,403	4	14,870		14,874
Amortization of directors' deferred compensation			850		850
Issuance of restricted stock, net of forfeited shares	250,368	3	(3)		
Dividends to stockholders (\$2.845 dividends per share comprised of \$2.295 regular monthly dividends and \$0.550 supplemental dividends)				(171,724)	(171,724)
Net increase resulting from operations				168,213	168,213
Balances at December 31, 2018	61,264,861	\$ 613	\$ 1,409,945	\$ 65,491	\$ 1,476,049

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

S-104

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

	Twelve Months Ended December 31,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net increase in net assets resulting from operations	\$ 168,213	\$ 170,622	\$ 138,899
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:			
Investments in portfolio companies	(962,456)	(876,744)	(641,197)
Proceeds from sales and repayments of debt investments in portfolio companies	626,059	737,297	409,542
Proceeds from sales and return of capital of equity investments in portfolio companies	77,103	82,128	76,731
Investments in marketable securities and idle funds investments			(523)
Proceeds from sales and repayments of marketable securities and idle funds investments			4,316
Net unrealized (appreciation) depreciation	(19,275)	(48,757)	7,519
Net realized (gain) loss	1,555	(10,965)	(29,389)
Accretion of unearned income	(14,724)	(17,008)	(10,211)
Payment-in-kind interest	(2,304)	(4,884)	(6,497)
Cumulative dividends	(2,301)	(3,226)	(2,200)
Share-based compensation expense	9,151	10,027	8,304
Amortization of deferred financing costs	3,299	2,784	2,582
Deferred tax provision	5,833	19,265	(3,316)
Changes in other assets and liabilities:			
Interest receivable and other assets	(2,276)	2,080	(2,564)
Interest payable	768	1,170	144
Accounts payable and other liabilities	(1,356)	6,643	2,541
Deferred fees and other	3,645	2,470	2,589
Net cash provided by (used in) operating activities	(109,066)	72,902	(42,730)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from public offering of common stock, net of offering costs	78,394	150,986	112,039
Proceeds from public offering of 4.50% Notes due 2022		185,000	
Dividends paid	(156,048)	(148,421)	(127,522)
Proceeds from issuance of SBIC debentures	54,000	81,000	15,000
Repayments of SBIC debentures	(4,000)	(25,200)	
Redemption of 6.125% Notes	(90,655)		(83)
Proceeds from credit facility	632,000	448,000	390,000
Repayments on credit facility	(395,000)	(727,000)	(338,000)
Payment of deferred issuance costs and SBIC debenture fees	(2,895)	(5,868)	(1,962)
Purchases of vested stock for employee payroll tax withholding	(4,077)	(4,351)	(2,593)
Net cash provided by (used in) financing activities	111,719	(45,854)	46,879
Net increase in cash and cash equivalents	2,653	27,048	4,149
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	51,528	24,480	20,331
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 54,181	\$ 51,528	\$ 24,480

Supplemental cash flow disclosures:

Edgar Filing: Main Street Capital CORP - Form 497

Interest paid	\$	39,300	\$	32,411	\$	30,756
Taxes paid	\$	5,112	\$	2,398	\$	1,495
Non-cash financing activities:						
Shares issued pursuant to the DRIP	\$	14,874	\$	9,156	\$	14,077

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

S-105

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****December 31, 2018**
(dollars in thousands)**(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
<u>Control Investments(5)</u>						
Access Media Holdings, LLC(10)	July 22, 2015	Private Cable Operator	10% PIK Secured Debt (Maturity July 22, 2020)(14)(19) Preferred Member Units (9,481,500 units)(27) Member Units (45 units)	\$ 23,828	\$ 23,828 9,375 1 33,204	\$ 8,558 (284) 8,274
ASC Interests, LLC	August 1, 2013	Recreational and Educational Shooting Facility	11% Secured Debt (Maturity July 31, 2020) Member Units (1,500 units)	1,650	1,622 1,500 3,122	1,622 1,370 2,992
ATS Workholding, LLC(10)	March 10, 2014	Manufacturer of Machine Cutting Tools and Accessories	5% Secured Debt (Maturity November 16, 2021) Preferred Member Units (3,725,862 units)	4,877	4,507 3,726 8,233	4,390 3,726 8,116
Bond-Coat, Inc.	December 28, 2012	Casing and Tubing Coating Services	12% Secured Debt (Maturity December 28, 2020) Common Stock (57,508 shares)	11,596	11,367 6,350 17,717	11,596 9,370 20,966
Brewer Crane Holdings, LLC	January 9, 2018	Provider of Crane Rental and Operating Services	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.35%, Secured Debt (Maturity January 9,	9,548	9,467	9,467

Edgar Filing: Main Street Capital CORP - Form 497

			2023)(9)			
			Preferred Member Units			
			(2,950 units)(8)	4,280		4,280
				13,747		13,747
Café Brazil, LLC	April 20, 2004	Casual Restaurant Group				
			Member Units (1,233 units)(8)	1,742		4,780
California Splendor Holdings LLC	March 30, 2018	Processor of Frozen Fruits				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.50%, Secured Debt (Maturity March 30, 2023)(9)	11,091	10,928	10,928
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.50%, Secured Debt (Maturity March 30, 2023)(9)	28,000	27,755	27,755
			Preferred Member Units (6,157 units)(8)		10,775	9,745
				49,458		48,428

S-106

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****December 31, 2018**
(dollars in thousands)**(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
CBT Nuggets, LLC	June 1, 2006	Produces and Sells IT Training Certification Videos	Member Units (416 units)(8)		1,300	61,610
Chamberlin Holding LLC	February 26, 2018	Roofing and Waterproofing Specialty Contractor	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.75%, Secured Debt (Maturity February 26, 2023)(9)	20,203	20,028	20,028
			Member Units (4,347 units)(8)		11,440	18,940
			Member Units (Chamberlin Langfield Real Estate, LLC) (732,160 units)		732	732
					32,200	39,700
Charps, LLC	February 3, 2017	Pipeline Maintenance and Construction	12% Secured Debt (Maturity February 3, 2022)	11,900	11,805	11,888
			Preferred Member Units (1,600 units)(8)		400	2,270
					12,205	14,158
Clad-Rex Steel, LLC	December 20, 2016	Specialty Manufacturer of Vinyl-Clad Metal	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.35%, Secured Debt (Maturity December 20, 2021)(9)	12,080	12,001	12,080
			Member Units (717 units)(8)		7,280	10,610
			10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity December 20, 2036)	1,161	1,150	1,161
			Member Units (Clad-Rex Steel RE Investor, LLC) (800 units)		210	350

Edgar Filing: Main Street Capital CORP - Form 497

20,641 24,201

CMS Minerals Investments	January 30, 2015	Oil & Gas Exploration & Production	Member Units (CMS Minerals II, LLC) (100 units)(8)	2,707	2,580
Copper Trail Fund Investments(12)(13)	July 17, 2017	Investment Partnership	LP Interests (CTMH, LP) (Fully diluted 38.8%)	872	872
			LP Interests (Copper Trail Energy Fund I, LP) (Fully diluted 30.1%)(8)	3,495	4,170
				4,367	5,042

S-107

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****December 31, 2018**
(dollars in thousands)**(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Datacom, LLC	May 30, 2014	Technology and Telecommunications Provider	8% Secured Debt (Maturity May 30, 2019)(14)	1,800	1,800	1,690
			10.50% PIK Secured Debt (Maturity May 30, 2019)(14)(19)	12,511	12,479	9,786
			Class A Preferred Member Units		1,294	
			Class B Preferred Member Units (6,453 units)		6,030	
					21,603	11,476
Digital Products Holdings LLC	April 1, 2018	Designer and Distributor of Consumer Electronics	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.38%, Secured Debt (Maturity April 1, 2023)(9)	25,740	25,511	25,511
			Preferred Member Units (3,451 shares)(8)		8,466	8,466
					33,977	33,977
Direct Marketing Solutions, Inc.	February 13, 2018	Provider of Omni-Channel Direct Marketing Services	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.38%, Secured Debt (Maturity February 13, 2023)(9)	18,017	17,848	17,848
			Preferred Stock (8,400 shares)		8,400	14,900
					26,248	32,748
Gamber-Johnson Holdings, LLC	June 24, 2016	Manufacturer of Ruggedized Computer Mounting Systems	LIBOR Plus 7.50% (Floor 2.00%), Current Coupon 9.85%, Secured Debt (Maturity June 24, 2021)(9)	21,486	21,356	21,486
			Member Units (8,619 units)(8)		14,844	45,460

Edgar Filing: Main Street Capital CORP - Form 497

				36,200	66,946
Garreco, LLC	July 15, 2013	Manufacturer and Supplier of Dental Products	LIBOR Plus 8.00% (Floor 1.00%, Ceiling 1.50%), Current Coupon 9.50%, Secured Debt (Maturity March 31, 2020)(9) Member Units (1,200 units)	5,121	5,099 1,200 5,099 2,590
				6,299	7,689
GRT Rubber Technologies LLC	December 19, 2014	Manufacturer of Engineered Rubber Products	LIBOR Plus 7.00%, Current Coupon 9.35%, Secured Debt (Maturity December 31, 2023)(9) Member Units (5,879 units)(8)	9,740	9,716 39,060 22,781
					48,800

S-108

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2018
(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Guerdon Modular Holdings, Inc.	August 13, 2014	Multi-Family and Commercial Modular Construction Company	13% Secured Debt (Maturity March 1, 2019) Preferred Stock (404,998 shares) Common Stock (212,033 shares) Warrants (6,208,877 equivalent shares; Expiration April 25, 2028; Strike price \$0.01 per unit)	12,588	12,572 1,140 2,983	12,002
					16,695	12,002
Gulf Manufacturing, LLC	August 31, 2007	Manufacturer of Specialty Fabricated Industrial Piping Products	Member Units (438 units)(8)		2,980	11,690
Gulf Publishing Holdings, LLC	April 29, 2016	Energy Industry Focused Media and Publishing	12.5% Secured Debt (Maturity April 29, 2021) Member Units (3,681 units)	12,666	12,594 3,681	12,594 4,120
					16,275	16,714
Harborside Holdings, LLC	March 20, 2017	Real Estate Holding Company	Member units (100 units)		6,306	9,500
Harris Preston Fund Investments(12)(13)	October 1, 2017	Investment Partnership	LP Interests (2717 MH, L.P.) (Fully diluted 49.3%)		1,040	1,133
Harrison Hydra-Gen, Ltd.	June 4, 2010	Manufacturer of Hydraulic Generators	Common Stock (107,456 shares)(8)		718	8,070
HW Temps LLC	July 2, 2015					

Edgar Filing: Main Street Capital CORP - Form 497

		Temporary Staffing Solutions	LIBOR Plus 13.00% (Floor 1.00%), Current Coupon 15.35%, Secured Debt (Maturity July 2, 2020)(9)	9,976	9,938	9,938
			Preferred Member Units (3,200 units)(8)		3,942	3,942
					13,880	13,880
IDX Broker, LLC	November 15, 2013	Provider of Marketing and CRM Tools for the Real Estate Industry	11.5% Secured Debt (Maturity November 15, 2020)	14,350	14,262	14,350
			Preferred Member Units (5,607 units)(8)		5,952	13,520
					20,214	27,870
Jensen Jewelers of Idaho, LLC	November 14, 2006	Retail Jewelry Store	Prime Plus 6.75% (Floor 2.00%), Current Coupon 12.00%, Secured Debt (Maturity November 14, 2019)(9)	3,355	3,337	3,355
			Member Units (627 units)(8)		811	5,090
					4,148	8,445

S-109

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2018
(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
KBK Industries, LLC	January 23, 2006	Manufacturer of Specialty Oilfield and Industrial Products	Member Units (325 units)(8)		783	8,610
Kickhaefer Manufacturing Company, LLC	October 31, 2018	Precision Metal Parts Manufacturing	11.5% Secured Debt (Maturity October 31, 2020)	1,064	1,045	1,045
			11.5% Secured Debt (Maturity October 31, 2023)	28,000	27,730	27,730
			Member Units (581 units)		12,240	12,240
			9.0% Secured Debt (Maturity October 31, 2048)	4,006	3,970	3,970
			Member Units (KMC RE Investor, LLC) (800 units)		992	992
					45,977	45,977
Lamb Ventures, LLC	May 30, 2008	Aftermarket Automotive Services Chain	11% Secured Debt (Maturity July 1, 2022)	8,339	8,306	8,339
			Preferred Stock (non-voting)		400	400
			Member Units (742 units)		5,273	7,440
			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
					15,032	17,241
Market Force Information, LLC	July 28, 2017	Provider of Customer Experience Management Services	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.74%, Secured Debt (Maturity July 28, 2022)(9)	200	200	200
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.74%, Secured Debt (Maturity July 28, 2022)(9)	22,800	22,624	22,624

Edgar Filing: Main Street Capital CORP - Form 497

			Member Units (657,113 units)	14,700	13,100
				37,524	35,924
MH Corbin Holding LLC	August 31, 2015	Manufacturer and Distributor of Traffic Safety Products			
			10% Current / 3% PIK Secured Debt (Maturity August 31, 2020)(14)(19) Preferred Member Units (4,000 shares)	12,263	11,733
				6,000	1,000
				18,121	12,733

S-110

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2018
(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Mid-Columbia Lumber Products, LLC	December 18, 2006	Manufacturer of Finger-Jointed Lumber Products	10% Secured Debt (Maturity January 15, 2020)	1,750	1,746	1,746
			12% Secured Debt (Maturity January 15, 2020)	3,900	3,880	3,880
			Member Units (7,874 units)		3,001	3,860
			9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity May 13, 2025)	746	746	746
			Member Units (Mid-Columbia Real Estate, LLC) (500 units)(8)		790	1,470
					10,163	11,702
MSC Adviser I, LLC(16)	November 22, 2013	Third Party Investment Advisory Services	Member Units (Fully diluted 100.0%)(8)			65,748
Mystic Logistics Holdings, LLC	August 18, 2014	Logistics and Distribution Services Provider for Large Volume Mailers	12% Secured Debt (Maturity August 15, 2019)	7,536	7,506	7,506
			Common Stock (5,873 shares)		2,720	210
					10,226	7,716
NAPCO Precast, LLC	January 31, 2008	Precast Concrete Manufacturing	LIBOR Plus 8.50%, Current Coupon 11.24%, Secured Debt (Maturity May 31, 2019)	11,475	11,464	11,475
			Member Units (2,955 units)(8)		2,975	13,990
					14,439	25,465
NexRev LLC	February 28, 2018	Provider of Energy Efficiency Products &				

Edgar Filing: Main Street Capital CORP - Form 497

		Services				
			11% Secured Debt (Maturity February 28, 2023)	17,440	17,288	17,288
			Preferred Member Units (86,400,000 units)(8)		6,880	7,890
					24,168	25,178
NRI Clinical Research, LLC	September 8, 2011	Clinical Research Service Provider				
			14% Secured Debt (Maturity June 8, 2022)	6,685	6,545	6,685
			Warrants (251,723 equivalent units; Expiration June 8, 2027; Strike price \$0.01 per unit)		252	660
			Member Units (1,454,167 units)		765	2,478
					7,562	9,823
NRP Jones, LLC	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)		3,717	5,960
					10,093	12,336

S-111

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****December 31, 2018**
(dollars in thousands)**(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
NuStep, LLC	January 31, 2017	Designer, Manufacturer and Distributor of Fitness Equipment	12% Secured Debt (Maturity January 31, 2022) Preferred Member Units (406 units)	20,600	20,458 10,200 30,658	20,458 10,200 30,658
OMi Holdings, Inc.	April 1, 2008	Manufacturer of Overhead Cranes	Common Stock (1,500 shares)(8)		1,080	16,020
Pegasus Research Group, LLC	January 6, 2011	Provider of Telemarketing and Data Services	Member Units (460 units)		1,290	7,680
PPL RVs, Inc.	June 10, 2010	Recreational Vehicle Dealer	LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 9.40%, Secured Debt (Maturity November 15, 2021)(9) Common Stock (1,962 shares)(8)	15,100	15,006 2,150 17,156	15,100 10,380 25,480
Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)	February 1, 2011	Noise Abatement Service Provider	13% Secured Debt (Maturity April 30, 2020) Preferred Member Units (19,631 units)(8) Warrants (1,018 equivalent units; Expiration January 31, 2021; Strike price \$0.01 per unit)	7,477	7,398 4,600 1,200 13,198	7,477 13,090 780 21,347
Quality Lease Service, LLC	June 8, 2015	Provider of Rigsite Accommodation				

Edgar Filing: Main Street Capital CORP - Form 497

			Unit Rentals and Related Services			
			Zero Coupon Secured Debt (Maturity June 8, 2021)	7,341	7,341	6,450
			Member Units (1,000 units)		4,043	3,809
					11,384	10,259
River Aggregates, LLC	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	2,930
					2,269	8,262

S-112

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****December 31, 2018**
(dollars in thousands)**(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Tedder Industries, LLC	August 31, 2018	Manufacturer of Firearm Holsters and Accessories	12% Secured Debt (Maturity August 31, 2020)	480	480	480
			12% Secured Debt (Maturity August 31, 2023)	16,400	16,246	16,246
			Preferred Member Units (440 units)		7,476	7,476
					24,202	24,202
The MPI Group, LLC	October 2, 2007	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories	9% Secured Debt (Maturity October 2, 2019)	2,924	2,924	2,582
			Series A Preferred Units (2,500 units)		2,500	440
			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	2,479
					8,820	5,501
Vision Interests, Inc.	June 5, 2007	Manufacturer / Installer of Commercial Signage	13% Secured Debt (Maturity December 23, 2018)(17)	2,153	2,153	2,153
			Series A Preferred Stock (3,000,000 shares)		3,000	3,740
			Common Stock (1,126,242 shares)		3,706	280
					8,859	6,173
Ziegler's NYPD, LLC	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

Edgar Filing: Main Street Capital CORP - Form 497

14% Secured Debt (Maturity October 1, 2019)	2,750	2,750	2,750
Warrants (587 equivalent units; Expiration October 1, 2019; Strike price \$0.01 per unit)		600	
Preferred Member Units (10,072 units)		2,834	1,249
		7,607	5,424
Subtotal Control Investments (68.1% of net assets at fair value)		\$ 750,618	\$ 1,004,993

S-113

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
<u>Affiliate Investments(6)</u>						
AFG Capital Group, LLC	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) Preferred Member Units (186 units)(8)		\$ 259 1,200 1,459	\$ 950 3,980 4,930
Barfly Ventures, LLC(10)	August 31, 2015	Casual Restaurant Group	12% Secured Debt (Maturity August 31, 2020) Options (3 equivalent units) Warrant (1 equivalent unit; Expiration August 31, 2025; Strike price \$1.00 per unit)	10,185	10,039 607 473 11,119	10,018 940 410 11,368
BBB Tank Services, LLC	April 8, 2016	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.35%, (Maturity April 8, 2021)(9) Preferred Stock (non-voting) Member Units (800,000 units)	4,000	3,833 113 800 4,746	3,833 113 230 4,176
Boccella Precast Products LLC	June 30, 2017	Manufacturer of Precast Hollow Core Concrete	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.40%, Secured Debt (Maturity June 30, 2022)(9)	15,724	15,512	15,724

Edgar Filing: Main Street Capital CORP - Form 497

			Member Units (2,160,000 units)(8)	2,160	5,080
				17,672	20,804
Boss Industries, LLC	July 1, 2014	Manufacturer and Distributor of Air, Power and Other Industrial Equipment	Preferred Member Units (2,242 units)(8)	2,246	6,176
Bridge Capital Solutions Corporation	April 18, 2012	Financial Services and Cash Flow Solutions Provider	13% Secured Debt (Maturity July 25, 2021) Warrants (82 equivalent shares; Expiration July 25, 2026; Strike price \$0.01 per share)	7,500	6,221
			13% Secured Debt (Mercury Service Group, LLC) (Maturity July 25, 2021) Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)	1,000	994
				1,000	1,000
				10,347	12,241

S-114

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Buca C, LLC	June 30, 2015	Casual Restaurant Group	LIBOR Plus 9.25% (Floor 1.00%), Current Coupon 11.63%, Secured Debt (Maturity June 30, 2020)(9)	19,104	19,038	19,038
			Preferred Member Units (6 units; 6% cumulative)(8)(19)		4,431	4,431
					23,469	23,469
CAI Software LLC	October 10, 2014	Provider of Specialized Enterprise Resource Planning Software	12% Secured Debt (Maturity December 7, 2023)	10,880	10,763	10,880
			Member Units (66,968 units)(8)		751	2,717
					11,514	13,597
Chandler Signs Holdings, LLC(10)	January 4, 2016	Sign Manufacturer	12% Current / 1% PIK Secured Deb (Maturity July 4, 2021)(19)	4,546	4,522	4,546
			Class A Units (1,500,000 units)(8)		1,500	2,120
					6,022	6,666
Charlotte Russe, Inc(11)	May 28, 2013	Fast-Fashion Retailer to Young Women	8.50% Secured Debt (Maturity February 2, 2023)	7,932	7,932	3,930
			Common Stock (19,041 shares)		3,141	
					11,073	3,930
Condit Exhibits, LLC	July 1, 2008	Tradeshaw Exhibits / Custom Displays Provider	Member Units (3,936 units)(8)		100	1,950

Edgar Filing: Main Street Capital CORP - Form 497

Congruent Credit Opportunities Funds(12)(13)	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)	16,959	17,468
				22,169	18,323
Dos Rios Partners(12)(13)	April 25, 2013	Investment Partnership	LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)	5,846	7,153
			LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)	1,856	2,271
				7,702	9,424
East Teak Fine Hardwoods, Inc.	April 13, 2006	Distributor of Hardwood Products	Common Stock (6,250 shares)(8)	480	560
EIG Fund Investments(12)(13)	November 6, 2015	Investment Partnership	LP Interests (EIG Global Private Debt Fund-A, L.P.) (Fully diluted 11.1%)(8)	553	505

S-115

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Freeport Financial Funds(12)(13)	June 13, 2013	Investment Partnership	LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.3%)(8)		5,974	5,399
			LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.0%)(8)		11,155	10,980
					17,129	16,379
Harris Preston Fund Investments(12)(13)	August 9, 2017	Investment Partnership	LP Interests (HPEP 3, L.P.) (Fully diluted 8.2%)		1,733	1,733
Hawk Ridge Systems, LLC(13)	December 2, 2016	Value-Added Reseller of Engineering Design and Manufacturing Solutions	10.5% Secured Debt (Maturity December 2, 2021)	14,300	14,201	14,300
			Preferred Member Units (226 units)(8)		2,850	7,260
			Preferred Member Units (HRS Services, ULC) (226 units)		150	380
					17,201	21,940
Houston Plating and Coatings, LLC	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	3,720
					2,236	8,330
					5,236	12,050
I-45 SLF LLC(12)(13)	October 20, 2015	Investment Partnership	Member Units (Fully diluted 20.0%; 24.4% profits interest)(8)		16,200	15,627
L.F. Manufacturing Holdings, LLC(10)	December 23, 2013	Manufacturer of Fiberglass Products	Member Units (2,179,001 units)		2,019	2,060

Edgar Filing: Main Street Capital CORP - Form 497

Meisler Operating LLC	June 7, 2017	Provider of Short-term Trailer and Container Rental	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.90%, Secured Debt (Maturity June 7, 2022)(9)	20,480	20,312	20,312
			Member Units (Milton Meisler Holdings LLC) (48,555 units)		4,855	5,780
					25,167	26,092
OnAsset Intelligence, Inc.	April 18, 2011	Provider of Transportation Monitoring / Tracking Products and Services	12% PIK Secured Debt (Maturity June 30, 2021)(19)	5,743	5,743	5,743
			10% PIK Unsecured Debt (Maturity June 30, 2021)(19)	53	53	53
			Preferred Stock (912 shares)		1,981	
			Warrants (5,333 equivalent shares; Expiration April 18, 2021; Strike price \$0.01 per share)		1,919	
					9,696	5,796

S-116

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
PCI Holding Company, Inc.	December 18, 2012	Manufacturer of Industrial Gas Generating Systems	12% Current / 3% PIK Secured Debt (Maturity March 31, 2019)(19)	11,919	11,908	11,908
			Preferred Stock (1,740,000 shares) (non-voting)		1,740	3,480
			Preferred Stock (1,500,000 shares)		3,927	340
					17,575	15,728
Rocacea, LLC (Quality Lease and Rental Holdings, LLC)	January 8, 2013	Provider of Rigsite Accommodation Unit Rentals and Related Services	12% Secured Debt (Maturity January 8, 2018)(14)(15) Preferred Member Units (250 units)	30,785	30,281	250
					2,500	
				32,781	250	
Salado Stone Holdings, LLC(10)	June 27, 2016	Limestone and Sandstone Dimension Cut Stone Mining Quarries	Class A Preferred Units (Salado Acquisition, LLC) (2,000,000 units)(8)		2,000	1,040
SI East, LLC	August 31, 2018	Rigid Industrial Packaging Manufacturing	10.25% Current, Secured Debt (Maturity August 31, 2023)	35,250	34,885	34,885
			Preferred Member Units (157 units)		6,000	6,000
					40,885	40,885
Slick Innovations, LLC	September 13, 2018	Text Message Marketing Platform	14% Current, Secured Debt (Maturity September 13, 2023)	7,200	6,959	6,959
			Member Units (70,000 units)		700	700
					181	181

Edgar Filing: Main Street Capital CORP - Form 497

			Warrants (18,084 equivalent units; Expiration September 13, 2028; Strike price \$0.01 per unit)		7,840	7,840
UniTek Global Services, Inc.(11)	April 15, 2011	Provider of Outsourced Infrastructure Services	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.01%, Secured Debt (Maturity August 20, 2024)(9)	2,993	2,969	2,969
			Preferred Stock (1,521,122 shares; 19% cumulative)(8)(19)		1,637	1,637
			Preferred Stock (2,281,682 shares; 19% cumulative)(8)(19)		3,038	3,038
			Preferred Stock (4,336,866 shares; 13.5% cumulative)(8)(19)		7,413	7,413
			Common Stock (945,507 shares)			1,420
					15,057	16,477

S-117

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Universal Wellhead Services Holdings, LLC(10)	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)		837	950
			Member Units (UWS Investments, LLC) (4,000,000 units)		4,000	2,330
					4,837	3,280
Volusion, LLC	January 26, 2015	Provider of Online Software-as-a-Service eCommerce Solutions	11.5% Secured Debt (Maturity January 26, 2020)	19,272	18,407	18,407
			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	1,890
					35,280	34,594
Subtotal Affiliate Investments (24.4% of net assets at fair value)					\$ 381,307	\$ 359,890

S-118

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
<u>Non-Control/Non-Affiliate Investments(7)</u>						
AAC Holdings, Inc.(11)	June 30, 2017	Substance Abuse Treatment Service Provider	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.28%, Secured Debt (Maturity June 30, 2023)(9)	\$ 14,500	\$ 14,245	\$ 14,246
Adams Publishing Group, LLC(10)	November 19, 2015	Local Newspaper Operator	Prime Plus 4.00% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity July 3, 2023)(9)	4,250	4,160	4,160
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.93%, Secured Debt (Maturity July 3, 2023)(9)	8,108	7,956	7,956
					12,116	12,116
ADS Tactical, Inc.(10)	March 7, 2017	Value-Added Logistics and Supply Chain Provider to the Defense Industry	LIBOR Plus 6.25% (Floor 0.75%), Current Coupon 8.77%, Secured Debt (Maturity July 26, 2023)(9)	16,416	16,263	15,306
Aethon United BR LP(10)	September 8, 2017	Oil & Gas Exploration & Production	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.14%, Secured Debt (Maturity September 8, 2023)(9)	4,063	4,011	3,817
Allen Media, LLC.(11)	September 18, 2018	Operator of Cable Television Networks	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.21%, Secured Debt (Maturity August 30, 2023)(9)	17,143	16,670	16,800
	July 18, 2013					

Edgar Filing: Main Street Capital CORP - Form 497

Allflex Holdings III Inc.(11)		Manufacturer of Livestock Identification Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.48%, Secured Debt (Maturity July 19, 2021)(9)	13,120	13,077	13,013
American Nuts, LLC(10)	April 10, 2018	Roaster, Mixer and Packager of Bulk Nuts and Seeds	LIBOR Plus 8.50% (Floor 1.00%) PIK, 9.50% PIK Secured Debt, (Maturity April 10, 2023)(9)(19)	1,127	1,115	1,115
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.90%, Secured Debt (Maturity April 10, 2023)(9)	11,194	11,000	10,475
					12,115	11,590

S-119

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
American Scaffold Holdings, Inc.(10)	June 14, 2016	Marine Scaffolding Service Provider	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.30%, Secured Debt (Maturity March 31, 2022)(9)	6,656	6,592	6,623
American Teleconferencing Services, Ltd.(11)	May 19, 2016	Provider of Audio Conferencing and Video Collaboration Solutions	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.09%, Secured Debt (Maturity December 8, 2021)(9)	15,940	15,186	13,310
Apex Linen Service, Inc.	October 30, 2015	Industrial Launderers	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.35%, Secured Debt (Maturity October 30, 2022)(9) 16% Secured Debt (Maturity October 30, 2022)	2,400 14,416	2,400 14,357	2,400 14,357 16,757
APTIM Corp.(11)	August 17, 2018	Engineering, Construction & Procurement	7.75% Secured Debt (Maturity June 15, 2025)	12,452	10,633	9,464
Arcus Hunting LLC(10)	January 6, 2015	Manufacturer of Bowhunting and Archery Products and Accessories	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.40%, Secured Debt (Maturity November 13, 2019)(9)	15,394	15,351	15,394
Arise Holdings, Inc.(10)	March 12, 2018	Tech-Enabled Business Process Outsourcing	Preferred Stock (1,000,000 shares)		1,000	1,704

Edgar Filing: Main Street Capital CORP - Form 497

ASC Ortho Management Company, LLC(10)	August 31, 2018	Provider of Orthopedic Services	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.90%, Secured Debt (Maturity August 31, 2023)(9)	4,660	4,559	4,559
			13.25% PIK Secured Debt (Maturity December 1, 2023)(19)	1,624	1,587	1,587
					6,146	6,146
ATI Investment Sub, Inc.(11)	July 11, 2016	Manufacturer of Solar Tracking Systems	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.76%, Secured Debt (Maturity June 22, 2021)(9)	4,385	4,346	3,943

S-120

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
ATX Networks Corp.(11)(13)(21)	June 30, 2015	Provider of Radio Frequency Management Equipment	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.39% / 1.00% PIK, Current Coupon Plus PIK 9.39%, Secured Debt (Maturity June 11, 2021)(9)(19)	14,121	13,844	13,415
Berry Aviation, Inc.(10)	July 6, 2018	Charter Airline Services	10.50% Current / 1.5% PIK, Secured Debt (Maturity January 6, 2024)(19) Preferred Member Units (Berry Acquisition, LLC) (1,548,387 units; 8% cumulative)(8)(19)	4,485	4,443 1,609 6,052	4,443 1,609 6,052
BigName Commerce, LLC(10)	May 11, 2017	Provider of Envelopes and Complimentary Stationery Products	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.65%, Secured Debt (Maturity May 11, 2022)(9)	2,462	2,440	2,369
Binswanger Enterprises, LLC(10)	March 10, 2017	Glass Repair and Installation Service Provider	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.74%, Secured Debt (Maturity March 9, 2022)(9) Member Units (1,050,000 units)	14,368	14,169 1,050 15,219	13,743 1,330 15,073
Bluestem Brands, Inc.(11)	December 19, 2013	Multi-Channel Retailer of General Merchandise	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.02%, Secured Debt (Maturity November 6,	11,375	11,262	7,356

Edgar Filing: Main Street Capital CORP - Form 497

		2020(9)				
Brainworks Software, LLC(10)	August 12, 2014	Advertising Sales and Newspaper Circulation Software	Prime Plus 9.25% (Floor 3.25%), Current Coupon 14.70%, Secured Debt (Maturity July 22, 2019)(9)	6,733	6,723	6,590
Brightwood Capital Fund Investments(12)(13)	July 21, 2014	Investment Partnership	LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 1.6%)(8)		12,000	10,264
			LP Interests (Brightwood Capital Fund IV, LP) (Fully diluted 0.6%)(8)		2,000	2,063
					14,000	12,327
Cadence Aerospace LLC(10)	November 14, 2017	Aerostructure Manufacturing	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.06%, Secured Debt (Maturity November 14, 2023)(9)	19,470	19,301	18,244

S-121

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
California Pizza Kitchen, Inc.(11)	August 29, 2016	Casual Restaurant Group	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.53%, Secured Debt (Maturity August 23, 2022)(9)	12,739	12,707	12,389
Central Security Group, Inc.(11)	December 4, 2017	Security Alarm Monitoring Service Provider	LIBOR Plus 5.63% (Floor 1.00%), Current Coupon 8.15%, Secured Debt (Maturity October 6, 2021)(9)	13,884	13,821	13,867
Cenveo Corporation(11)	September 4, 2015	Provider of Digital Marketing Agency Services	Libor Plus 9.00% (Floor 1.00%), Current Coupon 11.54%, Secured Debt (Maturity June 7, 2023)(9) Common Stock (177,130 shares)	6,370	6,128 5,309	6,048 2,746
					11,437	8,794
Clarius BIGS, LLC(10)	September 23, 2014	Prints & Advertising Film Financing	15% PIK Secured Debt (Maturity January 5, 2015)(14)(17)	2,908	2,908	44
Clickbooth.com, LLC(10)	December 5, 2017	Provider of Digital Advertising Performance Marketing Solutions	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.90%, Secured Debt (Maturity December 5, 2022)(9)	2,925	2,876	2,750
Construction Supply Investments, LLC(10)	December 29, 2016	Distribution Platform of Specialty Construction Materials to				

Edgar Filing: Main Street Capital CORP - Form 497

		Professional Concrete and Masonry Contractors	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.62%, Secured Debt (Maturity June 30, 2023)(9)	15,423	15,355	15,384
			Member Units (42,207 units)		4,221	4,290
					19,576	19,674
CTVSH, PLLC(10)	August 3, 2017	Emergency Care and Specialty Service Animal Hospital	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.74%, Secured Debt (Maturity August 3, 2022)(9)	11,250	11,163	10,939

S-122

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Darr Equipment LP(10)	April 15, 2014	Heavy Equipment Dealer	11.5% Current / 1% PIK Secured Debt (Maturity - June 22, 2023)(19)	5,839	5,839	5,723
			Warrants (915,734 equivalent units; Expiration December 23, 2023; Strike price \$1.50 per unit)		474	60
					6,313	5,783
Digital River, Inc.(11)	February 24, 2015	Provider of Outsourced e-Commerce Solutions and Services	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.78%, Secured Debt (Maturity February 12, 2021)(9)	10,146	10,074	10,044
DTE Enterprises, LLC(10)	April 13, 2018	Industrial Powertrain Repair and Services	LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 10.12%, Secured Debt (Maturity April 13, 2023)(9)	12,492	12,260	11,580
			Class AA Preferred Member Units (non-voting; 10% cumulative)(8)(19)		778	778
			Class A Preferred Member Units (776,316 units)(8)		776	1,300
					13,814	13,658
Dynamic Communities, LLC(10)	July 17, 2018	Developer of Business Events and Online Community Groups	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.80%, Secured Debt (Maturity July 17, 2023)(9)	5,600	5,495	5,495
Elite SEM INC.(10)	August 31, 2018	Provider of Digital Marketing Agency Services				

Edgar Filing: Main Street Capital CORP - Form 497

LIBOR Plus 8.50% (Floor
1.00%), Current Coupon
11.27%, Secured Debt
(Maturity February 1,
2022)(9)(23) 6,875 6,750 6,750

EnCap Energy Fund Investments(12)(13)	December 28, 2010	Investment Partnership			
		LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		3,661	2,003
		LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.4%)(8)		2,103	1,153
		LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)		4,430	3,784
		LP Interests (EnCap Energy Capital Fund X, L.P.) (Fully diluted 0.1%)(8)		7,629	7,692
		LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)		5,881	4,538
		LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)(8)		5,423	5,051
				29,127	24,221

S-123

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Encino Acquisition Partners Holdings, Inc.(11)	November 16, 2018	Oil & Gas Exploration & Production	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.27%, Secured Debt (Maturity October 29, 2025)(9)	9,000	8,911	8,595
EPIC Y-Grade Services, LP(11)	June 22, 2018	NGL Transportation & Storage	LIBOR Plus 5.50%, Current Coupon 8.02%, Secured Debt (Maturity June 13, 2024)	17,500	17,175	16,625
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)	May 5, 2014	Technology-based Performance Support Solutions	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 10.77%, Secured Debt (Maturity April 28, 2022)(9)	6,999	6,901	3,931
Extreme Reach, Inc.(11)	March 31, 2015	Integrated TV and Video Advertising Platform	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.78%, Secured Debt (Maturity February 7, 2020)(9)	16,460	16,451	16,371
Felix Investments Holdings II(10)	August 9, 2017	Oil & Gas Exploration & Production	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.10%, Secured Debt (Maturity August 9, 2022)(9)	3,333	3,279	3,141
Flavors Holdings Inc.(11)	October 15, 2014	Global Provider of Flavoring and Sweetening Products	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.55%, Secured Debt (Maturity April 3, 2020)(9)	12,295	12,044	11,434

Edgar Filing: Main Street Capital CORP - Form 497

GeoStabilization International (GSI)(11)	December 31, 2018	Geohazard Engineering Services & Maintenance	LIBOR Plus 5.50%, Current Coupon 8.09%, Secured Debt (Maturity December 19, 2025)	16,500	16,335	16,418
GI KBS Merger Sub LLC(11)	November 10, 2014	Outsourced Janitorial Service Provider	LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 7.43%, Secured Debt (Maturity October 29, 2021)(9)	9,195	9,139	9,207
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.02%, Secured Debt (Maturity April 29, 2022)(9)	3,915	3,797	3,949
					12,936	13,156

S-124

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Good Source Solutions, Inc.(10)	October 23, 2018	Specialized Food Distributor	LIBOR Plus 8.34% (Floor 1.00%), Current Coupon 11.14%, Secured Debt (Maturity June 29, 2023)(9)(23)	5,000	4,952	4,952
GoWireless Holdings, Inc.(11)	December 31, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.02%, Secured Debt (Maturity December 22, 2024)(9)	17,325	17,170	16,856
Grupo Hima San Pablo, Inc.(11)	March 7, 2013	Tertiary Care Hospitals	LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 9.52%, Secured Debt (Maturity January 31, 2019)(9) 13.75% Secured Debt (Maturity October 15, 2018)(17)	4,688	4,688	3,629
				2,055	2,040	226
					6,728	3,855
HDC/HW Intermediate Holdings(10)	December 21, 2018	Managed Services and Hosting Provider	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.29%, Secured Debt (Maturity December 21, 2023)(9)	3,201	3,132	3,132
Hoover Group, Inc.(10)(13)	October 21, 2016	Provider of Storage Tanks and Related Products to the Energy and Petrochemical Markets	LIBOR Plus 6.00%, Current Coupon 8.71%, Secured Debt (Maturity January 28, 2020) LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.90%, Secured Debt (Maturity January 28,	5,250	4,803	4,771
				9,395	9,053	8,831

Edgar Filing: Main Street Capital CORP - Form 497

2021)(9)

13,856 13,602

Hunter Defense Technologies, Inc.(10)	March 29, 2018	Provider of Military and Commercial Shelters and Systems	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.80%, Secured Debt (Maturity March 29, 2023)(9)	16,080	15,757	15,077
Hydrofarm Holdings LLC(10)	May 18, 2017	Wholesaler of Horticultural Products	LIBOR Plus 10.00%, Current Coupon 3.69% / 8.61% PIK, Current Coupon Plus PIK 12.30% Secured Debt (Maturity May 12, 2022)(19)	7,235	7,139	5,660
iEnergizer Limited(11)(13)(21)	May 8, 2013	Provider of Business Outsourcing Solutions	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 8.53%, Secured Debt (Maturity May 1, 2019)(9)	14,100	14,052	14,117

S-125

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Implus Footcare, LLC(10)	June 1, 2017	Provider of Footwear and Related Accessories	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.55%, Secured Debt (Maturity April 30, 2021)(9)	18,819	18,629	18,390
Independent Pet Partners Intermediate Holdings, LLC(10)	November 20, 2018	Omnichannel Retailer of Specialty Pet Products	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.90%, Secured Debt (Maturity November 19, 2023)(9) Member Units (1,558,333 units)	2,078	2,037 1,558 3,595	2,037 1,558 3,595
Industrial Services Acquisition, LLC(10)	June 17, 2016	Industrial Cleaning Services	6% Current / 7% PIK Unsecured Debt (Maturity December 17, 2022)(19) Preferred Member Units (Industrial Services Investments, LLC) (144 units; 10% cumulative)(8)(19) Member Units (Industrial Services Investments, LLC) (900 units)	4,885	4,822 94 900 5,816	4,470 94 210 4,774
Inn of the Mountain Gods Resort and Casino(11)	October 30, 2013	Hotel & Casino Owner & Operator	9.25% Secured Debt (Maturity November 30, 2020)	7,832	7,479	7,480
Intermedia Holdings, Inc.(11)	August 3, 2018	Unified Communications as a Service	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.52%, Secured Debt (Maturity July 19, 2025)(9)	11,571	11,461	11,557

Edgar Filing: Main Street Capital CORP - Form 497

irth Solutions, LLC	December 29, 2010	Provider of Damage Prevention Information Technology Services	Member Units (27,893 units)		1,441	2,830
Isagenix International, LLC(11)	June 21, 2018	Direct Marketer of Health & Wellness Products	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.55%, Secured Debt (Maturity June 14, 2025)(9)	6,268	6,208	6,095
JAB Wireless, Inc.(10)	May 2, 2018	Fixed Wireless Broadband Provider	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.39%, Secured Debt (Maturity May 2, 2023)(9)	14,888	14,754	13,987

S-126

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Jacent Strategic Merchandising, LLC(10)	September 16, 2015	General Merchandise Distribution	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.27%, Secured Debt (Maturity September 16, 2020)(9)	10,740	10,705	10,740
Jackmont Hospitality, Inc.(10)	May 26, 2015	Franchisee of Casual Dining Restaurants	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.26%, Secured Debt (Maturity May 26, 2021)(9)	4,165	4,157	4,165
Jacuzzi Brands LLC(11)	June 30, 2017	Manufacturer of Bath and Spa Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.52%, Secured Debt (Maturity June 28, 2023)(9)	3,850	3,788	3,831
Joerns Healthcare, LLC(11)	April 3, 2013	Manufacturer and Distributor of Health Care Equipment & Supplies	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.71% Secured Debt (Maturity May 9, 2020)(9)	13,387	13,335	11,998
Kore Wireless Group Inc.(11)	December 31, 2018	Mission Critical Software Platform	LIBOR Plus 5.50%, Current Coupon 8.29%, Secured Debt (Maturity December 20, 2024)	6,667	6,600	6,631
Larchmont Resources, LLC(11)	August 13, 2013	Oil & Gas Exploration & Production	LIBOR Plus 9.00% (Floor 1.00%) PIK, 11.77% PIK Secured Debt, (Maturity August 7, 2020)(9)(19) Member Units (Larchmont Intermediate Holdco, LLC) (2,828 units)	2,312	2,312 353	2,266 707

Edgar Filing: Main Street Capital CORP - Form 497

				2,665	2,973
LKCM Headwater Investments I, L.P.(12)(13)	January 25, 2013	Investment Partnership	LP Interests (Fully diluted 2.3%)(8)	1,780	3,501
Logix Acquisition Company, LLC(10)	June 24, 2016	Competitive Local Exchange Carrier	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.27%, Secured Debt (Maturity December 22, 2024)(9)	12,927	12,725
				12,797	

S-127

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Looking Glass Investments, LLC(12)(13)	July 1, 2015	Specialty Consumer Finance	Member Units (2.5 units)		125	57
			Member Units (LGI Predictive Analytics LLC) (190,712 units)(8)		49	33
					174	90
LSF9 Atlantis Holdings, LLC(11)	May 17, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.38%, Secured Debt (Maturity May 1, 2023)(9)	9,710	9,694	9,269
Lulu's Fashion Lounge, LLC(10)	August 31, 2017	Fast Fashion E-Commerce Retailer	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.52%, Secured Debt (Maturity August 28, 2022)(9)	12,358	12,060	11,987
MHVC Acquisition Corp.(11)	May 8, 2017	Provider of differentiated information solutions, systems engineering, and analytics	LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 8.06%, Secured Debt (Maturity April 29, 2024)(9)	15,475	15,442	15,088
Mills Fleet Farm Group, LLC(10)	October 24, 2018	Omnichannel Retailer of Work, Farm and Lifestyle Merchandise	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.77%, Secured Debt (Maturity October 24, 2024)(9)	15,000	14,707	15,000
Mobileum(10)	October 23, 2018	Provider of big data analytics to telecom service providers	LIBOR Plus 10.25% (Floor 0.75%), Current Coupon 13.06%, Secured Debt	7,500	7,429	7,429

Edgar Filing: Main Street Capital CORP - Form 497

		(Maturity May 1, 2022)(9)				
NBG Acquisition Inc(11)	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)	4,292	4,235	4,184
New Era Technology, Inc.(10)	June 30, 2018	Managed Services and Hosting Provider	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.99%, Secured Debt (Maturity June 22, 2023)(9)	7,654	7,526	7,616

S-128

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
New Media Holdings II LLC(11)(13)	June 10, 2014	Local Newspaper Operator	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.77%, Secured Debt (Maturity July 14, 2022)(9)	21,125	20,797	20,967
NNE Partners, LLC(10)	March 2, 2017	Oil & Gas Exploration & Production	LIBOR Plus 8.00%, Current Coupon 10.74%, Secured Debt (Maturity March 2, 2022)	20,417	20,260	19,572
North American Lifting Holdings, Inc.(11)	February 26, 2015	Crane Service Provider	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 7.30%, Secured Debt (Maturity November 27, 2020)(9)	7,664	7,093	6,997
Novetta Solutions, LLC(11)	June 21, 2017	Provider of Advanced Analytics Solutions for Defense Agencies	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.53%, Secured Debt (Maturity October 17, 2022)(9)	15,478	15,091	15,091
NTM Acquisition Corp.(11)	July 12, 2016	Provider of B2B Travel Information Content	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.96%, Secured Debt (Maturity June 7, 2022)(9)	4,419	4,396	4,375
Ospemifene Royalty Sub LLC (QuatRx)(10)	July 8, 2013	Estrogen-Deficiency Drug Manufacturer and Distributor	11.5% Secured Debt (Maturity November 15, 2026)(14)	4,975	4,975	937
Permian Holdco 2, Inc.(11)	February 12, 2013	Storage Tank Manufacturer	14% PIK Unsecured Debt (Maturity October 15, 2021)(19)	396	396	396

Edgar Filing: Main Street Capital CORP - Form 497

			Preferred Stock (Permian Holdco 1, Inc.) (154,558 units)		799	920
					1,195	1,316
Pernix Therapeutics Holdings, Inc.(10)	August 18, 2014	Pharmaceutical Royalty	12% Secured Debt (Maturity August 1, 2020)	3,031	3,031	2,037
Pier 1 Imports, Inc.(11)	February 20, 2018	Decorative Home Furnishings Retailer	LIBOR Plus 3.50% (Floor 1.00%), Current Coupon 6.38%, Secured Debt (Maturity April 30, 2021)(9)	9,736	9,152	6,998

S-129

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Point.360(10)	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)		69	
			Common Stock (163,658 shares)		273	5
					342	5
PricewaterhouseCoopers Public Sector LLP(11)	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	7,962	8,040
Prowler Acquisition Corp.(11)	February 11, 2014	Specialty Distributor to the Energy Sector	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 7.30%, Secured Debt (Maturity January 28, 2020)(9)	20,028	19,122	19,727
PT Network, LLC(10)	November 1, 2013	Provider of Outpatient Physical Therapy and Sports Medicine Services	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.99%, Secured Debt (Maturity November 30, 2021)(9)	8,732	8,732	8,619
Research Now Group, Inc. and Survey Sampling International, LLC(11)	December 31, 2017	Provider of Outsourced Online Surveying	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.02%, Secured Debt (Maturity December 20, 2024)(9)	15,360	14,757	15,110
Resolute Industrial, LLC(10)	July 26, 2017	HVAC Equipment Rental and Remanufacturing	Member Units (601 units)		750	920

Edgar Filing: Main Street Capital CORP - Form 497

RM Bidder, LLC(10)	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	11
				471	11
SAFETY Investment Holdings, LLC	April 29, 2016	Provider of Intelligent Driver Record Monitoring Software and Services	Member Units (2,000,000 units)	2,000	1,820

S-130

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Salient Partners L.P.(11)	June 25, 2015	Provider of Asset Management Services	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.27%, Secured Debt (Maturity June 9, 2021)(9)	7,313	7,280	7,280
SiTV, LLC(11)	September 26, 2017	Cable Networks Operator	10.375% Secured Debt (Maturity July 1, 2019)	10,429	7,196	3,911
SMART Modular Technologies, Inc.(10)(13)	August 18, 2017	Provider of Specialty Memory Solutions	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.86%, Secured Debt (Maturity August 9, 2022)(9)	19,000	18,793	19,095
Sorenson Communications, Inc.(11)	June 7, 2016	Manufacturer of Communication Products for Hearing Impaired	LIBOR Plus 5.75% (Floor 2.25%), Current Coupon 8.56%, Secured Debt (Maturity April 30, 2020)(9)	13,097	13,059	13,048
Staples Canada ULC(10)(13)(21)	September 14, 2017	Office Supplies Retailer	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.26%, Secured Debt (Maturity September 12, 2023)(9)(22)	16,867	16,589	14,026
STL Parent Corp.(10)	December 14, 2018	Manufacturer and Servicer of Tank and Hopper Railcars	LIBOR Plus 7.00%, Current Coupon 9.52%, Secured Debt (Maturity December 5, 2022)	15,000	14,475	14,475
Strike, LLC(11)	December 12, 2016	Pipeline Construction and Maintenance Services				

Edgar Filing: Main Street Capital CORP - Form 497

			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.59%, Secured Debt (Maturity November 30, 2022)(9)	9,000	8,797	9,011
TE Holdings, LLC(11)	December 5, 2013	Oil & Gas Exploration & Production	Member Units (97,048 units)		970	66
Tectonic Holdings, LLC	May 15, 2017	Financial Services Organization	Member Units (200,000 units)(8)		2,000	2,420
TeleGuam Holdings, LLC(11)	June 26, 2013	Cable and Telecom Services Provider	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.02%, Secured Debt (Maturity April 12, 2024)(9)	7,750	7,620	7,798

S-131

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
TGP Holdings III LLC(11)	September 30, 2017	Outdoor Cooking & Accessories	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.30%, Secured Debt (Maturity September 25, 2025)(9)	5,500	5,433	5,335
The Pasha Group(11)	February 2, 2018	Diversified Logistics and Transportation Provided	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.06%, Secured Debt (Maturity January 26, 2023)(9)	10,938	10,655	11,006
TMC Merger Sub Corp.(11)	December 22, 2016	Refractory & Maintenance Services Provider	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.31%, Secured Debt (Maturity October 31, 2022)(9)(24)	17,207	17,014	17,121
TOMS Shoes, LLC(11)	November 13, 2014	Global Designer, Distributor, and Retailer of Casual Footwear	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.30%, Secured Debt (Maturity October 30, 2020)(9)	4,813	4,635	3,798
Turning Point Brands, Inc.(10)(13)	February 17, 2017	Marketer/Distributor of Tobacco Products	LIBOR Plus 7.00%, Current Coupon 9.46%, Secured Debt (Maturity March 7, 2024)	8,500	8,424	8,585
TVG-I-E CMN ACQUISITION, LLC(10)	November 3, 2016	Organic Lead Generation for Online Postsecondary Schools	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.52%, Secured Debt (Maturity November 3, 2021)(9)	19,503	19,191	19,454

Edgar Filing: Main Street Capital CORP - Form 497

U.S. TelePacific Corp.(11)	September 14, 2016	Provider of Communications and Managed Services	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.80%, Secured Debt (Maturity May 2, 2023)(9)	18,491	18,344	17,363
VIP Cinema Holdings, Inc.(11)	March 9, 2017	Supplier of Luxury Seating to the Cinema Industry	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.53%, Secured Debt (Maturity March 1, 2023)(9)	10,494	10,451	10,304

S-132

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2018
(dollars in thousands)
(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Vistar Media, Inc.(10)	February 17, 2017	Operator of Digital Out-of-Home Advertising Platform	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.74%, Secured Debt (Maturity February 16, 2022)(9)	3,263	3,048	2,987
			Warrants (70,207 equivalent shares; Expiration February 17, 2027; Strike price \$0.01 per share)		331	790
					3,379	3,777
Wireless Vision Holdings, LLC(10)	September 29, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 8.91% (Floor 1.00%), Current Coupon 11.41%, Secured Debt (Maturity September 29, 2022)(9)(28)	14,279	14,055	13,414
YS Garments, LLC(11)	August 22, 2018	Designer and Provider of Branded Activewear	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.42% Secured Debt (Maturity August 9, 2024)(9)	14,906	14,764	14,756
Zilliant Incorporated	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
Subtotal Non-Control/Non-Affiliate Investments (73.8% of net assets at fair value)					\$ 1,137,108	\$ 1,089,026
Total Portfolio Investments, December 31, 2018					\$ 2,269,033	\$ 2,453,909

-
- (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) **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, 2018. As noted in this schedule, 64% of the loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.00%, with a weighted-average LIBOR floor of approximately 1.03%.**
 - (10) **Private Loan portfolio investment. See Note B for a description of Private Loan portfolio investments.**

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018
(dollars in thousands)
(unaudited)

- (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 has a forward foreign currency contract with Cadence Bank to lend \$20.4 million Canadian Dollars and receive \$15.7 million U.S. Dollars with a settlement date of September 12, 2019. The unrealized appreciation on the forward foreign currency contract is \$0.6 million as of December 31, 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.
- (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)

Edgar Filing: Main Street Capital CORP - Form 497

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 December 31, 2018 (see Note K). 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.

S-134

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
<u>Control Investments(5)</u>						
Access Media Holdings, LLC(10)	July 22, 2015	Private Cable Operator	5% Current / 5% PIK Secured Debt (Maturity July 22, 2020)(19) Preferred Member Units (8,248,500 units) Member Units (45 units)	\$ 23,828	\$ 23,828 8,142 1	\$ 17,150
					31,971	17,150
ASC Interests, LLC	August 1, 2013	Recreational and Educational Shooting Facility	11% Secured Debt (Maturity July 31, 2018) Member Units (1,500 units)	1,800	1,795 1,500	1,795 1,530
					3,295	3,325
ATS Workholding, LLC(10)	March 10, 2014	Manufacturer of Machine Cutting Tools and Accessories	5% Secured Debt (Maturity November 16, 2021) Preferred Member Units (3,725,862 units)	3,726	3,249 3,726	3,249 3,726
					6,975	6,975
Bond-Coat, Inc.	December 28, 2012	Casing and Tubing Coating Services	12% Secured Debt (Maturity December 28, 2017)(17) Common Stock (57,508 shares)	11,596	11,596 6,350	11,596 9,370
					17,946	20,966
Café Brazil, LLC	April 20, 2004	Casual Restaurant Group	Member Units (1,233 units)(8)		1,742	4,900
CBT Nuggets, LLC	June 1, 2006	Produces and Sells IT Training Certification Videos	Member Units (416 units)(8)		1,300	89,560

Edgar Filing: Main Street Capital CORP - Form 497

Charps, LLC	February 3, 2017	Pipeline Maintenance and Construction	12% Secured Debt (Maturity February 3, 2022)	18,400	18,225	18,225
			Preferred Member Units (1,600 units)		400	650
					18,625	18,875
Clad-Rex Steel, LLC	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	13,280
			Member Units (717 units)(8)		7,280	9,500
			10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity December 20, 2036)	1,183	1,171	1,183
			Member Units (Clad-Rex Steel RE Investor, LLC) (800 units)		210	280
			21,829	24,243		

S-135

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
CMS Minerals Investments	January 30, 2015	Oil & Gas Exploration & Production	Member Units (CMS Minerals II, LLC) (100 units)(8)		3,440	2,392
Copper Trail Energy Fund I, LP(12)(13)	July 17, 2017	Investment Partnership	LP Interests (Fully diluted 30.1%)		2,500	2,500
Datacom, LLC	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
Gamber-Johnson Holdings, LLC	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
Garreco, LLC	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

Edgar Filing: Main Street Capital CORP - Form 497

GRT Rubber Technologies LLC	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
Gulf Manufacturing, LLC	August 31, 2007	Manufacturer of Specialty Fabricated Industrial Piping Products	Member Units (438 units)(8)		2,980	10,060
Gulf Publishing Holdings, LLC	April 29, 2016	Energy Industry Focused Media and Publishing	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.86%, Secured Debt (Maturity September 30, 2020)(9)	80	80	80
			12.5% Secured Debt (Maturity April 29, 2021)	12,800	12,703	12,703
			Member Units (3,681 units)		3,681	4,840
					16,464	17,623

S-136

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Harborside Holdings, LLC	March 20, 2017	Real Estate Holding Company	Member units (100 units)		6,206	9,400
Harris Preston Fund Investments(12)(13)	October 1, 2017	Investment Partnership	LP Interests (2717 MH, L.P.) (Fully diluted 49.3%)		536	536
Harrison Hydra-Gen, Ltd.	June 4, 2010	Manufacturer of Hydraulic Generators	Common Stock (107,456 shares)		718	3,580
HW Temps LLC	July 2, 2015	Temporary Staffing Solutions	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.36%, Secured Debt (Maturity July 2, 2020)(9) Preferred Member Units (3,200 units)	9,976	9,918 3,942	9,918 3,940 13,858
Hydratec, Inc.	November 1, 2007	Designer and Installer of Micro-Irrigation Systems	Common Stock (7,095 shares)(8)		7,095	15,000
IDX Broker, LLC	November 15, 2013	Provider of Marketing and CRM Tools for the Real Estate Industry	11.5% Secured Debt (Maturity November 15, 2020) Preferred Member Units (5,607 units)(8)	15,250	15,116 5,952	15,250 11,660 26,910
Jensen Jewelers of Idaho, LLC	November 14, 2006	Retail Jewelry Store	Prime Plus 6.75% (Floor 2.00%), Current Coupon 11.00%, Secured Debt (Maturity November 14, 2019)(9) Member Units (627 units)(8)	3,955	3,917 811	3,955 5,100

Edgar Filing: Main Street Capital CORP - Form 497

				4,728	9,055
KBK Industries, LLC	January 23, 2006	Manufacturer of Specialty Oilfield and Industrial Products			
			10% Secured Debt (Maturity September 28, 2020)	375	372
			12.5% Secured Debt (Maturity September 28, 2020)	5,900	5,867
			Member Units (325 units)(8)		783
				7,022	10,695

S-137

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Lamb Ventures, LLC	May 30, 2008	Aftermarket Automotive Services Chain	11% Secured Debt (Maturity July 1, 2022)	9,942	9,890	9,942
			Preferred Equity (non-voting) Member Units (742 units)(8)		400	400
			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	520
					16,616	18,084
Marine Shelters Holdings, LLC	December 28, 2012	Fabricator of Marine and Industrial Shelters	12% PIK Secured Debt (Maturity December 28, 2017)(14) Preferred Member Units (3,810 units)	3,131	3,078	5,352
					8,430	
Market Force Information, LLC	July 28, 2017	Provider of Customer Experience Management Services	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.48%, Secured Debt (Maturity July 28, 2022)(9) Member Units (657,113 units)	23,360	23,143	23,143
					14,700	14,700
					37,843	37,843
MH Corbin Holding LLC	August 31, 2015	Manufacturer and Distributor of Traffic Safety Products	13% Secured Debt (Maturity August 31, 2020) Preferred Member Units (4,000 shares)	12,600	12,526	12,526
					6,000	6,000
					18,526	18,526

Edgar Filing: Main Street Capital CORP - Form 497

Mid-Columbia Lumber Products, LLC	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
MSC Adviser I, LLC(16)	November 22, 2013	Third Party Investment Advisory Services	Member Units (Fully diluted 100.0%)(8)			41,768

S-138

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Mystic Logistics Holdings, LLC	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
NAPCO Precast, LLC	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
			Member Units (2,955 units)(8)		2,975	11,670
					14,414	23,145
NRI Clinical Research, LLC	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	400
			14% Secured Debt (Maturity January 15, 2018)	3,865	3,865	3,865
			Warrants (251,723 equivalent units; Expiration September 8, 2021; Strike price \$0.01 per unit)		252	500
			Member Units (1,454,167 units)		765	2,500
				5,282	7,265	
NRP Jones, LLC	December 22, 2011	Manufacturer of Hoses, Fittings and Assemblies	12% Secured Debt (Maturity March 20, 2023)	6,376	6,376	6,376
			Member Units (65,208 units)(8)		3,717	3,250
					10,093	9,626
NuStep, LLC	January 31, 2017	Designer, Manufacturer and				

Edgar Filing: Main Street Capital CORP - Form 497

		Distributor of Fitness Equipment	12% Secured Debt (Maturity January 31, 2022)	20,600	20,420	20,420
			Preferred Member Units (406 units)		10,200	10,200
					30,620	30,620
OMi Holdings, Inc.	April 1, 2008	Manufacturer of Overhead Cranes	Common Stock (1,500 shares)(8)		1,080	14,110
Pegasus Research Group, LLC	January 6, 2011	Provider of Telemarketing and Data Services	Member Units (460 units)(8)		1,290	10,310
PPL RVs, Inc.	June 10, 2010	Recreational Vehicle Dealer	LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 8.34%, Secured Debt (Maturity November 15, 2021)(9)	16,100	15,972	16,100
			Common Stock (1,962 shares)(8)		2,150	12,440
					18,122	28,540

S-139

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)	February 1, 2011	Noise Abatement Service Provider	13% Secured Debt (Maturity April 30, 2020)	7,477	7,347	7,477
			Preferred Member Units (19,631 units)		4,600	11,490
			Warrants (1,018 equivalent units; Expiration January 31, 2021; Strike price \$0.01 per unit)		1,200	650
					13,147	19,617
Quality Lease Service, LLC	June 8, 2015	Provider of Rigsite Accommodation Unit Rentals and Related Services	Zero Coupon Secured Debt (Maturity June 8, 2020)	7,341	7,341	6,950
			Member Units (1,000 units)		2,868	4,938
					10,209	11,888
River Aggregates, LLC	March 30, 2011	Processor of Construction Aggregates	Zero Coupon Secured Debt (Maturity June 30, 2018)	750	707	707
			Member Units (1,150 units)		1,150	4,610
			Member Units (RA Properties, LLC) (1,500 units)		369	2,559
					2,226	7,876
SoftTouch Medical Holdings LLC	October 31, 2014	Provider of In-Home Pediatric Durable Medical Equipment	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.36%, Secured Debt (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
The MPI Group, LLC						

Edgar Filing: Main Street Capital CORP - Form 497

	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
Uvalco Supply, LLC	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

S-140

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Vision Interests, Inc.	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
Ziegler's NYPD, LLC	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	
			Preferred Member Units (10,072 units)		2,834	3,220
					7,480	7,266
Subtotal Control Investments (54.4% net assets at fair value)					\$ 530,034	\$ 750,706

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
<u>Affiliate Investments(6)</u>						
AFG Capital Group, LLC	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)		\$ 259	\$ 860
			Preferred Member Units (186 units)(8)		1,200	3,590
					1,459	4,450
Barfly Ventures, LLC(10)	August 31, 2015	Casual Restaurant Group	12% Secured Debt (Maturity August 31, 2020)	8,715	8,572	8,715
			Options (2 equivalent units)		397	920
			Warrant (1 equivalent unit; Expiration August 31, 2025; Strike price \$1.00 per unit)		473	520
					9,442	10,155
BBB Tank Services, LLC	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)	800	778	778
			15% Secured Debt (Maturity April 8, 2021)	4,000	3,876	3,876
			Member Units (800,000 units)		800	500
					5,454	5,154
Boccella Precast Products LLC	June 30, 2017	Manufacturer of Precast Hollow Core Concrete		16,400	16,230	16,400

Edgar Filing: Main Street Capital CORP - Form 497

			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.34%, Secured Debt (Maturity June 30, 2022)(9)		
			Member Units (2,160,000 units)	2,160	3,440
				18,390	19,840
Boss Industries, LLC	July 1, 2014	Manufacturer and Distributor of Air, Power and Other Industrial Equipment	Preferred Member Units (2,242 units)(8)	2,080	3,930

S-142

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Bridge Capital Solutions Corporation	April 18, 2012	Financial Services and Cash Flow Solutions Provider	13% Secured Debt (Maturity July 25, 2021)	7,500	5,884	5,884
			Warrants (63 equivalent shares; Expiration July 25, 2026; Strike price \$0.01 per share)		2,132	3,520
			13% Secured Debt (Mercury Service Group, LLC) (Maturity July 25, 2021)	1,000	992	1,000
			Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)		1,000	1,000
					10,008	11,404
Buca C, LLC	June 30, 2015	Casual Restaurant Group	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.63%, Secured Debt (Maturity June 30, 2020)(9)	20,304	20,193	20,193
			Preferred Member Units (6 units; 6% cumulative)(8)(19)		4,177	4,172
					24,370	24,365
CAI Software LLC	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
Chandler Signs Holdings, LLC(10)	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

Edgar Filing: Main Street Capital CORP - Form 497

				5,968	7,150
Condit Exhibits, LLC	July 1, 2008	Tradeshow Exhibits / Custom Displays Provider	Member Units (3,936 units)(8)	100	1,950
Congruent Credit Opportunities Funds(12)(13)	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

S-143

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Dos Rios Partners(12)(13)	April 25, 2013	Investment Partnership	LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)		5,996	7,165
			LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)		1,904	1,889
					7,900	9,054
Dos Rios Stone Products LLC(10)	June 27, 2016	Limestone and Sandstone Dimension Cut Stone Mining Quarries	Class A Preferred Units (2,000,000 units)(8)		2,000	1,790
East Teak Fine Hardwoods, Inc.	April 13, 2006	Distributor of Hardwood Products	Common Stock (6,250 shares)(8)		480	630
EIG Fund Investments(12)(13)	November 6, 2015	Investment Partnership	LP Interests (EIG Global Private Debt Fund-A, L.P.) (Fully diluted 11.1%)(8)		1,103	1,055
Freeport Financial Funds(12)(13)	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
Gault Financial, LLC (RMB Capital, LLC)	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;	12,483	12,483 400	11,532

Edgar Filing: Main Street Capital CORP - Form 497

Expiration February 9,
2022; Strike price \$0.01
per unit)

				12,883	11,532
Guerdon Modular Holdings, Inc.	August 13, 2014	Multi-Family and Commercial Modular Construction Company			
			13% Secured Debt (Maturity August 13, 2019)	10,708	10,632
			Preferred Stock (404,998 shares)		1,140
			Common Stock (212,033 shares)		2,983
				14,755	10,632
Harris Preston Fund Investments(12)(13)	October 1, 2017	Investment Partnership			
			LP Interests (HPEP 3, L.P.) (Fully diluted 9.9%)	943	943

S-144

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Hawk Ridge Systems, LLC(13)	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
Houston Plating and Coatings, LLC	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
I-45 SLF LLC(12)(13)	October 20, 2015	Investment Partnership	Member Units (Fully diluted 20.0%; 24.4% profits interest)(8)		16,200	16,841
L.F. Manufacturing Holdings, LLC(10)	December 23, 2013	Manufacturer of Fiberglass Products	Member Units (2,179,001 units)		2,019	2,000
Meisler Operating LLC	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

Edgar Filing: Main Street Capital CORP - Form 497

OnAsset Intelligence, Inc.	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
OPI International Ltd.(13)	November 30, 2010	Provider of Man Camp and Industrial Storage Services	Common Stock (20,766,317 shares)		1,371	

S-145

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
PCI Holding Company, Inc.	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
Rocacea, LLC (Quality Lease and Rental Holdings, LLC)	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
Tin Roof Acquisition Company	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
UniTek Global Services, Inc.(11)	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

Edgar Filing: Main Street Capital CORP - Form 497

15% PIK Unsecured Debt (Maturity July 13, 2019)(19)	865	865	865
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

S-146

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Universal Wellhead Services Holdings, LLC(10)	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
Valley Healthcare Group, LLC	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
Volusion, LLC	January 26, 2015	Provider of Online Software-as-a-Service eCommerce Solutions	11.5% Secured Debt (Maturity January 26, 2020)	16,734	15,200	15,200
			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	2,080
					31,776	31,280
Subtotal Affiliate Investments (24.5% net assets at fair value)					\$ 367,317	\$ 338,854

S-147

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
<u>Non-Control/Non-Affiliate Investments(7)</u>						
AAC Holdings, Inc.(11)	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
Adams Publishing Group, LLC(10)	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
ADS Tactical, Inc.(10)	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
Aethon United BR LP(10)	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
Ahead, LLC(10)	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
Allflex Holdings III Inc.(11)	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

American Scaffold Holdings, Inc.(10)	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
American Teleconferencing Services, Ltd.(11)	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

S-148

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Anchor Hocking, LLC(11)	April 2, 2012	Household Products Manufacturer	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.49%, Secured Debt (Maturity June 4, 2020)(9) Member Units (440,620 units)	2,254	2,211 4,928	2,248 3,745
					7,139	5,993
Apex Linen Service, Inc.	October 30, 2015	Industrial Launderers	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.36%, Secured Debt (Maturity October 30, 2022)(9) 16% Secured Debt (Maturity October 30, 2022)	2,400 14,416	2,400 14,347	2,400 14,347
					16,747	16,747
Arcus Hunting LLC.(10)	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
ATI Investment Sub, Inc.(11)	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
ATX Networks Corp.(11)(13)(21)	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
Berry Aviation, Inc.(10)	January 30, 2015	Airline Charter Service Operator	13.75% Secured Debt (Maturity January 30, 2020) Common Stock (553 shares)	5,627	5,598 400	5,627 1,010

Edgar Filing: Main Street Capital CORP - Form 497

				5,998	6,637
BigName Commerce, LLC(10)	May 11, 2017	Provider of Envelopes and Complimentary Stationery Products	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.59%, Secured Debt (Maturity May 11, 2022)(9)	2,488	2,461
Binswanger Enterprises, LLC(10)	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
					1,050
				16,110	16,192

S-149

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Bluestem Brands, Inc.(11)	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
Brainworks Software, LLC(10)	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
Brightwood Capital Fund Investments(12)(13)	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
Brundage-Bone Concrete Pumping, Inc.(11)	August 18, 2014	Construction Services Provider	10.375% Secured Debt (Maturity September 1, 2023)	3,000	2,987	3,180
Cadence Aerospace LLC(10)	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
CapFusion, LLC(13)	March 25, 2016	Non-Bank Lender to Small Businesses	13% Secured Debt (Maturity March 25, 2021)(14)	6,705	5,645	1,871
California Pizza Kitchen, Inc.(11)	August 29, 2016	Casual Restaurant Group	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt	12,902	12,862	12,677

Edgar Filing: Main Street Capital CORP - Form 497

(Maturity August 23,
2022)(9)

CDHA Management, LLC(10)	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
Central Security Group, Inc.(11)	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
Cenveo Corporation(11)	September 4, 2015	Provider of Commercial Printing, Envelopes, Labels, and Printed Office Products	6% Secured Debt (Maturity August 1, 2019)	19,130	17,126	13,582

S-150

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Charlotte Russe, Inc(11)	May 28, 2013	Fast-Fashion Retailer to Young Women	LIBOR Plus 5.50% (Floor 1.25%), Current Coupon 6.89%, Secured Debt (Maturity May 22, 2019)(9)	19,041	16,473	7,807
Clarius BIGS, LLC(10)	September 23, 2014	Prints & Advertising Film Financing	15% PIK Secured Debt (Maturity January 5, 2015)(14)(17)	2,924	2,924	85
Clickbooth.com, LLC(10)	December 5, 2017	Provider of Digital Advertising Performance Marketing Solutions	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.01%, Secured Debt (Maturity December 5, 2022)(9)	3,000	2,941	2,941
Construction Supply Investments, LLC(10)	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) Member Units (28,000 units)	7,125	7,090 3,723 10,813	7,090 3,723 10,813
CTVSH, PLLC(10)	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

Edgar Filing: Main Street Capital CORP - Form 497

Darr Equipment LP(10)	April 15, 2014	Heavy Equipment Dealer	11.5% Current / 1% PIK Secured Debt (Maturity - June 22, 2023)(19)	7,229	7,229	7,229
			Warrants (915,734 equivalent units; Expiration December 23, 2023; Strike price \$1.50 per unit)		474	10
					7,703	7,239
Digital River, Inc.(11)	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
Drilling Info Holdings, Inc.	November 20, 2009	Information Services for the Oil and Gas Industry	Common Stock (3,788,865 shares)(8)			8,610

S-151

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
EnCap Energy Fund Investments(12)(13)	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	
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)	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
Extreme Reach, Inc.(11)	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
Felix Investments Holdings II(10)	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

Edgar Filing: Main Street Capital CORP - Form 497

Flavors Holdings Inc.(11)	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
GI KBS Merger Sub LLC(11)	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)	6,807	6,733	6,833
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.88%, Secured Debt (Maturity April 29, 2022)(9)	3,915	3,769	3,793
					10,502	10,626

S-152

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
GoWireless Holdings, Inc.(11)	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
Grace Hill, LLC(10)	August 29, 2014	Online Training Tools for the Multi-Family Housing Industry	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
Great Circle Family Foods, LLC(10)	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
Grupo Hima San Pablo, Inc.(11)	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
GST Autoleather, Inc.(11)	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 15,619	7,500 15,120	7,500 11,813

Edgar Filing: Main Street Capital CORP - Form 497

PRIME Plus 6.50% (Floor
2.00%), Current Coupon
11.00%, Secured Debt
(Maturity July 10, 2020)(9)

22,620 19,313

Guitar Center, Inc.(11)	April 10, 2014	Musical Instruments Retailer	6.5% Secured Debt (Maturity April 15, 2019)	16,625	16,009	15,378
Hojeij Branded Foods, LLC(10)	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

S-153

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Hoover Group, Inc.(10)(13)	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
Hostway Corporation(11)	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, 2018)(9)	12,406	11,575	11,692
					31,371	31,313
Hunter Defense Technologies, Inc.(11)	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
Hydrofarm Holdings LLC(10)	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
iEnergizer Limited(11)(13)(21)	May 8, 2013	Provider of Business Outsourcing Solutions	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.57%, Secured Debt	11,005	10,764	10,977

Edgar Filing: Main Street Capital CORP - Form 497

			(Maturity	May 1, 2019)(9)			
Implus Footcare, LLC(10)	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	
Indivior Finance LLC(11)(13)	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	
Industrial Services Acquisition, LLC(10)	June 17, 2016	Industrial Cleaning Services	11.25% Current / 0.75% PIK Unsecured Debt (Maturity December 17, 2022)(19) Member Units (Industrial Services Investments, LLC) (900,000 units)	4,553	4,478	4,553	
					900	810	
					5,378	5,363	

S-154

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Inn of the Mountain Gods Resort and Casino(11)	October 30, 2013	Hotel & Casino Owner & Operator	9.25% Secured Debt (Maturity November 30, 2020)	6,249	5,994	5,687
iPayment, Inc.(11)	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
iQor US Inc.(11)	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
irth Solutions, LLC	December 29, 2010	Provider of Damage Prevention Information Technology Services	Member Units (27,893 units)		1,441	1,920
Jacent Strategic Merchandising, LLC(10)	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
Jackmont Hospitality, Inc.(10)	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
Jacuzzi Brands LLC(11)	June 30, 2017	Manufacturer of Bath and Spa Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.69%, Secured Debt	3,950	3,876	3,980

Edgar Filing: Main Street Capital CORP - Form 497

(Maturity June 28, 2023)(9)						
Joerns Healthcare, LLC(11)	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
Keypoint Government Solutions, Inc.(10)	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

S-155

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Larchmont Resources, LLC(11)	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)	2,418	2,418	2,394
			Member Units (Larchmont Intermediate Holdco, LLC) (2,828 units)		353	976
					2,771	3,370
LKCM Headwater Investments I, L.P.(12)(13)	January 25, 2013	Investment Partnership	LP Interests (Fully diluted 2.3%)		2,500	4,234
Logix Acquisition Company, LLC(10)	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
Looking Glass Investments, LLC(12)(13)	July 1, 2015	Specialty Consumer Finance	Member Units (2.5 units)		125	57
			Member Units (LGI Predictive Analytics LLC) (190,712 units)(8)		108	92
					233	149
LSF9 Atlantis Holdings, LLC(11)	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
Lulu's Fashion Lounge, LLC(10)	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
Messenger, LLC(10)						

Edgar Filing: Main Street Capital CORP - Form 497

	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
Minute Key, Inc.	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
NBG Acquisition Inc(11)	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

S-156

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
New Media Holdings II LLC(11)(13)	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
NNE Partners, LLC(10)	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
North American Lifting Holdings, Inc.(11)	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
Novetta Solutions, LLC(11)	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
NTM Acquisition Corp.(11)	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
Ospemifene Royalty Sub LLC (QuatRx)(10)	July 8, 2013	Estrogen-Deficiency Drug Manufacturer and Distributor	11.5% Secured Debt (Maturity November 15, 2026)(14)	5,071	5,071	1,198
P.F. Chang's China Bistro, Inc.(11)	September 6, 2017	Casual Restaurant Group	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.51%, Secured Debt (Maturity September 1,	4,988	4,846	4,715

Edgar Filing: Main Street Capital CORP - Form 497

				2022)(9)		
Paris Presents Incorporated(11)	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
Parq Holdings Limited Partnership(11)(13)(21)	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

S-157

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Permian Holdco 2, Inc.(11)	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
Pernix Therapeutics Holdings, Inc.(10)	August 18, 2014	Pharmaceutical Royalty	12% Secured Debt (Maturity August 1, 2020)	3,129	3,129	1,971
Point.360(10)	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)		69	
			Common Stock (163,658 shares)		273	11
					342	11
PPC/SHIFT LLC(10)	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
Prowler Acquisition Corp.(11)	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
PT Network, LLC(10)	November 1, 2013	Provider of Outpatient Physical Therapy and Sports				

Edgar Filing: Main Street Capital CORP - Form 497

		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
QBS Parent, Inc.(11)	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
Research Now Group, Inc. and Survey Sampling International, LLC(11)	December 31, 2017	Provider of Outsourced Online Surveying	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.13%, Secured Debt (Maturity December 20, 2024)(9)	13,500	12,826	12,826

S-158

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Resolute Industrial, LLC(10)	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) Member Units (601 units)	17,088	16,770 750	16,770 750
					17,520	17,520
RGL Reservoir Operations Inc.(11)(13)(21)	August 25, 2014	Oil & Gas Equipment and Services	1% Current / 9% PIK Secured Debt (Maturity December 21, 2024)(19)	721	407	407
RM Bidder, LLC(10)	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) Member Units (2,779 units)		425 46	20
					471	20
SAFETY Investment Holdings, LLC	April 29, 2016	Provider of Intelligent Driver Record Monitoring Software and Services	Member Units (2,000,000 units)		2,000	1,670
Salient Partners L.P.(11)	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
SITV, LLC(11)	September 26, 2017	Cable Networks Operator	10.375% Secured Debt (Maturity July 1, 2019)	10,429	7,006	7,040

Edgar Filing: Main Street Capital CORP - Form 497

SMART Modular Technologies, Inc.(10)(13)	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
Sorenson Communications, Inc.(11)	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
Staples Canada ULC(10)(13)(21)	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

S-159

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Strike, LLC(11)	December 12, 2016	Pipeline Construction and Maintenance Services	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity November 30, 2022)(9)	9,500	9,250	9,643
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.45%, Secured Debt (Maturity May 30, 2019)(9)	2,500	2,479	2,513
					11,729	12,156
Subsea Global Solutions, LLC(10)	March 17, 2015	Underwater Maintenance and Repair Services	LIBOR Plus 6.00% (Floor 1.50%), Current Coupon 7.50%, Secured Debt (Maturity March 17, 2020)(9)	7,687	7,637	7,687
Synagro Infrastructure Company, Inc(11)	August 29, 2013	Waste Management Services	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.19%, Secured Debt (Maturity August 22, 2020)(9)	9,161	8,933	8,608
Tectonic Holdings, LLC	May 15, 2017	Financial Services Organization	Member Units (200,000 units)(8)		2,000	2,320
TE Holdings, LLC(11)	December 5, 2013	Oil & Gas Exploration & Production	Member Units (97,048 units)		970	158
TeleGuam Holdings, LLC(11)	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

Edgar Filing: Main Street Capital CORP - Form 497

TGP Holdings III LLC(11)	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
The Container Store, Inc.(11)	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
TMC Merger Sub Corp.(11)	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

S-160

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
TOMS Shoes, LLC(11)	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
Turning Point Brands, Inc.(10)(13)	February 17, 2017	Marketer/Distributor of Tobacco Products	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.61%, Secured Debt (Maturity May 17, 2022)(9)(25)	8,436	8,364	8,605
TVG-I-E CMN ACQUISITION, LLC(10)	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
Tweddle Group, Inc.(11)	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
U.S. TelePacific Corp.(11)	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
US Joiner Holding Company(11)	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

Edgar Filing: Main Street Capital CORP - Form 497

VIP Cinema
Holdings, Inc.(11)

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

Vistar Media, Inc.(10)

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)
Warrants (70,207
equivalent shares;
Expiration February 17,
2027; Strike price \$0.01
per share)

3,319 3,048 3,102

331 499

3,379 3,601

S-161

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)**

December 31, 2017
(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Wellnext, LLC(10)	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
Wireless Vision Holdings, LLC(10)	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
Wirepath LLC(11)	August 16, 2017	E-Commerce Provider into Connected Home 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
Zilliant Incorporated	June 15, 2012	Price Optimization and Margin Management Solutions	Preferred Stock (186,777 shares) Warrants (952,500 equivalent shares; Expiration June 15, 2022; Strike price \$0.001 per share)		154	260
					1,071	1,189
					1,225	1,449
Subtotal Non-Control/Non-Affiliate Investments (78.4% of net assets at fair value)					\$ 1,107,447	\$ 1,081,745
Total Portfolio Investments, December 31, 2017					\$ 2,004,798	\$ 2,171,305

-
- (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) 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.

Table of Contents

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2017
(dollars in thousands)

- (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 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)

Edgar Filing: Main Street Capital CORP - Form 497

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.

S-163

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

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")

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 and cash flows for the years ended December 31, 2018, 2017 and 2016 and financial position as of December 31, 2018 and 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.

Under 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.1., 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)."

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

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 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

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 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

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 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 54 LMM portfolio companies for the year ended December 31, 2018, representing approximately 87% of the total LMM portfolio at fair value as of December 31, 2018, and on a total of 53 LMM portfolio companies for the year ended December 31, 2017, representing approximately 91% of the total LMM portfolio at fair value as of December 31, 2017. Excluding its investments in new LMM portfolio companies which have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment as of December 31, 2018 and 2017, as applicable, or whose primary purpose is to own 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 years ended December 31, 2018 and 2017 was 98% and 97% of the total LMM portfolio at fair value as of December 31, 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 94% and 95% of the Middle Market portfolio investments as of December 31, 2018 and 2017, respectively), Main Street generally does not 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.

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 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 27 Private Loan portfolio companies for the year ended December 31, 2018, representing approximately 57% of the total Private Loan portfolio at fair value as of December 31, 2018, and on a total of 26 Private Loan portfolio companies for the year ended December 31, 2017, representing approximately 57% of the total Private Loan portfolio at fair value as of December 31, 2017. Excluding its investments in new Private Loan portfolio companies which have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment decision as of December 31, 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 years ended December 31, 2018 and 2017 was 91% and 94% of the total Private Loan portfolio at fair value as of December 31, 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 4.4% and 4.8% of Main Street's Investment Portfolio at fair value as of December 31, 2018 and 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 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 gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. Main

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 December 31, 2018 and 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 December 31, 2018, cash balances totaling \$50.3 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 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.

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

As of December 31, 2018, Main Street's total Investment Portfolio had six investments on non-accrual status, which comprised approximately 1.3% of its fair value and 3.9% 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 years ended December 31, 2018, 2017 and 2016, (i) approximately 1.0%, 2.4% and 3.6%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.0%, 1.6% and 1.2%, 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:

	Twelve Months Ended December 31,		
	2018	2017	2016
	(dollars in thousands)		
Interest, fee and dividend income:			
Interest income	\$ 177,103	\$ 161,934	\$ 138,689
Dividend income	46,471	34,704	32,182
Fee income	9,781	9,103	7,294
Total interest, fee and dividend income	\$ 233,355	\$ 205,741	\$ 178,165

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") and its notes, 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 which are not accounted for under the fair value option under ASC 825 (as discussed further in Note B.11.). See further discussion of Main Street's debt in Note E. 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.

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 years ended December 31, 2018, 2017 and 2016, approximately 3.0%, 3.6% and 3.1%, 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.

Main Street has also adopted Accounting Standards Update ("ASU") 2016-09, *Compensation Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which requires that all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) be recognized as income tax expense or benefit in the income statement and not delay recognition of a tax benefit until the tax benefit is realized through a reduction to taxes payable. The tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. Additionally, Main Street has elected to account for forfeitures as they occur.

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****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 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 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 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

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 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

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

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 K.

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. Main Street has adopted ASU 2016-15 and 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 elected to early adopt ASU 2018-13 in the current annual period. No significant changes were made to the fair value disclosures in the notes to the consolidated financial statements in order to comply with ASU 2018-13.

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In August 2018, the SEC adopted rules (the "SEC Release") amending certain disclosure requirements intended to eliminate redundant, duplicative, overlapping, outdated, or superseded, in light of other SEC disclosure requirements, US GAAP requirements, or changes in the information environment. In part, the SEC Release requires an investment company to present distributable earnings in total on the consolidated balance sheet and consolidated statement of changes in net assets, rather than showing the three components of distributable earnings as previously shown. Main Street adopted this part of the SEC Release in the current annual period and the changes in presentation have been retrospectively applied to the consolidated balance sheet as of December 31, 2017 and to the consolidated statements of changes in net assets for the years ended December 31, 2017 and 2016. The impact of the adoption of these rules on Main Street's consolidated financial statements was not material. Additionally, the SEC Release requires disclosure of changes in net assets within a registrant's Form 10-Q filing on a quarter-to-date and year-to-date basis for both the current year and prior year comparative periods. Main Street expects to adopt the new requirement to present changes in shareholders' equity in interim financial statements within Form 10-Q filings starting with the quarter ending March 31, 2019. The compliance date for the SEC Release was for all filings, as applicable, on or after November 5, 2018. The adoption of these rules will not have a material impact on the consolidated financial statements.

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).

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);

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Pricing models whose inputs are observable for substantially the full term of the investment (for example, market interest rate indices); and

Pricing models whose inputs are derived principally from, or corroborated by, observable market data through correlation or other means for substantially the full term of the investment.

Level 3 Investments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (for example, investments in illiquid securities issued by privately held companies). These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the investment.

As required by ASC 820, when the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized within the Level 3 tables below may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

As of December 31, 2018 and 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 December 31, 2018 and 2017

As of December 31, 2018 and 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 December 31, 2018 and 2017.

As of December 31, 2018 and 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 December 31, 2018 and 2017.

As of December 31, 2018 and 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 December 31, 2018 and 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;

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Type and amount of collateral, if any, underlying the investment;

Current financial ratios (e.g., fixed charge coverage ratio, interest coverage ratio and net debt/EBITDA ratio) applicable to the investment;

Current liquidity of the investment and related financial ratios (e.g., current ratio and quick ratio);

Pending debt or capital restructuring of the portfolio company;

Projected operating results of the portfolio company;

Current information regarding any offers to purchase the investment;

Current ability of the portfolio company to raise any additional financing as needed;

Changes in the economic environment which may have a material impact on the operating results of the portfolio company;

Internal occurrences that may have an impact (both positive and negative) on the operating performance of the portfolio company;

Qualitative assessment of key management;

Contractual rights, obligations or restrictions associated with the investment; and

Other factors deemed relevant.

The use of significant unobservable inputs creates uncertainty in the measurement of fair value as of the reporting date. The significant unobservable inputs used in the fair value measurement of 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 and Private Loan securities are (i) risk adjusted discount rates used in the Yield-to-Maturity valuation technique (see "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.

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Type of Investment	Fair Value as of December 31, 2018 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	\$ 767,156	Discounted cash flow Market comparable / Enterprise Value	WACC EBITDA multiple(1)	9.9% - 20.7% 4.7x - 8.0x(2)	13.7% 7.0x	14.3% 6.0x
Debt investments	\$ 1,039,453	Discounted cash flow	Risk adjusted discount factor Expected principal recovery percentage	8.5% - 17.0%(2) 1.5% - 100.0%	12.2% 99.3%	12.0% 100.0%
Debt investments	\$ 647,300	Market approach	Third-party quote	37.5 - 101.0	96.0	98.3
Total Level 3 investments	\$ 2,453,909					

(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 5.3% - 30.3%.

(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 as of December 31, 2017 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	\$ 653,008	Discounted cash flow Market comparable / Enterprise Value	WACC EBITDA multiple(1)	11.1% - 23.2% 4.3x - 8.5x(2)	13.7% 7.3x	14.0% 6.0x
Debt investments	\$ 858,816	Discounted cash flow	Risk adjusted discount factor Expected principal recovery percentage	6.7% - 16.1%(2) 2.9% - 100.0%	11.2% 99.8%	11.0% 100.0%
Debt investments	\$ 659,481	Market approach	Third-party quote	11.0 - 106.0	95.9%	99.4%
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.

(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.

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following tables provide a summary of changes in fair value of Main Street's Level 3 portfolio investments for the years ended December 31, 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 December 31, 2018
Debt	\$ 1,518,297	\$	\$ (653,200)	\$ 837,162	\$ 38,722	\$ (45,778)	\$ (8,450)	\$ 1,686,753
Equity	641,493		(48,585)	114,639	(33,971)	73,684	8,450	755,710
Equity	11,515		(680)	181	(720)	1,150		11,446
Warrant								
	\$ 2,171,305	\$	\$ (702,465)	\$ 951,982	\$ 4,031	\$ 29,056	\$	\$ 2,453,909

-
- (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 December 31, 2017
Debt	\$ 1,427,823	\$	\$ (753,240)	\$ 848,014	\$ 25,146	\$ (19,664)	\$ (9,782)	\$ 1,518,297
Equity	549,453		(44,773)	74,227	(25,596)	77,583	10,599	641,493
Equity	17,550		(4,697)	331	(549)	(303)	(817)	11,515
Warrant								
	\$ 1,994,826	\$	\$ (802,710)	\$ 922,572	\$ (999)	\$ 57,616	\$	\$ 2,171,305

-
- (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 December 31, 2018 and 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 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.

Edgar Filing: Main Street Capital CORP - Form 497

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

Type of Instrument	Fair Value as of December 31, 2018	Valuation Technique	Significant Unobservable Inputs	Range	Weighted Average
SBIC debentures	\$ 44,688	Discounted cash flow	Estimated market interest rates	5.5% - 5.8%	5.6%

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%

S-180

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following tables provide a summary of changes for the Level 3 SBIC debentures recorded at fair value for the years ended December 31, 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 December 31, 2018
SBIC debentures at fair value	\$ 48,608	\$ (4,000)	\$ 1,374	\$	\$ (1,294)	\$ 44,688

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 December 31, 2017
SBIC debentures at fair value	\$ 74,803	\$ (25,200)	\$ 5,217	\$	\$ (6,212)	\$ 48,608

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

	Fair Value	Fair Value Measurements (in thousands)		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
At December 31, 2018				
LMM portfolio investments	\$ 1,195,035	\$	\$	\$ 1,195,035
Middle Market portfolio investments	576,929			576,929
Private Loan portfolio investments	507,892			507,892
Other Portfolio investments	108,305			108,305
External Investment Manager	65,748			65,748
Total investments	\$ 2,453,909	\$	\$	\$ 2,453,909
SBIC debentures at fair value	\$ 44,688	\$	\$	\$ 44,688

At December 31, 2017	Fair Value	Fair Value Measurements (in thousands)		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)

Edgar Filing: Main Street Capital CORP - Form 497

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
LMM portfolio investments	\$	948,196	\$	\$ 948,196
Middle Market portfolio 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

S-181

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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, can include either fixed or floating rate terms and generally have a term of between five and seven years from the original investment date. In most LMM portfolio investments, 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.

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 years ended December 31, 2018, 2017 and 2016 are net of expenses allocated to the External Investment Manager of \$6.8 million, \$6.4 million and \$5.1 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

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

companies. For the years ended December 31, 2018, 2017 and 2016, 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 December 31, 2018 and 2017 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

	As of December 31, 2018		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	69	56	59
Fair value	\$ 1,195.0	\$ 576.9	\$ 507.9
Cost	\$ 990.9	\$ 608.8	\$ 553.3
% of portfolio at cost debt	68.7%	96.3%	93.0%
% of portfolio at cost equity	31.3%	3.7%	7.0%
% of debt investments at cost secured by first priority lien	98.5%	87.9%	92.0%
Weighted-average annual effective yield(b)	12.3%	9.6%	10.4%
Average EBITDA(c)	\$ 4.7	\$ 99.1	\$ 46.1

- (a) At December 31, 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 40%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 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 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 two LMM portfolio companies, one Middle Market portfolio company and four Private Loan portfolio companies, as EBITDA is not a meaningful valuation metric for Main Street's

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 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, 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 December 31, 2018, Main Street had Other Portfolio investments in eleven companies, collectively totaling approximately \$108.3 million in fair value and approximately \$116.0 million in cost basis and which comprised approximately 4.4% 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 December 31, 2018, there was no cost basis in this investment and the investment had a fair value of approximately \$65.7 million, which comprised approximately 2.7% 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

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Market portfolio investments and Private Loan portfolio investments, as of December 31, 2018 and 2017 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	December 31, 2018	December 31, 2017
First lien debt	77.1%	79.0%
Equity	16.6%	15.3%
Second lien debt	5.3%	4.5%
Equity warrants	0.6%	0.7%
Other	0.4%	0.5%
	100.0%	100.0%

Fair Value:	December 31, 2018	December 31, 2017
First lien debt	69.0%	70.5%
Equity	25.5%	24.4%
Second lien debt	4.6%	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 December 31, 2018 and 2017 (this information excludes the Other Portfolio investments and the External Investment Manager). The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

Cost:	December 31, 2018	December 31, 2017
West	27.2%	20.7%
Southwest	26.7%	26.1%
Midwest	19.4%	22.3%
Northeast	14.3%	15.2%
Southeast	10.0%	12.8%
Canada	1.4%	1.9%
Other Non-United States	1.0%	1.0%
	100.0%	100.0%

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Fair Value:	December 31, 2018	December 31, 2017
Southwest	28.4%	26.8%
West	28.2%	23.7%
Midwest	18.9%	20.3%
Northeast	13.4%	14.6%
Southeast	8.9%	11.9%
Canada	1.2%	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 as of

S-186

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Cost:	December 31, 2018	December 31, 2017
Construction & Engineering	7.5%	6.4%
Media	6.5%	4.4%
Machinery	6.5%	5.2%
Energy Equipment & Services	6.4%	6.9%
Commercial Services & Supplies	4.9%	4.5%
Diversified Telecommunication Services	4.8%	4.1%
Specialty Retail	4.2%	5.3%
Internet Software & Services	4.1%	3.4%
Leisure Equipment & Products	3.9%	3.0%
IT Services	3.8%	3.9%
Aerospace & Defense	3.8%	3.3%
Food Products	3.8%	1.9%
Electronic Equipment, Instruments & Components	3.5%	3.4%
Hotels, Restaurants & Leisure	3.3%	6.2%
Oil, Gas & Consumable Fuels	3.0%	1.6%
Health Care Providers & Services	2.8%	2.9%
Professional Services	2.6%	3.7%
Computers & Peripherals	2.6%	2.8%
Software	2.6%	2.5%
Communications Equipment	2.5%	2.3%
Containers & Packaging	1.9%	0.0%
Construction Materials	1.8%	1.7%
Road & Rail	1.8%	1.0%
Distributors	1.7%	1.9%
Building Products	1.6%	1.9%
Internet & Catalog Retail	1.1%	1.3%
Diversified Financial Services	0.6%	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)	5.1%	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)**

Fair Value:	December 31, 2018	December 31, 2017
Machinery	8.8%	6.4%
Construction & Engineering	7.9%	6.3%
Energy Equipment & Services	5.7%	6.2%
Media	5.4%	3.8%
Commercial Services & Supplies	4.4%	4.1%
Specialty Retail	4.2%	5.3%
Diversified Telecommunication Services	4.0%	3.4%
IT Services	3.9%	4.0%
Internet Software & Services	3.8%	3.2%
Computers & Peripherals	3.8%	3.0%
Leisure Equipment & Products	3.7%	2.9%
Aerospace & Defense	3.5%	3.1%
Food Products	3.5%	1.8%
Hotels, Restaurants & Leisure	3.2%	5.9%
Diversified Consumer Services	2.9%	5.9%
Software	2.9%	2.5%
Electronic Equipment, Instruments & Components	2.8%	2.8%
Health Care Providers & Services	2.7%	2.8%
Oil, Gas & Consumable Fuels	2.7%	1.5%
Professional Services	2.4%	3.5%
Communications Equipment	2.2%	2.2%
Construction Materials	2.1%	1.9%
Containers & Packaging	1.8%	0.0%
Road & Rail	1.8%	1.0%
Building Products	1.6%	1.8%
Distributors	1.5%	1.8%
Diversified Financial Services	0.9%	1.6%
Internet & Catalog Retail	0.8%	1.1%
Air Freight & Logistics	0.6%	1.0%
Health Care Equipment & Supplies	0.5%	2.1%
Real Estate Management & Development	0.4%	1.1%
Auto Components	0.0%	1.6%
Other(1)	3.6%	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 December 31, 2018 and 2017, Main Street had no portfolio investment that was greater than 10% of the Investment Portfolio at fair value.

Unconsolidated Significant Subsidiaries

In accordance with Rules 3-09 and 4-08(g) of Regulation S-X, 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 determine if any of Main

S-188

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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) from 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 December 31, 2018 and 2017, Main Street had no single investment that represented greater than 10% of its total Investment Portfolio at fair value and no single investment whose total assets represented greater than 10% of its total assets. After performing the income test for the year ended December 31, 2018, Main Street determined that its income from three of its Control Investments individually generated more than 10% of its total income, primarily due to the unrealized appreciation that was recognized on the investments. As such, Gamber Johnson Holdings, LLC ("GJH"), GRT Rubber Technologies LLC ("GRT") and the wholly owned External Investment Manager were each considered significant subsidiaries at the 10% income level (see further discussion and summarized financial information of the External Investment Manager in Note D). Additionally, after performing the income test for the years ended December 31, 2017 and 2016, Main Street determined that its income from one of its Control Investments individually generated more than 10% of its total income, primarily due to unrealized appreciation that was recognized on the investment. As such, CBT Nuggets, LLC ("CBT"), an unconsolidated portfolio company that was a Control Investment, but for which Main Street was not the majority owner and did not have rights to maintain greater than 50% of the board representation, was considered a significant subsidiary at the 10% level as of December 31, 2017 and 2016.

The following table shows the summarized financial information for CBT:

	As of December 31,		
	2018	2017	
	(dollars in thousands)		
Balance Sheet Data			
Current Assets	\$ 4,025	\$ 14,585	
Noncurrent Assets	11,372	11,769	
Current Liabilities	15,103	17,570	
Noncurrent Liabilities			
	Twelve Months Ended		
	December 31,		
	2018	2017	2016
	(dollars in thousands)		
Summary of Operations			
Total Revenue	\$ 39,209	\$ 40,802	\$ 38,779
Gross Profit	35,160	35,837	33,661
Income from Operations	3,978	9,018	13,117
Net Income	4,868	18,379	12,819

S-189

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table shows the summarized financial information for GJH:

	As of December 31,	
	2018	2017
	(dollars in thousands)	
Balance Sheet Data		
Current Assets	\$ 17,113	\$ 13,473
Noncurrent Assets	38,038	37,177
Current Liabilities	6,825	5,769
Noncurrent Liabilities	26,857	27,959

	Twelve Months Ended December 31,		
	2018	2017	2016
	(dollars in thousands)		
Summary of Operations			
Total Revenue	\$ 53,715	\$ 42,429	\$ 31,581
Gross Profit	20,927	17,067	13,380
Income from Operations	5,374	3,149	3,712
Net Income	2,799	(486)	1,865

The following table shows the summarized financial information for GRT:

	As of December 31,	
	2018	2017
	(dollars in thousands)	
Balance Sheet Data		
Current Assets	\$ 8,399	\$ 8,375
Noncurrent Assets	24,242	28,121
Current Liabilities	2,870	3,577
Noncurrent Liabilities	14,445	15,876

	Twelve Months Ended December 31,		
	2018	2017	2016
	(dollars in thousands)		
Summary of Operations			
Total Revenue	\$ 37,821	\$ 31,165	\$ 26,140
Gross Profit	9,526	6,737	6,330
Income from Operations	4,934	2,329	2,181
Net Income	2,470	(103)	(270)

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

Table of Contents

MAIN STREET CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 the historical incentive fees otherwise earned. During the years ended December 31, 2018, 2017 and 2016, the External Investment Manager earned \$11.6 million, \$10.9 million and \$9.5 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser.

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 years ended December 31, 2018, 2017 and 2016, Main Street allocated \$6.8 million, \$6.4 million and \$5.1 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 years ended December 31, 2018, 2017 and 2016, the total contribution to Main Street's net investment income was \$10.6 million, \$9.4 million and \$7.9 million, respectively.

Table of Contents**MAIN STREET CAPITAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Summarized financial information from the separate financial statements of the External Investment Manager as of December 31, 2018 and 2017 and for the years ended December 31, 2018, 2017 and 2016 is as follows:

	As of	
	December 31,	
	2018	2017
	(dollars in thousands)	
Cash	\$	\$
Accounts receivable HMS Income	2,947	2,863
Total assets	\$ 2,947	\$ 2,863
Accounts payable to MSCC and its subsidiaries	\$ 1,786	\$ 1,963
Dividend payable to MSCC and its subsidiaries	1,161	900
Equity		
Total liabilities and equity	\$ 2,947	\$ 2,863

Year Ended December 31,
2018 2017