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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

OR

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

For the transition period from: to

Commission File Number: 001-33723

Main Street Capital Corporation

(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation or organization)	**41-2230745** (I.R.S. Employer Identification No.)
1300 Post Oak Boulevard, 8th floor **Houston, TX** (Address of principal executive offices)	**77056** (Zip Code)

(713) 350-6000
(Registrant's telephone number including area code)

n/a
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

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

The number of shares outstanding of the issuer's common stock as of November 6, 2015 was 50,130,534.

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MAIN STREET CAPITAL CORPORATION

Consolidated Balance Sheets

(in thousands, except shares and per share amounts)

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Portfolio investments at fair value:		
Control investments (cost: $402,302 and $342,847 as of September 30, 2015 and December 31, 2014, respectively)	$ 568,025	$ 469,846
Affiliate investments (cost: $312,016 and $266,243 as of September 30, 2015 and December 31, 2014, respectively)	322,497	278,675
Non-Control/Non-Affiliate investments (cost: $1,008,980 and $832,312 as of September 30, 2015 and December 31, 2014, respectively)	976,912	814,809
Total portfolio investments (cost: $1,723,298 and $1,441,402 as of September 30, 2015 and December 31, 2014, respectively)	1,867,434	1,563,330
Marketable securities and idle funds investments (cost: $6,641 and $10,604 as of September 30, 2015 and December 31, 2014, respectively)	4,583	9,067
Total investments (cost: $1,729,939 and $1,452,006 as of September 30, 2015 and December 31, 2014, respectively)	1,872,017	1,572,397
Cash and cash equivalents	35,295	60,432
Interest receivable and other assets	27,031	23,273
Receivable for securities sold	8,245	23,133
Deferred financing costs (net of accumulated amortization of $8,324 and $6,462 as of September 30, 2015 and December 31, 2014, respectively)	12,779	14,550
Total assets	$ 1,955,367	$ 1,693,785
LIABILITIES		
Credit facility	$ 346,000	$ 218,000
SBIC debentures (par: $225,000 as of September 30, 2015 and December 31, 2014, par of $75,200 is recorded at a fair value of $73,804 and $72,981 as of September 30, 2015 and December 31, 2014, respectively)	223,604	222,781
4.50% Notes	175,000	175,000
6.125% Notes	90,740	90,823
Payable for securities purchased	5,453	14,773
Deferred tax liability, net	663	9,214
Dividend payable	9,014	7,663
Accounts payable and other liabilities	8,917	10,701
Interest payable	4,995	4,848
Total liabilities	864,386	753,803
Commitments and contingencies (Note M)		
NET ASSETS		
Common stock, $0.01 par value per share (150,000,000 shares authorized; 50,079,178 and 45,079,150 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively)	500	451
Additional paid-in capital	998,123	853,606
Accumulated net investment income, net of cumulative dividends of $382,083 and $293,789 as of September 30, 2015 and December 31, 2014, respectively	13,927	23,665
Accumulated net realized gain from investments (accumulated net realized gain from investments of $31,284 before cumulative dividends of $62,945 as of September 30, 2015 and accumulated net realized gain from investments of $40,321 before cumulative dividends of $60,777 as of December 31, 2014)	(31,661)	(20,456)
Net unrealized appreciation, net of income taxes	110,092	82,716
Total net assets	1,090,981	939,982
Total liabilities and net assets	$ 1,955,367	$ 1,693,785
NET ASSET VALUE PER SHARE	$ 21.79	$ 20.85

The accompanying notes are an integral part of these financial statements

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Operations

(in thousands, except shares and per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
INVESTMENT INCOME:				
Interest, fee and dividend income:				
Control investments	$ 13,437	$ 9,705	$ 36,264	$ 29,547
Affiliate investments	6,852	6,687	19,862	18,412
Non-Control/Non-Affiliate investments	22,090	19,839	64,124	53,488
Interest, fee and dividend income	42,379	36,231	120,250	101,447
Interest, fee and dividend income from marketable securities and idle funds investments	229	120	846	557
Total investment income	42,608	36,351	121,096	102,004
EXPENSES:				
Interest	(8,302)	(5,954)	(23,755)	(16,713)
Compensation	(3,727)	(3,047)	(11,055)	(9,115)
General and administrative	(2,212)	(1,871)	(6,271)	(5,279)
Share-based compensation	(1,651)	(1,208)	(4,592)	(3,034)
Expenses charged to the External Investment Manager	1,145	616	3,133	1,343
Total expenses	(14,747)	(11,464)	(42,540)	(32,798)
NET INVESTMENT INCOME	27,861	24,887	78,556	69,206
NET REALIZED GAIN (LOSS):				
Control investments	—	—	3,324	—
Affiliate investments	5,964	14,737	5,827	8,159
Non-Control/Non-Affiliate investments	(6,195)	962	(16,836)	2,634
Marketable securities and idle funds investments	(1,112)	11	(1,352)	(4)
Total net realized gain (loss)	(1,343)	15,710	(9,037)	10,789
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):				
Portfolio investments	(8,389)	(6,891)	21,716	17,018
Marketable securities and idle funds investments	(648)	(426)	(521)	920
SBIC debentures	(50)	(8,749)	(823)	(10,778)
Total net change in unrealized appreciation (depreciation)	(9,087)	(16,066)	20,372	7,160
INCOME TAXES:				
Federal and state income, excise and other taxes	495	(960)	(1,547)	(1,758)
Deferred taxes	2,742	(2,002)	8,551	(6,643)
Income tax benefit (provision)	3,237	(2,962)	7,004	(8,401)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 20,668	$ 21,569	$ 96,895	$ 78,754
NET INVESTMENT INCOME PER SHARE—BASIC AND DILUTED	$ 0.56	$ 0.55	$ 1.61	$ 1.61
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE—BASIC AND DILUTED	$ 0.41	$ 0.48	$ 1.99	$ 1.83
DIVIDENDS PAID PER SHARE:				
Regular monthly dividends	$ 0.525	$ 0.495	$ 1.560	$ 1.485
Supplemental dividends	—	—	0.275	0.275
Total dividends	$ 0.525	$ 0.495	$ 1.835	$ 1.760
WEIGHTED AVERAGE SHARES OUTSTANDING—BASIC AND DILUTED	50,036,776	44,910,756	48,681,260	43,027,105

The accompanying notes are an integral part of these financial statements

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Changes in Net Assets

(in thousands, except shares)

(Unaudited)

	Common Stock						
	Number of Shares	Par Value	Additional Paid-In Capital	Accumulated Net Investment Income, Net of Dividends	Accumulated Net Realized Gain From Investments, Net of Dividends	Net Unrealized Appreciation from Investments, Net of Income Taxes	Total Net Asset Value
Balances at December 31, 2013	39,852,604	$ 398	$ 694,981	$ 22,778	$ (26,334)	$ 100,710	$ 792,533
Public offering of common stock, net of offering costs	4,600,000	46	139,651	—	—	—	139,697
Share-based compensation	—	—	3,034	—	—	—	3,034
Purchase of vested stock for employee payroll tax withholding	(46,507)	—	(1,481)	—	—	—	(1,481)
Dividend reinvestment	333,657	3	10,842	—	—	—	10,845
Amortization of directors' deferred compensation	—	—	229	—	—	—	229
Issuance of restricted stock	241,578	2	(2)	—	—	—	—
Tax benefit related to vesting of restricted shares	—	—	542	—	—	—	542
Forfeited shares of terminated employees	(36,138)	—	—	—	—	—	—
Dividends to stockholders	—	—	—	(63,098)	(13,549)	—	(76,647)
Net increase (loss) resulting from operations	—	—	—	69,206	10,789	(1,241)	78,754
Balances at September 30, 2014	44,945,194	$ 449	$ 847,796	$ 28,886	$ (29,094)	$ 99,469	$ 947,506
Balances at December 31, 2014	45,079,150	$ 451	$ 853,606	$ 23,665	$ (20,456)	$ 82,716	$ 939,982
Public offering of common stock, net of offering costs	4,370,000	44	127,720	—	—	—	127,764
Share-based compensation	—	—	4,592	—	—	—	4,592
Purchase of vested stock for employee payroll tax withholding	(54,840)	(1)	(1,739)	—	—	—	(1,740)
Dividend reinvestment	444,957	4	13,654	—	—	—	13,658
Amortization of							

directors' deferred compensation	—	—	292	—	—	—	292
Issuance of restricted stock	240,074	2	(2)	—	—	—	—
Forfeited shares of terminated employees	(163)	—	—	—	—	—	—
Dividends to stockholders	—	—	—	(88,294)	(2,168)	—	(90,462)
Net increase (loss) resulting from operations	—	—	—	78,556	(9,037)	27,376	96,895
Balances at September 30, 2015	50,079,178	$ 500	$ 998,123	$ 13,927	$ (31,661)	$ 110,092	$ 1,090,981

The accompanying notes are an integral part of these financial statements

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	$ 96,895	$ 78,754
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Investments in portfolio companies	(727,099)	(637,843)
Proceeds from sales and repayments of debt investments in portfolio companies	421,933	396,557
Proceeds from sales and return of capital of equity investments in portfolio companies	29,289	26,117
Investments in marketable securities and idle funds investments	(4,483)	(17,704)
Proceeds from sales and repayments of marketable securities and idle funds investments	7,094	22,747
Net change in net unrealized appreciation	(20,372)	(7,160)
Net realized (gain) loss	9,037	(10,789)
Accretion of unearned income	(6,474)	(8,167)
Payment-in-kind interest	(2,485)	(3,947)
Cumulative dividends	(1,242)	(1,422)
Share-based compensation expense	4,592	3,034
Amortization of deferred financing costs	1,899	1,184
Deferred taxes	(8,551)	6,643
Changes in other assets and liabilities:		
Interest receivable and other assets	(3,493)	(4,480)
Interest payable	147	(171)
Accounts payable and other liabilities	(1,618)	(1,584)
Deferred fees and other	1,438	1,457
Net cash used in operating activities	(203,493)	(156,774)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering of common stock, net of offering costs	127,764	139,697
Dividends paid	(75,453)	(64,739)
Proceeds from issuance of SBIC debentures	—	24,800
Proceeds from credit facility	473,000	353,000
Repayments on credit facility	(345,000)	(303,000)
Payment of deferred loan costs and SBIC debenture fees	(132)	(1,880)
Purchase of vested stock for employee payroll tax withholding	(1,740)	(1,481)
Other	(83)	—
Net cash provided by financing activities	178,356	146,397
Net decrease in cash and cash equivalents	(25,137)	(10,377)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	60,432	34,701
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 35,295	$ 24,324
Supplemental cash flow disclosures:		
Interest paid	$ 21,708	$ 15,701
Taxes paid	$ 2,504	$ 3,656
Non-cash financing activities:		
Shares issued pursuant to the DRIP	$ 13,658	$ 10,845

The accompanying notes are an integral part of these financial statements

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Control Investments(5)					
Access Media Holdings, LLC(10)	Private Cable Operator				
		5.00% Current / 5.00% PIK Secured Debt (Maturity—October 22, 2018)	21,284	21,284	18,784
		Preferred Member Units (12% cumulative)		3,201	3,201
		Member Units (3,307,545 units)		1	—
				24,486	21,985
ASC Interests, LLC	Recreational and Educational Shooting Facility				
		11% Secured Debt (Maturity—July 31, 2018)	2,750	2,715	2,750
		Member Units (1,500 units)(8)		1,500	2,230
				4,215	4,980
Bond-Coat, Inc.	Casing and Tubing Coating Services				
		12% Secured Debt (Maturity—December 28, 2017)	11,596	11,513	11,596
		Common Stock (57,508 shares)		6,350	10,210
				17,863	21,806
Café Brazil, LLC	Casual Restaurant Group				
		Member Units (1,233 units)(8)		1,742	7,330
CBT Nuggets, LLC	Produces and Sells IT Training Certification Videos				
		Member Units (416 units)(8)		1,300	38,890
Ceres Management, LLC (Lambs Tire & Automotive)	Aftermarket Automotive Services Chain				
		14% Secured Debt (Maturity—May 31, 2018)	8,070	8,070	8,070
		Member Units (5,460 units)		5,273	4,420
		9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity—October 1, 2025)	931	931	931
		Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)		625	1,240
				14,899	14,661
CMS Minerals LLC	Oil & Gas Exploration & Production				
		Preferred Member Units (458 units)(8)		3,246	7,193

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Datacom, LLC	Technology and Telecommunications Provider				
		10.5% Secured Debt (Maturity—May 31, 2019)	11,205	11,117	11,117
		Class A Preferred Member Units (13,154 units)(8)		1,137	1,137
		Class B Preferred Member Units (6,453 units)		6,030	5,570
				18,284	17,824
Garreco, LLC	Manufacturer and Supplier of Dental Products				
		14% Secured Debt (Maturity—January 12, 2018)	5,800	5,733	5,733
		Member Units (1,200 units)(8)		1,200	1,470
				6,933	7,203
GRT Rubber Technologies LLC	Manufacturer of Engineered Rubber Products				
		LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity—December 19, 2019)(9)	16,331	16,189	16,189
		Member Units (5,879 units)(8)		13,065	13,065
				29,254	29,254
Gulf Manufacturing, LLC	Manufacturer of Specialty Fabricated Industrial Piping Products				
		9% PIK Secured Debt (Ashland Capital IX, LLC) (Maturity—June 30, 2017)	777	777	777
		Member Units (438 units)(8)		2,980	15,130
				3,757	15,907
Harrison Hydra-Gen, Ltd.	Manufacturer of Hydraulic Generators				
		12% Secured Debt (Maturity—December 4, 2015)	5,010	5,010	5,010
		Preferred Stock (8% cumulative)(8)		1,336	1,336
		Common Stock (107,456 shares)		718	2,300
				7,064	8,646
Hawthorne Customs and Dispatch Services, LLC	Facilitator of Import Logistics, Brokerage, and Warehousing				
		Member Units (500 units)(8)		589	580
		Member Units (Wallisville Real Estate, LLC) (588,210 units)(8)		1,215	2,220
				1,804	2,800

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
HW Temps LLC	Temporary Staffing Solutions				
		LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.50%, Secured Debt (Maturity July 2, 2020)(9)	9,976	9,880	9,880
		Preferred Member Units (3,200 units) (8)		3,942	3,942
				13,822	13,822
Hydratec, Inc.	Designer and Installer of Micro-Irrigation Systems				
		Common Stock (7,095 shares)(8)		7,095	14,950
IDX Broker, LLC	Provider of Marketing and CRM Tools for the Real Estate Industry				
		LIBOR Plus 6.50% (Floor 1.50%), Current Coupon 8.00%, Secured Debt (Maturity—November 15, 2018)(9)	25	25	25
		12.5% Secured Debt (Maturity—November 15, 2018)	11,350	11,276	11,350
		Member Units (5,400 units)		5,606	6,440
				16,907	17,815
Impact Telecom, Inc.	Telecommunications Services Provider				
		LIBOR Plus 6.50% (Floor 2.00%), Current Coupon 8.50%, Secured Debt (Maturity—May 31, 2018)(9)	1,575	1,570	1,570
		13% Secured Debt (Maturity—May 31, 2018)	22,500	15,893	15,893
		Warrants (5,516,667 equivalent shares)		8,000	4,160
				25,463	21,623
Indianapolis Aviation Partners, LLC	Fixed Base Operator				
		15% Secured Debt (Maturity—January 15, 2016)	3,100	3,079	3,100
		Warrants (1,046 equivalent units)		1,129	2,540
				4,208	5,640
Jensen Jewelers of Idaho, LLC	Retail Jewelry Store				
		Prime Plus 6.75% (Floor 2.00%), Current Coupon 10.00%, Secured Debt (Maturity—November 14, 2016)(9)	4,205	4,169	4,205
		Member Units (627 units)(8)		811	4,750
				4,980	8,955

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Lighting Unlimited, LLC	Commercial and Residential Lighting Products and Design Services				
		8% Secured Debt (Maturity—August 22, 2016)	1,514	1,514	1,514
		Preferred Equity (non-voting)		434	434
		Warrants (71 equivalent units)		54	40
		Member Units (700 units)(8)		100	420
				2,102	2,408
Marine Shelters Holdings, LLC (LoneStar Marine Shelters)	Fabricator of Marine and Industrial Shelters				
		6% Current / 6% PIK Secured Debt (Maturity—December 28, 2017)	8,781	8,688	8,688
		Preferred Member Units (3,810 units)		5,352	5,352
				14,040	14,040
Mid-Columbia Lumber Products, LLC	Manufacturer of Finger-Jointed Lumber Products				
		10% Secured Debt (Maturity—December 18, 2017)	1,750	1,750	1,750
		12% Secured Debt (Maturity—December 18, 2017)	3,900	3,900	3,900
		Member Units (2,829 units)(8)		1,244	3,980
		9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity—May 13, 2025)	893	893	893
		Member Units (Mid—Columbia Real Estate, LLC) (250 units)(8)		250	550
				8,037	11,073
MH Corbin Holding LLC	Manufacturer and distributor of traffic safety products				
		10% Secured Debt (Maturity—August 31, 2020)	14,000	13,864	13,864
		Preferred Member Units (4,000 shares)		6,000	6,000
				19,864	19,864
MSC Adviser I, LLC(16)	Third Party Investment Advisory Services				
		Member Units (Fully diluted 100.0%)(8)		—	32,305
Mystic Logistics, Inc	Logistics and Distribution Services Provider for Large Volume Mailers				
		12% Secured Debt (Maturity—August 15, 2019)	9,448	9,273	9,448
		Common Stock (5,873 shares)(8)		2,720	6,580
				11,993	16,028

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
NAPCO Precast, LLC	Precast Concrete Manufacturing				
		Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity—January 31, 2016) (9)	625	625	625
		Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity—February 1, 2016) (9)	2,923	2,921	2,923
		18% Secured Debt (Maturity—February 1, 2016)	4,468	4,460	4,468
		Member Units (2,955 units)(8)		2,975	8,590
				10,981	16,606
NRI Clinical Research, LLC	Clinical Research Service Provider				
		14% Secured Debt (Maturity—September 8, 2017)	4,740	4,650	4,650
		Warrants (251,723 equivalent units)		252	190
		Member Units (1,454,167 units)		765	1,052
				5,667	5,892
NRP Jones, LLC	Manufacturer of Hoses, Fittings and Assemblies				
		12% Secured Debt (Maturity—December 22, 2016)	13,224	12,885	12,885
		Warrants (14,331 equivalent units)		817	450
		Member Units (50,877 units)(8)		2,900	1,480
				16,602	14,815
OMi Holdings, Inc.	Manufacturer of Overhead Cranes				
		Common Stock (1,500 shares)(8)		1,080	13,420
Pegasus Research Group, LLC (Televerde)	Provider of Telemarketing and Data Services				
		Member Units (460 units)(8)		1,290	6,490
PPL RVs, Inc.	Recreational Vehicle Dealer				
		11.1% Secured Debt (Maturity—January 1, 2016)	9,710	9,710	9,710
		Common Stock (1,962 shares)		2,150	8,710
				11,860	18,420
Principle Environmental, LLC	Noise Abatement Service Provider				
		12% Secured Debt (Maturity—April 30, 2017)	4,060	3,979	4,060
		12% Current / 2% PIK Secured Debt (Maturity—April 30, 2017)	3,294	3,288	3,294
		Preferred Member Units (19,631 units)(8)		4,663	9,560
		Warrants (1,036 equivalent units)		1,200	530
				13,130	17,444

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Quality Lease Service, LLC	Provider of Rigsite Accommodation Unit Rentals and Related Services				
		8% PIK Secured Debt (Maturity—June 8, 2020)	6,410	6,410	6,410
		Member Units (1,000 units)		568	2,638
				6,978	9,048
River Aggregates, LLC	Processor of Construction Aggregates				
		Zero Coupon Secured Debt (Maturity—June 30, 2018)	750	540	540
		Member Units (1,150 units)(8)		1,150	3,830
		Member Units (RA Properties, LLC) (1,500 units)		369	2,360
				2,059	6,730
SoftTouch Medical Holdings LLC	Home Provider of Pediatric Durable Medical Equipment				
		LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity—October 31, 2019)(9)	8,245	8,175	8,175
		Member Units (4,450 units)(8)		4,930	5,340
				13,105	13,515
Southern RV, LLC	Recreational Vehicle Dealer				
		13% Secured Debt (Maturity—August 8, 2018)	11,400	11,288	11,400
		Member Units (1,680 units)(8)		1,680	11,600
		13% Secured Debt (Southern RV Real Estate, LLC) (Maturity—August 8, 2018)	3,250	3,218	3,250
		Member Units (Southern RV Real Estate, LLC) (480 units)		480	540
				16,666	26,790
The MPI Group, LLC	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories				
		9% Secured Debt (Maturity—October 2, 2018)	2,924	2,921	2,920
		Series A Preferred Units (2,500 units; 10% Cumulative)		2,500	980
		Warrants (1,424 equivalent units)		1,096	—
		Member Units (MPI Real Estate Holdings, LLC) (100% Fully diluted)(8)		2,300	2,230
				8,817	6,130

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Travis Acquisition LLC	Manufacturer of Aluminum Trailers				
		12% Secured Debt (Maturity—August 30, 2018)	3,628	3,581	3,628
		Member Units (7,282 units)		7,100	14,110
				10,681	17,738
Uvalco Supply, LLC	Farm and Ranch Supply Store				
		9% Secured Debt (Maturity—January 1, 2019)	1,418	1,418	1,418
		Member Units (1,006 units)(8)		1,113	3,210
				2,531	4,628
Vision Interests, Inc.	Manufacturer / Installer of Commercial Signage				
		13% Secured Debt (Maturity—December 23, 2016)	3,138	3,115	3,115
		Series A Preferred Stock (3,000,000 shares)		3,000	3,550
		Common Stock (1,126,242 shares)		3,706	210
				9,821	6,875
Ziegler's NYPD, LLC	Casual Restaurant Group				
		6.5% Secured Debt (Maturity—October 1, 2019)	1,000	992	992
		12% Secured Debt (Maturity—October 1, 2019)	500	500	500
		14% Secured Debt (Maturity—October 1, 2019)	2,750	2,750	2,750
		Warrants (587 equivalent units)		600	—
		Preferred Member Units (10,072 units)		2,834	2,240
				7,676	6,482
Subtotal Control Investments (30.3% of total investments at fair value)				402,302	568,025

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Affiliate Investments(6)					
AFG Capital Group, LLC	Provider of Rent-to-Own Financing Solutions and Services				
		11% Secured Debt (Maturity—November 7, 2019)	12,560	12,199	12,199
		Warrants (42 equivalent units)		259	410
		Member Units (186 units)		1,200	1,700
				13,658	14,309
Boss Industries, LLC	Manufacturer and Distributor of Air, Power and Other Industrial Equipment				
		Preferred Member Units (2,242 units) (8)		2,203	2,543
Bridge Capital Solutions Corporation	Financial Services and Cash Flow Solutions Provider				
		13% Secured Debt (Maturity—April 18, 2017)	7,000	6,872	6,872
		Warrants (22 equivalent shares)		200	1,020
				7,072	7,892
Buca C, LLC	Restaurants				
		LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity—June 30, 2020)(9)	25,530	25,288	25,288
		Preferred Member Units (6 units)(8)		3,656	3,656
				28,944	28,944
CAI Software LLC	Provider of Specialized Enterprise Resource Planning Software				
		12% Secured Debt (Maturity—October 10, 2019)	4,973	4,930	4,930
		Member Units (65,356 units)		654	840
				5,584	5,770
Condit Exhibits, LLC	Tradeshow Exhibits / Custom Displays Provider				
		Member Units (3,936 units)(8)		100	770
Congruent Credit Opportunities Funds(12)(13)	Investment Partnership				
		LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)(8)		7,644	4,228
		LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)		12,099	12,222
				19,743	16,450

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Daseke, Inc.	Specialty Transportation Provider				
		12% Current / 2.5% PIK Secured Debt (Maturity—July 31, 2018)	21,118	20,849	21,118
		Common Stock (19,467 shares)		5,213	22,660
				26,062	43,778
Dos Rios Partners(12)(13)	Investment Partnership				
		LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)(8)		3,104	2,031
		LP Interests (Dos Rios Partners—A, LP) (Fully diluted 6.4%)(8)		986	648
				4,090	2,679
East Teak Fine Hardwoods, Inc	Distributor of Hardwood Products				
		Common Stock (5,000 shares)		480	860
East West Copolymer & Rubber, LLC	Manufacturer of Synthetic Rubbers				
		12% Secured Debt (Maturity—October 17, 2019)	9,600	9,456	9,456
		Warrants (2,014,799 equivalent units)		50	50
				9,506	9,506
Freeport Financial Funds(12)(13)	Investment Partnership				
		LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.9%)(8)		5,974	5,974
		LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.4%)		759	759
				6,733	6,733
Gault Financial, LLC (RMB Capital, LLC)	Purchases and Manages Liquidation of Distressed Assets				
		10% Secured Debt (Maturity—November 21, 2016)	13,046	12,858	10,891
		Warrants (29,025 equivalent units)		400	—
				13,258	10,891
Glowpoint, Inc.	Provider of Cloud Managed Video Collaboration Services				
		8% Secured Debt (Maturity—October 18, 2018)	21	18	18
		12% Secured Debt (Maturity—October 18, 2018)	9,000	8,924	8,924
		Common Stock (7,711,517 shares)		3,958	4,460
				12,900	13,402
Guerdon Modular Holdings, Inc	Multi-Family and Commercial Modular Construction Company				
		11% Secured Debt (Maturity—August 13, 2019)	10,400	10,273	10,273
		Common Stock (170,577 shares)		2,983	2,590

13,256	12,863

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Houston Plating and Coatings, LLC	Provider of Plating and Industrial Coating Services				
		Member Units (248,082 units)(8)		996	10,820
Indianhead Pipeline Services, LLC	Provider of Pipeline Support Services				
		12% Secured Debt (Maturity— February 6, 2017)	6,225	6,046	6,046
		Preferred Member Units (33,819 units; 8% cumulative)		2,302	2,302
		Warrants (31,928 equivalent units)		459	—
		Member Units (14,732 units)		1	—
				8,808	8,348
KBK Industries, LLC	Manufacturer of Specialty Oilfield and Industrial Products				
		12.5% Secured Debt (Maturity— September 28, 2017)	6,200	6,170	6,200
		Member Units (250 units)(8)		341	4,090
				6,511	10,290
L.F. Manufacturing Holdings, LLC(10)	Manufacturer of Fiberglass Products				
		Member Units (2,000,000 units)(8)		2,019	1,790
MPS Denver, LLC	Specialty Card Printing				
		Member Units (13,800 units)		1,130	1,130
OnAsset Intelligence, Inc.	Provider of Transportation Monitoring / Tracking Products and Services				
		12% PIK Secured Debt (Maturity— December 31, 2015)	3,887	3,887	3,887
		Preferred Stock (912 shares; 7% cumulative)(8)		1,981	1,380
		Warrants (5,333 equivalent shares)		1,919	—
				7,787	5,267
OPI International Ltd.(13)	Provider of Man Camp and Industrial Storage Services				
		10% Unsecured Debt (Maturity— April 8, 2018)	244	244	244
		Common Stock (20,766,317 shares)		1,371	3,200
				1,615	3,444
PCI Holding Company, Inc.	Manufacturer of Industrial Gas Generating Systems				
		Preferred Stock (1,500,000 shares; 20% cumulative)(8)		2,625	4,750

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Radial Drilling Services Inc	Oil and Gas Lateral Drilling Technology Provider				
		12% Secured Debt (Maturity—November 22, 2016)	4,200	3,936	2,000
		Warrants (316 equivalent shares)		758	—
				4,694	2,000
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	Provider of Rigsite Accommodation Unit Rentals and Related Services				
		12% Secured Debt (Maturity—January 8, 2018)(14)(18)	30,785	30,281	250
		Preferred Member Units (250 units)		2,500	—
				32,781	250
Samba Holdings, Inc	Provider of Intelligent Driver Record Monitoring Software and Services				
		12.5% Secured Debt (Maturity—November 17, 2016)	25,665	25,522	25,665
		Common Stock (170,963 shares)		2,087	20,410
				27,609	46,075
Tin Roof Acquisition Company	Casual Restaurant Group				
		12% Secured Debt (Maturity—November 13, 2018)	14,100	13,898	13,898
		Class C Preferred Stock (Fully diluted 10.0%; 10% cumulative)(8)		2,415	2,415
				16,313	16,313
Universal Wellhead Services Holdings, LLC(10)	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry				
		Class A Units (4,000,000 units; 4.5% cumulative)(8)		4,000	3,091
Volusion, LLC	Provider of Online Software-as-a-Service eCommerce Solutions				
		10.5% Secured Debt (Maturity—January 26, 2020)	17,500	16,139	16,139
		Warrants (950,618 equivalent units)		1,400	1,400
		Preferred Member Units (4,876,670 units)		14,000	14,000
				31,539	31,539
Subtotal Affiliate Investments (17.2% of total investments at fair value)				312,016	322,497

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Non-Control/Non-Affiliate Investments(7)					
Allflex Holdings III Inc.(11)	Manufacturer of Livestock Identification Products				
		LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity—July 19, 2021)(9)	10,150	10,077	10,029
AM General LLC(11)	Specialty Vehicle Manufacturer				
		LIBOR Plus 9.00% (Floor 1.25%), Current Coupon 10.25%, Secured Debt (Maturity—March 22, 2018) (9)	2,256	2,218	1,914
AM3 Pinnacle Corporation(10)	Provider of Comprehensive Internet, TV and Voice Services for Multi-Dwelling Unit Properties				
		Common Stock (60,240 shares)		2,000	—
American Seafoods Group, LLC(11)	Catcher-Processor of Alaskan Pollock				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—August 19, 2021) (9)	10,000	9,988	9,950
AmeriTech College, LLC	For-Profit Nursing and Healthcare College				
		10% Secured Debt (Maturity—November 30, 2019)	489	489	489
		10% Secured Debt (Maturity—January 31, 2020)	3,025	3,025	2,668
				3,514	3,157
AMF Bowling Centers, Inc.(11)	Bowling Alley Operator				
		LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity—September 18, 2021)(9)	7,927	7,818	7,908
Anchor Hocking, LLC(11)	Household Products Manufacturer				
		LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity—June 4, 2018)(9)	2,312	2,312	2,323
		Member Units (440,620 units)		4,928	3,415
				7,240	5,738
AP Gaming I, LLC(10)	Developer, Manufacturer, and Operator of Gaming Machines				
		LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity—December 20, 2020)(9)	11,343	11,128	11,210

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Applied Products, Inc.(10)	Adhesives Distributor				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—September 30, 2019)(9)	5,850	5,794	5,794
Arcus Hunting LLC.(10)	Manufacturer of Bowhunting and Archery Products and Accessories				
		LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity—November 13, 2019)(9)	10,875	10,758	10,758
Artel, LLC(11)	Provider of Secure Satellite Network and IT Solutions				
		LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity—November 27, 2017)(9)	8,204	8,073	7,589
ATS Workholding, Inc.(10)	Manufacturer of Machine Cutting Tools and Accessories				
		LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—March 10, 2019)(9)	6,571	6,528	6,528
ATX Networks Corp.(11)(13)	Provider of Radio Frequency Management Equipment				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—June 14, 2021)(9)	14,963	14,673	14,888
Barfly Ventures, LLC(10)	Casual Restaurant Group				
		12% Secured Debt (Maturity—August 31, 2020)	4,121	4,039	4,039
		Warrants (1 equivalent share)		473	473
				4,512	4,512
Berry Aviation, Inc.(10)	Airline Charter Service Operator				
		12.00% Current / 1.75% PIK Secured Debt (Maturity—January 30, 2020)	5,627	5,576	5,576
		Common Stock (553 shares)		400	400
				5,976	5,976
Bioventus LLC(10)	Production of Orthopedic Healing Products				
		LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.00%, Secured Debt (Maturity—April 10, 2020)(9)	5,000	4,914	4,950
Blackbrush Oil and Gas LP(11)	Oil & Gas Exploration				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured			

Debt (Maturity—July 30, 2021)(9)	4,000	3,974	3,403

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Blackhawk Specialty Tools LLC(11)	Oilfield Equipment & Services				
		LIBOR Plus 5.25% (Floor 1.25%), Current Coupon 6.50%, Secured Debt (Maturity—August 1, 2019)(9)	5,975	5,947	5,587
Blue Bird Body Company(11)	School Bus Manufacturer				
		LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—June 26, 2020)(9)	9,845	9,724	9,827
Bluestem Brands, Inc.(11)(13)	Multi-Channel Retailer of General Merchandise				
		LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—November 6, 2020)(9)	13,820	13,522	13,637
Brainworks Software, LLC(10)	Advertising Sales and Newspaper Circulation Software				
		Prime Plus 7.25% (Floor 3.25%), Current Coupon 10.50%, Secured Debt (Maturity—July 22, 2019)(9)	626	619	619
		LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity—July 22, 2019)(9)	6,224	6,161	6,161
				6,780	6,780
Brightwood Capital Fund III, LP(12)(13)	Investment Partnership				
		LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 1.6%) (8)		11,250	11,250
Brundage-Bone Concrete Pumping, Inc.(11)	Construction Services Provider				
		10.375% Secured Debt (Maturity—September 1, 2021)	2,500	2,500	2,513
Calloway Laboratories, Inc.(10)	Health Care Testing Facilities				
		17% PIK Secured Debt (Maturity—September 30, 2016)(14)	7,381	7,332	—
		Warrants (125,000 equivalent shares)		17	—
				7,349	—
Cengage Learning Acquisitions, Inc.(11)	Provider of Educational Print and Digital Services				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—March 31, 2020) (9)	9,744	9,705	9,683

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Cenveo Corporation(11)	Provider of Commercial Printing, Envelopes, Labels, Printed Office Products	6% Secured Debt (Maturity—August 1, 2019)	10,000	8,639	8,400
CGSC of Delaware Holdings Corp. (11)(13)	Insurance Brokerage Firm	LIBOR Plus 7.00% (Floor 1.25%), Current Coupon 8.25%, Secured Debt (Maturity—October 16, 2020) (9)	2,000	1,978	1,700
Charlotte Russe, Inc(11)	Fast-Fashion Retailer to Young Women	LIBOR Plus 5.50% (Floor 1.25%), Current Coupon 6.75%, Secured Debt (Maturity—May 22, 2019)(9)	14,346	14,047	11,958
Clarius ASIG, LLC(10)	Prints & Advertising Film Financing	15% PIK Secured Debt (Maturity—September 14, 2014)(17)	615	612	615
Clarius BIGS, LLC(10)	Prints & Advertising Film Financing	15% PIK Secured Debt (Maturity—January 5, 2015)(14)(17)	3,500	3,500	888
Compact Power Equipment, Inc	Equipment / Tool Rental	12% Secured Debt (Maturity—October 1, 2017)	4,100	4,089	4,100
		Series A Preferred Stock (4,298,435 shares)(8)		1,079	2,930
				5,168	7,030
Compuware Corporation(11)	Provider of Software and Supporting Services	LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 6.25%, Secured Debt (Maturity—December 15, 2019)(9)	14,438	14,076	13,983
Covenant Surgical Partners, Inc. (11)	Ambulatory Surgical Centers	8.75% Secured Debt (Maturity—August 1, 2019)	1,000	1,000	1,002
CRGT Inc.(11)	Provider of Custom Software Development	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—December 19, 2020)(9)	14,259	14,026	14,224
CST Industries Inc.(11)	Storage Tank Manufacturer	LIBOR Plus 6.25% (Floor 1.50%),			

Current Coupon 7.75%, Secured Debt (Maturity—May 22, 2017)(9)	8,670	8,633	8,626

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Consolidated Schedule Of Investments (Continued)

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(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Darr Equipment LP(10)	Heavy Equipment Dealer				
		11.75% Current / 2% PIK Secured Debt (Maturity—April 15, 2020)	20,601	20,050	20,050
		Warrants (915,734 equivalent units)		474	410
				20,524	20,460
Digital River, Inc.(11)	Provider of Outsourced e-Commerce Solutions and Services				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—February 12, 2021)(9)	15,000	14,831	15,000
Digity Media LLC(11)	Radio Station Operator				
		LIBOR Plus 4.75% (Floor 1.25%), Current Coupon 6.00%, Secured Debt (Maturity—February 8, 2019)(9)	6,588	6,535	6,539
Drilling Info, Inc	Information Services for the Oil and Gas Industry				
		Common Stock (3,788,865 shares)		1,335	9,920
ECP-PF Holdings Group, Inc.(10)	Fitness Club Operator				
		LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity—November 26, 2019)(9)	5,625	5,577	5,577
EnCap Energy Fund Investments(12)(13)	Investment Partnership				
		LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		3,629	2,722
		LP Interests (EnCap Energy Capital Fund VIII Co- Investors, L.P.) (Fully diluted 0.4%)		2,140	1,002
		LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)		2,850	2,420
		LP Interests (EnCap Flatrock Midstream Fund X, L.P.) (Fully diluted 0.1%)		433	433
		LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)		7,205	7,635
		LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)		423	423
				16,680	14,635
Energy and Exploration Partners, LLC(11)	Oil & Gas Exploration & Production				
		LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 7.75%, Secured Debt (Maturity—January 22, 2019)(9)	9,390	9,048	7,168

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

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(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)	Technology-based Performance Support Solutions				
		LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity—April 28, 2022)(9)	7,000	6,833	6,020
Extreme Reach, Inc.(11)	Integrated TV and Video Advertising Platform				
		LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 6.75%, Secured Debt (Maturity—February 7, 2020) (9)	14,353	14,338	14,299
Flavors Holdings Inc.(11)	Global Provider of Flavoring and Sweetening Products and Solutions				
		LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 6.75%, Secured Debt (Maturity—April 3, 2020)(9)	11,484	11,134	10,896
Fram Group Holdings, Inc.(11)	Manufacturer of Automotive Maintenance Products				
		LIBOR Plus 5.50% (Floor 1.50%), Current Coupon 7.00%, Secured Debt (Maturity—July 29, 2017)(9)	9,652	9,531	8,445
		LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00%, Secured Debt (Maturity—January 29, 2018) (9)	700	698	376
				10,229	8,821
GI KBS Merger Sub LLC(11)	Outsourced Janitorial Services to Retail/Grocery Customers				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—October 29, 2021) (9)	2,978	2,971	2,940
		LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity—April 29, 2022)(9)	800	785	804
				3,756	3,744
Grace Hill, LLC(10)	Online Training Tools for the Multi-Family Housing Industry				
		LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity—August 15, 2019) (9)	9,498	9,403	9,503

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

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(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Great Circle Family Foods, LLC(10)	Quick Service Restaurant Franchise				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—October 28, 2019) (9)	7,899	7,829	7,829
Grupo Hima San Pablo, Inc.(11)	Tertiary Care Hospitals				
		LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity—January 31, 2018) (9)	4,875	4,823	4,534
		13.75% Secured Debt (Maturity—July 31, 2018)	2,000	1,938	1,840
				6,761	6,374
GST Autoleather, Inc.(11)	Automotive Leather Manufacturer				
		LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—July 10, 2020)(9)	9,900	9,818	9,752
Guitar Center, Inc.(11)	Musical Instruments Retailer				
		6.5% Secured Debt (Maturity—April 15, 2019)	9,000	8,590	8,280
Halcon Resources Corporation(11)(13)	Oil & Gas Exploration & Production				
		9.75% Unsecured Debt (Maturity—July 15, 2020)	6,925	6,371	2,355
Hojeij Branded Foods, LLC(10)	Multi-Airport, Multi- Concept Restaurant Operator				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—July 27, 2021)(9)	5,357	5,305	5,305
Horizon Global Corporation(11)	Auto Parts Manufacturer				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—June 30, 2021)(9)	9,875	9,684	9,801
Hostway Corporation(11)	Managed Services and Hosting Provider				
		LIBOR Plus 4.75% (Floor 1.25%), Current Coupon 6.00%, Secured Debt (Maturity—December 13, 2019)(9)	11,254	11,175	11,198
Hunter Defense Technologies, Inc.(11)	Provider of Military and Commercial Shelters and Systems				
		LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—August 5, 2019)(9)	9,500	9,424	9,512

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
ICON Health & Fitness, Inc.(11)	Producer of Fitness Products				
		11.875% Secured Debt (Maturity—October 15, 2016)	6,956	6,893	6,782
iEnergizer Limited(11)(13)	Provider of Business Outsourcing Solutions				
		LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity—May 1, 2019)(9)	8,404	8,316	7,774
Indivior Finance LLC(11)(13)	Specialty Pharmaceutical Company Treating Opioid Dependence				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—December 19, 2019)(9)	7,219	6,829	6,840
Infinity Acquisition Finance Corp. (11)	Application Software for Capital Markets				
		7.25% Unsecured Debt (Maturity—August 1, 2022)	4,000	4,000	3,580
Inn of the Mountain Gods Resort and Casino(11)	Hotel & Casino Owner & Operator				
		9.25% Secured Debt (Maturity—November 30, 2020)	3,851	3,703	3,581
Insurance Technologies, LLC(10)	Illustration and Sales-automation platforms				
		LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity—December 1, 2019)(9)	4,870	4,821	4,821
Intertain Group Limited(11)(13)	Business-to-Consumer Online Gaming Operator				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—April 8, 2022)(9)	11,700	11,510	11,759
iPayment, Inc.(11)	Provider of Merchant Acquisition				
		LIBOR Plus 5.25% (Floor 1.50%), Current Coupon 6.75%, Secured Debt (Maturity—May 8, 2017)(9)	15,026	14,980	14,789
iQor US Inc.(11)	Business Process Outsourcing Services Provider				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—April 1, 2021)(9)	9,912	9,736	8,128
irth Solutions, LLC	Provider of Damage Prevention Information				

Technology Services	Member Units (27,893 units)	1,441	1,441

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Jackmont Hospitality, Inc.(10)	Family-owned TGIF Franchisee				
		LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 7.75%, Secured Debt (Maturity—May 26, 2021)(9)	4,237	4,216	4,216
Joerns Healthcare, LLC(11)	Manufacturer and Distributor of Health Care Equipment & Supplies				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—May 9, 2020)(9)	14,880	14,781	14,806
John Deere Landscapes LLC(10)	Distributor of Landscaping Supplies				
		LIBOR Plus 4.00% (Floor 1.00%), Current Coupon 5.00%, Secured Debt (Maturity—December 23, 2019)(9)	8,508	8,180	8,508
JSS Holdings, Inc.(11)	Aircraft Maintenance Program Provider				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—August 31, 2021)(9)	13,500	13,233	13,298
Kendra Scott, LLC(11)	Jewelry Retail Stores				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—July 17, 2020)(9)	10,000	9,904	9,975
Keypoint Government Solutions, Inc.(11)	Provider of Pre-Employment Screening Services				
		LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity—November 13, 2017)(9)	6,514	6,473	6,514
LaMi Products, LLC(10)	General Merchandise Distribution				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—September 16, 2020)(9)	4,563	4,532	4,532
Lansing Trade Group LLC(11)	Commodity Merchandiser				
		9.25% Unsecured Debt (Maturity—February 15, 2019)	6,000	6,000	5,775
Larchmont Resources, LLC(11)	Oil & Gas Exploration & Production				
		LIBOR Plus 8.75% (Floor 1.00%), Current Coupon 9.75%, Secured Debt (Maturity—August 7, 2019)(9)	7,852	7,535	6,674

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Leadrock Properties, LLC	Real Estate Investment				
		10% Secured Debt (Maturity—May 4, 2026)	1,440	1,416	1,416
Legendary Pictures Funding, LLC(10)	Producer of TV, Film, and Comic Content				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—April 22, 2020)(9)	7,500	7,366	7,462
LKCM Headwater Investments I, L.P.(12)(13)	Investment Partnership				
		LP Interests (Fully diluted 2.3%)(8)		2,250	4,625
Looking Glass Investments, LLC(12)(13)	Specialty Consumer Finance				
		9% Unsecured Debt (Maturity—June 30, 2020)	188	188	188
		Member Units (3 units)		125	125
		Member Units (LGI Predictive Analytics LLC) (190,712 units)		188	188
				501	501
MediMedia USA, Inc.(11)	Provider of Healthcare Media and Marketing				
		LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.00%, Secured Debt (Maturity—November 20, 2018)(9)	7,772	7,708	7,500
Messenger, LLC(10)	Supplier of Specialty Stationery and Related Products to the Funeral Industry				
		LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity—December 5, 2019)(9)	15,772	15,666	15,772
Milk Specialties Company(11)	Processor of Nutrition Products				
		LIBOR Plus 7.00% (Floor 1.25%), Current Coupon 8.25%, Secured Debt (Maturity—November 9, 2018)(9)	5,200	5,177	5,202
Minute Key, Inc.	Operator of Automated Key Duplication Kiosks				
		10% Current / 2% PIK Secured Debt (Maturity—September 19, 2019)	10,122	9,770	9,770
		Warrants (1,437,409 equivalent units)		280	280
				10,050	10,050
Miramax Film NY, LLC(11)	Motion Picture Producer and Distributor				
		Class B Units (12% cumulative)(8)		864	864

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Mood Media Corporation(11)(13)	Provider of Electronic Equipment				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—May 1, 2019)(9)	14,996	14,860	14,665
Motor Coach Industries International, Inc.(10)	Motor Coach Manufacturer				
		LIBOR Plus 6.50% (Floor 0.50%), Current Coupon 7.00%, Secured Debt (Maturity—July 1, 2020)(9)	10,000	9,964	9,964
New Media Holdings II LLC(11)(13)	Local Newspaper Operator				
		LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity—June 4, 2020)(9)	14,813	14,570	14,761
North Atlantic Trading Company, Inc.(11)	Marketer/Distributor of Tobacco Products				
		LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity—January 13, 2020)(9)	10,366	10,289	10,288
Novitex Intermediate, LLC(11)	Provider of Document Management Services				
		LIBOR Plus 6.25% (Floor 1.25%), Current Coupon 7.50%, Secured Debt (Maturity—July 7, 2020)(9)	8,747	8,579	8,310
Ospemifene Royalty Sub LLC (QuatRx)(10)	Estrogen-Deficiency Drug Manufacturer and Distributor				
		11.5% Secured Debt (Maturity—November 15, 2026)	5,071	5,071	5,071
Panolam Industries International, Inc.(11)	Decorative Laminate Manufacturer				
		LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity—August 23, 2017)(9)	9,613	9,564	9,517
Paris Presents Incorporated(11)	Branded Cosmetic and Bath Accessories				
		LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity—December 31, 2021)(9)	2,000	1,963	2,000
Parq Holdings Limited Partnership(11)(13)	Hotel & Casino Operator				
		LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—December 17, 2020)(9)	7,500	7,364	7,444

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Permian Holdings, Inc.(11)	Storage Tank Manufacturer				
		10.5% Secured Debt (Maturity—January 15, 2018)	2,755	2,737	1,529
Pernix Therapeutics Holdings, Inc. (10)	Pharmaceutical Royalty— Anti-Migraine				
		12% Secured Debt (Maturity—August 1, 2020)	3,818	3,818	4,062
PeroxyChem LLC(11)	Chemical Manufacturer				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—February 28, 2020)(9)	8,855	8,716	8,855
Pike Corporation(11)	Construction and Maintenance Services for Electric Transmission and Distribution Infrastructure				
		LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity—June 22, 2022)(9)	15,000	14,654	14,813
Point.360(10)	Fully Integrated Provider of Digital Media Services				
		Common Stock (163,658 shares)		273	156
		Warrants (65,463 equivalent shares)		69	13
				342	169
Primesight Limited(10)(13)	Outdoor Advertising Operator				
		10% Secured Debt (Maturity—October 22, 2016)	8,456	8,419	7,711
Prowler Acquisition Corp.(11)	Specialty Distributor to the Energy Sector				
		LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity—January 28, 2020)(9)	2,696	2,293	2,345
PT Network, LLC(10)	Provider of Outpatient Physical Therapy and Sports Medicine Services				
		LIBOR Plus 7.75% (Floor 1.50%), Current Coupon 9.25%, Secured Debt (Maturity—November 1, 2018)(9)	14,159	14,042	14,042
QBS Parent, Inc.(11)	Provider of Software and Services to the Oil & Gas Industry				
		LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 5.75%, Secured			

Debt (Maturity—August 7, 2021)(9)	11,417	11,328	11,375

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Raley's(11)	Family-owned Supermarket Chain in California				
		LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity—May 18, 2022)(9)	7,159	7,021	7,159
RCHP, Inc.(11)	Regional Non-Urban Hospital Owner/Operator				
		LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity—April 23, 2019)(9)	7,462	7,429	7,403
		LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.50%, Secured Debt (Maturity—October 23, 2019)(9)	4,000	3,951	4,035
				11,380	11,438
Relativity Media, LLC(10)	Full-Scale Film and Television Production and Distribution				
		17% PIK Secured Debt (Maturity—May 30, 2015)(14)(18)	7,980	7,980	2,882
		Class A Units (260,194 units)		292	—
				8,272	2,882
Relevant Solutions, LLC (f/k/a LKCM Distribution Holdings, L.P.)	Distributor of Industrial Process Equipment				
		12% Current / 2.5% PIK Secured Debt (Maturity— December 23, 2018)	16,417	16,299	16,417
Renaissance Learning, Inc.(11)	Technology-based K-12 Learning Solutions				
		LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity—April 11, 2022)(9)	3,000	2,974	2,920
RGL Reservoir Operations Inc.(11)(13)	Oil & Gas Equipment and Services				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—August 13, 2021)(9)	3,960	3,857	1,584
RLJ Entertainment, Inc.(10)	Movie and TV Programming Licensee and Distributor				
		LIBOR Plus 8.75% (Floor 0.25%), Current Coupon 9.00%, Secured Debt (Maturity—September 11, 2019)(9)	9,455	9,449	9,449
SAExploration, Inc.(10)(13)	Geophysical Services Provider				
		Common Stock (6,472 shares)		65	27

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Sage Automotive Interiors, Inc(11)	Automotive Textiles Manufacturer				
		LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity—October 8, 2021)(9)	3,000	2,973	2,978
Salient Partners L.P.(11)	Provider of Asset Management Services				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—June 9, 2021)(9)	7,500	7,356	7,387
Sotera Defense Solutions, Inc.(11)	Defense Industry Intelligence Services				
		LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 9.00%, Secured Debt (Maturity—April 21, 2017)(9)	10,156	9,882	9,395
Stardust Finance Holdings, Inc.(11)	Manufacturer of Diversified Building Products				
		LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—March 13, 2022)(9)	12,438	12,264	12,352
Subsea Global Solutions, LLC(10)	Underwater Maintenance and Repair Services				
		LIBOR Plus 6.00% (Floor 1.50%), Current Coupon 7.50%, Secured Debt (Maturity—March 17, 2020)(9)	4,560	4,506	4,506
SUNE Utility Bridge Capital LLC(10)(13)	Renewable Power Developer				
		LIBOR Plus 7.00%, Current Coupon 7.29%, Secured Debt (Maturity—March 30, 2016)	5,000	4,924	4,924
Synagro Infrastructure Company, Inc(11)	Waste Management Services				
		LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 6.25%, Secured Debt (Maturity—August 22, 2020)(9)	4,714	4,644	4,337
Targus Group International(11)	Distributor of Protective Cases for Mobile Devices				
		LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00% / 1.00% PIK, Current Coupon Plus PIK 12.00%, Secured Debt (Maturity—May 24, 2016)(9)	4,258	4,263	3,193

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
TeleGuam Holdings, LLC(11)	Cable and Telecom Services Provider				
		LIBOR Plus 4.00% (Floor 1.25%), Current Coupon 5.25%, Secured Debt (Maturity—December 10, 2018)(9)	7,995	7,981	7,985
		LIBOR Plus 7.50% (Floor 1.25%), Current Coupon 8.75%, Secured Debt (Maturity—June 10, 2019)(9)	2,500	2,483	2,494
				10,464	10,479
Templar Energy LLC(11)	Oil & Gas Exploration & Production				
		LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—November 25, 2020)(9)	4,000	3,960	1,817
The Tennis Channel, Inc.(10)	Television-Based Sports Broadcasting				
		Warrants (114,316 equivalent shares)		235	301
The Topps Company, Inc.(11)	Trading Cards & Confectionary				
		LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity—October 2, 2018)(9)	1,965	1,952	1,936
TOMS Shoes, LLC(11)	Global Designer, Distributor, and Retailer of Casual Footwear				
		LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—October 30, 2020)(9)	4,975	4,539	4,652
Travel Leaders Group, LLC(11)	Travel Agency Network Provider				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—December 7, 2020)(9)	12,927	12,824	12,959
UniTek Global Services, Inc.(11)	Provider of Outsourced Infrastructure Services				
		LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—January 13, 2019)(9)	2,826	2,826	2,812
		LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity—January 13, 2019)(9)	1,376	1,376	1,370
		15% PIK Unsecured Debt (Maturity—July 13, 2019)	618	618	615
		Common Stock (705,054 shares)		—	290
		Preferred Stock (4,935,377 shares)		4,935	5,430
				9,755	10,517

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Universal Fiber Systems, LLC(10)	Manufacturer of Synthetic Fibers				
		LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity—January 31, 2019)(9)	1,821	1,817	1,821
US Joiner Holding Company(11)	Marine Interior Design and Installation				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—April 16, 2020)(9)	7,388	7,358	7,314
Vantage Oncology, LLC(11)	Outpatient Radiation Oncology Treatment Centers				
		9.5% Secured Debt (Maturity—June 15, 2017)	12,050	11,920	10,785
Virtex Enterprises, LP(10)	Specialty, Full-Service Provider of Complex Electronic Manufacturing Services				
		12% Secured Debt (Maturity—December 27, 2018)	1,667	1,507	1,507
		Preferred Class A Units (14 units; 5% cumulative)(8)		333	512
		Warrants (11 equivalent units)		186	135
				2,026	2,154
Vision Solutions, Inc.(11)	Provider of Information Availability Software				
		LIBOR Plus 8.00% (Floor 1.50%), Current Coupon 9.50%, Secured Debt (Maturity—July 23, 2017)(9)	5,000	4,984	5,000
Western Dental Services, Inc.(11)	Dental Care Services				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—November 1, 2018)(9)	5,355	5,351	4,699
Wilton Brands LLC(11)	Specialty Housewares Retailer				
		LIBOR Plus 7.25% (Floor 1.25%), Current Coupon 8.50%, Secured Debt (Maturity—August 30, 2018)(9)	1,615	1,597	1,581
Worley Claims Services, LLC(10)	Insurance Adjustment Management and Services Provider				
		LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity—October 31, 2020)(9)	6,451	6,395	6,418

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
YP Holdings LLC(11)	Online and Offline Advertising Operator				
		LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.00%, Secured Debt (Maturity—June 4, 2018)(9)	3,000	2,974	2,980
Zilliant Incorporated	Price Optimization and Margin Management Solutions				
		Preferred Stock (186,777 shares)		154	260
		Warrants (952,500 equivalent shares)		1,071	1,190
				1,225	1,450
Subtotal Non-Control/Non-Affiliate Investments (52.2% of total investments at fair value)				1,008,980	976,912
Total Portfolio Investments, September 30, 2015				1,723,298	1,867,434

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Marketable Securities and Idle Funds Investments					
PennantPark Investment Corporation(13)(15)	Business Development Company				
		Common Stock (343,149 shares)(8)		3,629	2,220
Triangle Capital Corporation(13)(15)	Business Development Company				
		Common Stock (71,481 shares)(8)		1,606	1,178
Other Marketable Securities and Idle Funds Investments(13)(15)	Investments in Marketable Securities and Diversified, Registered Bond Funds				
				1,406	1,185
Subtotal Marketable Securities and Idle Funds Investments (0.2% of total investments at fair value)				6,641	4,583
Total Investments, September 30, 2015				$ 1,729,939	$ 1,872,017

(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. Variable rate loans bear interest at a rate that may be determined by reference to either LIBOR (which can include one-, two-, three- or six-month LIBOR) or Prime, at the borrower's option, which rates reset periodically based on the terms of the loan agreement.

(10) Private Loan portfolio investment. See Note B for a description of Private Loan portfolio investments.

(11) Middle Market portfolio investment. See Note B for a description of Middle Market portfolio investments.

(12) Other Portfolio investment. See Note B for a description of Other Portfolio investments.

(13) Investment is not a qualifying asset as defined under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets.

(14) Non-accrual and non-income producing investment.

(15) Marketable securities and idle fund investments.

(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) 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.

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Control Investments(5)					
ASC Interests, LLC	Recreational and Educational Shooting Facility				
		11% Secured Debt (Maturity— July 31, 2018)	3,000	2,954	3,000
		Member Units (1,500 units)(8)		1,500	1,970
				4,454	4,970
Bond-Coat, Inc.	Casing and Tubing Coating Services				
		12% Secured Debt (Maturity— December 28, 2017)	13,570	13,446	13,570
		Common Stock (57,508 shares)		6,350	11,210
				19,796	24,780
Café Brazil, LLC	Casual Restaurant Group				
		Member Units (1,233 units)(8)		1,742	6,980
California Healthcare Medical Billing, Inc.	Outsourced Billing and Revenue Cycle Management				
		9% Secured Debt (Maturity— October 17, 2016)	8,703	8,568	8,703
		Warrants (466,947 equivalent shares)		1,193	3,480
		Common Stock (207,789 shares)		1,177	1,460
				10,938	13,643
CBT Nuggets, LLC	Produces and Sells IT Training Certification Videos				
		Member Units (416 units)(8)		1,300	27,200
Ceres Management, LLC (Lambs Tire & Automotive)	Aftermarket Automotive Services Chain				
		14% Secured Debt (Maturity— May 31, 2018)	3,916	3,916	3,916
		Class B Member Units (12% cumulative)(8)		4,048	4,048
		Member Units (5,460 units)		5,273	2,510
		9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity —October 1, 2025)	968	968	968
		Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)		625	1,240
				14,830	12,682
Datacom, LLC	Technology and Telecommunications Provider				
		10.5% Secured Debt (Maturity— May 31, 2019)	11,205	11,103	11,103
		Preferred Member Units (6,453 units)		6,030	6,030
				17,133	17,133

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Garreco, LLC	Manufacturer and Supplier of Dental Products				
		14% Secured Debt (Maturity—January 12, 2018)	5,400	5,320	5,320
		Member Units (1,200 units)(8)		1,200	1,360
				6,520	6,680
GRT Rubber Technologies LLC	Engineered Rubber Product Manufacturer				
		LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity—December 19, 2019)(9)	16,750	16,585	16,585
		Member Units (5,879 units)		13,065	13,065
				29,650	29,650
Gulf Manufacturing, LLC	Manufacturer of Specialty Fabricated Industrial Piping Products				
		9% PIK Secured Debt (Ashland Capital IX, LLC) (Maturity—June 30, 2017)	744	744	744
		Member Units (438 units)(8)		2,980	16,540
				3,724	17,284
Harrison Hydra-Gen, Ltd.	Manufacturer of Hydraulic Generators				
		12% Secured Debt (Maturity—June 4, 2015)	5,487	5,409	5,487
		Preferred Stock (8% cumulative)(8)		1,260	1,260
		Common Stock (105,880 shares)		718	1,830
				7,387	8,577
Hawthorne Customs and Dispatch Services, LLC	Facilitator of Import Logistics, Brokerage, and Warehousing				
		Member Units (500 units)(8)		589	370
		Member Units (Wallisville Real Estate, LLC) (588,210 units)(8)		1,215	2,220
				1,804	2,590
Hydratec, Inc.	Designer and Installer of Micro-Irrigation Systems				
		Common Stock (7,095 shares)(8)		7,095	13,720
IDX Broker, LLC	Provider of Marketing and CRM Tools for the Real Estate Industry				
		LIBOR Plus 6.50% (Floor 1.50%), Current Coupon 8.00%, Secured Debt (Maturity—November 18, 2018)(9)	125	125	125
		12.5% Secured Debt (Maturity—November 18, 2018)	10,571	10,483	10,571
		Member Units (5,029 units)		5,029	5,450
				15,637	16,146

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Impact Telecom, Inc.	Telecommunications Services Provider				
		LIBOR Plus 6.50% (Floor 2.00%), Current Coupon 8.50%, Secured Debt (Maturity—May 31, 2018)(9)	1,575	1,569	1,569
		13% Secured Debt (Maturity—May 31, 2018)	22,500	15,515	15,515
		Warrants (5,516,667 equivalent shares)		8,000	4,160
				25,084	21,244
Indianapolis Aviation Partners, LLC	Fixed Base Operator				
		15% Secured Debt (Maturity—January 15, 2015)	3,100	3,100	3,100
		Warrants (1,046 equivalent units)		1,129	2,540
				4,229	5,640
Jensen Jewelers of Idaho, LLC	Retail Jewelry Store				
		Prime Plus 6.75% (Floor 3.25%), Current Coupon 10.00%, Secured Debt (Maturity—November 14, 2016)(9)	3,655	3,618	3,655
		Member Units (627 units)(8)		811	3,580
				4,429	7,235
Lighting Unlimited, LLC	Commercial and Residential Lighting Products and Design Services				
		8% Secured Debt (Maturity—August 22, 2015)	1,550	1,550	1,550
		Preferred Equity (non-voting)		439	439
		Warrants (71 equivalent units)		54	40
		Member Units (700 units)(8)		100	360
				2,143	2,389
Marine Shelters Holdings, LLC (LoneStar Marine Shelters)	Fabricator of Marine and Industrial Shelters				
		12% Secured Debt (Maturity—December 28, 2017)	10,250	10,112	10,112
		Preferred Member Units (2,669 units)		3,750	3,750
				13,862	13,862
Mid-Columbia Lumber Products, LLC	Manufacturer of Finger-Jointed Lumber Products				
		10% Secured Debt (Maturity—December 18, 2017)	1,750	1,750	1,750
		12% Secured Debt (Maturity—December 18, 2017)	3,900	3,900	3,900
		Member Units (2,829 units)(8)		1,244	10,180
		9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity—May 13, 2025)	927	927	927
		Member Units (Mid-Columbia Real Estate, LLC) (250 units)(8)		250	550
				8,071	17,307

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
MSC Adviser I, LLC(16)	Third Party Investment Advisory Services				
		Member Units (Fully diluted 100.0%) (8)		—	15,580
Mystic Logistics, Inc	Logistics and Distribution Services Provider for Large Volume Mailers				
		12% Secured Debt (Maturity—August 15, 2019)	10,000	9,790	9,790
		Common Stock (5,873 shares)		2,720	2,720
				12,510	12,510
NAPCO Precast, LLC	Precast Concrete Manufacturing				
		Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity—September 1, 2015)(9)	625	615	625
		Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity—February 1, 2016) (9)	2,923	2,915	2,923
		18% Secured Debt (Maturity—February 1, 2016)	4,468	4,440	4,468
		Member Units (2,955 units)(8)		2,975	7,560
				10,945	15,576
NRI Clinical Research, LLC	Clinical Research Service Provider				
		14% Secured Debt (Maturity—September 8, 2016)	4,889	4,779	4,779
		Warrants (251,723 equivalent units)		252	160
		Member Units (671,233 units)		671	722
				5,702	5,661
NRP Jones, LLC	Manufacturer of Hoses, Fittings and Assemblies				
		12% Secured Debt (Maturity—December 22, 2016)	12,100	11,590	11,590
		Warrants (14,331 equivalent units)		817	970
		Member Units (50,877 units)(8)		2,900	3,190
				15,307	15,750
OMi Holdings, Inc.	Manufacturer of Overhead Cranes				
		Common Stock (1,500 shares)(8)		1,080	13,420
Pegasus Research Group, LLC (Televerde)	Provider of Telemarketing and Data Services				
		Member Units (460 units)(8)		1,290	5,860
PPL RVs, Inc.	Recreational Vehicle Dealer				
		11.1% Secured Debt (Maturity—June 10, 2015)	7,860	7,848	7,860
		Common Stock (1,961 shares)		2,150	8,160
				9,998	16,020

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Principle Environmental, LLC	Noise Abatement Service Provider				
		12% Secured Debt (Maturity—April 30, 2017)	4,060	3,813	4,060
		12% Current / 2% PIK Secured Debt (Maturity—April 30, 2017)	3,244	3,227	3,244
		Preferred Member Units (19,631 units)		4,663	11,830
		Warrants (1,036 equivalent units)		1,200	720
				12,903	19,854
River Aggregates, LLC	Processor of Construction Aggregates				
		Zero Coupon Secured Debt (Maturity—June 30, 2018)	750	468	468
		12% Secured Debt (Maturity—June 30, 2018)	500	500	500
		Member Units (1,150 units)(8)		1,150	2,570
		Member Units (RA Properties, LLC) (1,500 units)		369	369
				2,487	3,907
SoftTouch Medical Holdings LLC	Home Provider of Pediatric Durable Medical Equipment				
		LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity—October 31, 2019) (9)	8,500	8,417	8,417
		Member Units (4,526 units)		5,015	5,015
				13,432	13,432
Southern RV, LLC	Recreational Vehicle Dealer				
		13% Secured Debt (Maturity—August 8, 2018)	11,400	11,266	11,400
		Member Units (1,680 units)(8)		1,680	4,920
		13% Secured Debt (Southern RV Real Estate, LLC) (Maturity—August 8, 2018)	3,250	3,212	3,250
		Member Units (Southern RV Real Estate, LLC) (480 units)		480	470
				16,638	20,040
The MPI Group, LLC	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories				
		9% Secured Debt (Maturity—October 8, 2018)	2,724	2,724	2,724
		Series A Preferred Units (2,500 units; 10% Cumulative)		2,500	980
		Warrants (1,424 equivalent units)		1,096	—
		Member Units (MPI Real Estate Holdings, LLC) (100% Fully diluted)(8)		2,300	2,300
				8,620	6,004

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Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Travis Acquisition LLC	Manufacturer of Aluminum Trailers				
		12% Secured Debt (Maturity—August 30, 2018)	4,693	4,617	4,693
		Member Units (7,282 units)		7,100	13,650
				11,717	18,343
Uvalco Supply, LLC	Farm and Ranch Supply Store				
		9% Secured Debt (Maturity—January 1, 2019)	1,802	1,802	1,802
		Member Units (1,006 units)(8)		1,113	3,500
				2,915	5,302
Vision Interests, Inc.	Manufacturer / Installer of Commercial Signage				
		13% Secured Debt (Maturity—December 23, 2016)	3,204	3,169	3,154
		Series A Preferred Stock (3,000,000 shares)		3,000	3,250
		Common Stock (1,126,242 shares)		3,706	100
				9,875	6,504
Ziegler's NYPD, LLC	Casual Restaurant Group				
		Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity—October 1, 2018) (9)	1,500	1,491	1,491
		9% Current / 9% PIK Secured Debt (Maturity—October 1, 2018)	5,509	5,509	4,880
		Warrants (587 equivalent units)		600	—
				7,600	6,371
Subtotal Control Investments (29.9% of total investments at fair value)				342,847	469,846

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Affiliate Investments(6)					
AFG Capital Group, LLC	Provider of Rent-to-Own Financing Solutions and Services				
		11% Secured Debt (Maturity—November 7, 2019)	6,800	6,465	6,465
		Warrants (42 equivalent units)		259	259
		Member Units (186 units)		1,200	1,200
				7,924	7,924
Boss Industries, LLC	Manufacturer and Distributor of Air, Power and Other Industrial Equipment				
		Preferred Member Units (2,242 units)		2,000	2,000
Bridge Capital Solutions Corporation	Financial Services and Cash Flow Solutions Provider				
		13% Secured Debt (Maturity—April 18, 2017)	6,000	5,837	5,837
		Warrants (19 equivalent shares)		200	710
				6,037	6,547
Brightwood Capital Fund III, LP(12)(13)	Investment Partnership				
		LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 9.1%)(8)		8,448	8,448
CAI Software LLC	Provider of Specialized Enterprise Resource Planning Software				
		12% Secured Debt (Maturity—October 10, 2019)	5,400	5,348	5,348
		Member Units (65,356 units)		654	654
				6,002	6,002
Condit Exhibits, LLC	Tradeshow Exhibits / Custom Displays Provider				
		Member Units (3,936 units)(8)		100	610
Congruent Credit Opportunities Funds(12)(13)	Investment Partnership				
		LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)(8)		18,575	18,378
		LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8)		7,734	7,734
				26,309	26,112
Daseke, Inc.	Specialty Transportation Provider				
		12% Current / 2.5% PIK Secured Debt (Maturity—July 31, 2018)	20,723	20,403	20,723
		Common Stock (19,467 shares)		5,213	13,780
				25,616	34,503

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Dos Rios Partners(12)(13)	Investment Partnership				
		LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)(8)		2,325	2,325
		LP Interests (Dos Rios Partners—A, LP) (Fully diluted 6.4%)(8)		738	738
				3,063	3,063
East Teak Fine Hardwoods, Inc.	Distributor of Hardwood Products				
		Common Stock (5,000 shares)(8)		480	860
East West Copolymer & Rubber, LLC	Manufacturer of Synthetic Rubbers				
		12% Secured Debt (Maturity—October 17, 2019)	9,600	9,436	9,436
		Warrants (1,823,278 equivalent units)		50	50
				9,486	9,486
Freeport Financial SBIC Fund LP(12)(13)	Investment Partnership				
		LP Interests (Fully diluted 9.9%)(8)		4,677	4,677
Gault Financial, LLC (RMB Capital, LLC)	Purchases and Manages Liquidation of Distressed Assets				
		10% Secured Debt (Maturity—November 21, 2016)	13,046	12,749	10,782
		Warrants (29,025 equivalent units)		400	—
				13,149	10,782
Glowpoint, Inc.	Provider of Cloud Managed Video Collaboration Services				
		8% Secured Debt (Maturity—October 18, 2018)	400	396	396
		12% Secured Debt (Maturity—October 18, 2018)	9,000	8,909	8,909
		Common Stock (7,711,517 shares)		3,958	8,480
				13,263	17,785
Guerdon Modular Holdings, Inc.	Multi-Family and Commercial Modular Construction Company				
		11% Secured Debt (Maturity—August 13, 2019)	11,200	11,044	11,044
		Common Stock (213,221 shares)		2,400	2,400
				13,444	13,444
Houston Plating and Coatings, LLC	Provider of Plating and Industrial Coating Services				
		Member Units (248,082 units)(8)		996	11,470

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Indianhead Pipeline Services, LLC	Provider of Pipeline Support Services				
		12% Secured Debt (Maturity—February 6, 2017)	6,900	6,625	6,625
		Preferred Member Units (28,905 units; 8% cumulative)(8)		1,960	1,960
		Warrants (38,193 equivalent units)		459	—
		Member Units (14,732 units)		1	—
				9,045	8,585
irth Solutions, LLC	Provider of Damage Prevention Information Technology Services				
		Member Units (128 units)(8)		624	3,960
KBK Industries, LLC	Specialty Manufacturer of Oilfield and Industrial Products				
		12.5% Secured Debt (Maturity—September 28, 2017)	8,250	8,198	8,250
		Member Units (250 units)(8)		341	6,120
				8,539	14,370
L.F. Manufacturing Holdings, LLC(10)	Manufacturer of Fiberglass Products				
		Member Units (2,000,000 units)(8)		2,019	2,374
MPS Denver, LLC	Specialty Card Printing				
		Member Units (13,800 units)		1,130	1,130
OnAsset Intelligence, Inc.	Provider of Transportation Monitoring / Tracking Products and Services				
		12% PIK Secured Debt (Maturity—March 31, 2015)	3,553	3,553	3,553
		Preferred Stock (912 shares; 7% cumulative)(8)		1,947	2,700
		Warrants (5,333 equivalent shares)		1,919	—
				7,419	6,253
OPI International Ltd.(13)	Provider of Man Camp and Industrial Storage Services				
		Common Stock (20,766,317 shares)		1,371	4,971
PCI Holding Company, Inc.	Manufacturer of Industrial Gas Generating Systems				
		Preferred Stock (1,500,000 shares; 20% cumulative)(8)		2,259	4,430

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Quality Lease and Rental Holdings, LLC	Provider of Rigsite Accommodation Unit Rentals and Related Services				
		8% Secured Debt (Maturity—October 1, 2014)(14)(18)	157	157	157
		12% Secured Debt (Maturity—January 8, 2018)(14)(18)	36,577	36,073	11,500
		Preferred Member Units (Rocaciea, LLC) (250 units)		2,500	—
				38,730	11,657
Radial Drilling Services Inc.	Oil and Gas Technology Provider				
		12% Secured Debt (Maturity—November 22, 2016)	4,200	3,792	3,792
		Warrants (316 equivalent shares)		758	—
				4,550	3,792
Samba Holdings, Inc.	Provider of Intelligent Driver Record Monitoring Software and Services				
		12.5% Secured Debt (Maturity—November 17, 2016)	26,418	26,188	26,418
		Common Stock (170,963 shares)		2,087	6,030
				28,275	32,448
SYNEO, LLC	Manufacturer of Automation Machines, Specialty Cutting Tools and Punches				
		12% Secured Debt (Maturity—July 13, 2016)	2,700	2,674	2,674
		Member Units (1,177 units)(8)		1,097	801
		10% Secured Debt (Leadrock Properties, LLC) (Maturity—May 4, 2026)	1,440	1,415	1,415
				5,186	4,890
Tin Roof Acquisition Company	Casual Restaurant Group				
		12% Secured Debt (Maturity—November 30, 2018)	14,100	13,861	13,861
		Class C Preferred Stock (Fully diluted 10.0%; 10% cumulative)(8)		2,241	2,241
				16,102	16,102
Subtotal Affiliate Investments (17.7% of total investments at fair value)				266,243	278,675

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Non-Control/Non-Affiliate Investments(7)					
Accuvant Finance, LLC(11)	Cyber Security Value Added Reseller	LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 5.75%, Secured Debt (Maturity—October 22, 2020) (9)	5,597	5,546	5,583
Allflex Holdings III Inc.(11)	Manufacturer of Livestock Identification Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity—July 19, 2021)(9)	6,000	5,937	5,888
AM General LLC(11)	Specialty Vehicle Manufacturer	LIBOR Plus 9.00% (Floor 1.25%), Current Coupon 10.25%, Secured Debt (Maturity—March 22, 2018) (9)	2,550	2,496	2,282
AM3 Pinnacle Corporation(10)	Provider of Comprehensive Internet, TV and Voice Services for Multi-Dwelling Unit Properties	10% Secured Debt (Maturity—October 22, 2018)	21,002	20,863	20,863
		Common Stock (60,240 shares)		2,000	1,840
				22,863	22,703
AmeriTech College, LLC	For-Profit Nursing and Healthcare College	10% Secured Debt (Maturity—November 30, 2019)	979	979	979
		10% Secured Debt (Maturity—January 31, 2020)	6,050	6,050	6,050
				7,029	7,029
AMF Bowling Centers, Inc.(11)	Bowling Alley Operator	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity—September 18, 2021)(9)	4,988	4,915	4,913
Anchor Hocking, LLC(11)	Household Products Manufacturer	LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75% / 1.75% PIK, Current Coupon Plus PIK 9.50%, Secured Debt (Maturity—May 21, 2020)(9)	10,916	10,842	6,559
AP Gaming I, LLC(10)	Developer, Manufacturer, and Operator of Gaming Machines	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity—December 20, 2020)(9)	6,930	6,744	6,930

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Applied Products, Inc.(10)	Adhesives Distributor	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—September 30, 2019)(9)	6,236	6,170	6,170
Aptean, Inc.(11)	Enterprise Application Software Provider	LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity—February 26, 2020)(9)	7,667	7,642	7,450
Artel, LLC(11)	Land-Based and Commercial Satellite Provider	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity—November 27, 2017)(9)	4,594	4,549	4,548
ATS Workholding, Inc.(10)	Manufacturer of Machine Cutting Tools and Accessories	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity—March 10, 2019)(9)	6,558	6,506	6,506
Beers Enterprises, Inc.(10)	Provider of Broadcast Video Transport Services	Prime Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—March 19, 2019)(9)	6,263	6,210	6,210
Bioventus LLC(10)	Production of Orthopedic Healing Products	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.00%, Secured Debt (Maturity—April 10, 2020)(9)	5,000	4,903	4,987
Blackbrush Oil and Gas LP(11)	Oil & Gas Exploration	LIBOR Plus 6.50%, (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—July 30, 2021)(9)	4,000	3,971	3,320
Blackhawk Specialty Tools LLC(11)	Oilfield Equipment & Services	LIBOR Plus 5.25% (Floor 1.25%), Current Coupon 6.50%, Secured Debt (Maturity—August 1, 2019)(9)	6,224	6,189	6,131
Blue Bird Body Company(11)	School Bus Manufacturer	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—June 26, 2020)(9)	11,500	11,339	11,443
Bluestem Brands, Inc.(11)	Multi-Channel Retailer of General Merchandise	LIBOR Plus 7.50% (Floor 1.00%),			

	Current Coupon 8.50%, Secured Debt (Maturity—November 6, 2020)(9)	7,500	7,213	7,237

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Brainworks Software, LLC(10)	Advertising Sales and Production and Newspaper Circulation Software				
		LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity—July 22, 2019)(9)	6,263	6,182	6,182
Brasa Holdings Inc.(11)	Upscale Full Service Restaurants				
		LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00%, Secured Debt (Maturity—January 20, 2020)(9)	2,143	2,128	2,121
Brundage-Bone Concrete Pumping, Inc.(11)	Construction Services Provider				
		10.375% Secured Debt (Maturity—September 1, 2021)	2,500	2,500	2,556
Calloway Laboratories, Inc.(10)	Health Care Testing Facilities				
		12% PIK Secured Debt (Maturity—September 30, 2015)(14)	7,225	7,176	2,878
		Warrants (125,000 equivalent shares)		17	—
				7,193	2,878
Cedar Bay Generation Company LP(11)	Coal-Fired Cogeneration Plant				
		LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity—April 23, 2020)(9)	2,476	2,457	2,458
Cengage Learning Acquisitions, Inc.(11)	Provider of Educational Print and Digital Services				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—March 31, 2020)(9)	4,000	3,990	3,975
CGSC of Delaware Holdings Corp.(11)(13)	Insurance Brokerage Firm				
		LIBOR Plus 7.00% (Floor 1.25%), Current Coupon 8.25%, Secured Debt (Maturity—October 16, 2020)(9)	2,000	1,975	1,780
Charlotte Russe, Inc(11)	Fast-Fashion Retailer to Young Women				
		LIBOR Plus 5.50% (Floor 1.25%), Current Coupon 6.75%, Secured Debt (Maturity—May 22, 2019)(9)	4,938	4,900	4,822
CHI Overhead Doors, Inc.(11)	Manufacturer of Overhead Garage Doors				
		LIBOR Plus 9.50%, (Floor 1.50%), Current Coupon 11.00%, Secured Debt (Maturity—September 18, 2019)(9)	2,500	2,467	2,475

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Clarius ASIG, LLC(10)	Prints & Advertising Film Financing				
		12% PIK Secured Debt (Maturity—September 14, 2014)(17)	2,723	2,663	2,723
Clarius BIGS, LLC(10)	Prints & Advertising Film Financing				
		12% PIK Secured Debt (Maturity—January 5, 2015)(14)	4,400	4,285	1,848
Compact Power Equipment, Inc	Equipment / Tool Rental				
		12% Secured Debt (Maturity—October 1, 2017)	4,100	4,085	4,100
		Series A Preferred Stock (4,298,435 shares; 8% cumulative)(8)		1,079	2,401
				5,164	6,501
Covenant Surgical Partners, Inc.(11)	Ambulatory Surgical Centers				
		8.75% Secured Debt (Maturity—August 1, 2019)	2,000	2,000	2,020
CRGT Inc.(11)	Provider of Custom Software Development				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—December 19, 2020)(9)	10,000	9,800	9,850
CST Industries Inc.(11)	Storage Tank Manufacturer				
		LIBOR Plus 6.25% (Floor 1.50%), Current Coupon 7.75%, Secured Debt (Maturity—May 22, 2017)(9)	7,109	7,050	7,037
Darr Equipment LP(10)	Heavy Equipment Dealer				
		11.75% Current / 2% PIK Secured Debt (Maturity—April 15, 2020)	20,291	19,676	19,676
		Warrants (915,734 equivalent units)		474	474
				20,150	20,150
Digity Media LLC(11)	Radio Station Operator				
		LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity—February 10, 2019)(9)	7,406	7,335	7,387
Drilling Info, Inc	Information Services for the Oil and Gas Industry				
		Common Stock (3,788,865 shares)		1,335	9,920
ECP-PF Holdings Group, Inc.(10)	Fitness Club Operator				
		LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity—November 26, 2019)(9)	5,625	5,570	5,570

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
EnCap Energy Fund Investments(12)(13)	Investment Partnership				
		LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		3,430	3,240
		LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.4%)(8)		1,561	1,325
		LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%) (8)		1,654	1,477
		LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 1.0%)(8)		4,586	4,567
		LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.8%)		184	184
				11,415	10,793
Energy and Exploration Partners, LLC(11)	Oil & Gas Exploration & Production				
		LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 7.75%, Secured Debt (Maturity—January 22, 2019) (9)	9,461	9,054	6,788
e-Rewards, Inc.(11)	Provider of Digital Data Collection				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—October 29, 2018) (9)	12,687	12,518	12,560
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)	Technology-based Performance Support Solutions				
		LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity—April 28, 2022)(9)	3,000	2,979	2,845
FC Operating, LLC(10)	Christian Specialty Retail Stores				
		LIBOR Plus 10.75% (Floor 1.25%), Current Coupon 12.00%, Secured Debt (Maturity—November 14, 2017)(9)	5,400	5,330	4,132
FishNet Security, Inc.(11)	Information Technology Value-Added Reseller				
		LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity—November 30, 2017)(9)	7,840	7,791	7,840
Flavors Holdings Inc.(11)	Global Provider of Flavoring and Sweetening Products and Solutions				
		LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 6.75%, Secured Debt (Maturity—April 30, 2020)(9)	4,938	4,746	4,728

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Fram Group Holdings, Inc.(11)	Manufacturer of Automotive Maintenance Products				
		LIBOR Plus 5.00% (Floor 1.50%), Current Coupon 6.50%, Secured Debt (Maturity—July 29, 2017)(9)	5,935	5,928	5,907
		LIBOR Plus 9.00% (Floor 1.50%), Current Coupon 10.50%, Secured Debt (Maturity—January 29, 2018)(9)	700	698	684
				6,626	6,591
GI KBS Merger Sub LLC(11)	Outsourced Janitorial Services to Retail/Grocery Customers				
		LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity—April 29, 2022)(9)	800	784	796
Grace Hill, LLC(10)	Online Training Tools for the Multi-Family Housing Industry				
		LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity—August 15, 2019)(9)	9,546	9,436	9,436
Grupo Hima San Pablo, Inc.(11)	Tertiary Care Hospitals				
		LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity—January 31, 2018)(9)	4,913	4,846	4,775
		13.75% Secured Debt (Maturity—July 31, 2018)	2,000	1,925	1,920
				6,771	6,695
GST Autoleather, Inc.(11)	Automotive Leather Manufacturer				
		LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—July 10, 2020)(9)	9,975	9,882	9,825
Guitar Center, Inc.(11)	Musical Instruments Retailer				
		6.5% Secured Debt (Maturity—April 15, 2019)	7,000	6,817	6,020
Halcon Resources Corporation(11)(13)	Oil & Gas Exploration & Production				
		9.75% Unsecured Debt (Maturity—July 15, 2020)	6,925	6,335	5,194
Hostway Corporation(11)	Managed Services and Hosting Provider				
		LIBOR Plus 4.75% (Floor 1.25%), Current Coupon 6.00%, Secured Debt (Maturity—December 13, 2019)(9)	9,750	9,671	9,652
		LIBOR Plus 8.75% (Floor 1.25%), Current Coupon 10.00%, Secured Debt (Maturity—December 11, 2020)(9)	5,000	4,917	4,950
				14,588	14,602

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Hunter Defense Technologies, Inc. (11)	Provider of Military and Commercial Shelters and Systems				
		LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—August 5, 2019)(9)	9,875	9,783	9,752
ICON Health & Fitness, Inc.(11)	Producer of Fitness Products				
		11.875% Secured Debt (Maturity—October 15, 2016)	4,385	4,323	4,122
iEnergizer Limited(11)(13)	Provider of Business Outsourcing Solutions				
		LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity—May 1, 2019)(9)	10,029	9,905	9,277
Infinity Acquisition Finance Corp. (11)	Application Software for Capital Markets				
		7.25% Unsecured Debt (Maturity—August 1, 2022)	4,000	4,000	3,620
Inn of the Mountain Gods Resort and Casino(11)	Hotel & Casino Owner & Operator				
		9.25% Secured Debt (Maturity—November 30, 2020)	3,851	3,687	3,697
iQor US Inc.(11)	Business Process Outsourcing Services Provider				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—April 1, 2021)(9)	9,987	9,789	9,288
Jackson Hewitt Tax Service Inc.(11)	Tax Preparation Service Provider				
		LIBOR Plus 8.50% (Floor 1.50%), Current Coupon 10.00%, Secured Debt (Maturity—October 16, 2017)(9)	4,509	4,396	4,509
Joerns Healthcare, LLC(11)	Manufacturer and Distributor of Health Care Equipment & Supplies				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—May 9, 2020)(9)	9,950	9,853	9,838
John Deere Landscapes LLC(10)	Distributor of Landscaping Supplies				
		LIBOR Plus 4.00% (Floor 1.00%), Current Coupon 5.00%, Secured Debt (Maturity—December 23, 2019)(9)	8,573	8,193	8,193
Keypoint Government Solutions, Inc.(11)	Provider of Pre-Employment Screening Services				
		LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity—November 13, 2017)(9)	4,726	4,668	4,702

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Lansing Trade Group LLC(11)	Commodity Merchandiser				
		9.25% Unsecured Debt (Maturity—February 15, 2019)	6,000	6,000	5,610
Larchmont Resources, LLC(11)	Oil & Gas Exploration & Production				
		LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity—August 7, 2019)(9)	6,895	6,842	6,636
LKCM Distribution Holdings, L.P.	Distributor of Industrial Process Equipment				
		12% Current / 2.5% PIK Secured Debt (Maturity— December 23, 2018)	16,417	16,278	16,417
LKCM Headwater Investments I, L.P.(12)(13)	Investment Partnership				
		LP Interests (Fully diluted 2.3%)(8)		2,250	5,764
MAH Merger Corporation(11)	Sports-Themed Casual Dining Chain				
		LIBOR Plus 4.50% (Floor 1.25%), Current Coupon 5.75%, Secured Debt (Maturity—July 19, 2019)(9)	7,258	7,198	7,276
MediMedia USA, Inc.(11)	Provider of Healthcare Media and Marketing				
		LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.00%, Secured Debt (Maturity—November 20, 2018)(9)	5,411	5,292	5,289
Messenger, LLC(10)	Supplier of Specialty Stationary and Related Products to the Funeral Industry				
		LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—December 5, 2019)(9)	13,639	13,518	13,518
Milk Specialties Company(11)	Processor of Nutrition Products				
		LIBOR Plus 6.25% (Floor 1.25%), Current Coupon 7.50%, Secured Debt (Maturity—November 9, 2018)(9)	7,847	7,806	7,670
Minute Key, Inc.	Operator of Automated Key Duplication Kiosks				
		10% Current / 2% PIK Secured Debt (Maturity—September 19, 2019)	4,023	3,985	3,985
Miramax Film NY, LLC(11)	Motion Picture Producer and Distributor				
		Class B Units (12% cumulative)(8)		792	792

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Modern VideoFilm, Inc.(10)	Post-Production Film Studio				
		LIBOR Plus 3.50% (Floor 1.50%), Current Coupon 5.00% / 8.50% PIK, Current Coupon Plus PIK 13.50%, Secured Debt (Maturity—September 25, 2017)(9)(14)	6,302	6,119	1,954
		Warrants (1,375 equivalent shares)		151	1
				6,270	1,955
Mood Media Corporation(11)(13)	Provider of Electronic Equipment				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—May 1, 2019)(9)	12,193	12,053	11,964
MP Assets Corporation(11)	Manufacturer of Battery Components				
		LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity—December 19, 2019)(9)	4,416	4,378	4,394
New Media Holdings II LLC(11)(13)	Local Newspaper Operator				
		LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity—June 4, 2020)(9)	14,925	14,649	14,776
Nice-Pak Products, Inc.(11)	Pre-Moistened Wipes Manufacturer				
		LIBOR Plus 6.00% (Floor 1.50%), Current Coupon 7.50%, Secured Debt (Maturity—June 18, 2015)(9)	12,541	12,518	12,478
North Atlantic Trading Company, Inc.(11)	Marketer/Distributor of Tobacco Products				
		LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity—January 13, 2020)(9)	7,426	7,361	7,305
Novitex Intermediate, LLC(11)	Provider of Document Management Services				
		LIBOR Plus 6.25% (Floor 1.25%), Current Coupon 7.50%, Secured Debt (Maturity—July 7, 2020)(9)	5,985	5,929	5,746
Ospemifene Royalty Sub LLC (QuatRx)(10)	Estrogen-Deficiency Drug Manufacturer and Distributor				
		11.5% Secured Debt (Maturity—November 15, 2026)	5,205	5,205	5,205
Panolam Industries International, Inc.(11)	Decorative Laminate Manufacturer				
		LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity—August 23, 2017)(9)	6,994	6,949	6,889

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Parq Holdings Limited Partnership(11)(13)	Hotel & Casino Operator				
		LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—December 17, 2020)(9)	6,226	6,078	6,108
Permian Holdings, Inc.(11)	Storage Tank Manufacturer				
		10.5% Secured Debt (Maturity—January 15, 2018)	2,755	2,728	2,066
Pernix Therapeutics Holdings, Inc. (10)(13)	Pharmaceutical Royalty— Anti-Migraine				
		12% Secured Debt (Maturity—August 1, 2020)	4,000	4,000	4,000
PeroxyChem LLC(11)	Chemical Manufacturer				
		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity—February 28, 2020)(9)	8,933	8,774	8,843
Philadelphia Energy Solutions Refining and Marketing LLC(11)	Oil & Gas Refiner				
		LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity—April 4, 2018)(9)	2,948	2,917	2,785
Pike Corporation(11)	Construction and Maintenance Services for Electric Transmission and Distribution Infrastructure				
		LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity—June 22, 2022)(9)	15,000	14,628	14,825
Polyconcept Financial B.V.(11)	Promotional Products to Corporations and Consumers				
		LIBOR Plus 4.75% (Floor 1.25%), Current Coupon 6.00%, Secured Debt (Maturity—June 28, 2019)(9)	4,325	4,311	4,309
Primesight Limited(10)(13)	Outdoor Advertising Operator				
		10% Secured Debt (Maturity—October 22, 2016)	8,869	8,806	8,284
Printpack Holdings, Inc.(11)	Manufacturer of Flexible and Rigid Packaging				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—May 29, 2020)(9)	5,468	5,417	5,450
PT Network, LLC(10)	Provider of Outpatient Physical Therapy and Sports Medicine Services				
		LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity—November 1, 2018)(9)	11,946	11,828	11,828

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
QBS Parent, Inc.(11)	Provider of Software and Services to the Oil & Gas Industry				
		LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 5.75%, Secured Debt (Maturity—August 7, 2021)(9)	10,000	9,905	9,825
RCHP, Inc.(11)	Regional Non-Urban Hospital Owner/Operator				
		LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.50%, Secured Debt (Maturity—October 23, 2019)(9)	4,000	3,945	3,990
Recorded Books Inc.(11)	Audiobook and Digital Content Publisher				
		LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity—January 31, 2020)(9)	12,031	11,925	11,941
Relativity Media, LLC(10)	Full-Scale Film and Television Production and Distribution				
		10% Secured Debt (Maturity—May 30, 2015)	5,787	5,772	5,801
		15% PIK Secured Debt (Maturity—May 30, 2015)	7,410	7,347	7,558
		Class A Units (260,194 units)		292	1,086
				13,411	14,445
Renaissance Learning, Inc.(11)	Technology-based K-12 Learning Solutions				
		LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity—April 11, 2022)(9)	3,000	2,972	2,880
RGL Reservoir Operations Inc.(11)(13)	Oil & Gas Equipment and Services				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—August 13, 2021)(9)	3,990	3,876	3,219
RLJ Entertainment, Inc.(10)	Movie and TV Programming Licensee and Distributor				
		LIBOR Plus 8.75% (Floor 0.25%), Current Coupon 9.00%, Secured Debt (Maturity—September 11, 2019)(9)	11,399	11,318	11,318
SAExploration, Inc.(10)(13)	Geophysical Services Provider				
		Common Stock (6,472 shares)(8)		65	27
Sage Automotive Interiors, Inc(11)	Automotive Textiles Manufacturer				
		LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity—October 8, 2021)(9)	3,000	2,971	2,985

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Sagittarius Restaurants LLC (d/b/a Del Taco)(11)	Mexican/American QSR Restaurant Chain				
		LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity—October 1, 2018) (9)	4,591	4,572	4,562
SCE Partners, LLC(10)	Hotel & Casino Operator				
		LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity—August 14, 2019) (9)	7,481	7,421	7,519
Sotera Defense Solutions, Inc.(11)	Defense Industry Intelligence Services				
		LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 9.00%, Secured Debt (Maturity—April 21, 2017)(9)	10,984	10,564	10,160
Symphony Teleca Services, Inc.(11)	Outsourced Product Development				
		LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 5.75%, Secured Debt (Maturity—August 7, 2019)(9)	14,000	13,870	13,930
Synagro Infrastructure Company, Inc(11)	Waste Management Services				
		LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 6.25%, Secured Debt (Maturity—August 22, 2020) (9)	6,913	6,798	6,822
Targus Group International(11)	Distributor of Protective Cases for Mobile Devices				
		LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00% / 1.00% PIK, Current Coupon Plus PIK 12.00%, Secured Debt (Maturity—May 24, 2016)(9)	4,288	4,299	3,495
TeleGuam Holdings, LLC(11)	Cable and Telecom Services Provider				
		LIBOR Plus 4.00% (Floor 1.25%), Current Coupon 5.25%, Secured Debt (Maturity—December 10, 2018)(9)	6,830	6,813	6,796
		LIBOR Plus 7.50% (Floor 1.25%), Current Coupon 8.75%, Secured Debt (Maturity—June 10, 2019)(9)	2,500	2,480	2,512
				9,293	9,308
Templar Energy LLC(11)	Oil & Gas Exploration & Production				
		LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity—November 25, 2020)(9)	5,000	4,945	3,615
The Tennis Channel, Inc.(10)	Television-Based Sports Broadcasting				
		Warrants (114,316 equivalent shares)		235	301

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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
The Topps Company, Inc.(11)	Trading Cards & Confectionary				
		LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity—October 2, 2018)(9)	1,980	1,964	1,930
Therakos, Inc.(11)	Immune System Disease Treatment				
		LIBOR Plus 5.75% (Floor 1.25%), Current Coupon 7.00%, Secured Debt (Maturity—December 27, 2017)(9)	6,278	6,178	6,255
TOMS Shoes, LLC(11)	Global Designer, Distributor, and Retailer of Casual Footwear				
		LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity—October 30, 2020)(9)	5,000	4,511	4,625
Travel Leaders Group, LLC(11)	Travel Agency Network Provider				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—December 5, 2018)(9)	12,445	12,305	12,445
UniTek Global Services, Inc.(11)	Provider of Outsourced Infrastructure Services				
		LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00% / 4.00% PIK, Current Coupon Plus PIK 15.00%, Secured Debt (Maturity—April 15, 2018)(9)(14)	10,776	10,173	7,942
		5% Current / 2.25% PIK Secured Debt (Maturity—August 13, 2019)(14)	640	640	640
		Warrants (267,302 equivalent shares)		449	—
				11,262	8,582
Universal Fiber Systems, LLC(10)	Manufacturer of Synthetic Fibers				
		LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity—January 31, 2019)(9)	5,094	5,084	5,082
Universal Wellhead Services Holdings, LLC(10)	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry				
		Class A Units (4,000,000 units)		4,000	4,000
US Joiner Holding Company(11)	Marine Interior Design and Installation				
		LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity—April 16, 2020)(9)	7,444	7,410	7,332

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Vantage Oncology, LLC(11)	Outpatient Radiation Oncology Treatment Centers				
		9.5% Secured Debt (Maturity—June 5, 2017)	7,000	7,000	6,790
Virtex Enterprises, LP(10)	Specialty, Full-Service Provider of Complex Electronic Manufacturing Services				
		12% Secured Debt (Maturity—December 27, 2018)	1,667	1,479	1,479
		Preferred Class A Units (14 units; 5% cumulative)(8)		344	344
		Warrants (11 equivalent units)		186	186
				2,009	2,009
Vision Solutions, Inc.(11)	Provider of Information Availability Software				
		LIBOR Plus 8.00% (Floor 1.50%), Current Coupon 9.50%, Secured Debt (Maturity—July 23, 2017)(9)	5,000	4,941	4,872
Western Dental Services, Inc.(11)	Dental Care Services				
		LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity—November 1, 2018)(9)	5,395	5,391	5,153
Wilton Brands LLC(11)	Specialty Housewares Retailer				
		LIBOR Plus 6.25% (Floor 1.25%), Current Coupon 7.50%, Secured Debt (Maturity—August 30, 2018) (9)	1,750	1,727	1,636
Worley Claims Services, LLC(10)	Insurance Adjustment Management and Services Provider				
		LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity—October 31, 2020) (9)	6,500	6,437	6,533
Zilliant Incorporated	Price Optimization and Margin Management Solutions				
		Warrants (952,500 equivalent shares)		1,071	1,071
Subtotal Non-Control/Non-Affiliate Investments (51.8% of total investments at fair value)				832,312	814,809
Total Portfolio Investments, December 31, 2014				1,441,402	1,563,330

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

December 31, 2014
(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Marketable Securities and Idle Funds Investments					
Solar Senior Capital Ltd.(13)(15)	Business Development Company				
		Common Stock (39,000 shares)(8)		742	584
Other Marketable Securities and Idle Funds Investments(13)(15)	Investments in Marketable Securities and Diversified, Registered Bond Funds				
				9,862	8,483
Subtotal Marketable Securities and Idle Funds Investments (0.6% of total investments at fair value)				10,604	9,067
Total Investments, December 31, 2014				$ 1,452,006	$ 1,572,397

(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. Variable rate loans bear interest at a rate that may be determined by reference to either LIBOR (which can include one-, two-, three- or six-month LIBOR) or Prime, at the borrower's option, which rates reset periodically based on the terms of the loan agreement.

(10) Private Loan portfolio investment. See Note B for a description of Private Loan portfolio investments.

(11) Middle Market portfolio investment. See Note B for a description of Middle Market portfolio investments.

(12) Other Portfolio investment. See Note B for a description of Other Portfolio investments.

(13) Investment is not a qualifying asset as defined under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets.

(14) Non-accrual and non-income producing investment.

(15) Marketable securities and idle fund investments.

(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) 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.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements

(Unaudited)

NOTE A—ORGANIZATION AND BASIS OF PRESENTATION

1. Organization

Main Street Capital Corporation ("MSCC") is a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies and debt capital to middle market ("Middle Market") companies. The portfolio investments of MSCC and its consolidated subsidiaries are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse 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") and Main Street Capital II, LP ("MSC II" and, together with MSMF, 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 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 ("External Parties") and receive 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 ("RIA") under Investment Advisers Act of 1940, as amended (the "Advisers Act"). 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 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. The External Investment Manager is also a direct wholly owned subsidiary that has elected to be a taxable entity. The Taxable Subsidiaries and the External Investment Manager are each taxed at their normal corporate tax rates based on their taxable income.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our" 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 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, 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, but excludes all "Marketable securities and idle funds investments" (see Note C—Fair Value Hierarchy for Investments and Debentures—Portfolio Composition—Portfolio Investment Composition for additional discussion of Main Street's Investment Portfolio and definitions for the terms LMM, Middle Market, Private Loan and Other Portfolio). "Marketable securities and idle funds investments" are classified as financial instruments and are reported separately on Main Street's consolidated balance sheets and consolidated schedules of investments due to the nature of such investments (see Note B.11.). Main Street's results of operations for the three and nine months ended September 30, 2015 and 2014, cash flows for the nine months ended September 30, 2015 and 2014, and financial position as of September 30, 2015 and December 31, 2014, 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 to the current presentation, including reclassifying the expenses charged to the External Investment Manager.

The accompanying unaudited consolidated financial statements of Main Street are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and nine months ended September 30, 2015 and 2014 are not necessarily indicative of the operating results to be expected for the full year. Also, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2014. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Under regulations pursuant to Article 6 of Regulation S-X applicable to BDCs and Accounting Standards Codification ("Codification" or "ASC") 946, *Financial Services—Investment Companies* ("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

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

Subsidiaries. MSCC's consolidated financial statements also include the financial position and operating results for MSCC's wholly owned operating subsidiary, Main Street Capital Partners, LLC, ("MSCP"), as the wholly owned subsidiary provides all of its services directly or indirectly to Main Street or its portfolio companies. Main Street has determined that all of its portfolio investments do not qualify for this exception, including the investment in the External Investment Manager. Therefore, Main Street's Investment Portfolio is carried on the consolidated balance sheet at fair value, as discussed further in Note B, with any adjustments to fair value recognized as "Net Change in 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 the Financial Accounting Standards Board ("FASB") ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 requires 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 private, LMM companies and more liquid debt securities issued by Middle Market companies that are generally larger in size than the LMM companies. Main Street categorizes some of its investments in LMM companies and Middle Market companies as Private Loan portfolio investments, which are primarily debt securities 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. All of the valuation approaches for Main Street's portfolio investments estimate the value of the investment as if Main Street were to sell, or exit, the investment as of the measurement date.

These valuation approaches consider the value associated with Main Street's ability to control the capital structure of the portfolio company, as well as the timing of a potential exit. For valuation purposes, "control" portfolio investments are composed of debt and equity securities in companies for which Main Street has a controlling interest in the equity ownership of the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. For valuation purposes, "non-control" portfolio investments are generally composed of debt and equity securities in companies for which Main Street does not have a controlling interest in the equity ownership of the portfolio company or the ability to nominate a majority of the portfolio company's board of directors.

Under the Waterfall valuation method, Main Street estimates the enterprise value of a portfolio company using a combination of market and income approaches or other appropriate valuation methods, such as considering recent transactions in the equity securities of the portfolio company or third-party valuations of the portfolio company, and then performs a waterfall calculation by using 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, private 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. The operating results of a portfolio company may include unaudited, projected, budgeted or pro forma financial information and

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

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 investments. Main Street's estimate of the expected repayment date of its debt securities is generally the legal 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. However, in determining the fair value of the investment, Main Street may consider whether adjustments to the NAV are necessary in certain circumstances, based on the analysis of any restrictions on redemption of Main Street's investment as of the measurement date, recent actual sales or redemptions of interests in the investment fund, and expected future cash flows available to equity holders, including the rate of return on those cash flows compared to an implied market return on equity required by market participants, or other uncertainties surrounding Main Street's ability to realize the full NAV of its interests in the investment fund.

Pursuant to its internal valuation process and the requirements under the 1940 Act, Main Street performs valuation procedures on each of its portfolio investments quarterly. In addition to its internal valuation process, in arriving at estimates of fair value for its investments in its LMM portfolio companies, Main Street, among other things, consults with a nationally recognized independent financial advisory services firm. The nationally recognized independent financial advisory services firm analyzes and provides observations and recommendations 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

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

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 its independent financial advisory services firm in arriving at Main Street's determination of fair value on its investments in a total of 44 LMM portfolio companies for the nine months ended September 30, 2015, representing approximately 75% of the total LMM portfolio at fair value as of September 30, 2015, and on a total of 42 LMM portfolio companies for the nine months ended September 30, 2014, representing approximately 74% of the total LMM portfolio at fair value as of September 30, 2014. Excluding 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 September 30, 2015 and 2014, as applicable, and investments in the LMM portfolio companies that were not reviewed because their equity is publicly traded, the percentage of the LMM portfolio reviewed by the independent financial advisory services firm for the nine months ended September 30, 2015 and 2014 was 82% and 83% of the total LMM portfolio at fair value as of September 30, 2015 and 2014, 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. The Company does not generally consult with any financial advisory services firms in connection with determining the fair value of its Middle Market debt 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. The nationally recognized independent financial advisory services firm analyzes and provides observations and recommendations regarding the Company's determinations of the fair value of its Private Loan portfolio company investments.

For valuation purposes, all of Main Street's Other Portfolio investments are non-control investments. Main Street's Other Portfolio investments comprised approximately 3.0% and 3.8%, respectively, of Main Street's Investment Portfolio at fair value as of September 30, 2015 and December 31, 2014. 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 its investments using the NAV valuation method. For Other Portfolio debt investments for which it has determined that third-party quotes or other independent pricing are not available or appropriate, Main Street generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value such Other Portfolio debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method. For Other Portfolio debt investments for which third-party quotes or other independent pricing are available and appropriate, Main Street determines the fair value of these investments through obtaining third party quotes or other independent pricing to the extent that these inputs are available and appropriate to determine fair value.

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

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 Street determines the fair value of each individual investment and records changes in fair value as unrealized appreciation or depreciation.

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

The Board of Directors of Main Street has the final responsibility for overseeing, reviewing and approving, in good faith, Main Street's determination of the fair value for its Investment Portfolio, as well as its valuation procedures, consistent with 1940 Act requirements. Main Street believes its Investment Portfolio as of September 30, 2015 and December 31, 2014 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 accounting principles generally accepted in the United States of America 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 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 significantly from the values that would have been determined had a readily available market for the investments existed, and it is reasonably possible that the differences could be material.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

3. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with an original maturity of three months or less at the date of purchase. Cash and cash equivalents are carried at cost, which approximates fair value.

At September 30, 2015, cash balances totaling $31.4 million exceeded FDIC 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. Marketable Securities and Idle Funds Investments

Marketable securities and idle funds investments include intermediate-term secured debt investments, independently rated debt investments and publicly traded debt and equity investments. See the consolidated schedule of investments for more information on Marketable securities and idle funds investments.

5. Interest, Dividend and Fee Income (Structuring and Advisory Services)

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 policy, 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 fully impaired, sold or written off, Main Street removes it from non-accrual status.

Main Street holds certain debt and preferred equity instruments in its Investment Portfolio that contain payment-in-kind ("PIK") interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed in Note B.9. below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the PIK interest and cumulative dividends in cash. Main Street stops accruing PIK interest and cumulative dividends and writes off any accrued and uncollected interest and dividends in arrears when it determines that such PIK interest and dividends in arrears are no longer collectible. For the three months ended September 30, 2015 and 2014, (i) approximately 2.2% and 2.5%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.2% and 1.8%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash. For the nine months ended September 30, 2015 and 2014, (i) approximately 2.1% and 3.9%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.0% and 1.4%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash.

As of September 30, 2015, Main Street's total Investment Portfolio had four investments on non-accrual status, which included one fully-impaired debt investment and comprised approximately 0.2% of its fair value and 3.0% of its cost. As of December 31, 2014, Main Street's total Investment Portfolio had five investments with positive fair value on non-accrual status, which comprised approximately 1.7% of its fair value and 4.7% of its cost.

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 interest income over the life of the financing.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	(in thousands)			
Interest, fee and dividend income:				
Interest income	$ 34,167	$ 27,669	$ 97,010	$ 81,332
Dividend income	6,939	5,935	17,353	15,411
Fee income	1,273	2,627	5,887	4,704
Total interest, fee and dividend income	$ 42,379	$ 36,231	$ 120,250	$ 101,447

6. Deferred Financing Costs

Deferred financing costs include SBIC debenture commitment fees and SBIC debenture leverage fees on the SBIC debentures which are not accounted for under the fair value option under ASC 825 (as discussed further in Note B.11.). These fees are approximately 3.4% of the total commitment and draw amounts, as applicable. These deferred financing costs have been capitalized and are being amortized into interest expense over the ten year term of each debenture agreement.

Deferred financing costs also include commitment fees and other costs related to Main Street's multi-year investment credit facility (the "Credit Facility", as discussed further in Note F) and its notes (as discussed further in Note G). These costs have been capitalized and are amortized into interest expense over the term of the individual instrument.

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 interest 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 ("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.), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the interest income. For the three months ended September 30, 2015 and 2014, approximately 2.3% and 2.3%, respectively, of Main Street's total investment income was attributable to interest income for the accretion of discounts associated with debt investments, net of any premium reduction. For the nine months ended September 30, 2015 and 2014, approximately 2.7% and 3.4%, respectively, of Main Street's total investment income was attributable to interest income for the accretion of discounts associated with debt investments, net of any premium reduction.

8. Share-Based Compensation

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

9. Income Taxes

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that MSCC distributes to its stockholders. MSCC must generally distribute at least 90% of its investment company taxable income to qualify for pass-through tax treatment and maintain its RIC status. As part of maintaining RIC status, undistributed taxable income (subject to a 4% 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 prior to the filing of the U.S federal income tax return for the applicable fiscal year.

The Taxable Subsidiaries 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-income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are consolidated with Main Street for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in Main Street's consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities, as a result of their ownership of certain portfolio investments. The taxable income, or loss, of the Taxable Subsidiaries may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in Main Street's consolidated financial statements.

MSCC's wholly owned subsidiary MSCP is included in Main Street's consolidated financial statements for financing reporting purposes. For tax purposes, MSCP has elected to be treated as a taxable entity, and therefore is not consolidated with MSCC for income tax purposes and 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 taxable income, or loss, of MSCP may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in Main Street's consolidated financial statements.

The Taxable Subsidiaries and MSCP 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 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 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 Change in 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 change in 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.

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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. Marketable securities and idle funds investments may include investments in certificates of deposit, U.S. government agency securities, independently rated debt investments, diversified bond funds and publicly traded debt and equity investments and the fair value determination for these investments under the provisions of ASC 820 generally consists of Level 1 and 2 observable inputs, similar in nature to those discussed further in Note C.

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 (the "Acquired Debentures") 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 Change in 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 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 Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-9 supersedes the revenue recognition requirements under ASC Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the ASC. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Under the new 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 new 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. The FASB tentatively decided to defer the effective date of the new revenue standard for public entities under U.S. GAAP for one year. If finalized, the new guidance will be effective for the annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. Early adoption would be permitted for annual reporting periods beginning after December 15, 2016. Main Street is currently evaluating the impact the adoption of this new accounting standard will have on its financial statements.

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which changes the presentation of debt issuance costs in financial statements. ASU 2015-03 requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. It is effective for annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The new guidance will be applied retrospectively to each prior period presented. The impact of the adoption of this new accounting standard on Main Street's consolidated financial statements is currently being evaluated.

In May 2015, the FASB issued ASU 2015-07, *Fair Value Measurements—Disclosures for Certain Entities that Calculate Net Asset Value per Share*. This amendment updates guidance intended to eliminate the diversity in practice surrounding how investments measured at net asset value under the practical expedient with future redemption dates have been categorized in the fair value hierarchy. Under the updated guidance, investments for which fair value is measured at net asset value per share using the practical expedient should no longer be categorized in the fair value hierarchy, while investments for which fair value is measured at net asset value per share but the practical expedient is not applied should continue to be categorized in the fair value hierarchy. The updated guidance requires retrospective adoption for all periods presented and is effective for interim and annual reporting periods beginning after December 15, 2015, with early adoption permitted. The impact of the adoption of this new accounting standard on Main Street's consolidated financial statements is currently being evaluated.

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 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).

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Investments recorded on Main Street's balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1—Investments whose values are based on unadjusted quoted prices for identical assets in an active market that Main Street has the ability to access (examples include investments in active exchange-traded equity securities and investments in most U.S. government and agency securities).

Level 2—Investments whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investment. Level 2 inputs include the following:

- Quoted prices for similar assets in active markets (for example, investments in restricted stock);
- Quoted prices for identical or similar assets in non-active markets (for example, investments in thinly traded public companies);
- Pricing models whose inputs are observable for substantially the full term of the investment (for example, market interest rate indices); and
- Pricing models whose inputs are derived principally from, or corroborated by, observable market data through correlation or other means for substantially the full term of the investment.

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

As required by ASC 820, when the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized within the Level 3 tables below may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3). Main Street conducts reviews of fair value hierarchy classifications on a quarterly basis. During the classification process, Main Street may determine that it is appropriate to transfer investments between fair value hierarchy Levels. These transfers occur when Main Street has concluded that it is appropriate for the classification of an individual asset to be changed due to a change in the factors used to determine the selection of the Level. Any such changes are deemed to be effective during the quarter in which the transfer occurs.

As of September 30, 2015 and December 31, 2014, all except for one of Main Street's LMM portfolio investments consisted of illiquid securities issued by private companies. The remaining investment was a publicly traded equity security. As a result, the fair value determination for the LMM portfolio investments primarily consisted of unobservable inputs. The fair value determination for the publicly traded equity security consisted of observable inputs in non-active markets for which sufficient observable inputs were available to determine the fair value. As a result, all of Main Street's LMM portfolio investments were categorized as Level 3 as of September 30, 2015 and December 31, 2014, except for the one publicly traded equity security which was categorized as Level 2.

As of September 30, 2015 and December 31, 2014, Main Street's Middle Market portfolio investments consisted primarily of investments in secured and unsecured debt investments and independently rated debt investments. The fair value determination for these investments consisted of a combination of observable inputs in non-active markets for which sufficient observable inputs were not available to determine the fair value of these investments and unobservable inputs. As a result, all of Main Street's Middle Market portfolio investments were categorized as Level 3 as of September 30, 2015 and December 31, 2014.

As of September 30, 2015 and December 31, 2014, Main Street's Private Loan portfolio investments primarily consisted of investments in interest-bearing secured debt investments. The fair value determination for these investments consisted of a combination of observable inputs in non-active markets for which sufficient observable inputs were not available to determine the fair value of these investments and unobservable inputs. As a result, all of Main Street's Private Loan portfolio investments were categorized as Level 3 as of September 30, 2015 and December 31, 2014.

As of September 30, 2015 and December 31, 2014, Main Street's Other Portfolio investments consisted of illiquid securities issued by private companies. The fair value determination for these investments primarily consisted of unobservable inputs. As a result, all of Main Street's Other Portfolio investments were categorized as Level 3 as of September 30, 2015 and December 31, 2014.

As of September 30, 2015 and December 31, 2014, Main Street's Marketable securities and idle funds investments consisted primarily of investments in publicly traded debt and equity investments. The fair value determination for these investments consisted of a combination of observable inputs in active markets for which sufficient observable inputs were available to determine the fair value of these investments. As a result, all of Main Street's Marketable securities and idle funds investments were categorized as Level 1 as of September 30, 2015 and December 31, 2014.

The fair value determination of each portfolio investment categorized as Level 3 required one or more of the following unobservable inputs:

- Financial information obtained from each portfolio company, including unaudited statements of operations and balance sheets for the most recent period available as compared to budgeted numbers;
- Current and projected financial condition of the portfolio company;
- Current and projected ability of the portfolio company to service its debt obligations;
- Type and amount of collateral, if any, underlying the investment;
- Current financial ratios (e.g., fixed charge coverage ratio, interest coverage ratio and net debt/EBITDA ratio) applicable to the investment;
- Current liquidity of the investment and related financial ratios (e.g., current ratio and quick ratio);
- Pending debt or capital restructuring of the portfolio company;
- Projected operating results of the portfolio company;

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- 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 significant unobservable inputs used in the fair value measurement of Main Street's LMM equity securities, which are generally valued through an average of the discounted cash flow technique and the market comparable/enterprise value technique (unless one of these approaches is determined to not be appropriate), are (i) EBITDA multiples and (ii) the weighted-average cost of capital ("WACC"). Significant increases (decreases) in EBITDA multiple inputs in isolation would result in a significantly higher (lower) fair value measurement. On the contrary, significant increases (decreases) in WACC inputs in isolation would result in a significantly lower (higher) fair value measurement. The significant unobservable inputs used in the fair value measurement of Main Street's LMM, Middle Market, Private Loan and Other Portfolio debt securities are (i) risk adjusted discount rates used in the Yield-to-Maturity valuation technique (described in Note B.1.—Valuation of the Investment Portfolio) and (ii) the percentage of expected principal recovery. Significant increases (decreases) in any of these discount rates in isolation would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in any of these expected principal recovery percentages in isolation would result in a significantly higher (lower) fair value measurement. However, due to the nature of certain investments, fair value measurements may be based on other criteria, such as third-party appraisals of collateral and fair values as determined by independent third parties, which are not presented in the tables below.

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The following table provides a summary of the significant unobservable inputs used to fair value Main Street's Level 3 portfolio investments as of September 30, 2015:

Type of Investment	Fair Value as of September 30, 2015 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)
Equity investments	$ 506,285	Discounted cash flow	Weighted average cost of capital	10.9% - 19.4%	13.0%
		Market comparable / Enterprise Value	EBITDA multiple(1)	4.0x - 8.5x(2)	6.8x
Debt investments	$ 656,173	Discounted cash flow	Risk adjusted discount factor	7.6% - 15.3%(2)	11.5%
			Expected principal recovery percentage	25.4% - 100.0%	99.7%
Debt investments	$ 700,516	Market approach	Third party quote	34.0 - 106.4	
Total Level 3 investments	$ 1,862,974				

(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 - 18.8x and the range for risk adjusted discount factor is 6.0% - 30.8%.

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

The following table provides a summary of the significant unobservable inputs used to fair value Main Street's Level 3 portfolio investments as of December 31, 2014:

Type of Investment	Fair Value as of December 31, 2014 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)
Equity investments	$ 407,569	Discounted cash flow	Weighted average cost of capital	11.4% - 23.4%	13.9%
		Market comparable / Enterprise Value	EBITDA multiple(1)	4.0x - 7.8x(2)	6.4x
Debt investments	$ 557,604	Discounted cash flow	Risk adjusted discount factor	7.5% - 15.8%(2)	12.1%
			Expected principal recovery percentage	42.0% - 100.0%	99.3%
Debt investments	$ 589,677	Market approach	Third party quote	60.1 - 102.3	
Total Level 3 investments	$ 1,554,850				

(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 6.0% - 32.0%.

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

The following table provides a summary of changes in fair value of Main Street's Level 3 portfolio investments for the nine months ended September 30, 2015 (amounts in thousands). Net unrealized

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appreciation (depreciation) is included in the Net change in unrealized appreciation (depreciation)—portfolio investments on the consolidated statements of operations.

Type of Investment	Fair Value as of December 31, 2014	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of September 30, 2015
Debt	$ 1,147,281	$ —	$ (439,158)	$ 672,305	$ 19,844	$ (32,804)	$ (10,779)	$ 1,356,689
Equity	391,933	—	(16,475)	58,728	(8,250)	55,865	10,376	492,177
Equity Warrant	15,636	—	(1,723)	2,153	(1,687)	(271)	—	14,108
	$ 1,554,850	$ —	$ (457,356)	$ 733,186	$ 9,907	$ 22,790	$ (403)	$ 1,862,974

(1) Includes the impact of non-cash conversions.

The following table provides a summary of changes in fair value of Main Street's Level 3 portfolio investments for the nine months ended September 30, 2014 (amounts in thousands). All transfers that occurred between fair value hierarchy levels during the nine months ended September 30, 2014 were transfers out of Level 2 into Level 3 as certain investments were deemed to trade infrequently. Net unrealized appreciation (depreciation) is included in the Net change in unrealized appreciation (depreciation)—portfolio investments on the consolidated statements of operations.

Type of Investment	Fair Value as of December 31, 2013	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of September 30, 2014
Debt	$ 897,568	$ 55,102	$ (411,801)	$ 575,644	$ 6,811	$ (19,144)	$ (2,738)	$ 1,101,442
Equity	270,764	—	(12,305)	41,338	1,050	53,616	2,078	356,541
Equity Warrant	36,558	—	(650)	771	(9,800)	(6,931)	83	20,031
	$ 1,204,890	$ 55,102	$ (424,756)	$ 617,753	$ (1,939)	$ 27,541	$ (577)	$ 1,478,014

(1) Includes the impact of non-cash conversions.

As of September 30, 2015 and December 31, 2014, 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 Yield- to-Maturity valuation inputs in isolation would result in a significantly lower (higher) fair value measurement.

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The following table provides a summary of the significant unobservable inputs used to fair value Main Street's Level 3 SBIC debentures as of September 30, 2015 (amounts in thousands):

Type of Instrument	Fair Value as of September 30, 2015	Valuation Technique	Significant Unobservable Inputs	Range	Weighted Average
SBIC debentures	$ 73,804	Discounted cash flow	Estimated market interest rates	4.1% - 5.9%	4.9%

The following table provides a summary of the significant unobservable inputs used to fair value Main Street's Level 3 SBIC debentures as of December 31, 2014 (amounts in thousands):

Type of Instrument	Fair Value as of December 31, 2014	Valuation Technique	Significant Unobservable Inputs	Range	Weighted Average
SBIC debentures	$ 72,981	Discounted cash flow	Estimated market interest rates	4.6% - 6.0%	5.3%

The following table provides a summary of changes for the Level 3 SBIC debentures recorded at fair value for the nine months ended September 30, 2015 (amounts in thousands):

Fair Value as of December 31, 2014	Repayments	New SBIC Debentures	Net Unrealized (Appreciation) Depreciation	Fair Value as of September 30, 2015
$ 72,981	$ —	$ —	$ 823	$ 73,804

The following table provides a summary of changes for the Level 3 SBIC debentures recorded at fair value for the nine months ended September 30, 2014 (amounts in thousands):

Fair Value as of December 31, 2013	Repayments	New SBIC Debentures	Net Unrealized (Appreciation) Depreciation	Fair Value as of September 30, 2014
$ 62,050	$ —	$ —	$ 10,779	$ 72,829

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(Unaudited)

At September 30, 2015 and December 31, 2014, 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 Measurements (in thousands)		
At September 30, 2015	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
LMM portfolio investments	$ 856,371	$ —	$ 4,460	$ 851,911
Middle Market portfolio investments	669,519	—	—	669,519
Private Loan portfolio investments	252,366	—	—	252,366
Other Portfolio investments	56,873	—	—	56,873
External Investment Manager	32,305	—	—	32,305
Total portfolio investments	1,867,434	—	4,460	1,862,974
Marketable securities and idle funds investments	4,583	4,583	—	—
Total investments	$ 1,872,017	$ 4,583	$ 4,460	$ 1,862,974
SBIC debentures at fair value	$ 73,804	$ —	$ —	$ 73,804

		Fair Value Measurements (in thousands)		
At December 31, 2014	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
LMM portfolio investments	$ 733,191	$ —	$ 8,480	$ 724,711
Middle Market portfolio investments	542,688	—	—	542,688
Private Loan portfolio investments	213,015	—	—	213,015
Other Portfolio investments	58,856	—	—	58,856
External Investment Manager	15,580	—	—	15,580
Total portfolio investments	1,563,330	—	8,480	1,554,850
Marketable securities and idle funds investments	9,067	9,067	—	—
Total investments	$ 1,572,397	$ 9,067	$ 8,480	$ 1,554,850
SBIC debentures at fair value	$ 72,981	$ —	$ —	$ 72,981

Investment Portfolio Composition

Main Street's lower middle market ("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

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the assets of the portfolio company, primarily bear interest at fixed rates, and generally have a term of between five and seven years from the original investment date. In most LMM portfolio investments, Main Street receives nominally priced equity warrants and/or makes direct equity investments in connection with a debt investment.

Main Street's middle market ("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 $15 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 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.

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 has entered into an agreement to provide the External Investment Manager with asset management service support 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 provides management and other services to the External Investment Manager, as well as access to Main Street's employees, infrastructure, business relationships, management expertise and capital raising capabilities. In the first quarter of 2014, Main Street began charging the External Investment Manager the cost for these services. Main Street's total expenses for the three months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $1.1 million and $0.6 million, respectively. Main Street's total expenses for the nine months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $3.1 million and $1.3 million, respectively.

Investment income, consisting of interest, dividends and fees, can fluctuate dramatically due to various factors, including the level of new investment activity, repayments of debt investments or sales of equity interests. Investment income in any given year could also be highly concentrated among several portfolio companies. For the three and nine months ended September 30, 2015 and 2014, Main Street did not record investment income from any single portfolio company in excess of 10% of total investment income.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

The following tables provide a summary of Main Street's investments in the LMM, Middle Market and Private Loan portfolios as of September 30, 2015 and December 31, 2014 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

	As of September 30, 2015		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	71	86	41
Fair value	$ 856.4	$ 669.5	$ 252.4
Cost	$ 693.7	$ 695.2	$ 273.1
% of portfolio at cost—debt	70.4%	98.5%	94.9%
% of portfolio at cost—equity	29.6%	1.5%	5.1%
% of debt investments at cost secured by first priority lien	89.6%	87.8%	87.6%
Weighted-average annual effective yield(b)	12.3%	8.0%	9.5%
Average EBITDA(c)	$ 6.1	$ 97.9	$ 17.1

(a) At September 30, 2015, Main Street had equity ownership in approximately 96% of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 36%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2015, 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 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 four LMM portfolio companies, one Middle Market portfolio company and eight 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, 2014		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	66	86	31
Fair value	$ 733.2	$ 542.7	$ 213.0
Cost	$ 599.4	$ 561.8	$ 224.0
% of portfolio at cost—debt	71.5%	99.8%	95.6%
% of portfolio at cost—equity	28.5%	0.2%	4.4%
% of debt investments at cost secured by first priority lien	89.6%	85.1%	87.8%
Weighted-average annual effective yield(b)	13.2%	7.8%	10.1%
Average EBITDA(c)	$ 5.0	$ 77.2	$ 18.1

(a) At December 31, 2014, Main Street had equity ownership in approximately 95% of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 35%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2014, 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 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 five Private Loan portfolio companies as EBITDA is not a meaningful valuation metric for Main Street's investments in these portfolio companies companies, and those portfolio companies whose primary purpose is to own real estate.

As of September 30, 2015, Main Street had Other Portfolio investments in seven companies, collectively totaling approximately $56.9 million in fair value and approximately $61.2 million in cost basis and which comprised approximately 3.0% of Main Street's Investment Portfolio at fair value. As of December 31, 2014, Main Street had Other Portfolio investments in six companies, collectively totaling approximately $58.9 million in fair value and approximately $56.2 million in cost basis and which comprised approximately 3.8% of Main Street's Investment Portfolio at fair value.

As discussed further in Note A.1., Main Street holds an investment in the External Investment Manager, a wholly owned subsidiary that is treated as a portfolio investment. As of September 30, 2015, there was no cost basis in this investment and the investment had a fair value of $32.3 million, which comprised 1.7% of Main Street's Investment Portfolio at fair value. As of December 31, 2014, there was no cost basis in this investment and the investment had a fair value of $15.6 million, which comprised 1.0% of Main Street's Investment Portfolio at fair value.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, as of September 30, 2015 and December 31, 2014 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	September 30, 2015	December 31, 2014
First lien debt	76.1%	75.7%
Equity	12.6%	11.6%
Second lien debt	9.0%	10.0%
Equity warrants	1.3%	1.5%
Other	1.0%	1.2%
	100.0%	100.0%

Fair Value:	September 30, 2015	December 31, 2014
First lien debt	67.3%	66.9%
Equity	23.0%	21.9%
Second lien debt	8.2%	9.2%
Equity warrants	0.8%	1.0%
Other	0.7%	1.0%
	100.0%	100.0%

The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments by geographic region of the United States and other countries at cost and fair value as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, as of September 30, 2015 and December 31, 2014 (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:	September 30, 2015	December 31, 2014
Southwest	32.2%	29.6%
Northeast	19.7%	19.9%
Midwest	16.1%	13.5%
West	14.3%	18.7%
Southeast	13.5%	15.4%
Canada	2.4%	0.7%
Other Non-United States	1.8%	2.2%
	100.0%	100.0%

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

Fair Value:	September 30, 2015	December 31, 2014
Southwest	35.5%	33.7%
Northeast	18.0%	18.3%
West	15.4%	20.4%
Midwest	14.8%	12.7%
Southeast	12.6%	12.4%
Canada	2.1%	0.6%
Other Non-United States	1.6%	1.9%
	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

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

as of September 30, 2015 and December 31, 2014 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	September 30, 2015	December 31, 2014
Hotels, Restaurants & Leisure	7.7%	5.6%
Energy Equipment & Services	7.0%	8.3%
Media	6.0%	8.3%
Machinery	5.4%	6.5%
IT Services	5.2%	5.9%
Specialty Retail	5.0%	4.7%
Software	4.7%	5.4%
Construction & Engineering	4.3%	5.3%
Diversified Telecommunication Services	4.3%	4.0%
Health Care Providers & Services	4.2%	4.9%
Internet Software & Services	3.6%	1.9%
Electronic Equipment, Instruments & Components	3.3%	3.0%
Diversified Consumer Services	3.1%	2.9%
Auto Components	2.6%	2.3%
Food Products	2.5%	1.8%
Commercial Services & Supplies	2.2%	1.0%
Oil, Gas & Consumable Fuels	2.1%	2.5%
Diversified Financial Services	2.1%	1.0%
Pharmaceuticals	1.8%	1.8%
Building Products	1.8%	1.1%
Health Care Equipment & Supplies	1.8%	2.1%
Professional Services	1.8%	1.1%
Road & Rail	1.6%	1.8%
Aerospace & Defense	1.2%	1.2%
Leisure Equipment & Products	1.2%	0.5%
Automobile	1.2%	0.8%
Chemicals	1.1%	1.3%
Air Freight & Logistics	1.1%	0.9%
Distributors	1.1%	1.0%
Trading Companies & Distributors	1.0%	1.2%
Textiles, Apparel & Luxury Goods	0.6%	1.3%
Other(1)	7.4%	8.6%
	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.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

Fair Value:	September 30, 2015	December 31, 2014
Hotels, Restaurants & Leisure	7.5%	5.6%
Machinery	6.5%	8.1%
Energy Equipment & Services	6.1%	7.9%
Specialty Retail	5.7%	4.9%
Software	5.5%	5.5%
Media	5.2%	7.7%
Diversified Consumer Services	5.0%	4.4%
Construction & Engineering	4.9%	5.5%
IT Services	4.8%	5.4%
Diversified Telecommunication Services	3.8%	3.8%
Health Care Providers & Services	3.5%	4.4%
Internet Software & Services	3.3%	2.3%
Auto Components	2.8%	2.5%
Electronic Equipment, Instruments & Components	2.7%	2.5%
Road & Rail	2.5%	2.3%
Food Products	2.4%	1.6%
Diversified Financial Services	2.1%	1.0%
Commercial Services & Supplies	2.1%	1.0%
Pharmaceuticals	1.7%	1.7%
Health Care Equipment & Supplies	1.7%	1.9%
Professional Services	1.7%	1.0%
Oil, Gas & Consumable Fuels	1.6%	1.9%
Building Products	1.6%	0.9%
Air Freight & Logistics	1.2%	0.8%
Aerospace & Defense	1.1%	1.1%
Leisure Equipment & Products	1.1%	0.4%
Distributors	1.1%	1.0%
Automobile	1.1%	0.8%
Chemicals	1.0%	1.2%
Trading Companies & Distributors	0.9%	1.1%
Paper & Forest Products	0.7%	1.2%
Textiles, Apparel & Luxury Goods	0.5%	1.2%
Other(1)	6.6%	7.4%
	100.0%	100.0%

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

At September 30, 2015 and December 31, 2014, Main Street had no portfolio investment that was greater than 10% of the Investment Portfolio at fair value.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

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 parties outside of MSCC and its consolidated subsidiaries.

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 Fund, Inc. ("HMS Income"), a non-publicly traded BDC whose registration statement on Form N-2 was declared effective by the SEC in June 2012, to provide certain investment advisory services to HMS Adviser. In December 2013, after obtaining required no-action relief from the SEC to allow it to own a registered investment adviser, Main Street assigned the sub-advisory agreement to the External Investment Manager since the fees received from such arrangement could otherwise have negative consequences on MSCC's ability to meet the source-of-income requirement necessary for it to maintain its RIC tax treatment. Under the investment sub-advisory agreement, the External Investment Manager is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. Based upon several fee waiver agreements with HMS Income and HMS Adviser, the External Investment Manager did not begin accruing the base management fee and incentive fees, if any, until January 1, 2014. Beginning January 1, 2015, the External Investment Manager conditionally agreed to waive a limited amount of the base management fee and incentive fees otherwise earned during the year ended December 31, 2015. During the three months ended September 30, 2015 and 2014, the External Investment Manager earned $2.1 million and $0.8 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser. During the nine months ended September 30, 2015 and 2014, the External Investment Manager earned $5.5 million and $1.7 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 statement of operations in "Net Change in Unrealized Appreciation (Depreciation)—Portfolio investments".

The External Investment Manager has elected, for tax purposes, to be treated as a taxable entity, is not consolidated with Main Street for income tax purposes and 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 External Investment Manager has elected to be treated as a taxable entity to enable it to receive fee income and to allow MSCC to continue to comply with the "source-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. 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 provides services to the External Investment Manager and charges the expenses necessary to perform these services to the External Investment Manager generally based on a

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

combination of the direct time spent, new investment origination activity and assets under management, depending on the nature of the expense. For the three months ended September 30, 2015 and 2014, Main Street charged $1.1 million and $0.6 million of total expenses, respectively, to the External Investment Manager. For the nine months ended September 30, 2015 and 2014, Main Street charged $3.1 million and $1.3 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 charged to the External Investment Manager and dividend income from the External Investment Manager. For the three months ended September 30, 2015 and 2014, the total contribution to net investment income was $1.8 million and $0.7 million, respectively. For the nine months ended September 30, 2015 and 2014, the total contribution to net investment income was $4.7 million and $1.5 million, respectively.

Summarized financial information from the separate financial statements of the External Investment Manager as of September 30, 2015 and December 31, 2014 and for the three and nine months ended September 30, 2015 and 2014 is as follows:

	As of September 30, 2015	As of December 31, 2014
	(in thousands)	
Cash	$ 31	$ 130
Taxes receivable	105	—
Accounts receivable—HMS Income	2,134	1,120
Total assets	$ 2,270	$ 1,250
Accounts payable to MSCC and its subsidiaries	$ 1,660	$ 699
Dividend payable to MSCC	610	253
Taxes payable	—	298
Equity	—	—
Total liabilities and equity	$ 2,270	$ 1,250

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	(in thousands)			
Management fee income	$ 2,105	$ 834	$ 5,500	$ 1,668
Expenses allocated from MSCC or its subsidiaries:				
Salaries, share-based compensation and other personnel costs	(764)	(439)	(2,146)	(994)
Other G&A expenses	(381)	(177)	(987)	(349)
Total allocated expenses	(1,145)	(616)	(3,133)	(1,343)
Other direct G&A expenses	—	—	—	(2)
Total expenses	(1,145)	(616)	(3,133)	(1,345)
Pre-tax income	960	218	2,367	323
Tax expense	(350)	(87)	(847)	(129)
Net income	$ 610	$ 131	$ 1,520	$ 194

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

NOTE E—SBIC DEBENTURES

SBIC debentures payable were $225.0 million at both September 30, 2015 and December 31, 2014, respectively. SBIC debentures provide for interest to be paid semi-annually, with principal due at the applicable 10-year maturity date of each debenture. The weighted-average annual interest rate on the SBIC debentures was 4.2% as of both September 30, 2015 and December 31, 2014. The first principal maturity due under the existing SBIC debentures is in 2017, and the remaining weighted-average duration as of September 30, 2015 was approximately 5.8 years. For the three months ended September 30, 2015 and 2014, Main Street recognized interest expense attributable to the SBIC debentures of $2.5 million in each period, respectively. For the nine months ended September 30, 2015 and 2014, Main Street recognized interest expense attributable to the SBIC debentures of $7.4 million and $7.0 million, respectively. Main Street has incurred upfront leverage and other miscellaneous fees of approximately 3.4% of the debenture principal amount. In accordance with SBA regulations, the Funds are precluded from incurring additional non-SBIC debt without the prior approval of the SBA. The Funds are subject to annual compliance examinations by the SBA. There have been no historical findings resulting from these examinations.

As of September 30, 2015, the recorded value of the SBIC debentures was $223.6 million which consisted of (i) $73.8 million recorded at fair value, or $1.4 million less than the $75.2 million face value of the SBIC debentures held in MSC II, and (ii) $149.8 million reported at face value and held in MSMF. As of September 30, 2015, if Main Street had adopted the fair value option under ASC 825 for all of its SBIC debentures, Main Street estimates the fair value of its SBIC debentures would be approximately $211.1 million, or $13.9 million less than the $225.0 million face value of the SBIC debentures.

NOTE F—CREDIT FACILITY

Main Street maintains the Credit Facility to provide additional liquidity to support its investment and operational activities. The Credit Facility provides for commitments from a diversified group of fifteen lenders, matures in September 2019 and was amended during April 2015 to increase the total commitments from $572.5 million to $597.5 million and increase the accordion feature of the Credit Facility from $650.0 million to $750.0 million. The accordion feature allows Main Street to increase the total commitments under the facility from new and existing lenders on the same terms and conditions as the existing commitments.

Borrowings under the Credit Facility bear interest, subject to Main Street's election, on a per annum basis equal to (i) the applicable LIBOR rate (0.20% as of September 30, 2015) plus 2.00%, as long as Main Street maintains an investment grade rating (or 2.25% if Main Street does not maintain an investment grade rating) or (ii) the applicable base rate (Prime Rate of 3.25% as of September 30, 2015) plus 1.00%, as long as Main Street maintains an investment grade rating (or 1.25% if Main Street does not maintain an investment grade rating). Main Street pays unused commitment fees of 0.25% per annum on the unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership and assets of the Funds and the External Investment Manager. The Credit Facility contains certain affirmative and negative covenants, including: (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 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 2019, and

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

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

At September 30, 2015, Main Street had $346.0 million in borrowings outstanding under the Credit Facility. As of September 30, 2015, if Main Street had adopted the fair value option under ASC 825 for its Credit Facility, Main Street estimates its fair value would approximate its recorded value. Main Street recognized interest expense related to the Credit Facility, including unused commitment fees and amortization of deferred loan costs, of $2.2 million and $2.0 million for the three months ended September 30, 2015 and 2014, respectively and of $5.5 million and $5.3 million, respectively, for the nine months ended September 30, 2015 and 2014. As of September 30, 2015, the interest rate on the Credit Facility was 2.2%, which is consistent with the average rate for the three months ended September 30, 2015. Main Street was in compliance with all financial covenants of the Credit Facility.

NOTE G—NOTES

6.125% Notes

In April 2013, Main Street issued $92.0 million, including the underwriters full exercise of their option to purchase additional principal amounts to cover over-allotments, in aggregate principal amount of 6.125% Notes due 2023 (the "6.125% Notes"). The 6.125% Notes are unsecured obligations and rank pari passu with Main Street's current and future unsecured indebtedness; senior to any of its future indebtedness that expressly provides it is subordinated to the 6.125% Notes; effectively subordinated to all of its existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under its Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, including without limitation, the indebtedness of the Funds. The 6.125% Notes mature on April 1, 2023, and may be redeemed in whole or in part at any time or from time to time at Main Street's option on or after April 1, 2018. The 6.125% Notes bear interest at a rate of 6.125% per year payable quarterly on January 1, April 1, July 1 and October 1 of each year. The total net proceeds to Main Street from the 6.125% Notes, after underwriting discounts and estimated offering expenses payable by Main Street, were approximately $89.0 million. Main Street has listed the 6.125% Notes on the New York Stock Exchange under the trading symbol "MSCA". Main Street may from time to time repurchase the 6.125% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2015, the outstanding balance of the 6.125% Notes was $90.7 million. As of September 30, 2015, if Main Street had adopted the fair value option under ASC 825 for the 6.125% Notes, Main Street estimates the fair value would be approximately $92.0 million. Main Street recognized interest expense related to the 6.125% Notes, including amortization of deferred loan costs, of $1.5 million for each of the three months ended September 30, 2015 and 2014. Main Street recognized interest expense related to the 6.125% Notes, including amortization of deferred loan costs, of $4.4 million for each of the nine months ended September 30, 2015 and 2014.

The indenture governing the 6.125% Notes (the "6.125% Notes Indenture") contains certain covenants, including covenants requiring Main Street's compliance with (regardless of whether Main Street is subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act, as well as covenants requiring Main Street to provide financial information to the holders of the 6.125% Notes and the Trustee if Main Street ceases to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the 6.125% Notes Indenture.

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Notes to Consolidated Financial Statements (Continued)

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4.50% Notes

In November 2014, Main Street issued $175.0 million in aggregate principal amount of 4.50% unsecured notes due 2019 (the "4.50% Notes") at an issue price of 99.53%. The 4.50% Notes are unsecured obligations and rank pari passu with Main Street's current and future unsecured indebtedness; senior to any of its future indebtedness that expressly provides it is subordinated to the 4.50% Notes; effectively subordinated to all of its existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under its Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes mature on December 1, 2019, and may be redeemed in whole or in part at any time at Main Street's option subject to certain make whole provisions. The 4.50% Notes bear interest at a rate of 4.50% per year payable semi-annually on June 1 and December 1 of each year. The total net proceeds from the 4.50% Notes, resulting from the issue price and after underwriting discounts and estimated offering expenses payable by us, were approximately $171.2 million. Main Street may from time to time repurchase the 4.50% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2015, the outstanding balance of the 4.50% Notes was $175.0 million. As of September 30, 2015, if Main Street had adopted the fair value option under ASC 825 for the 4.50% Notes, Main Street estimates its fair value would be approximately $179.4 million. Main Street recognized interest expense related to the 4.50% Notes, including amortization of deferred loan costs, of $2.1 million and $6.4 million for the three months and nine months ended September 30, 2015, respectively.

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

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

NOTE H—FINANCIAL HIGHLIGHTS

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Per Share Data:		
NAV at the beginning of the period	$ 20.85	$ 19.89
Net investment income(1)	1.61	1.61
Net realized gain (loss)(1)(2)	(0.19)	0.25
Net change in net unrealized appreciation(1)(2)	0.42	0.17
Income tax benefit (provision)(1)(2)	0.15	(0.20)
Net increase in net assets resulting from operations(1)	1.99	1.83
Dividends paid to stockholders from net investment income	(1.79)	(1.46)
Distributions from capital gains	(0.05)	(0.30)
Total dividends paid	(1.84)	(1.76)
Impact of the net change in monthly dividends declared prior to the end of the period and paid in the subsequent period	(0.01)	(0.01)
Accretive effect of public stock offerings (issuing shares above NAV per share)	0.71	1.07
Accretive effect of DRIP issuance (issuing shares above NAV per share)	0.08	0.09
Other(3)	0.01	(0.03)
NAV at the end of the period	$ 21.79	$ 21.08
Market value at the end of the period	$ 26.66	$ 30.64
Shares outstanding at the end of the period	50,079,178	44,945,194

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

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

(3) Includes the impact of the different share amounts as a result of calculating certain per share data based on the weighted average basic shares outstanding during the period and

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

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

	Nine Months Ended September 30,	
	2015	2014
	(in thousands, except percentages)	
NAV at end of period	$ 1,090,981	$ 947,506
Average NAV	$ 1,051,418	$ 871,964
Average outstanding debt	$ 742,993	$ 553,622
Ratio of total expenses, including income tax expense, to average NAV(1)(2)	3.38%	4.72%
Ratio of operating expenses to average NAV(2)(3)	4.05%	3.76%
Ratio of operating expenses, excluding interest expense, to average NAV(2)(3)	1.79%	1.84%
Ratio of net investment income to average NAV(2)	7.47%	7.94%
Portfolio turnover ratio(2)	16.68%	27.24%
Total investment return(2)(4)	–6.74%	–1.06%
Total return based on change in NAV(2)(5)	10.31%	9.94%

(1) Total expenses are the sum of operating expenses and net income tax provision/benefit. Net income tax provision/benefit includes the accrual of net deferred tax provision/benefit on the net unrealized appreciation/depreciation on portfolio investments held in Taxable Subsidiaries and due to the change in net operating loss carryforwards, which are non-cash in nature and may vary significantly from period to period. Main Street is required to include net deferred tax provision/benefit in calculating its total expenses even though these net deferred taxes are not currently payable/receivable.

(2) Not annualized.

(3) Operating expenses include compensation, general and administrative and share-based compensation expenses, net of expenses charged to the External Investment Manager.

(4) Total investment return based on purchase of stock at the current market price on the first day and a sale at the current market price on the last day of each period reported on the table and assumes reinvestment of dividends at prices obtained by Main Street's dividend reinvestment plan during the period. The return does not reflect any sales load that may be paid by an investor.

(5) Total return based on change in net asset value was calculated using the sum of ending net asset value plus dividends to stockholders and other non-operating changes during the period, as divided by the beginning net asset value.

NOTE I—DIVIDENDS, DISTRIBUTIONS AND TAXABLE INCOME

Main Street paid regular monthly dividends of $0.170 per share for each month of January through March 2015 and $0.175 for each month of April through September 2015, totaling approximately $26.2 million, or $0.525 per share, for the three months ended September 30, 2015, and $75.4 million, or $1.560 per share, for the nine months ended September 30, 2015. The third quarter 2015 regular monthly dividends represent a 6.1% increase from the regular monthly dividends paid for the third quarter of 2014. Additionally, Main Street paid a $0.275 per share supplemental semi-annual dividend, totaling $13.7 million, in June 2015 compared to $12.3 million, or $0.275 per share, paid in June 2014. The regular monthly dividends equaled a total of approximately $22.2 million, or $0.495 per share, for the three months ended September 30, 2014, and $63.3 million, or $1.485 per share, for the nine months ended September 30, 2014.

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 income or capital gains that MSCC distributes to its stockholders. MSCC must generally distribute at least 90% of its investment company taxable income to qualify for pass-through tax treatment and maintain its RIC status. As part of maintaining RIC status, undistributed taxable income (subject to a 4% 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 prior to the filing of the U.S federal income tax return for the applicable fiscal year.

The determination of the tax attributes for Main Street's distributions is made annually, based upon its taxable income for the full year and distributions paid for the full year. Therefore, a determination made on an interim basis may not be representative of the actual tax attributes of distributions for a full year. Ordinary dividend distributions from a RIC do not qualify for the 20% maximum tax rate (plus a 3.8% Medicare surtax, if applicable) on dividend income from domestic corporations and qualified foreign corporations, except to the extent that the RIC received the income in the form of qualifying dividends from domestic corporations and qualified foreign corporations. The tax attributes for distributions will generally include both ordinary income and capital gains, but may also include qualified dividends or return of capital.

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Notes to Consolidated Financial Statements (Continued)

(Unaudited)

Listed below is a reconciliation of "Net increase in net assets resulting from operations" to taxable income and to total distributions declared to common stockholders for the nine months ended September 30, 2015 and 2014.

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
	(estimated, amounts in thousands)	
Net increase in net assets resulting from operations	$ 96,895	$ 78,754
Book tax difference share-based compensation expense	(662)	3,034
Net change in net unrealized appreciation	(20,372)	(7,160)
Income tax provision (benefit)	(7,004)	8,401
Pre-tax book (income) loss not consolidated for tax purposes	15,240	(2,217)
Book income and tax income differences, including debt origination, structuring fees, dividends, realized gains and changes in estimates	992	332
Estimated taxable income(1)	85,089	81,144
Taxable income earned in prior year and carried forward for distribution in current year	38,638	37,046
Taxable income earned prior to period end and carried forward for distribution next period	(42,279)	(49,184)
Dividend payable as of period end and paid in the following period	9,014	7,641
Total distributions accrued or paid to common stockholders	$ 90,462	$ 76,647

(1) Main Street's taxable income for each period is an estimate and will not be finally determined until the company files its tax return for each year. Therefore, the final taxable income, and the taxable income earned in each period and carried forward for distribution in the following period, may be different than this estimate.

The Taxable Subsidiaries 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-income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are consolidated with Main Street for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in Main Street's consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities, as a result of their ownership of certain portfolio investments. The taxable income, or loss, of the Taxable Subsidiaries may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in Main Street's consolidated financial statements.

MSCC's wholly owned subsidiary MSCP is included in Main Street's consolidated financial statements for financing reporting purposes. For tax purposes, MSCP has elected to be treated as a

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

taxable entity, and therefore is not consolidated with MSCC for income tax purposes and 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 taxable income, or loss, of MSCP may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in Main Street's consolidated financial statements.

The income tax expense, or benefit, and the related tax assets and liabilities, generated by the Taxable Subsidiaries and MSCP, if any, are reflected in Main Street's consolidated financial statements. For the three months ended September 30, 2015, Main Street recognized a net income tax benefit of $3.2 million, principally consisting of deferred tax benefit of $2.7 million which is primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries including changes in net operating loss carryforwards, changes in net unrealized appreciation or depreciation and other temporary book tax differences and a $0.5 million benefit in other current taxes which is primarily related to a $0.7 million benefit for current U.S. federal income and state taxes, partially offset by $0.2 million accrual for excise tax on our estimated spillover taxable income. For the nine months ended September 30, 2015, Main Street recognized a net income tax benefit of $7.0 million, which principally consisted of deferred tax benefit of $8.5 million primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries including changes in net operating loss carryforwards, changes in net unrealized appreciation or depreciation and temporary book tax differences, offset by $1.5 million in other current taxes, which principally consists of $0.8 million of accruals for current U.S. federal income and state taxes, and a $0.7 million accrual for excise tax. For the three months ended September 30, 2014, Main Street recognized a net income tax provision of $3.0 million, which principally consisted of deferred taxes of $2.0 million, and $1.0 million of accruals for current U.S. federal income and excise taxes, state and other taxes. For the nine months ended September 30, 2014, Main Street recognized a net income tax provision of $8.4 million, related to deferred taxes of $6.6 million, which is primarily the result of deferred taxes on net unrealized appreciation on several of the portfolio investments held in our Taxable Subsidiaries and other taxes of $1.8 million. As of September 30, 2015, Main Street had a capital loss carryforward of $5.5 million. For federal income tax purposes, the capital loss carryforward will expire in 2020. The timing and manner in which Main Street will utilize any net loss carryforwards in any year, or in total, may be limited in the future under the provisions of the Code.

The net deferred tax liability at September 30, 2015 and December 31, 2014 was $0.7 million and $9.2 million, respectively, primarily related to timing differences from net unrealized appreciation of portfolio investments held by the Taxable Subsidiaries, partially offset by net loss carryforwards (primarily resulting from historical realized losses on portfolio investments held by the Taxable Subsidiaries), basis differences of portfolio investments held by the Taxable Subsidiaries which are "pass-through" entities for tax purposes and excess deductions resulting from the restricted stock plans (see further discussion in Note L).

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

In accordance with the realization requirements of ASC 718, *Compensation—Stock Compensation*, Main Street uses tax law ordering when determining when tax benefits related to equity compensation greater than equity compensation recognized for financial reporting should be realized. For the nine months ended September 30, 2015, Main Street realized no increase to paid-in capital due to tax deductions related to equity compensation greater than equity compensation recognized for financial reporting compared to a $0.5 million increase for the corresponding period in 2014. Paid-in capital increases of $1.8 million will be recognized in future periods when such tax benefits are ultimately realized by reducing taxes payable.

NOTE J—COMMON STOCK

During March 2015, Main Street completed a follow-on public equity offering of 4,370,000 shares of common stock, including the underwriters' full exercise of their option to purchase 570,000 additional shares, resulting in total net proceeds, including exercise of the underwriters' option to purchase additional shares and after deducting underwriting discounts and estimated offering expenses payable by Main Street, of approximately $127.8 million.

During April 2014, Main Street completed a follow-on public equity offering of 4,600,000 shares of common stock, including the underwriters' full exercise of their option to purchase 600,000 additional shares, at a price to the public of $31.50 per share, resulting in total net proceeds, including exercise of the underwriters' option to purchase additional shares and after deducting underwriting discounts and estimated offering expenses payable by Main Street, of approximately $139.7 million.

NOTE K—DIVIDEND REINVESTMENT PLAN ("DRIP")

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

For the nine months ended September 30, 2015, $13.7 million of the total $89.1 million in dividends paid to stockholders represented DRIP participation. During this period, the DRIP participation requirements were satisfied with the issuance of 444,957 newly issued shares and with the purchase of 3,131 shares of common stock in the open market. For the nine months ended September 30, 2014, $11.8 million of the total $75.6 million in dividends paid to stockholders represented DRIP participation. During this period, the DRIP participation requirements were satisfied with the issuance of 333,657 newly issued shares and with the purchase of 31,825 shares of common stock in the open market. The shares disclosed above relate only to Main Street's DRIP and exclude any activity related to broker-managed dividend reinvestment plans.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

NOTE L—SHARE-BASED COMPENSATION

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

Main Street's Board of Directors approves the issuance of shares of restricted stock to Main Street employees pursuant to the Main Street Capital Corporation 2015 Equity and Incentive Plan. These shares generally vest over a three-year period from the grant date. The fair value is expensed over the service period, starting on the grant date. The following table summarizes the restricted stock issuances approved by Main Street's Board of Directors, net of shares forfeited, and the remaining shares of restricted stock available for issuance as of September 30, 2015.

Restricted stock authorized under the plan	3,000,000
Less net restricted stock granted during:	
Nine months ended September 30, 2015	—
Restricted stock available for issuance as of September 30, 2015	3,000,000

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

Restricted stock authorized under the plan	300,000
Less net restricted stock granted during:	
Nine months ended September 30, 2015	(4,830)
Restricted stock available for issuance as of September 30, 2015	295,170

For the three months ended September 30, 2015 and 2014, Main Street recognized total share-based compensation expense of $1.7 million and $1.2 million, respectively, related to the restricted stock issued to Main Street employees and independent directors, and for the nine months ended September 30, 2015 and 2014, Main Street recognized total share-based compensation expense of $4.6 million and $3.0 million, respectively, related to the restricted stock issued to Main Street employees and independent directors.

As of September 30, 2015, there was $13.7 million of total unrecognized compensation expense related to Main Street's non-vested restricted shares. This compensation expense is expected to be recognized over a remaining weighted-average period of approximately 2.3 years as of September 30, 2015.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

NOTE M—COMMITMENTS AND CONTINGENCIES

At September 30, 2015, Main Street had the following outstanding commitments (in thousands):

	Amount
Investments with equity capital commitments that have not yet funded:	
Encap Energy Fund Investments	
EnCap Energy Capital Fund VIII, L.P.	$ 1,100
EnCap Energy Capital Fund VIII Co-Investors, L.P.	243
EnCap Energy Capital Fund IX, L.P.	2,150
EnCap Energy Capital Fund X, L.P.	9,587
EnCap Flatrock Midstream Fund II, L.P.	7,587
EnCap Flatrock Midstream Fund III, L.P.	7,077
	$ 27,744
Congruent Credit Opportunities Funds	
Congruent Credit Opportunities Fund II, LP	$ 8,488
Congruent Credit Opportunities Fund III, LP	17,901
	$ 26,389
I-45 SLF LLC	$ 17,000
Freeport Fund Investments	
Freeport First Lien Loan Fund III LP	$ 11,741
Freeport Financial SBIC Fund LP	1,375
	$ 13,116
Dos Rios Partners	
Dos Rios Partners, LP	$ 4,486
Dos Rios Partners—A, LP	1,424
	$ 5,910
Brightwood Capital Fund III, LP	$ 3,750
LKCM Headwater Investments I, L.P.	$ 2,750
Access Media Holdings, LLC	$ 1,299
Total equity commitments	$ 97,958
Investments with commitments to fund revolving loans that have not been fully drawn or term loans with additional commitments not yet funded:	
Volusion, LLC	$ 7,000
Minute Key, Inc.	6,000
Barfly Ventures, LLC	4,594
Buca C, LLC	2,670
Applied Products, Inc.	2,000

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

	Amount
Mid-Columbia Lumber Products, LLC	2,000
Glowpoint, Inc.	1,979
Datacom, LLC	1,800
LaMi Products, LLC	1,688
Guerdon Modular Holdings, Inc.	1,600
IDX Broker, LLC	1,475
Subsea Global Solutions, LLC	1,428
Messenger, LLC	1,228
Arcus Hunting LLC	1,080
Ceres Management, LLC (Lambs Tire & Automotive)	1,000
HW Temps LLC	800
Mystic Logistics, Inc.	800
PT Network, LLC	769
Jackmont Hospitality, Inc.	666
Vision Interests, Inc.	524
Insurance Technologies, LLC	522
Jensen Jewelers of Idaho, LLC	500
UniTek Global Services, Inc.	483
ATS Workholding, Inc.	168
Brainworks Software, LLC	111
Total loan commitments	$ 42,885
Total commitments	$ 140,843

Main Street may, from time to time, be involved in litigation arising out of its operations in the normal course of business or otherwise. Furthermore, third parties may try to impose liability on Main Street in connection with the activities of its portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, Main Street does not expect any current matters will materially affect its financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on Main Street's financial condition or results of operations in any future reporting period.

NOTE N—RELATED PARTY TRANSACTIONS

As discussed further in Note D, the External Investment Manager is treated as a wholly owned portfolio company of MSCC and is included as part of Main Street's Investment Portfolio. At September 30, 2015, Main Street had a receivable of $2.3 million due from the External Investment Manager which included approximately $1.7 million related primarily to operating expenses incurred by MSCC or its subsidiaries required to support the External Investment Manager's business, along with dividends declared but not paid by the External Investment Manager of approximately $0.6 million.

In June 2013, Main Street adopted a deferred compensation plan for the non-employee members of its board of directors, which allows the directors at their option to defer all or a portion of the fees paid for their services as directors and have such deferred fees paid in shares of Main Street common stock within 90 days following the termination of a participant's service as a director. As of September 30, 2015, $1.0 million of directors' fees had been deferred under this plan. These deferred

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

fees represented 32,190 shares of Main Street common shares. These shares will not be issued or included as outstanding on the consolidated statement of changes in net assets until each applicable participant's end of service as a director, but are included in operating expenses and weighted-average shares outstanding on Main Street's consolidated statement of operations as earned.

NOTE O—SUBSEQUENT EVENTS

During October 2015, Main Street declared a semi-annual supplemental cash dividend of $0.275 per share payable in December 2015. This supplemental cash dividend is in addition to the previously announced regular monthly cash dividends that Main Street declared for the fourth quarter of 2015 of $0.180 per share for each of October, November and December 2015.

In October 2015, Main Street led a new portfolio investment totaling $15.5 million of invested capital in Apex Linen Service, Inc. ("Apex Linen") to fund Apex Linen's near-term growth opportunities, with Main Street funding $12.4 million of the investment. Main Street's investment in Apex Linen included a first-lien, senior secured term debt investment and a revolving line of credit. Main Street and its co-investor also provided a commitment for $2.5 million of additional first-lien, senior secured term debt in the near-term future upon the completion of certain conditions. In addition, Main Street and its co-investor are providing Apex Linen a conditional commitment beyond the $2.5 million of additional first-lien, senior secured term debt for additional capital to support its future growth opportunities. Headquartered in Las Vegas, Nevada, and founded in 2010 by long-established industry experts, Apex Linen provides commercial laundry and linen services to the hotel and gaming industry in the Las Vegas metropolitan area.

In November 2015, Main Street declared regular monthly dividends of $0.180 per share for each month of January, February and March of 2016. These regular monthly dividends equal a total of $0.540 per share for the first quarter of 2016 and represent a 5.9% increase from the regular monthly dividends declared for the first quarter of 2015. Including the regular monthly dividends declared for the first quarter of 2016, Main Street will have paid $16.420 per share in cumulative dividends since its October 2007 initial public offering.

Schedule 12-14

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments in and Advances to Affiliates
Nine Months Ended September 30, 2015

Company	Investments(1)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2014 Value	Gross Additions(3)	Gross Reductions(4)	September 30, 2015 Fair Value
Control Investments						
Access Media	5.00% Current / 5.00% PIK Secured Debt		—	21,284	2,500	18,784
Holdings, LLC	Preferred Member Units		—	3,201	—	3,201
	Member Units		—	1	1	—
ASC Interests, LLC	11% Secured Debt	247	3,000	11	261	2,750
	Member Units	90	1,970	260	—	2,230
Bond-Coat, Inc.	12% Secured Debt	1,116	13,570	41	2,015	11,596
	Common Stock		11,210	—	1,000	10,210
Café Brazil, LLC	Member Units	814	6,980	350	—	7,330
California Healthcare	9% Secured Debt	361	8,703	135	8,838	—
Medical Billing, Inc.	Warrants		3,480	—	3,480	—
	Common Stock		1,460	—	1,460	—
CBT Nuggets, LLC	Member Units	3,517	27,200	11,690	—	38,890
Ceres Management, LLC	14% Secured Debt	415	3,916	4,424	270	8,070
(Lambs Tire &	Class B Member Units	376	4,048	376	4,424	—
Automotive)	Member Units		2,510	1,910	—	4,420
	9.5% Secured Debt	68	968	—	37	931
	Member Units	56	1,240	—	—	1,240
CMS Minerals LLC	Preferred Member Units	896	—	7,672	479	7,193
Datacom, LLC	10.5% Secured Debt	950	11,103	14	—	11,117
	8% Secured Debt	21	—	900	900	—
	Preferred Member Units	10	6,030	1,137	460	6,707
Garreco, LLC	14% Secured Debt	618	5,320	413	—	5,733
	Member Units	(45)	1,360	110	—	1,470
GRT Rubber	LIBOR Plus 9.00% (Floor 1.00%)	1,363	16,585	23	419	16,189
Technologies LLC	Member Units	42	13,065	—	—	13,065
Gulf Manufacturing, LLC	9% PIK Secured Debt	51	744	33	—	777
	Member Units	543	16,540	—	1,410	15,130
Harrison Hydra-Gen, Ltd.	12% Secured Debt	546	5,487	78	555	5,010
	Preferred Stock	76	1,260	76	—	1,336
	Common Stock		1,830	470	—	2,300
Hawthorne Customs and	Member Units	54	370	210	—	580
Dispatch Services, LLC	Member Units	132	2,220	—	—	2,220
HW Temps LLC	LIBOR Plus 9.50% (Floor 1.00%)	369	—	9,880	—	9,880
	Preferred Member Units	184	—	3,942	—	3,942
Hydratec, Inc.	Common Stock	1,535	13,720	1,230	—	14,950
	9% Secured Debt	4	—	500	500	—
IDX Broker, LLC	LIBOR Plus 6.50% (Floor 1.50%)	10	125	—	100	25
	12.5% Secured Debt	1,088	10,571	793	14	11,350
	Member Units		5,450	990	—	6,440
Impact Telecom, Inc.	LIBOR Plus 6.50% (Floor 2.00%)	118	1,569	1	—	1,570
	13% Secured Debt	2,596	15,515	378	—	15,893
	Warrants		4,160	—	—	4,160
Indianapolis Aviation	15% Secured Debt	432	3,100	—	—	3,100
Partners, LLC	Warrants		2,540	—	—	2,540
Jensen Jewelers of	Prime Plus 6.75% (Floor 2.00%)	345	3,655	1,002	452	4,205
Idaho, LLC	Member Units	916	3,580	1,170	—	4,750
Lighting Unlimited, LLC	8% Secured Debt	92	1,550	—	36	1,514
	Preferred Equity		439	—	5	434
	Warrants		40	—	—	40
	Member Units	100	360	60	—	420
Marine Shelters	12% Secured Debt	930	10,112	178	1,602	8,688
Holdings, LLC (LoneStar Marine Shelters)	Preferred Member Units		3,750	1,602	—	5,352

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Company	Investments(1)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2014 Value	Gross Additions(3)	Gross Reductions(4)	September 30, 2015 Fair Value
MH Corbin Holding LLC	10% Secured Debt	124	—	13,864	—	13,864
	Preferred Member Units	12	—	6,000	—	6,000
Mid-Columbia Lumber Products, LLC	10% Secured Debt	133	1,750	—	—	1,750
	12% Secured Debt	355	3,900	—	—	3,900
	Member Units	(56)	10,180	—	6,200	3,980
	9.5% Secured Debt	65	927	—	34	893
	Member Units	18	550	—	—	550
MSC Adviser I, LLC	Member Units	1,519	15,580	16,725	—	32,305
Mystic Logistics, Inc	12% Secured Debt	940	9,790	210	552	9,448
	Common Stock	112	2,720	3,860	—	6,580
NAPCO Precast, LLC	Prime Plus 2.00% (Floor 7.00%)	257	625	10	10	625
	Prime Plus 2.00% (Floor 7.00%)	629	2,923	5	5	2,923
	18% Secured Debt		4,468	13	13	4,468
	Member Units	658	7,560	1,030	—	8,590
NRI Clinical Research, LLC	14% Secured Debt	590	4,779	19	148	4,650
	Warrants		160	30	—	190
	Member Units		722	380	50	1,052
NRP Jones, LLC	12% Secured Debt	1,370	11,590	1,471	176	12,885
	Warrants		970	—	520	450
	Member Units		3,190	—	1,710	1,480
OMi Holdings, Inc.	Common Stock		13,420	—	—	13,420
Pegasus Research Group, LLC (Televerde)	Member Units	336	5,860	630	—	6,490
PPL RVs, Inc.	11.1% Secured Debt	865	7,860	2,112	262	9,710
	Common Stock		8,160	550	—	8,710
Principle Environmental, LLC	12% Secured Debt	536	4,060	166	166	4,060
	12% Current / 2% PIK Secured Debt	356	3,244	61	11	3,294
	Preferred Member Units	262	11,830	—	2,270	9,560
	Warrants		720	—	190	530
QLS Holdings, LLC	8% Secured Debt	160	—	6,410	—	6,410
	Member Units		—	2,638	—	2,638
River Aggregates, LLC	Zero Coupon Secured Debt	72	468	72	—	540
	12% Secure Debt	16	500	—	500	—
	Member Units	154	2,570	1,260	—	3,830
	Member Units		369	1,991	—	2,360
SoftTouch Medical Holdings LLC	LIBOR Plus 9.00% (Floor 1.00%)	748	8,417	13	255	8,175
	Member Units	525	5,015	410	85	5,340
Southern RV, LLC	13% Secured Debt	1,146	11,400	22	22	11,400
	Member Units	933	4,920	6,680	—	11,600
	13% Secured Debt	327	3,250	6	6	3,250
	Member Units		470	70	—	540
The MPI Group, LLC	9% Secured Debt	279	2,724	196	—	2,920
	Series A Preferred Units		980	—	—	980
	Warrants		—	—	—	—
	Member Units		2,300	—	70	2,230
Travis Acquisition LLC	12% Secured Debt	498	4,693	28	1,093	3,628
	Member Units		13,650	460	—	14,110
Uvalco Supply, LLC	9% Secured Debt	107	1,802	—	384	1,418
	Member Units	106	3,500	—	290	3,210
Vision Interests, Inc.	13% Secured Debt	325	3,154	27	66	3,115
	Series A Preferred Stock		3,250	300	—	3,550
	Common Stock		100	110	—	210
Ziegler's NYPD, LLC	6.5% Secured Debt	75	1,491	1	500	992
	14% Secured Debt	296	4,880	629	2,759	2,750
	12% Secured Debt	41	—	500	—	500
	Warrants		—	—	—	—
	Member Units		—	2,909	669	2,240
Other						
Amounts from investments transferred from other 1940 Act classification during the period		339	—	—	—	—
		36,264	469,846	148,413	50,234	568,025

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Company	Investments(1)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2014 Value	Gross Additions(3)	Gross Reductions(4)	September 30, 2015 Fair Value
Affiliate Investments						
AFG Capital Group, LLC	11% Secured Debt	1,069	6,465	5,734	—	12,199
	Warrants		259	151	—	410
	Member Units		1,200	500	—	1,700
Boss Industries, LLC	Preferred Member Units	280	2,000	543	—	2,543
Bridge Capital Solutions Corporation	13% Secured Debt	706	5,837	1,035	—	6,872
	Warrants		710	310	—	1,020
Buca C, LLC	LIBOR Plus 7.25% (Floor 1.00%)	815	—	25,288	—	25,288
	Preferred Member Units	56	—	3,656	—	3,656
CAI Software LLC	12% Secured Debt	493	5,348	10	428	4,930
	Member Units	—	654	186	—	840
Condit Exhibits, LLC	Member Units	18	610	160	—	770
Congruent Credit Opportunities Funds	LP Interests (Fund II, LP)	1,081	18,378	—	14,150	4,228
	LP Interests (Fund III, LP)	—	7,734	4,488	—	12,222
Daseke, Inc.	12% Current / 2.5% PIK Secured Debt	2,364	20,723	446	51	21,118
	Common Stock		13,780	8,880	—	22,660
Dos Rios Partners	LP Interests (Fund)	—	2,325	779	1,073	2,031
	LP Interests (Fund A)	—	738	247	337	648
East Teak Fine Hardwoods, Inc.	Common Stock	12	860	—	—	860
East West Copolymer & Rubber, LLC	12% Secured Debt	893	9,436	20	—	9,456
	Warrants		50	—	—	50
Freeport Financial SBIC Fund LP	LP Interests	150	—	759	—	759
	LP Interests	313	4,677	1,297	—	5,974
Gault Financial, LLC (RMB Capital, LLC)	10% Secured Debt	1,140	10,782	109	—	10,891
	Warrants		—	—	—	—
Glowpoint, Inc.	8% Secured Debt	17	396	87	465	18
	12% Secured Debt	838	8,909	15	—	8,924
	Common Stock		8,480	158	4,178	4,460
Guerdon Modular Holdings, Inc.	11% Secured Debt	992	11,044	29	800	10,273
	Common Stock		2,400	583	393	2,590
Houston Plating and Coatings, LLC	Member Units	230	11,470	—	650	10,820
Indianhead Pipeline Services, LLC	12% Secured Debt	690	6,625	96	675	6,046
	Preferred Member Units	52	1,960	342	—	2,302
	Warrants		—	—	—	—
	Member Units		—	—	—	—
KBK Industries, LLC	12.5% Secured Debt	720	8,250	22	2,072	6,200
	Member Units	159	6,120	—	2,030	4,090
L.F. Manufacturing Holdings, LLC	Member Units	68	2,374	—	584	1,790
MPS Denver, LLC	Member Units		1,130	—	—	1,130
OnAsset Intelligence, Inc.	12% PIK Secured Debt	335	3,553	334		3,887
	Preferred Stock	34	2,700	34	1,354	1,380
	Warrants		—	—	—	—
OPI International Ltd.	10% Unsecured Debt	12	—	244	—	244
	Common Stock		4,971	—	1,771	3,200
PCI Holding Company, Inc.	Preferred Stock	367	4,430	366	46	4,750
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	12% Secured Debt		11,500	300	11,550	250
	8% Secured Debt		157	—	157	—
	Preferred Member Units		—	—	—	—
Radial Drilling Services Inc.	12% Secured Debt	526	3,792	144	1,936	2,000
	Warrants		—	—	—	—
Samba Holdings, Inc.	12.5% Secured Debt	2,570	26,418	88	841	25,665
	Common Stock		6,030	14,380	—	20,410
SYNEO, LLC	12% Secured Debt	182	2,674	26	2,700	—
	Member Units	(27)	801	—	801	—

Company	Investments(1)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2014 Value	Gross Additions(3)	Gross Reductions(4)	September 30, 2015 Fair Value
Tin Roof Acquisition Company	12% Secured Debt	1,420	13,861	37	—	13,898
	Class C Preferred Stock	174	2,241	174	—	2,415
Universal Wellhead Services Holdings, LLC	Class A Units	119	—	4,000	909	3,091
Volusion, LLC	10.5% Secured Debt	1,049	—	16,139	—	16,139
	Warrants		—	1,400	—	1,400
	Preferred Member Units		—	14,000	—	14,000
Other						
Amounts from investments transferred from other 1940 Act classification during the period		(55)	13,823	—	—	—
		19,862	278,675	107,596	49,951	322,497

This schedule should be read in conjunction with Main Street's consolidated financial statements, including the consolidated schedule of investments and notes to the consolidated financial statements.

(1) The principal amount, the ownership detail for equity investments and if the investment is income producing is included in the consolidated schedule of investments.

(2) Represents the total amount of interest, fees and dividends credited to income for the portion of the period for which an investment was included in Control or Affiliate categories, respectively. For investments transferred between Control and Affiliate categories during the period, any income related to the time period it was in the category other than the one shown at period-end is included in "Amounts from investments transferred from other 1940 Act classifications during the period".

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest, and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in net unrealized depreciation as well as the movement of an existing portfolio company into this category and out of a different category.

(4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increases in net unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.

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

The information in this section contains forward-looking statements that involve risks and uncertainties. Please see "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements" in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission (the "SEC") on February 27, 2015, and "Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, filed with the SEC on August 7, 2015, for a discussion of the uncertainties, risks and assumptions associated with these statements. You should read the following discussion in conjunction with the consolidated financial statements and related notes and other financial information included in the Annual Report on Form 10-K for the year ended December 31, 2014.

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 diverse industry sectors. MSCC seeks to partner with entrepreneurs, business owners and management teams and generally provide "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") and Main Street Capital II, LP ("MSC II" and, together with MSMF, 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 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 ("External Parties") and receive 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 ("RIA") under Investment Advisers Act of 1940, as amended (the "Advisers Act"). Since the External Investment Manager conducts all of its investment management activities for parties outside of MSCC and its consolidated subsidiaries, 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 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. The External Investment Manager is also a direct wholly owned subsidiary that has elected to be a taxable entity. The Taxable Subsidiaries and the External Investment Manager are each taxed at their normal corporate tax rates based on their taxable income.

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our" 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 $15 million. Our private loan ("Private Loan") portfolio investments are primarily debt securities 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.

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

Our external asset management business is conducted through our 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 to provide the External Investment Manager with asset management service support in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, we provide management and other services to the External Investment Manager, as well as access to our employees, infrastructure, business relationships, management expertise and capital raising capabilities. In the first quarter of 2014, we began charging the External Investment Manager for these services. Our total expenses for the three months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $1.1 million and $0.6 million, respectively. Our total expenses for the nine months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $3.1 million and $1.3 million, respectively. The total contribution of the External Investment Manager to our net investment income consists of the combination of the expenses charged to the External Investment Manager and dividend income from the External Investment Manager. For the three months ended September 30, 2015 and 2014, the total contribution to net investment income was $1.8 million and $0.7 million, respectively. For the nine months ended September 30, 2015 and 2014, the total contribution to net investment income was $4.7 million and $1.5 million, respectively.

We seek to fill the financing gap for LMM businesses, which, historically, have had more 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. We believe that our LMM investment strategy has limited correlation to the broader debt and equity markets.

In addition to our LMM investment strategy, we pursue investments in Middle Market companies. 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.

Private Loan portfolio investments are primarily debt securities 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.

The following tables provide a summary of our investments in the LMM, Middle Market and Private Loan portfolios as of September 30, 2015 and December 31, 2014 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

	As of September 30, 2015		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	71	86	41
Fair value	$ 856.4	$ 669.5	$ 252.4
Cost	$ 693.7	$ 695.2	$ 273.1
% of portfolio at cost—debt	70.4%	98.5%	94.9%
% of portfolio at cost—equity	29.6%	1.5%	5.1%
% of debt investments at cost secured by first priority lien	89.6%	87.8%	87.6%
Weighted-average annual effective yield(b)	12.3%	8.0%	9.5%
Average EBITDA(c)	$ 6.1	$ 97.9	$ 17.1

(a) At September 30, 2015, we had equity ownership in approximately 96% of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 36%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2015, 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 four LMM portfolio companies, one Middle Market portfolio company and eight 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, 2014		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	66	86	31
Fair value	$ 733.2	$ 542.7	$ 213.0
Cost	$ 599.4	$ 561.8	$ 224.0
% of portfolio at cost—debt	71.5%	99.8%	95.6%
% of portfolio at cost—equity	28.5%	0.2%	4.4%
% of debt investments at cost secured by first priority lien	89.6%	85.1%	87.8%
Weighted-average annual effective yield(b)	13.2%	7.8%	10.1%
Average EBITDA(c)	$ 5.0	$ 77.2	$ 18.1

(a) At December 31, 2014, we had equity ownership in approximately 95% of our LMM portfolio companies, and our average fully diluted equity ownership in those portfolio companies was approximately 35%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2014, 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 five Private Loan portfolio companies as EBITDA is not a meaningful valuation metric for Main Street's investments in these portfolio companies companies, and those portfolio companies whose primary purpose is to own real estate.

As of September 30, 2015, we had Other Portfolio investments in seven companies, collectively totaling approximately $56.9 million in fair value and approximately $61.2 million in cost basis and which comprised approximately 3.0% of our Investment Portfolio (as defined in "—Critical Accounting Policies—Basis of Presentation" below) at fair value. As of December 31, 2014, we had Other Portfolio investments in six companies, collectively totaling approximately $58.9 million in fair value and approximately $56.2 million in cost basis and which comprised approximately 3.8% of our Investment Portfolio at fair value.

As previously discussed, the External Investment Manager is a wholly owned subsidiary that is treated as a portfolio investment. As of September 30, 2015, there was no cost basis in this investment and the investment had a fair value of $32.3 million, which comprised 1.7% of our Investment Portfolio at fair value. As of December 31, 2014, there was no cost basis in this investment and the investment had a fair value of $15.6 million, which comprised 1.0% 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 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 incur the operating costs associated with employing investment and portfolio management professionals ourselves. 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 three months ended September 30, 2015 and 2014, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.3% and 1.4%, respectively, on an annualized basis. For the nine months ended September 30, 2015 and 2014, the ratio of our total operating expenses, excluding interest expense as a percentage of our quarterly average total assets was 1.4% and 1.5%, respectively, on an annualized basis and 1.4% for the year ended December 31, 2014.

The total investment return on our shares of common stock for the nine months ended September 30, 2015 and 2014 was (6.74%) and (1.06%), respectively. Total investment return is based on the purchase of our 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 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.

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 Fund, Inc. ("HMS Income"), a non-publicly traded BDC whose registration statement on Form N-2 was declared effective by the SEC in June 2012, 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 MSCC's 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. Based upon several fee waiver agreements with HMS Income and HMS Adviser, the External Investment Manager did not begin accruing the base management fee and incentive fees, if any, until January 1, 2014. Beginning January 1, 2015, the External Investment Manager conditionally agreed to waive a limited amount of the base management fee and incentive fees otherwise earned during the year ended December 31, 2015. During the three months ended September 30, 2015 and

2014, the External Investment Manager earned $2.1 million and $0.8 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser. During the nine months ended September 30, 2015 and 2014, the External Investment Manager earned $5.5 million and $1.7 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.

CRITICAL ACCOUNTING POLICIES

Basis of Presentation

Our 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, but excludes all "Marketable securities and idle funds investments". "Marketable securities and idle funds investments" are classified as financial instruments and are reported separately on our consolidated balance sheets and consolidated schedules of investments due to the nature of such investments. Our results of operations for the three and nine months ended September 30, 2015 and 2014, cash flows for the nine months ended September 30, 2015 and 2014, and financial position as of September 30, 2015 and December 31, 2014, 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 to the current presentation, including reclassifying the expenses charged to the External Investment Manager.

Our accompanying unaudited consolidated financial statements are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and nine months ended September 30, 2015 and 2014 are not necessarily indicative of the operating results to be expected for the full year. Also, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2014. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Under regulations pursuant to Article 6 of Regulation S-X applicable to BDCs and Accounting Standards Codification ("Codification" or "ASC") 946, *Financial Services—Investment Companies*

("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 one 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. Our consolidated financial statements also include the financial position and operating results for our wholly owned operating subsidiary, Main Street Capital Partners, LLC, ("MSCP"), as the wholly owned subsidiary provides all of its services directly or indirectly to Main Street or our portfolio companies. 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 Change in 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 September 30, 2015 and December 31, 2014, our Investment Portfolio valued at fair value represented approximately 96% and 92% of our total assets, respectively. 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.

Our portfolio strategy calls for us to invest primarily in illiquid debt and equity securities issued by private, LMM companies and more liquid debt securities issued by Middle Market companies that are generally larger in size than the LMM companies. We categorize some of our investments in LMM companies and Middle Market companies as Private Loan investments which are investments, generally in debt instruments, that we originate on a collaborative basis with other investment funds, 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 portfolio also includes Other Portfolio investments which primarily consist of investments that are not consistent with the typical profiles for our LMM portfolio investments, Middle Market portfolio investments or Private Loan portfolio investments, including investments which may be managed by third parties. Our 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. We determine in good faith the fair value of our Investment Portfolio pursuant to a valuation policy in accordance with ASC 820 and a valuation process approved by our Board of Directors and in accordance with the 1940 Act. Our valuation policies and processes are intended to provide a consistent basis for determining the fair value of our Investment Portfolio.

For LMM portfolio investments, we generally review external events, including private mergers, sales and acquisitions involving comparable companies, and include these events in the valuation process by using an enterprise value waterfall methodology ("Waterfall") for our LMM equity investments and an income approach using a yield-to-maturity model ("Yield-to-Maturity") for our LMM debt investments. For Middle Market portfolio investments, we primarily use quoted prices in the valuation process. We determine the appropriateness of the use of third-party broker quotes, if any, in determining fair value based on our 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 we have determined that third-party quotes or other independent pricing are not available or appropriate, we generally estimate the fair value based on the assumptions that we believe hypothetical market participants would use to value the investment in a current hypothetical sale using the Yield-to-Maturity valuation method. For our Other Portfolio equity investments, we generally calculate the fair value of the investment primarily based on the net asset value ("NAV") of the fund. All of the valuation approaches for our portfolio investments estimate the value of the investment as if we were to sell, or exit, the investment as of the measurement date.

These valuation approaches consider the value associated with our 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 we 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. For valuation purposes, "non-control" portfolio investments are generally composed of debt and equity securities in companies for which we do 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, we estimate the enterprise value of a portfolio company using a combination of market and income approaches or other appropriate valuation methods, such as considering recent transactions in the equity securities of the portfolio company or third-party valuations of the portfolio company, and then perform a waterfall calculation by using 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, private companies are bought and sold based on multiples of 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, we analyze various factors including the portfolio company's historical and projected financial results. The operating results of a portfolio company 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 our determination. In addition, projecting future financial results requires significant judgment regarding future growth assumptions. In evaluating the operating results, we also analyze the impact of exposure to litigation, loss of customers or other contingencies. After determining the appropriate enterprise value, we allocate 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, we assume the loans are paid off at the principal amount in a change in control transaction and are not assumed by the buyer, which we believe is consistent with our past transaction history and standard industry practices.

Under the Yield-to-Maturity valuation method, we use 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 each of these portfolio investments. Our estimate of the expected repayment date of our debt securities is generally the legal maturity date of the instrument, as we generally intend to hold our loans and debt securities to maturity. The Yield-to-Maturity analysis considers changes in leverage levels, credit quality, portfolio company performance and other factors. We will use the value determined by the Yield-to-Maturity analysis as the fair value for that security; however, because of our general intent to hold our 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 we use to estimate the fair value of our 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, we 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, we measure the fair value of the investment predominately based on the NAV of the investment fund as of the measurement date. However, in determining the fair value of the investment, we may consider whether adjustments to the NAV are necessary in certain circumstances, based on the analysis of any restrictions on redemption of our investment as of the measurement date, recent actual sales or redemptions of interests in the investment fund, and expected future cash flows available to equity holders, including the rate of return on those cash flows compared to an implied market return on equity required by market participants, or other uncertainties surrounding our ability to realize the full NAV of our interests in the investment fund.

Pursuant to our internal valuation process and the requirements under the 1940 Act, we perform valuation procedures on our portfolio investments quarterly. In addition to our internal valuation process, in determining the estimates of fair value for our investments in LMM portfolio companies, we, among other things, consult with a nationally recognized independent financial advisory services firm. The nationally recognized independent financial advisory services firm analyzes and provides observations and recommendations regarding our determinations of the fair value of our LMM portfolio company investments. The nationally recognized independent financial advisory services firm is generally consulted relative to our investments in each LMM portfolio company at least once in every calendar year, and for our investments in new LMM portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain instances, we may determine that it is not cost-effective, and as a result is not in our stockholders' best interest, to consult with the nationally recognized independent financial advisory services firm on our investments in one or more LMM portfolio companies. Such instances include, but are not limited to, situations where the fair value of our investment in a LMM portfolio company is determined to be insignificant relative to the total Investment Portfolio. We consulted with our independent financial advisory services firm in arriving at our determination of fair value on our investments in a total of 44 LMM portfolio companies for the nine months ended September 30, 2015, representing approximately 75% of the total LMM portfolio at fair value as of September 30, 2015, and on a total of 42 LMM portfolio companies for the nine months ended September 30, 2014, representing approximately 74% of the total LMM portfolio at fair value as of September 30, 2014. Excluding our 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 September 30, 2015 and 2014, as applicable, and our investments in the LMM portfolio companies that were not reviewed because their equity is publicly traded, the percentage of the LMM portfolio reviewed by our independent financial advisory services firm for the nine months ended September 30, 2015 and 2014 was 82% and 83% of the total LMM portfolio at fair value as of September 30, 2015 and 2014, respectively.

For valuation purposes, all of our Middle Market portfolio investments are non-control investments. To the extent sufficient observable inputs are available to determine fair value, we use 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 we have determined that third-party quotes or other independent pricing are not available or appropriate, we generally estimate the fair value based on the assumptions that we believe 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. We do not generally consult with any financial advisory services firms in connection with determining the fair value of our Middle Market debt investments.

For valuation purposes, all of our Private Loan portfolio investments are non-control investments. For Private Loan portfolio investments for which we have determined that third-party quotes or other independent pricing are not available or appropriate, we generally estimate the fair value based on the assumptions that we believe 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. The nationally recognized independent financial advisory services firm analyzes and provides observations and recommendations regarding our determinations of the fair value of our Private Loan portfolio company investments.

For valuation purposes, all of our Other Portfolio investments are non-control investments. Our Other Portfolio investments comprised approximately 3.0% and 3.8%, respectively, of our Investment Portfolio at fair value as of September 30, 2015 and December 31, 2014. Similar to the LMM investment portfolio, market quotations for Other Portfolio equity investments are generally not readily available. For our Other Portfolio equity investments, we generally determine the fair value of our investments using the NAV valuation method. For Other Portfolio debt investments, we generally determine the fair value of these investments through obtaining third-party quotes or other independent pricing to the extent that these inputs are available and appropriate to determine fair value. For Other Portfolio debt investments for which we have determined that third-party quotes or other independent pricing are not available or appropriate, we generally estimate the fair value based on the assumptions that we believe hypothetical market participants would use to value such Other Portfolio debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method.

For valuation purposes, our investment in the External Investment Manager is a control investment. Market quotations are not readily available for this investment, and as a result, we determine the fair value of the External Investment Manager using the Waterfall valuation method under the market approach. In estimating the enterprise value, we analyze 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 we were to sell, or exit, the investment. In addition, we consider the value associated with our ability to control the capital structure of the company, as well as the timing of a potential exit.

Due to the inherent uncertainty in the valuation process, our determination of fair value for our Investment Portfolio may differ materially from the values that would have been determined had a ready market for the securities existed. In addition, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. We determine the fair value of each individual investment and record changes in fair value as unrealized appreciation or depreciation.

Our Board of Directors has the final responsibility for overseeing, reviewing and approving, in good faith, our determination of the fair value for our Investment Portfolio and our valuation procedures, consistent with 1940 Act requirements. We believe our Investment Portfolio as of September 30, 2015 and December 31, 2014 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 fully impaired, 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 interest 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 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 below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though we may not have collected the PIK interest and cumulative dividends in cash. We stop accruing PIK interest and cumulative dividends and write off any accrued and uncollected interest and dividends in arrears when we determine that such PIK interest and dividends in arrears are no longer collectible. For the three months ended September 30, 2015 and 2014, (i) approximately 2.2% and 2.5%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.2% and 1.8%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash. For the nine months ended September 30, 2015 and 2014, (i) approximately 2.1% and 3.9%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.0% and 1.4%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash.

Share-Based Compensation

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

Income Taxes

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that MSCC distributes to its stockholders. MSCC must generally distribute at least 90% of its investment company taxable income to qualify for pass-through tax treatment and maintain its RIC status. As part of maintaining RIC status, undistributed taxable income (subject to a 4% 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 prior to the filing of the U.S federal income tax return for the applicable fiscal year.

The Taxable Subsidiaries 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-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. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in our consolidated financial statements.

MSCC's wholly owned subsidiary MSCP is included in our consolidated financial statements for financing reporting purposes. For tax purposes, MSCP has elected to be treated as a taxable entity, and therefore is not consolidated with MSCC for income tax purposes and 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 taxable income, or loss, of MSCP may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in our consolidated financial statements.

The Taxable Subsidiaries and MSCP 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 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 against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. Taxable income generally excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

INVESTMENT PORTFOLIO COMPOSITION

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

Our Middle Market portfolio investments primarily consist of direct investments in or secondary purchases of interest-bearing debt securities in privately held companies based in the United States that are generally larger in size than the companies included in our LMM portfolio. Our Middle Market portfolio companies generally have annual revenues between $150 million and $1.5 billion, and our Middle Market investments generally range in size from $3 million to $15 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 which have been originated through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals." Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio. Our Private Loan portfolio debt investments are generally secured by either a first or second priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date.

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

Our external asset management business is conducted through our External Investment Manager. We have entered into an agreement to provide the External Investment Manager with asset management service support in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, we provide management and other services to the External Investment Manager, as well as access to our employees, infrastructure, business relationships, management expertise and capital raising capabilities. In the first quarter of 2014, we began charging the External Investment Manager for these services. Our total expenses for the three months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $1.1 million and $0.6 million, respectively. Our total expenses for the nine months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $3.1 million and $1.3 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 following tables summarize the composition of our total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments as of September 30, 2015 and December 31, 2014 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	September 30, 2015	December 31, 2014
First lien debt	76.1%	75.7%
Equity	12.6%	11.6%
Second lien debt	9.0%	10.0%
Equity warrants	1.3%	1.5%
Other	1.0%	1.2%
	100.0%	100.0%

Fair Value:	September 30, 2015	December 31, 2014
First lien debt	67.3%	66.9%
Equity	23.0%	21.9%
Second lien debt	8.2%	9.2%
Equity warrants	0.8%	1.0%
Other	0.7%	1.0%
	100.0%	100.0%

Our LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments carry a number of risks including: (1) investing in companies which may have limited operating histories and financial resources; (2) holding investments that generally are not publicly traded and which may be subject to legal and other restrictions on resale; and (3) other risks common to investing in below investment grade debt and equity investments in our Investment Portfolio. Please see "Risk Factors—Risks Related to Our Investments" contained in our Form 10-K for the fiscal year ended December 31, 2014 and "Risk Factors" below for a more complete discussion of the risks involved with investing in our Investment Portfolio.

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 and the collectability of our debt investments, comparisons to competitors and other industry participants and the portfolio company's future outlook.

- Investment Rating 1 represents a LMM portfolio company that is performing in a manner which significantly exceeds expectations.
- Investment Rating 2 represents a LMM portfolio company that, in general, is performing above expectations.
- Investment Rating 3 represents a LMM portfolio company that is generally performing in accordance with expectations.
- Investment Rating 4 represents a LMM portfolio company that is underperforming expectations. Investments with such a rating require increased monitoring and scrutiny by us.

- Investment Rating 5 represents a LMM portfolio company that is significantly underperforming. Investments with such a rating require heightened levels of monitoring and scrutiny by us and involve the recognition of significant unrealized depreciation on such investment.

  All new LMM portfolio investments receive an initial Investment Rating of 3.

The following table shows the distribution of our LMM portfolio investments on the 1 to 5 investment rating scale at fair value as of September 30, 2015 and December 31, 2014:

	As of September 30, 2015		As of December 31, 2014	
Investment Rating	**Investments at Fair Value**	**Percentage of Total Portfolio**	**Investments at Fair Value**	**Percentage of Total Portfolio**
	(in thousands, except percentages)			
1	$ 308,947	36.1%	$ 287,693	39.2%
2	149,100	17.4%	133,266	18.2%
3	280,574	32.8%	239,100	32.6%
4	117,500	13.7%	61,475	8.4%
5	250	0.0%	11,657	1.6%
Total	$ 856,371	100.0%	$ 733,191	100.0%

Based upon our investment rating system, the weighted-average rating of our LMM portfolio was approximately 2.2 as of both September 30, 2015 and December 31, 2014.

As of September 30, 2015, our total Investment Portfolio had four investments on non-accrual status, which included one fully-impaired debt investment and comprised approximately 0.2% of its fair value and 3.0% of our cost. As of December 31, 2014, our total Investment Portfolio had five investments with positive fair value on non-accrual status, which comprised approximately 1.7% of its fair value and 4.7% 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 and an increase in defaults. 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.

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DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Comparison of the three months ended September 30, 2015 and September 30, 2014

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Net Change Amount	Net Change %
	(in thousands)			
Total investment income	$ 42,608	$ 36,351	$ 6,257	17%
Total expenses	(14,747)	(11,464)	(3,283)	29%
Net investment income	27,861	24,887	2,974	12%
Net realized gain (loss) from investments	(1,343)	15,710	(17,053)	
Net change in net unrealized appreciation (depreciation) from:				
Portfolio investments	(8,389)	(6,891)	(1,498)	
SBIC debentures and marketable securities and idle funds	(698)	(9,175)	8,477	
Total net change in net unrealized appreciation (depreciation)	(9,087)	(16,066)	6,979	
Income tax benefit (provision)	3,237	(2,962)	6,199	
Net increase in net assets resulting from operations	$ 20,668	$ 21,569	$ (901)	(4%)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Net Change Amount	Net Change %
	(in thousands, except per share amounts)			
Net investment income	$ 27,861	$ 24,887	$ 2,974	12%
Share-based compensation expense	1,651	1,208	443	37%
Distributable net investment income(a)	$ 29,512	$ 26,095	$ 3,417	13%
Distributable net investment income per share—Basic and diluted(a)	$ 0.59	$ 0.58	$ 0.01	2%

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

Investment Income

For the three months ended September 30, 2015, total investment income was $42.6 million, a 17% increase over the $36.4 million of total investment income for the corresponding period of 2014. This comparable period increase was principally attributable to (i) a $6.5 million increase in interest income primarily from higher average levels of portfolio debt investments and (ii) a $1.0 million increase in dividend income from Investment Portfolio equity investments, with these increases partially offset by a $1.4 million decrease in fee income. The $6.3 million increase in total investment income in the three months ended September 30, 2015 includes a $1.1 million net decrease in investment income related to accelerated prepayment and repricing activity and other one-time fees for certain Investment Portfolio debt investments and a decrease of $0.4 million related to unusual dividend income activity during the period when compared to the same period in 2014.

Expenses

For the three months ended September 30, 2015, total expenses increased to $14.7 million from $11.5 million for the corresponding period of 2014. This comparable period increase in operating expenses was principally attributable to (i) a $2.3 million increase in interest expense, primarily as a result of the issuance of our 4.50% Notes due 2019 (the "4.50% Notes") in November 2014, (ii) a $0.7 million increase in compensation expense related to increases in the number of personnel, base compensation levels and incentive compensation accruals, (iii) a $0.4 million increase in share-based compensation expense, and (iv) a $0.3 million increase in general and other administrative expenses, with these increases partially offset by a $0.5 million increase in the expenses charged to the External Investment Manager (see further discussion in "Overview"), in each case when compared to the prior year. For the three months ended September 30, 2015, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.3% on an annualized basis, compared to 1.4% on an annualized basis for the three months ended September 30, 2014 and 1.4% for the year ended December 31, 2014.

Distributable Net Investment Income

For the three months ended September 30, 2015, distributable net investment income increased 13% to $29.5 million, or $0.59 per share, compared with $26.1 million, or $0.58 per share, in the corresponding period of 2014. The increase in distributable net investment income was primarily due to the higher level of total investment income, partially offset by higher operating expenses as discussed above. Distributable net investment income on a per share basis for the three months ended September 30, 2015 reflects (i) a decrease of approximately $0.03 per share from the comparable period in 2014 attributable to the net decrease in the comparable levels of accelerated prepayment and repricing activity for certain Investment Portfolio debt investments, (ii) a decrease of approximately $0.01 per share attributable to the change in the unusual dividend income as discussed above and (iii) a greater number of average shares outstanding compared to the corresponding period in 2014 primarily due to the March 2015 equity offering.

Net Investment Income

Net investment income for the three months ended September 30, 2015 was $27.9 million, or a 12% increase, compared to net investment income of $24.9 million for the corresponding period of 2014. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses as discussed above.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations during the three months ended September 30, 2015 was $20.7 million, or $0.41 per share, compared with $21.6 million, or $0.48 per share, during the three months ended September 30, 2014. This decrease from the prior year period was primarily the result of a $17.1 million change in the net realized gain/loss from investments from a net realized gain of $15.7 million during the three months ended September 30, 2014 to a net realized loss of $1.3 million for the three months ended September 30, 2015, partially offset by (i) a $3.0 million increase in net investment income as discussed above, (ii) a $7.0 million improvement in the net change in unrealized depreciation to net unrealized depreciation of $9.1 million for the three months ended September 30, 2015, and (iii) a $6.2 million change in the income tax benefit/provision from the prior year period to an income tax benefit of $3.2 million for the three months ended September 30, 2015. The net realized loss of $1.3 million for the three months ended September 30, 2015 was primarily the result of the net realized losses on the restructure of a Private Loan investment of $6.0 million and on the exits of Marketable securities and idle funds investments of $1.1 million, partially offset by the net realized gain on the exit of a LMM investment of $6.0 million.

The following table provides a summary of the total net change in unrealized depreciation of $9.1 million for the three months ended September 30, 2015:

	Three Months Ended September 30, 2015				
	LMM(a)	Middle Market	Private Loan	Other(b)	Total
	(dollars in millions)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized gains/(losses) recognized during period	$ (5.7)	$ (0.3)	$ 5.4	$ (0.1)	$ (0.7)
Net unrealized appreciation (depreciation) relating to portfolio investments	17.0	(15.6)	(8.3)	(0.7)	(7.6)
Total net unrealized appreciation (depreciation) relating to portfolio investments	$ 11.3	$ (15.9)	$ (2.9)	$ (0.8)	$ (8.3)
Net unrealized depreciation relating to marketable securities					(0.7)
Unrealized depreciation relating to SBIC debentures(c)					(0.1)
Total net unrealized depreciation					$ (9.1)

(a) LMM includes unrealized appreciation on 18 LMM portfolio investments and unrealized depreciation on 10 LMM portfolio investments.

(b) Other includes $2.4 million of unrealized appreciation relating to the External Investment Manager, offset by $3.1 million of net unrealized depreciation relating to the Other Portfolio.

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

The income tax benefit for the three months ended September 30, 2015 of $3.2 million principally consisted of (i) a deferred tax benefit of $2.7 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in net operating loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book tax differences, and an other current tax benefit of $0.5 million, which is primarily related to a $0.7 million benefit for U.S. federal income, state and other taxes, partially offset by $0.2 million in excise taxes.

Comparison of the nine months ended September 30, 2015 and September 30, 2014

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014	Net Change Amount	Net Change %
	(in thousands)			
Total investment income	$ 121,096	$ 102,004	$ 19,092	19%
Total expenses	(42,540)	(32,798)	(9,742)	30%
Net investment income	78,556	69,206	9,350	14%
Net realized gain (loss) from investments	(9,037)	10,789	(19,826)	(184%)
Net change in net unrealized appreciation (depreciation) from:				
Portfolio investments	21,716	17,018	4,698	
SBIC debentures and marketable securities and idle funds	(1,344)	(9,858)	8,514	
Total net change in net unrealized appreciation (depreciation)	20,372	7,160	13,212	
Income tax benefit (provision)	7,004	(8,401)	15,405	
Net increase in net assets resulting from operations	$ 96,895	$ 78,754	$ 18,141	23%

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014	Net Change Amount	Net Change %
	(in thousands, except per share amounts)			
Net investment income	$ 78,556	$ 69,206	$ 9,350	14%
Share-based compensation expense	4,592	3,034	1,558	51%
Distributable net investment income(a)	83,148	72,240	10,908	15%
Distributable net investment income per share—Basic and diluted(a)	$ 1.71	$ 1.68	$ 0.03	2%

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

Investment Income

For the nine months ended September 30, 2015, total investment income was $121.1 million, a 19% increase over the $102.0 million of total investment income for the corresponding period of 2014. This comparable period increase was principally attributable to (i) a $15.7 million increase in interest income primarily related to $17.6 million of interest income from higher average levels of portfolio debt investments, (ii) a $1.2 million increase in fee income and (iii) a $1.9 million increase in dividend income from Investment Portfolio equity investments. The $19.1 million increase in total investment income in the nine months ended September 30, 2015 includes a decrease of $1.5 million of total investment income related to higher accelerated prepayment and repricing activity and other one-time fees for certain Investment Portfolio debt investments when compared to the same period in 2014, which such decrease consisting of a decrease in interest income of $1.8 million relating to accelerated prepayments or repricing activity, partially offset by an increase in fee income of $0.3 million relating to such activity and other one-time transactions, and a decrease of $0.9 million related to unusual dividend income activity during the period when compared to the same period in 2014.

Expenses

For the nine months ended September 30, 2015, total expenses increased to $42.5 million from $32.8 million for the corresponding period of 2014. This comparable period increase in operating expenses was principally attributable to (i) a $7.0 million increase in interest expense, primarily as a result of the issuance of our 4.50% Notes in November 2014 when compared to the prior year period, (ii) a $1.9 million increase in compensation expense related to increases in the number of personnel, base compensation levels and incentive compensation accruals, (iii) a $1.6 million increase in share-based compensation expense and (iv) a $1.0 million increase in general and other administrative expenses, with these increases partially offset by a $1.8 million increase in the expenses charged to the External Investment Manager (see further discussion in "Overview"), in each case when compared to the prior year. For the nine months ended September 30, 2015, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.4% on an annualized basis, compared to 1.5% on an annualized basis for the nine months ended September 30, 2014 and 1.4% for the year ended December 31, 2014.

Distributable Net Investment Income

For the nine months ended September 30, 2015, distributable net investment income increased 15% to $83.1 million, or $1.71 per share, compared with $72.2 million, or $1.68 per share, in the corresponding period of 2014. The increase in distributable net investment income was primarily due to the higher level of total investment income, partially offset by higher operating expenses as discussed above. Distributable net investment income on a per share basis for the nine months ended September 30, 2015 reflects (i) a decrease of approximately $0.04 per share from the comparable period in 2014 attributable to the net decrease in the comparable levels of accelerated prepayment and repricing activity for certain Investment Portfolio debt investments as discussed above, (ii) a decrease of approximately $0.02 per share attributable to the change in the unusual dividend income as discussed above and (iii) a greater number of average shares outstanding compared to the corresponding period in 2014 primarily due to the April 2014 and March 2015 equity offerings.

Net Investment Income

Net investment income for the nine months ended September 30, 2015 was $78.6 million, or a 14% increase, compared to net investment income of $69.2 million for the corresponding period of 2014. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses as discussed above.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations during the nine months ended September 30, 2015 was $96.9 million, or $1.99 per share, compared with $78.8 million, or $1.83 per share, during the nine months ended September 30, 2014. This increase from the prior year period was primarily the result of (i) a $9.4 million increase in net investment income as discussed above and (ii) a $13.2 million increase in net change in unrealized appreciation to net unrealized appreciation of $20.4 million for the nine months ended September 30, 2015 and (iii) a $15.4 million change in the income tax benefit/provision from the prior year period to an income tax benefit of $7.0 million for the nine months ended September 30, 2015, with these changes partially offset by a $19.8 million change in the net realized gain/loss from investments from a net realized gain of $10.8 million during the nine months ended September 30, 2014 to a net realized loss of $9.0 million for the nine months ended September 30, 2015. The net realized loss of $9.0 million for the nine months ended September 30, 2015 was primarily the result of the net realized losses on the restructure of two Middle Market investments of $9.1 million and of a Private Loan investment of $6.0 million, the exit of Private Loan investment of $4.7 million and exits of several Marketable securities and idle funds investments of $1.1 million, partially offset by the net realized gains on two exits of LMM investments totaling $9.3 million and from an Other Portfolio investment of $2.5 million.

The following table provides a summary of the total net change in unrealized appreciation of $20.4 million for the nine months ended September 30, 2015:

	Nine Months Ended September 30, 2015				
	LMM(a)	MM	PL	Other(b)	Total
	(dollars in millions)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains)/losses recognized during period	$ (8.6)	$ 7.3	$ 7.4	$ (2.6)	$ 3.5
Net unrealized appreciation (depreciation) relating to portfolio investments	37.5	(13.9)	(17.6)	12.2	18.2
Total net unrealized appreciation (depreciation) relating to portfolio investments	$ 28.9	$ (6.6)	$ (10.2)	$ 9.6	$ 21.7
Net unrealized depreciation relating to marketable securities					(0.5)
Unrealized depreciation relating to SBIC debentures(c)					(0.8)
Total net unrealized appreciation					$ 20.4

(a) LMM includes unrealized appreciation on 36 LMM portfolio investments and unrealized depreciation on 18 LMM portfolio investments.

(b) Other includes $16.7 million of unrealized appreciation relating to the External Investment Manager, offset by $4.5 million of net unrealized depreciation relating to the Other Portfolio.

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

The income tax benefit for the nine months ended September 30, 2015 of $7.0 million principally consisted of a deferred tax benefit of $8.5 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries including changes in net operating loss carryforwards, changes in net unrealized appreciation/depreciation and temporary book tax differences, partially offset by other current taxes of $1.5 million, which includes $0.8 million related to accruals for U.S. federal income, state and other taxes and $0.7 million for excise taxes.

Liquidity and Capital Resources

Cash Flows

For the nine months ended September 30, 2015, we experienced a net decrease in cash and cash equivalents in the amount of $25.1 million, which is the net result of $203.5 million of cash used for our operating activities and $178.4 million of cash provided by financing activities.

During the period, we used $203.5 million of cash for our operating activities, which resulted primarily from (i) cash flows we generated from the operating profits earned through our operating activities totaling $74.8 million, which is our $83.1 million of distributable net investment income, excluding the non-cash effects of the accretion of unearned income of $6.5 million, payment-in-kind interest income of $2.5 million, cumulative dividends of $1.2 million and the amortization expense for deferred financing costs of $1.9 million, (ii) cash uses totaling $736.6 million which primarily resulted from (a) the funding of new portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2014, which together total $727.1 million, (b) the funding of new Marketable securities and idle funds investments and settlement of accruals for Marketable securities and idle funds investments existing as of December 31, 2014, which together total $4.5 million, (c) $2.9 million related to decreases in payables and accruals and (d) increases in other assets of $2.1 million, and (iii) cash proceeds totaling $458.3 million from (a) $451.2 million in cash proceeds from the repayments of debt investments and sales of equity investments and (b) $7.1 million of cash proceeds from the sale of Marketable securities and idle funds investments.

During the nine months ended September 30, 2015, $178.4 million in cash was provided by financing activities, which principally consisted of (i) $127.8 million in net cash proceeds from a public equity offering in March 2015 and (ii) $128.0 million in net cash proceeds from the Credit Facility, partially offset by (iii) $75.5 million in cash dividends paid to stockholders and (iv) $1.7 million for the purchase of vested restricted stock from employees to satisfy their tax withholding requirements and (v) $0.2 million for payment of deferred loan costs, SBIC debenture fees and other costs.

Capital Resources

As of September 30, 2015, we had $35.3 million in cash and cash equivalents, $4.6 million in Marketable securities and idle funds investments and $251.5 million of unused capacity under the Credit Facility, which we maintain to support our investment and operating activities. As of September 30, 2015, our net asset value totaled $1,091.0 million, or $21.79 per share.

The Credit Facility provides for commitments from a diversified group of fifteen lenders, matures in September 2019 and was amended during April 2015 to increase the total commitments from $572.5 million to $597.5 million and increase the accordion feature of the Credit Facility from $650.0 million to $750.0 million. The accordion feature allows us to increase the total commitments under the facility from new and existing lenders on the same terms and conditions as the existing commitments.

Borrowings under the Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable LIBOR rate (0.20% as of September 30, 2015) plus 2.00%, as long as we maintain an investment grade rating (or 2.25% if we do not maintain an investment grade rating) or (ii) the applicable base rate (Prime Rate of 3.25% as of September 30, 2015) plus 1.00%, as long as we maintain an investment grade rating (or 1.25% if we do not maintain an investment grade rating). 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: (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 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 2019, and contains two, one-year extension options which could extend the final maturity by up to two years, subject to certain conditions, including lender approval. As of September 30, 2015, we had $346.0 million in borrowings outstanding under the Credit Facility, the interest rate on the Credit Facility was 2.2% and we were in compliance with all financial covenants of the Credit Facility. During the three months ended September 30, 2015, the average interest rate on the Credit Facility was 2.2%.

Due to each of the Funds' status as a licensed SBIC, we have the ability to issue, through the Funds, debentures guaranteed by the SBA at favorable interest rates. Under the regulations applicable to SBIC funds, an SBIC can have outstanding debentures guaranteed by the SBA subject to a regulatory leverage limit, up to a regulatory maximum amount of debentures of $225.0 million. 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 semi-annually. 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. On September 30, 2015, through our two wholly owned SBICs, we had $225.0 million of outstanding SBIC debentures guaranteed by the SBA, which bear a weighted average annual fixed interest rate of approximately 4.2%, paid semi-annually, and mature ten years from issuance. The first maturity related to our SBIC debentures does not occur until 2017, and the remaining weighted average duration is approximately 5.8 years as of September 30, 2015.

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 are unsecured obligations and rank pari passu with our current and future senior unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 6.125% Notes; 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 6.125% Notes mature on April 1, 2023, and may be redeemed in whole or in part at any time or from time to time at our option on or after April 1, 2018. We may from time to time repurchase 6.125% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2015, the outstanding balance of the 6.125% Notes was $90.7 million.

The indenture governing the 6.125% Notes (the "6.125% Notes 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 6.125% Notes and the Trustee if we cease to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the 6.125% Notes Indenture.

In November 2014, we issued $175.0 million in aggregate principal amount of the 4.50% Notes at an issue price of 99.53%. The 4.50% Notes are unsecured obligations and rank pari passu with our current and future senior unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 4.50% Notes; 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 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 bear interest at a rate of 4.50% per year payable semi-annually on June 1 and December 1 of each year, beginning June 1, 2015. We may from time to time repurchase 4.50% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2015, the outstanding balance of the 4.50% Notes was $175.0 million.

The indenture governing the 4.50% Notes (the "4.50% Notes 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 and the Trustee if we cease to be subject to the reporting requirements of the Securities Exchange Act of 1934. These covenants are subject to limitations and exceptions that are described in the 4.50% Notes Indenture.

During April 2014, we completed a follow-on public equity offering of 4,600,000 shares of common stock, including the underwriters' full exercise of their option to purchase 600,000 additional shares, at a price to the public of $31.50 per share, resulting in total net proceeds, including exercise of the underwriters' option to purchase additional shares and after deducting underwriting discounts and estimated offering expenses payable by us, of approximately $139.7 million.

During March 2015, we completed a follow-on public equity offering of 4,370,000 shares of common stock, including the underwriters' full exercise of their option to purchase 570,000 additional shares, resulting in total net proceeds, including exercise of the underwriters' option to purchase additional shares and after deducting underwriting discounts and estimated offering expenses payable by us, of approximately $127.8 million.

We anticipate that we will continue to fund our investment activities through existing cash and cash equivalents, the liquidation of Marketable securities and idle funds investments, and a combination of future 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. The composition of Marketable securities and idle funds investments will vary in a given period based upon, among other things, changes in market conditions, the underlying fundamentals in our Marketable securities and idle funds investments, our outlook regarding future LMM, Middle Market and Private Loan portfolio investment needs, and any regulatory requirements applicable to us.

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 2015 annual meetings of stockholders because our common stock price per share had been trading significantly above the current net asset value per share of our common stock. 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 spillover certain excess undistributed taxable income from one tax year into the next tax year, substantially all of our taxable income. In addition, as a BDC, we generally are required to meet a coverage ratio of total assets to total senior securities, which include borrowings and any preferred stock we may issue in the future, of at least 200%. This requirement limits the amount that we may borrow. In January 2008, we received an exemptive order from the SEC to exclude SBA guaranteed debt securities issued by MSMF and any other wholly owned subsidiaries of ours which operate as SBICs from the asset coverage requirements of the 1940 Act as applicable to us, which, in turn, enables us to fund more investments with debt capital.

Although we have been able to secure access to additional liquidity, including recent public equity and debt offerings, our $597.5 million Credit Facility, and the available leverage through the SBIC program, 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 ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-9 supersedes the revenue recognition requirements under ASC Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the ASC. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Under the new 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 new 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. The FASB tentatively decided to defer the effective date of the new revenue standard for public entities under U.S. GAAP for one year. If finalized, the new guidance will be effective for the annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. Early adoption would be permitted for annual reporting periods beginning after December 15, 2016. We are currently evaluating the impact the adoption of this new accounting standard will have on our financial statements.

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs,* which changes the presentation of debt issuance costs in financial statements. ASU 2015-03 requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. It is effective for annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The new guidance will be applied retrospectively to each prior period presented. The impact of the adoption of this new accounting standard on our consolidated financial statements is currently being evaluated.

In May 2015, the FASB issued ASU 2015-07, *Fair Value Measurements—Disclosures for Certain Entities that Calculate Net Asset Value per Share*. This amendment updates guidance intended to eliminate the diversity in practice surrounding how investments measured at net asset value under the practical expedient with future redemption dates have been categorized in the fair value hierarchy. Under the updated guidance, investments for which fair value is measured at net asset value per share using the practical expedient should no longer be categorized in the fair value hierarchy, while investments for which fair value is measured at net asset value per share but the practical expedient is not applied should continue to be categorized in the fair value hierarchy. The updated guidance requires retrospective adoption for all periods presented and is effective for interim and annual reporting periods beginning after December 15, 2015, with early adoption permitted. The impact of the adoption of this new accounting standard on our consolidated financial statements is currently being evaluated.

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 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 involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. At September 30, 2015, we had a total of $140.8 million in outstanding commitments comprised of (i) 25 investments with commitments to fund revolving loans that had not been fully drawn or term loans with additional commitments not yet funded and (ii) eight investments with capital commitments that had not been fully called.

Contractual Obligations

As of September 30, 2015, the future fixed commitments for cash payments in connection with our SBIC debentures and the 4.50% Notes and the 6.125% Notes for each of the next five years and thereafter are as follows:

	2015	2016	2017	2018	2019	2020 and thereafter	Total
				(dollars in thousands)			
SBIC debentures	$ —	$ —	$ 15,000	$ 10,200	$ 20,000	$ 179,800	225,000
Interest due on SBIC debentures	—	9,446	9,423	8,130	7,807	17,601	52,407
Notes 6.125%	—	—	—	—	—	90,740	90,740
Interest due on 6.125% Notes	1,388	5,558	5,558	5,558	5,558	19,453	43,073
4.50% Notes	—	—	—	—	175,000	—	175,000
Interest due on 4.50% Notes	3,938	7,875	7,875	7,875	7,875	—	35,438
Total	$ 5,326	$ 22,879	$ 37,856	$ 31,763	$ 216,240	$ 307,594	621,658

As of September 30, 2015, we had $346.0 million in borrowings outstanding under our Credit Facility, and the Credit Facility is currently scheduled to mature in September 2019. The Credit Facility contains two, one-year extension options which could extend the maturity to September 2021. See further discussion of the Credit Facility terms in "—Liquidity and Capital Resources—Capital Resources".

Related Party Transactions

As discussed further above, the External Investment Manager is treated as a wholly owned portfolio company of MSCC and is included as part of our Investment Portfolio. At September 30, 2015, we had a receivable of $2.3 million due from the External Investment Manager which included approximately $1.7 million primarily related to operating expenses incurred by us required to support the External Investment Manager's business, along with dividends declared but not paid by the External Investment Manager of approximately $0.6 million.

In June 2013, we adopted a deferred compensation plan for the non-employee members of our board of directors, which allows the directors at their option to defer all or a portion of the fees paid for their services as directors and have such deferred fees paid in shares of our common stock within 90 days after the participant's end of service as a director. As of September 30, 2015, $1.0 million of directors' fees had been deferred under this plan. These deferred fees represented 32,190 shares of our common shares. These shares will not be issued or included as outstanding on the consolidated statement of changes in net assets until each applicable participant's end of service as a director, but are included in operating expenses and weighted-average shares outstanding on our consolidated statement of operations as earned.

Recent Developments

During October 2015, we declared a semi-annual supplemental cash dividend of $0.275 per share payable in December 2015. This supplemental cash dividend is in addition to the previously announced regular monthly cash dividends that we declared for the fourth quarter of 2015 of $0.180 per share for each of October, November and December 2015.

In October 2015, we led a new portfolio investment totaling $15.5 million of invested capital in Apex Linen Service, Inc. ("Apex Linen") to fund Apex Linen's near-term growth opportunities, with us funding $12.4 million of the investment. Our investment in Apex Linen included a first-lien, senior secured term debt investment and a revolving line of credit. We and our co-investor also provided a commitment for $2.5 million of additional first-lien, senior secured term debt in the near-term future upon the completion of certain conditions. In addition, we and our co-investor are providing Apex Linen a conditional commitment beyond the $2.5 million of additional first-lien, senior secured term debt for additional capital to support its future growth opportunities. Headquartered in Las Vegas, Nevada, and founded in 2010 by long-established industry experts, Apex Linen provides commercial laundry and linen services to the hotel and gaming industry in the Las Vegas metropolitan area.

In November 2015, we declared regular monthly dividends of $0.180 per share for each month of January, February and March of 2016. These regular monthly dividends equal a total of $0.540 per share for the first quarter of 2016 and represent a 5.9% increase from the regular monthly dividends declared for the first quarter of 2015. Including the regular monthly dividends declared for the first quarter of 2016, we will have paid $16.420 per share in cumulative dividends since our October 2007 initial public offering.

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

We are subject to financial market risks, including changes in interest rates. Changes in interest rates may affect both our cost of funding and our interest income from portfolio investments and Marketable securities and idle funds investments. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks. Our investment income will be affected by changes in various interest rates, including LIBOR and prime rates, to the extent of any debt investments that include floating interest rates. The majority of our debt investments are made with either fixed interest rates or floating rates that are subject to contractual minimum interest rates for the term of the investment. As of September 30, 2015, approximately 60% of our debt investment portfolio (at cost) bore interest at floating rates, 99% of which were subject to contractual minimum interest rates. As of September 30, 2015, none of our Marketable securities and idle funds investments (at cost) bore interest at floating rates. Our interest expense will be affected by changes in the published LIBOR rate in connection with our Credit Facility; however, the interest rates on our outstanding SBIC debentures and our 4.50% Notes and 6.125% Notes, which comprise the majority of our outstanding debt, are fixed for the life of such debt. As of September 30, 2015, we had not entered into any interest rate hedging arrangements. The following table shows the approximate annualized increase (decrease) in the components of net investment income due to hypothetical base rate changes in interest rates, assuming no changes in our investments and borrowings as of September 30, 2015.

Basis Point Change	Increase in Interest Income	Increase in Interest Expense	Increase (Decrease) in Net Investment Income	Increase (Decrease) in Net Investment Income per Share
		(dollars in thousands)		
50	$ 129	$ (1,730)	$ (1,601)	$ (0.03)
100	2,430	(3,460)	(1,030)	(0.02)
150	6,619	(5,190)	1,429	0.03
200	10,949	(6,920)	4,029	0.08
300	19,613	(10,380)	9,233	0.18
400	28,287	(13,840)	14,447	0.29
500	36,987	(17,300)	19,687	0.39

The hypothetical results would also be impacted by the changes in the amount of debt outstanding under our Credit Facility (with an increase (decrease) in the debt outstanding under the Credit Facility resulting in an (increase) decrease in the hypothetical interest expense).

Item 4. *Controls and Procedures*

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chairman, Chief Executive Officer and President, our Chief Financial Officer, our Chief Compliance Officer and our Chief Accounting Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15 of the Securities Exchange Act of 1934). Based on that evaluation, our Chairman, Chief Executive Officer and President, our Chief Financial Officer, our Chief Compliance Officer and our Chief Accounting Officer, have concluded that our current disclosure controls and procedures are effective in timely alerting them of material information relating to us that is required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934. There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. *Legal Proceedings*

We may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise. Furthermore, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, we do not expect any current matters will materially affect our financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on our financial condition or results of operations in any future reporting period.

Item 1A. *Risk Factors*

There have been no material changes to the risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014 that we filed with the SEC on February 27, 2015 and in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, filed with the SEC on August 7, 2015.

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

During the three months ended September 30, 2015, we issued 140,857 shares of our common stock under our dividend reinvestment plan. These issuances were not subject to the registration requirements of the Securities Act of 1933, as amended. The aggregate value of the shares of common stock issued during the three months ended September 30, 2015 under the dividend reinvestment plan was approximately $4.3 million.

Item 5. *Other Information*

Expansion of Board of Directors and Appointment of Directors

On November 3, 2015, our Board of Directors increased the size of the Board from six to eight directors and appointed Brian E. Lane and Stephen B. Solcher as directors to fill the vacancies created by the increase to serve until our 2016 Annual Meeting of Stockholders. Mr. Lane was also appointed to serve on the Nominating and Corporate Governance Committee of the Board, and Mr. Solcher was also appointed to serve on the Audit Committee of the Board.

Mr. Lane, age 58, has served as Chief Executive Officer and President of Comfort Systems USA, Inc. (NYSE: FIX) 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.

Mr. Solcher, age 55, has served as the Senior Vice President of Finance and Business Operations and Chief Financial Officer of BMC Software, Inc., a privately held company, 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 private 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.

Messrs. Lane and Solcher will be entitled to receive compensation for their service on the Board consistent with our director compensation program for non-employee directors. In connection with their appointment to the Board, we entered into our standard form of indemnification agreement with Messrs. Lane and Solcher, the form of which was previously filed as Exhibit (k)(13) to our Pre-Effective Amendment No. 3 to Registration Statement on Form N-2 (Reg. No. 333-142879) filed on September 21, 2007.

The Board has determined that each of Messrs. Lane and Solcher qualifies as an independent director under the 1940 Act and the listing standards of the New York Stock Exchange, and Mr. Solcher also qualifies as an "audit committee financial expert" under the SEC's rules. There are no arrangements or understandings between Mr. Lane or Mr. Solcher and any other persons pursuant to which they were selected as directors. There are no current or proposed transactions between us and either of Mr. Lane or Mr. Solcher or their immediate family members that would require disclosure under Item 404(a) of Regulation S-K promulgated by the SEC.

Executive Management Changes

On November 3, 2015, the Board of Directors promoted certain senior executive officers to the following additional roles at Main Street: Dwayne L. Hyzak as President, Curtis L. Hartman as Vice Chairman, and David L. Magdol as Vice Chairman, effective immediately. Mr. Hyzak has served as Main Street's Chief Operating Officer and Senior Managing Director since November 2014; Mr. Hartman has served as Main Street's Chief Credit Officer and Senior Managing Director since 2011; and Mr. Magdol has served as Main Street's Chief Investment Officer and Senior Managing Director since 2011. In addition, Messrs. Hyzak, Hartman and Magdol also serve as members of Main Street's investment committee and have served in various executive roles at Main Street and its predecessor funds since the early 2000's.

Messrs. Hyzak, Hartman and Magdol will retain their former titles in addition to the new roles and will also continue to serve as members of Main Street's investment committee. Mr. Foster, who was previously Main Street's President, will retain the title of Chief Executive Officer and the ongoing responsibilities as the principal executive officer at Main Street along with remaining Chairman of the Board. Reference is made to the biographical information with respect to Messrs. Foster, Hyzak, Hartman and Magdol set forth under the headings "Election of Directors" and "Executive Officers" in our 2015 Proxy Statement, which description is incorporated herein by reference.

Deferred Compensation Plan

On November 3, 2015, the Board of Directors approved and adopted the Main Street Capital Corporation Deferred Compensation Plan (the "Plan"). The Plan will be effective on January 1, 2016 and at such time will replace the existing Main Street Capital Corporation Deferred Compensation Plan for Non-Employee Directors. Under the Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation, subject to certain limitations. Main Street may also make discretionary employer contributions to the Plan. Individuals participating in the 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. The above summary is not complete and is qualified in its entirety to the full text of the Plan attached as Exhibit 10.1 hereto and are incorporated herein by reference.

Item 6. ***Exhibits***

Listed below are the exhibits which are filed as part of this report (according to the number assigned to them in Item 601 of Regulation S-K):

Exhibit Number	Description of Exhibit
10.1†	Form of Main Street Capital Corporation Deferred Compensation Plan Adoption Agreement and Plan Document.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

† Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Main Street Capital Corporation

Date: November 6, 2015	/s/ VINCENT D. FOSTER Vincent D. Foster *Chairman and Chief Executive Officer (principal executive officer)*
Date: November 6, 2015	/s/ BRENT D. SMITH Brent D. Smith *Chief Financial Officer and Treasurer (principal financial officer)*
Date: November 6, 2015	/s/ SHANNON D. MARTIN Shannon D. Martin *Vice President and Chief Accounting Officer (principal accounting officer)*

EXHIBIT INDEX

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† Management contract or compensatory plan or arrangement.

NONQUALIFIED SUPPLEMENTAL

DEFERRED COMPENSATION PLAN

ADOPTION AGREEMENT

This adoption agreement and the accompanying plan document have not been approved by the Department of Labor, Internal Revenue Service, Securities Exchange Commission, or any other governmental entity. Employers may not rely on this document or the accompanying plan document to ensure any particular tax consequences with respect to the Employer's particular situation, nor do these documents constitute legal or tax advice. Pen-Cal and its employees cannot provide legal or tax advice in connection with these documents. Employers must determine the extent to which the Plan is subject to Federal or state securities laws. You should have your attorney review this document and the accompanying plan document before adopting the documents. This adoption agreement and accompanying plan document cannot be used in order to avoid penalties that may be imposed on the taxpayer.

NONQUALIFIED SUPPLEMENTAL
DEFERRED COMPENSATION PLAN
ADOPTION AGREEMENT

ADOPTION OF PLAN — *[Select one]*

☒ **Adoption** - The undersigned **Main Street Capital Corporation** (the "Employer") hereby adopts as a Nonqualified Deferred Compensation Plan for the individuals identified in Item 5 herein the form of Plan known as the Nonqualified Supplemental Deferred Compensation Plan.

☐ **Amendment of Previous Nonqualified Deferred Compensation Plan** — With "Grandfathered" Amounts (the "Employer") previously has adopted a Nonqualified Deferred Compensation Plan, known as the ***[enter name of previous plan],*** and the execution of this Adoption Agreement constitutes an amendment to that Plan, effective only for Deferrals, Contributions, earnings, gains, losses, depreciation and appreciation vested and credited thereto or debited therefrom on and after the Effective Date listed in Section 2 below, or, if otherwise determined by the Employer, on and after January 1, 2005 with respect to Plan provisions required under Section 409A of the Internal Revenue Code and the regulations thereunder. All other amounts in the plan shall be subject to the provisions of the previous plan document. This option is appropriate if the previous plan contains grandfathered amounts not subject to Section 409A of the Internal Revenue Code. Grandfathered amounts were contributed to the plan prior to January 1, 2005 under the terms of the plan in effect prior to October 4, 2004, and those plan terms have not since been materially modified. Grandfathered amounts and earnings will be administered under the terms of the prior plan document.

☒ **Restatement of Previous Nonqualified Deferred Compensation Plan** — **Main Street Capital Corporation** (the "Employer") previously has adopted a Nonqualified Deferred Compensation Plan, known as the **Main Street Capital Corporation Deferred Compensation Plan for Non-Employee Directors** ***[enter name of previous plan],*** and the execution of this Adoption Agreement constitutes a restatement of that Plan, effective as of the Effective Date listed in Section 2 below for all funds under the Plan. This option is appropriate if the previous plan does not contain "grandfathered" amounts (see description above), or if Employer wishes to apply Section 409A rules to all amounts in the plan (even pre-2005 amounts), or if previous plan has been materially modified and thus become subject to Section 409A. Notwithstanding anything in this Adoption Agreement or in the Plan to the contrary, with respect to account balances as of December 31, 2015 and any future earnings thereon, the distribution provisions of the Main Street Capital Corporation Deferred Compensation Plan for Non-Employee Directors as in effect on December 31, 2015 shall continue to apply to such amounts.

NAME OF PLAN

The name of this Plan as adopted by the Employer is the **Main Street Capital Corporation Deferred Compensation Plan** (the "Plan").

INDIVIDUALIZED PLAN INFORMATION

With respect to the variable features contained in the Plan, the Employer hereby makes the following selections granted under the provisions of the Plan:

1. **Adopting Entity.** The Employer adopts the Plan as:

List type of business entity (corporation, partnership, controlled group of corporations, etc.) Corporation

List each Employer adopting the Plan and Employer Identification Number (EIN):

Name of Employer:	Main Street Capital Corporation	EIN:	41-2230745
Name of Employer:		EIN:	
Name of Employer:		EIN:	
Name of Employer:		EIN:	
Name of Employer:		EIN:	

(attach additional lists as necessary)

The adopting Employers and the Employer are referred to herein collectively as the "Employer."

Select state of controlling law (see Section 10.7 of Plan Document):

☐ State of incorporation;
☒ State of domicile Texas

2. **Effective Date**. The "Effective Date" of the adoption of this Plan, this Plan amendment or this Plan restatement is January 1, 2016.

3. **Plan Year**. The "Plan year" of the Plan shall be ***[select one]***:

☒ (a) the calendar year.
☐ (b) the fiscal year or other 12-month period ending on the last day of ***[specify month]***.
☐ a short Plan year beginning on , and ending on , ; and thereafter the Plan year shall be as indicated in (a) or (b) above.

4. **Plan Administrator**. The "Administrator" of the Plan is the Company

[fill in the name(s) of the individual(s) or job title(s) or entity (such as a committee) that is (are) responsible for administration of the Plan], and such other person(s) or entity as the Employer shall appoint from time to time.

5. **Eligible Individuals**. The following shall be eligible to participate in the Plan: ***[select all that apply — do not list individual names]:***

☒ A select group of management or highly-compensated Employees as designated by the Employer in separate resolutions or agreements;

☐ Employee Board Members;

☒ Non-Employee Board Members;

☐ Other Service Providers (i.e., independent contractors, consultants, etc.)

☐ Employees or other Service Providers above the following Compensation threshold: ***[enter dollar amount]*** $;

☐ Employees with the following job titles: ***[enter job title(s); for example, "Vice President and above"]***

☐ Other: ***[enter description]***

6. **Eligibility Timing.** Eligibility timing selected below shall apply uniformly to all Participant Deferrals (including Performance-Based Bonus Deferrals), as well as Employer Matching Contributions and Other Employer Contributions, unless otherwise indicated. If the Employer wishes to provide for separate eligibility rules for different types of Compensation (for example, Salary vs. Bonus), or for types of Contributions (for example, Employer Matching Contributions vs. Participant Deferrals), mark "Other" below and attach exhibits as necessary ***[select one]:***

☒ Eligible immediately upon properly completed designation by the Plan administrator or Employer;

☐ Eligible after the following period of employment, Board service, etc. ***[enter number of days, months or years, for example, 90 days]*** ;

☐ Other ***[enter description]:***

7. **Types and Amounts of Participant Deferrals [*select all that apply and enter minimum and maximum percentages in increments of one percent (for example, Salary minimum 0% maximum 100%). Note that no Deferral election can reduce a Participant's Compensation below the amount necessary to satisfy required withholding for FICA/Medicare/income taxes, required Participant Contributions into another Employer-sponsored benefit plan such as medical insurance, 401(k) loan repayments, etc.]:*****

☒ Salary ***[select one]***:

☒ percentage ***[enter minimum** 0**% and maximum** 100**%]***
or
☐ fixed dollar amount ***[enter minimum $]***.

☒ Non-Performance-Based Bonus ***[select one]***:

☒ percentage ***[enter minimum** 0**% and maximum** 100**%]***
or
☐ fixed dollar amount ***[enter minimum $]***.

☒ Performance-Based Bonus ***[select one and enter performance period (for example, 12-month period ending each March 31]***: performance period from January 1 to December 31.

☒ percentage ***[enter minimum** 0**% and maximum** 100**%]***
or
☐ fixed dollar amount ***[enter minimum $]***.

☐ Commissions ***[select one]***:

☐ percentage ***[enter minimum % and, maximum %]***
or
☐ fixed dollar amount ***[enter minimum $]***.

☒ Board of Directors Fees/Retainer (note — should not include expense reimbursements):

☒ percentage ***[enter minimum** 0**% and, maximum** 100**%]***
or
☐ fixed dollar amount ***[enter minimum $]***.

☐ Other Service Provider Fees or other earned income from the Employer:

☐ percentage ***[enter minimum % and, maximum %]***
or
☐ fixed dollar amount ***[enter minimum $]***.

☐ 401(k) Refund *(amount deferred from Participant's regular Compensation equal in value to any refund paid to Participant in that year resulting from excess deferrals in Employer's 401(k) plan — see Subsection 2.9 of Plan document for definition.)*

☒ Social Security Trigger *(amount deferred pursuant to an election by the Participant to defer a separate percentage of Compensation only from that portion of Compensation that exceeds the Social Security Taxable Wage Base for the upcoming year).*

☒ Other ***[enter description]:*** Dividends paid on shares of unvested Company stock. Any such deferral election must be made in the year before the year in which the unvested Company stock is granted.

☒ Deferral of restricted stock units.

NOTE: Special Rules for Multi-Year RSU Grants Structured To Provide For Annual Vesting of a Specified Portion of the Total Grant:

☒ *Check this box if the Employer wishes to allow for deferral of restricted stock units that are structured so that a specified portion of the RSU grant vests annually (for example, an RSU grant over a four-year period vesting 25% annually). Under this type of grant, the election to defer may be made separately with respect to each portion of the grant that vests in a given year. However, each election for each portion of the grant must be made either: (i) within 30 days of the date of grant, and only if the RSU is structured so that vesting is contingent on the employee performing services for at least an additional 12 months subsequent to the election; or (ii) 12 months before the payment date of the RSU (vesting date is treated as the payment date for these purposes), but the election will not take effect for 12 months, and the subsequent payout date must be at least five years later than the previous payment date).*

8. **Definition of Compensation for Purposes of Making Plan Contributions *[select one]:***

☐ Same definition of Compensation as in Employer's 401(k) or other applicable qualified retirement plan.

☒ Participant's total wages, salary, commissions, overtime, bonus, etc. for a given year which the Employer is required to report on Form W-2 or other appropriate form, (or, in the case of Board members, Board fees and retainer only, but not including expense reimbursements)(or, in the case of Other Service Providers, the Participant's total remuneration from the Employer for a given year pursuant to the agreement to provide services to the Employer), earned while the Participant is an Eligible Individual as determined by the Employer.

☐ Other ***[enter description]:***

9. **Expiration of Participant's Deferral Elections** ***[select all that apply]:***

☒ **Renewed Each Year:** Participant's Deferral Elections must be renewed each year during the open enrollment period ending no later than December 31 prior to the effective Plan year (or, in the case of Performance-Based Bonuses, no less than 6 months prior to the end of the applicable performance period).

☒ For all types of Compensation Deferrals.
☐ For Salary Deferrals only — other types of Deferrals are "evergreen."
☐ For Performance-Based Bonus only — other types of Deferrals are "ever-green."
☐ Other: ***[specify]***

☐ **Evergreen:** Participant's Deferral Elections will be "evergreen" (i.e., will continue indefinitely until the Participant's Termination Date unless changed by the

Participant — so each year the Participant will be deemed to have the same election in place as the prior year unless actively changed by the Participant during the open enrollment period ending no later than December 31 prior to the effective Plan year or, in the case of Performance-Based Bonuses, no less than 6 months prior to the end of the applicable performance period).

☐ For all types of Compensation Deferrals.
☐ For Salary Deferrals only — other types of Deferrals are renewed each year.
☐ For Performance-Based Bonus only — other types of Deferrals are renewed each year.
☐ Other: ***[specify]***

10. **Employer Contributions** ***[select all that apply]:***.

☐ (a) No Employer Contributions.

☐ (b) Matching Contributions ***[enter description of matching formula below and also complete Items 11 and 12]***

☒ (c) Employer Contributions other than Matching Contributions ***[enter description of Employer Contribution formula below and complete Item 13]***

<u>For any Plan Year, the Employer may elect to make a Discretionary Employer Contribution for any Participant</u>

11. **Employees Eligible to Receive Employer Matching Contributions.** Matching Contributions made for each Plan Year (if applicable) shall be allocated and credited to the Accounts of the following Participants: ***[Select one if applicable]***

☐ Participants who were employed by the Employer (or, in the case of non-Employee Board Members, served on the Board) during that Plan Year, or, in the case of Other Service Providers, who provided services to the Employer during that Plan Year.

☐ Participants who were employed by the Employer (or, in the case of non-Employee Board Members, served on the Board) on the last day of the Plan Year, or, in the case of Other Service Providers, who provided services to the Employer on the last day of the Plan Year.

☐ Participants who were employed by the Employer (or, in the case of non-Employee Board Members, served on the Board) on the last day of the Plan Year or who retired, died or were Disabled during the Plan Year, or, in the case of Other Service Providers, who provided services to the Employer on the last day

of the Plan Year or who died or were Disabled during the Plan Year. ***[If this option is selected, complete Item 29 — definition of "Disability".]***

12. **Vesting Schedule of Employer Matching Contributions.** If Matching Contributions are made to the Plan, select the rate at

which such Contributions will vest ***[select one]***:

☐ Immediate 100% vesting for all Participants.

☐ "Cliff" vesting (0% up to cliff; 100% after cliff) ***[select one]***:

☐ 1 year cliff (less than 1 year 0%; 1 or more years 100%)
☐ 2 year cliff (less than 2 years 0%; 2 or more years 100%)
☐ Other cliff (***enter number of years:*** less than years 0%; or more years 100%)

☐ "Graded" vesting ***[enter vesting percentages]***:

1 year	%	6 years	%	11 years	%
2 years	%	7 years	%	12 years	%
3 years	%	8 years	%	13 years	%
4 years	%	9 years	%	14 years	%
5 years	%	10 years	%	15 years	%

☐ Other vesting schedule: ***[describe schedule — subject to approval]***

13. **Vesting Schedule of Employer Contributions (Other Than Matching Contributions).** If Employer Contributions (other than Matching Contributions) are made to the Plan, select the rate at which such Contributions will vest ***[select one]***:

☐ Immediate 100% vesting for all Participants.

☐ "Cliff" vesting (0% up to cliff; 100% after cliff) ***[select one]***:

☐ 1 year cliff (less than 1 year 0%; 1 or more years 100%)
☐ 2 year cliff (less than 2 years 0%; 2 or more years 100%)
☐ Other cliff (***enter number of years:*** less than years 0%; or more years 100%)

☐ "Graded" vesting ***[enter vesting percentages]***:

1 year	%	6 years	%	11 years	%
2 years	%	7 years	%	12 years	%
3 years	%	8 years	%	13 years	%
4 years	%	9 years	%	14 years	%
5 years	%	10 years	%	15 years	%

☒ Other vesting schedule: ***[describe schedule — subject to approval]*** To be determined at the time of the contribution

14. **Vesting Years**. A "Vesting Year" described above for purposes of determining vesting under the Plan shall be computed in accordance with: ***[select one — if this is an amendment or restatement of a prior plan, definition from prior plan will override this definition.]***

☐ Years of service (12-consecutive-month periods) with the Employer since date of hire (or date of commencement of Board service).

☐ Years of participation in the Plan (12-consecutive-month period between date Participant enters Plan and anniversary of such date) (if this is an amendment or restatement of a prior Plan, years of participation in prior plan will be included) (additional fees will apply if this item is selected).

☐ Plan Years since each Plan Year's total Contributions were made ("rolling vesting") (additional fees will apply if this item is selected). [***If this option is selected, select either (a) or (b) below:]***

☐ (a) Vesting will be credited/updated on the last day of the Plan year.

☐ (b) Vesting will be credited/updated on the anniversary of the date the Contribution is credited.

15. **Full Vesting Upon Occurrence of Specific Event.** ***[select all that apply]***

☒ 100% vesting upon Normal Retirement ***[describe criteria such as age (can be partial year), years of service with the Employer (must be whole years of service), or years of participation in the Plan (must be whole years of participation)]***

Retirement when Age plus Years of Service is equal to or greater than 70

☐ 100% vesting upon Early Retirement ***[describe criteria such as age (must be whole years), years of service with the Employer (must be whole years of service), or years of participation in the Plan (must be whole years of participation)]***

☒ 100% vesting upon Death.

☒ 100% vesting upon Disability ***[complete Item 29 — definition of "Disability"]***.

☒ 100% vesting upon Change in Control of the Employer ***[complete Items 27 and 28 — definition of "Change in Control"]***

☐ 100% vesting upon occurrence of other event: ***[describe event]***

16. **Service Before Plan's Establishment Excluded**. Years of service earned prior to establishment of the Plan shall be disregarded for purposes of determining vesting under the Plan:

☐ Yes (this may be elected only if this is the establishment of a new Plan).
☒ No.

17. **Forfeitures for Misconduct or Violation of Non-Compete**. Participants terminating employment prior to becoming 100% vested will forfeit the forfeitable percentage of their Accounts as indicated in accordance with the vesting schedule selected in Items 12 and/or 13. Participants may also forfeit 100% of their Matching and Employer Contribution Accounts (if applicable) under the following circumstances: ***[select any that apply]***:

☒ Misconduct (termination for Cause). ***[enter definition of Misconduct or Cause below]***

Termination for "Cause" means termination by the Company of the Participant's employment with the Company or one of its subsidiaries for the Participant's (as determined by the Board in its sole discretion):

(i) willful failure to substantially perform the Participant's duties to the Company or any of its subsidiaries;

(ii) breach of the Participant's duty of loyalty to the Company or any of its subsidiaries;

(iii) commission of an act of dishonesty toward the Company or any of its subsidiaries, theft of corporate property of the Company or any of its subsidiaries, or usurpation of the corporate opportunities of the Company or any of its subsidiaries;

(iv) unethical business conduct including any violation of law connected with the Participant's employment at the Company or any of its subsidiaries; or

(v) conviction of any felony involving dishonest or immoral conduct.

For purposes of this definition of Cause, an act or failure to act by the Participant shall be considered "willful" only if the Participant's conduct was not in good faith and the Participant lacked a reasonable belief that the Participant's act or omission was in the best interests of the Company.

☒ Engaging in competition with the Employer. ***[enter definition of engaging in competition below]***

"Engaging in competition" means an employee-Participant, during his or her employment with the Company or any of its subsidiaries, directly or indirectly, per- sonally, or as an employee, officer, director, principal of or investor in, or consultant

or independent contractor with, another entity, engaging in business with, being employed by, or rendering any consultation or business advice or other services with respect to, any business in the United States which competes with the Company Business, as determined by the Board in its sole discretion; provided, however, that Participant may invest in (i) up to (but not more than) one percent (1%) of any class of securities of any enterprise (but without otherwise participating in the management or activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934 or (ii) up to (but not more than) ten percent (10%) of any class of securities of any private fund (but without otherwise participating in the management or activities of such enterprise). For purposes of this provision, the term "Company Business" means investing through equity capital or long-term debt in lower middle-market businesses, or investing through long-term debt in middle-market businesses.

18. **Employer Stock as Deemed Investment Option.** If Employer stock will be a deemed investment option, indicate below how shares are to be tracked: ***[select one]***

☒ Partial and whole shares.

☐ Unitized fund.

NOTE: Distributions of Employer Stock investments under the Plan shall be made in whole shares of Employer's common stock for each whole share of Employer Stock under the Plan, and in cash for any fractional share of Employer Stock under the Plan.

19. **In-Service Distributions.** If the Employer elects below, the Plan will allow distributions of Participant Deferral Contributions to be made to Participants while they are still employed ("In-Service Distributions"), if they elect a fixed distribution date during the regular election period. ***[Select one]***

☐ No, In-Service Distributions will not be permitted.

☒ Yes, In-Service Distributions will be permitted. ***[select one].***

☒ For All Participant Deferral Contributions

☐ For Participant Compensation Deferral Contributions (other than Performance-Based Bonus) only.

☐ For Participant Performance-Based Bonus Deferral Contributions.

☐ For Employer Contributions. ***[if selected, employer contributions must be 100% vested, and additional fees may apply]. If Employer wishes to limit in-service withdrawals to specific types of Employer Contributions, enter details below:***

[Note — if "Yes" is elected above and the Plan will allow In-Service Distributions, please indicate if Participant will be permitted to make a "pushback" subsequent election to defer the original distribution date at least five years in accordance with Plan provisions (see subsection 9.1 of Plan document — note that election must be made 12 months prior to original distribution date and election will not take effect for 12 months) ☒ Yes ☐ No]

Please indicate the number of years a Participant must defer payment(s) until In-Service Distribution(s) may begin:

☒ 2 Years after the Calendar Year for which the deferral is effective

☐ Years after the Calendar Year for which the deferral is effective

Please indicate if separate In-Service Distribution Dates are allowed for each Type of Participant Deferral selected in Item 7:

☐ No (single distribution date allowed per Plan Year)

☒ Yes (requires additional tracked sources per Plan Year)

20. **In-Service Distributions — Form and Timing of Payment.** In-Service Distributions shall be made to Participants in the following form: ***[Select one]***

☐ Lump Sums Only (allows a percentage up to 100% to be elected for distribution)

☒ Either 100% in Lump Sums or 100% in Installments.

[Note — if Installments are elected above, please indicate if Participant will be permitted to make a subsequent election to change the installments in accordance with Plan provisions (see subsection 9.2 of Plan document) ☒ Yes ☐ No]

21. **Unforeseeable Emergency Distributions Dates.** If the Employer elects below, the Plan will allow distributions to be made to Participants while they are still employed if they meet the criteria for an unforeseeable emergency financial hardship ("Unforeseeable Emergency Distributions"). Both Participant Deferral Contributions and Vested Employer Contributions can be distributed in the event of an eligible Unforeseeable Emergency Distribution event. ***[Select one]***

☐ No, Unforeseeable Emergency Distributions will not be permitted.

☒ Yes, Unforeseeable Emergency Distributions will be permitted. ***[select one below].***

☐ For active Participants only.

☒ For active Participants, terminated Participants and Beneficiaries.

22. **Form of Distributions (at Termination of Employment or Death).** Distributions will be made to Participants upon Termination of Employment with the Employer or Death of the Participant as follows ***[select one]***

☐ Lump sum only.

☐ Lump sum unless installments elected, but can only receive installments if Participant meets the following criteria ***[select all that apply— if item not selected below, then Participants in that category will receive lump sum only]***:

☐ Retirement ***[describe criteria such as age (can be partial year), years of service with the Employer (must be whole years of service), or years of participation in the Plan (must be whole years of participation)]***

☐ Early Retirement ***[describe criteria such as age (must be whole years), years of service with the Employer (must be whole years of service), or years of participation in the Plan (must be whole years of participation)]***

☐ Termination (other than for Misconduct, Cause or Violation of Non-Compete)

☒ Lump sum unless installments elected, and Participant may receive installments regardless of reason for Termination of Employment.

[Note — if Installments are elected above, please complete Item 26 and indicate if Participant will be permitted to make a subsequent election to change the number of installments in accordance with Plan provisions (see subsection 9.2 of Plan document) ☒ ***Yes*** ☐ ***No]***

23. **Distribution Upon Disability.** If the Employer selects below, the Plan will allow distributions to be made to Participants upon Disability but while they are still employed if they meet the criteria for Disability in Item 29 below. The form of distribution will be the same as for Termination of Employment, or as elected by the Participant.

☐ No, distribution upon Disability will not be permitted.

☒ Yes, distributions upon Disability will be permitted. ***[complete Item 29 — definition of "Disability"].***

24. **Expiration of Participant's Distribution Elections** ***[select one]:***

☒ **Renewed Each Year:** Participant's Distribution Election must be selected each year during the open enrollment period for the following year's contributions — if no new election is made, that year's contributions default to payment in the form of a lump sum. In-Service Distribution Elections must be made by participants each year.

☐ **Evergreen:** Participant's Distribution Election will be "evergreen" (i.e., will continue indefinitely for each year's contributions until the Participant's Termination Date unless changed by the Participant — so each year the Participant will be deemed to have the same distribution election in place as the prior year unless actively changed by the Participant at open enrollment, and the change will only be applicable to future contributions). In-Service Distribution Elections may not be treated as evergreen.

25. **Distributions Upon Change in Control:** If Employer elects below, distributions will be made to Participants upon Change in Control of the Employer (without a termination of employment of the Participant), as follows ***[select one, and complete Items 27 and 28 below (definition of "Change in Control")]***

☒ No, Distributions upon Change in Control will not be permitted.

☐ Yes, Distributions upon Change in Control will be permitted, in a lump sum only.

☐ Yes, Distributions upon Change in Control will be permitted, in a lump sum or in installments as elected by the Participant**.**

26. **Length of Installments (if Installment Distributions permitted in Item 20, 22 and/or Item 25 above)** ***[indicate length below]:***

Annual installments over no fewer than 2 ***[enter minimum number of years — must be at least 2]*** and no more than 20 years at Participant's election ***[enter maximum number of years].***

27. **"Change in Control" — Dates of Distribution.** Distributions upon a Change in Control shall occur upon the date that ***[select all that apply — see Subsection 9.9 of the Plan document for more details]:***

☒ A person or group acquires more than 50% of the total fair market value or voting power of the stock of the corporation (select definition of "corporation" in Item 28 below).

☒ A person or group acquires ownership of stock of the corporation with at least 30% of the total voting power of the corporation (select definition of "corporation" in Item 28 below).

☒ A person or group acquires assets from the corporation having a total fair market value of at least 40% of the value of all assets of the corporation immediately prior to such acquisition. (select definition of "corporation" in Item 28 below).

☒ A majority of the corporation's board of directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the board as constituted prior to the appointment or election (select definition of "corporation" in Item 28 below).

28. **"Change in Control" — Which Corporation the Change Relates.** Distributions upon a Change in Control shall be made only if the Change in Control relates to the corporation selected below: ***[select all that apply]:***

☐ (a) The corporation for whom the Participant is performing services at the time of the Change In Control event.

☒ (b) The corporation liable for payments from the Plan to the Participant.

☐ (c) A corporation that is a majority shareholder of a corporation described in (a) or (b) above.

☐ (d) Any corporation in the chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation described in (a) or (b) above.

29. **Definition of "Disability." A Participant shall be considered "Disabled" if *[select one]:***

☒ by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of at least 12 months;

☐ the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months;

☐ the Participant is deemed to be totally disabled by the Social Security Administration;

☐ the Participant is determined to be disabled in accordance with a disability insurance program, provided that the definition of disability under such disability insurance program complies with the requirements of one of the three preceding definitions above.

30. **Distributions to "Key Employees" — Investment.** In order to comply with Internal Revenue Code Section 409A, distributions to "key employees" (see subsection 9.3 of the Plan Document for definition) of publicly traded companies made due to employment termination cannot be made within 6 months of the employment termination date. If distribution to a key employee must be delayed to comply with this 6-month rule, indicate

below how Account balances of such a Participant will be invested during the period of delay ***[select one]***:

☐ Valued as of most recent Valuation Date and held at the Employer without allocation of additional gains or losses after such Valuation Date until payment can be made.

☒ Remain invested as if termination date had not occurred, then valued as of most recent Valuation Date and distributed.

31. **QDRO Distributions.** The Employer may elect whether distributions from a Participant's Account shall be permitted upon receipt by the Plan Administrator of a Qualified Domestic Relations Order relating to a marital dissolution or separation that provides for payment of all or a portion of a Participant's Accounts to an alternate payee (spouse, former spouse, children, etc.). ***[Indicate below whether QDRO distributions will be permitted]:***

☐ No, QDRO Distributions will not be permitted.

☒ Yes, QDRO Distributions will be permitted.

32. **Additional Survivor Death Benefit from Life Insurance.** In the event that life insurance is utilized as a funding vehicle for the Plan, the Employer may wish to provide additional Survivor Benefit from the following options: ***[select one]***

☒ No additional Survivor Benefit offered, but rather Participant's vested Account balance.

☐ Face value of life insurance policy of Participant, if any.

☐ Greater of (a) face value of life insurance policy of Participant, if any, or (b) Participant's vested Account balance.

☐ Other: ***[enter amount or formula]***

33. **Payment of Plan Expenses.** Plan expenses may be paid as follows: ***[select one]***

☒ Directly by the Employer.

☐ Deducted from the Participant accounts and Plan's trust or other custodial account (mutual fund plans only, if applicable).

34. **"De Minimis" Small Amount Cashouts.** If selected by the Employer, Participant account balances that do not exceed a certain threshold amount will be automatically cashed out upon the Participant's Termination of Employment or Death, as provided below ***[****select one]*

☒ Yes, amounts that do not exceed a threshold dollar amount will automatically be cashed out: <u>IRS 402(g) limit</u>

☐ No, no "de minimis" small amounts will be cashed out.

By signing this Adoption Agreement, the Employer certifies that it has consulted with legal counsel regarding the effects of the Plan, as applicable, on all parties. The Employer further certifies that it has and will limit participation in the Plan to a select group of management or highly compensated Employees, Board Members or Other Service Providers, as determined by the Employer in consultation with legal counsel. The Employer further certifies that it is the Employer's sole responsibility to ensure that each Participant with the right to direct deemed investments under the Plan that are based on securities issued by the Employer or a member of its controlled group (as defined in Code Section 414(b) and (c)) will receive a prospectus for any such deemed investment option based on such Employer securities.

The Employer is solely responsible for its compliance with applicable laws, including Federal and state securities and other applicable laws.

Only those elections that are completed shall be considered as provisions applicable to and forming a part of the Plan.

This Adoption Agreement may only be used in conjunction with the Plan document. All selections in the Adoption Agreement providing for customized or "other" plan provisions are subject to review for administrative feasibility, and may be subject to additional fees.

Terms used in this Adoption Agreement which are defined in the Plan document shall have the meaning given them therein.

The Employer hereby acknowledges that it is adopting this Nonqualified Supplemental Deferred Compensation Plan. Federal legislation or other changes in the law relating to nonqualified deferred compensation or other employee benefit plans may require that the Plan be amended.

*   *   *

The undersigned duly authorized owner, or officer of the Employer hereby executes the Plan on behalf of the Employer.

Dated this   day of   ,   .

<u>Main Street Capital Corporation</u>
Employer

Its ______________________________
By ______________________________

<u>NONQUALIFIED</u>
<u>SUPPLEMENTAL DEFERRED COMPENSATION PLAN</u>
<u>- PLAN DOCUMENT -</u>

This document and the accompanying adoption agreement have not been approved by the Department of Labor, Internal Revenue Service, Securities Exchange Commission, or any other governmental entity. Employers may not rely on this document or the accompanying adoption agreement to ensure any particular tax consequences with respect to the Employer's particular situation, nor do these documents constitute legal or tax advice. Pen-Cal and its employees cannot provide legal or tax advice in connection with these documents. Employers must determine the extent to which the Plan is subject to Federal or state securities laws. You should have your attorney review this document and the accompanying adoption agreement before adopting the documents. This document and the accompanying adoption agreement cannot be used in order to avoid penalties that may be imposed on the taxpayer.

NONQUALIFIED SUPPLEMENTAL DEFERRED COMPENSATION PLAN - PLAN DOCUMENT -

SECTION 1 INTRODUCTION

1.1 Adoption of Plan and Purpose

This Plan is an unfunded, nonqualified deferred compensation plan. With the consent of the Employer (as defined in subsection 2.16) the plan may be adopted by executing the Adoption Agreement (as defined in subsection 2.3) in the form attached hereto. The Plan contains certain variable features which the Employer has specified in the Adoption Agreement. Only those variable features specified by the Employer in the Adoption Agreement will be applicable to the Employer.

The purpose of the Plan is to provide certain supplemental benefits under the Plan to a select group of management or highly compensated Employees of the Employer (in accordance with Sections 201, 301 and 401 of ERISA), Members of the Board(s) of the Employer, or Other Service Providers to the Employer (as defined below), and to allow such Employees, Board Members or Other Service Providers the opportunity to defer a portion of their salaries, bonuses and other compensation, subject to the terms of the Plan. Participants (and their Beneficiaries) shall have only those rights to payments as set forth in the Plan and shall be considered general, unsecured creditors of the Employer with respect to any such rights. The Plan is designed to comply with Code Section 409A and all guidance issued in connection with Code Section 409A. It is intended that the Plan be interpreted according to a good faith interpretation of Code Section 409A, and consistent with published IRS guidance, including proposed and final IRS regulations under Code Section 409A. Treatment of amounts in the Plan under any transition rules provided under all IRS and other guidance in connection with Code Section 409A shall be expressly authorized hereunder in accordance with procedures developed by the Administrator. In the event of any inconsistency between the terms of the Plan and Code Section 409A (and regulations thereunder), the terms of Code Section 409A (and the regulations thereunder) shall control. The Plan is intended to constitute an account balance plan (as defined in Treasury Regulation Section 1.409A-1(c)).

By becoming a Participant and making deferrals under this Plan, each Participant agrees to be bound by the provisions of the Plan and the determinations of the Employer and the Administrator hereunder.

1.2 Adoption of the Plan

The Employer may adopt the Plan by completing and signing the Adoption Agreement in the form attached hereto.

1.3 Plan Year

The Plan is administered on the basis of a Plan Year, as defined in subsection 2.27.

1.4 Plan Administration

The plan shall be administered by a plan administrator (the “Administrator,” as that term is defined in Section 3(16)(A) of ERISA) designated by the Employer in the Adoption Agreement. The Administrator has full discretionary authority to construe and interpret the provisions of the Plan and make factual determinations thereunder, including the power to determine the rights or eligibility of employees or participants and any other persons, and the amounts of their benefits under the plan, and to remedy ambiguities, inconsistencies or omissions, and such determinations shall be binding on all parties. The Administrator from time to time may adopt such rules and regulations as may be necessary or desirable for the proper and efficient administration of the Plan and as are consistent with the terms of the Plan. The administrator may delegate all or any part of its powers, rights, and duties under the Plan to such person or persons as it may deem advisable, and may engage agents to provide certain administrative services with respect to the Plan. Any notice or document relating to the Plan which is to be filed with the Administrator may be delivered, or mailed by registered or certified mail, postage pre-paid, to the Administrator, or to any designated representative of the Administrator, in care of the Employer, at its principal office.

SECTION 2 DEFINITIONS

2.1 Account

“Account” means all notional accounts and subaccounts maintained for a Participant in order to reflect his interest under the Plan, as described in Section 6.

2.2 Administrator

"Administrator" means the individual or individuals (if any) delegated authority by the Employer to administer the Plan, as defined in subsection 1.4.

2.3 Adoption Agreement

"Adoption Agreement" shall mean the form executed by the Employer and attached hereto, which Agreement shall constitute a part of the Plan.

2.4 Beneficiary

"Beneficiary" means the person or persons to whom a deceased Participant's benefits are payable under subsection 9.5.

2.5 Board

"Board" means the Board of Directors of the Employer (if applicable), as from time to time constituted.

2.6 Board Member

"Board Member" means a member of the Board.

2.7 Bonus

"Bonus" (also referred to herein as a "Non-Performance-Based Bonus") means an award of cash that is not a Performance-Based Bonus (as defined in subsection 2.25) that is payable to an Employee (or Board Member or Other Service Provider, as applicable) in a given year, with respect to the immediately preceding Bonus performance period, which may or may not be contingent upon the achievement of specified performance goals.

2.8 Code

"Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation amending, supplementing, or superseding such section.

2.9 Compensation

"Compensation" shall mean the amount of a Participant's remuneration from the Employer designated in the Adoption Agreement for the Plan Year (or, as determined in accordance with procedures established by the Employer, for the period during which the Participant remains an Eligible Individual). Notwithstanding the foregoing, the Compensation of an Other Service Provider (as defined in subsection 2.22) shall mean his remuneration from the Employer pursuant to an agreement to provide services to the Employer. With respect to any Participant who is a Member of the Board (if applicable), "Compensation" means all cash remuneration which, absent a deferral election under the Plan, would have otherwise been received by the Board Member in the taxable year, payable to the Board Member for service on the Board and on Board committees, including any cash payable for attendance at Board meetings and Board committee meetings, but not including any amounts constituting reimbursements of expenses to Board Members. To the extent the Employer has designated "401(k) Refunds" in the Adoption Agreement (and to the extent elected by the Participant), an amount equal to the Participant's "401(k) Refund" shall be deferred from the Participant's Compensation otherwise payable to the Participant in the next subsequent Compensation pay period (or such later pay period in the same calendar year as the Administrator determines shall be administratively feasible), and shall be credited to the Participant's Compensation Deferral Account in accordance with subsection 4.1. For purposes of this subsection, "401(k) Refund" means any amount distributed to the applicable Participant from the Employer's qualified retirement plan intended to comply with Section 401(k) of the Code that is in excess of the maximum deferral for the prior calendar year allowable under such qualified retirement plan. Notwithstanding the foregoing, the definition of compensation for purposes of determining key employees under subsection 9.3 of the Plan shall be determined solely in accordance with subsection 9.3. To the extent not otherwise designated by the Employer in a separate document forming part of the Plan, Compensation payable after December 31 of a given year solely for services performed during the Employer's final payroll period containing December 31, is treated as Compensation payable for services performed in the subsequent year in which the non-deferred portion of the payroll payment is actually made.

2.10 Compensation Deferrals

"Compensation Deferrals" means the amounts credited to a Participant's Compensation Deferral Account pursuant to the Participant's election made in accordance with subsection 4.1.

2.11 Deferral Election

"Deferral Election" means an election by a Participant to make Compensation Deferrals or Performance-Based Bonus Deferrals in accordance with Section 4.

2.12 Disability

"Disability" for purposes of this Plan shall mean the occurrence of an event as a result of which the Participant is considered disabled, as designated by the Employer in the Adoption Agreement.

2.13 Effective Date

"Effective Date" means the Effective Date of the Plan, as indicated in the Adoption Agreement.

2.14 Eligible Individual

"Eligible Individual" means each Board Member, Other Service Provider, or Employee of an Employer who satisfies the eligibility requirements set forth in the Adoption Agreement, for the period during which he is determined by the Employer to satisfy such requirements.

2.15 Employee

"Employee" means a person who is employed by an Employer and is treated and/or classified by the Employer as a common law employee for purposes of wage withholding for Federal income taxes. If a person is not considered to be an Employee of the Employer in accordance with the preceding sentence, a subsequent determination by the Employer, any governmental agency, or a court that the person is a common law employee of the Employer, even if such determination is applicable to prior years, will not have a retroactive effect for purposes of eligibility to participate in the Plan.

2.16 Employer

"Employer" means the business entity designated in the Adoption Agreement, and its successors and assigns unless otherwise herein provided, or any other corporation or business organization which, with the consent of the Employer, or its successors or assigns, assumes the Employer's obligations hereunder, and any affiliate or subsidiary of the Employer or other corporation or business organization in the Employer's "controlled group" (as defined in Subsections 414(b) and (c) of the Code and Section 1.409A-1(h) of the Treasury Regulations), that has adopted the Plan on behalf of its Eligible Individuals with the consent of the Employer.

2.17 Employer Contributions

"Employer Contributions" means the amounts other than Matching Contributions that are credited to a Participant's Employer Contributions Account under the Plan by the Employer in accordance with subsection 4.4.

2.18 ERISA

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific section of ERISA shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation amending, supplementing, or superseding such section.

2.19 Fiscal Year Compensation

"Fiscal Year Compensation" means Compensation relating to a period of service coextensive with one or more consecutive non-calendar-year fiscal years of the Employer, where no amount of such Compensation is paid or payable during the service period. For example, a Bonus based upon a service period of two consecutive fiscal years payable after the completion of the second fiscal year would be "Fiscal Year Compensation," but periodic salary payments or Bonuses based on service periods other than the Employer's fiscal year would not be Fiscal Year Compensation.

2.20 Investment Funds

"Investment Funds" means the notional funds or other investment vehicles designated pursuant to subsection 5.1.

2.21 Matching Contributions

"Matching Contributions" means the amounts credited to a Participant's Employer Contribution Account under the Plan by the Employer that are based on the amount of Participant Deferrals made by the Participant under the Plan, or that are based upon such other formula as designated by the Employer in the Adoption Agreement, in accordance with subsection 4.3.

2.22 Other Service Providers

"Other Service Providers" shall mean independent contractors, consultants, or other similar providers of services to the Employer, other than Employees and Board Members. To the extent that an Other Service Provider is unrelated to the Employer and satisfies the other requirements of Treasury Regulation Section 1.409A-1(f)(2)(i) as described therein and in Code Section 409A and other applicable regulations, guidance, etc. thereunder, the provisions of such guidance shall not apply. To the extent that an Other Service Provider uses an accrual method of accounting for a given taxable year, amounts deferred under the Plan in such taxable year shall not be subject to Code Section 409A and other applicable guidance thereunder, notwithstanding any provision of the Plan to the contrary.

2.23 Participant

"Participant" means an Eligible Individual who meets the requirements of Section 3 and elects to make Compensation Deferrals pursuant to Section 4, or who receives Employer Contributions or Matching Contributions pursuant to subsection 4.3 or 4.4. A Participant shall cease being a Participant in accordance with subsection 3.2 herein.

2.24 Participant Deferrals

"Participant Deferrals" means all amounts deferred by a Participant under this Plan, including Participant Compensation Deferrals and Participant Performance-Based Bonus Deferrals.

2.25 Performance-Based Bonus

"Performance-Based Bonus" generally means Compensation where the amount of, or entitlement to, the compensation is contingent on the satisfaction of previously established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months in which the Eligible Individual performs services, pursuant to rules described in Treasury Regulation Section 1.409A-1(e).

2.26 Performance-Based Bonus Deferrals

"Performance-Based Bonus Deferrals" means the amounts credited to a Participant's Compensation Deferral Account from the Participant's Performance-Based Bonus pursuant to the Participant's election made in accordance with subsection 4.2.

2.27 Plan Year

"Plan Year" means each 12-month period specified in the Adoption Agreement, on the basis of which the Plan is administered.

2.28 Retirement

"Retirement" for purposes of this Plan means the Participant's Termination Date, as defined in subsection 2.30, after attaining any age and/or service minimums with respect to Retirement or Early Retirement as designated by the Employer in the Adoption Agreement.

2.29 Spouse

"Spouse" means the person to whom a Participant is legally married under applicable state law at the earlier of the date of the Participant's death or the date payment of the Participant's benefits commenced and who is living on the date of the Participant's death.

2.30 Termination Date

"Termination Date" means (i) with respect to an Employee Participant, the Participant's separation from service (within the meaning of Section 409A of the Code and the regulations, notices and other guidance thereunder, including death or Disability) with the Employer, and any subsidiary or affiliate of the Employer as defined in Sections 414(b) and (c) of the Code and Section 1.409A-1(h) of the Treasury Regulations; (ii) with respect to a Board Member Participant, the Participant's resignation or removal from the Board (for any reason, including death or

following Disability); and (iii) with respect to any Other Service Provider, the expiration of all agreements to provide services to the Employer (for any reason, including death or following Disability). The date that an Employee's, Board Member's, or Other Service Provider's performance of services for all the Employers is reduced to a level less than 20% of the average level of services performed in the preceding 36-month period, shall be considered a Termination Date, and the performance of services at a level of 50% or more of the average level of services performed in the preceding 36-month period shall not be considered a Termination Date, based on the parties' reasonable expectations as of the applicable date. A Participant's Termination Date shall not be deemed to have occurred if the Employee's, Board Member's or Other Service Provider's average level of service performed in the preceding 36-month period drops below 50% but not less than 20%, unless the Employer: (i) has designated in a writing forming part of the Plan that a level between 20% and 50% will be deemed to trigger a Termination Date, and (ii) such writing was in place at or prior to the date required under Code Section 409A and the regulations and other guidance thereunder. If such designation is subsequently changed, the change must comply with the rules regarding subsequent deferrals and the acceleration of payments described in Code Section 409A and the regulations, notices, rulings and other guidance thereunder. If a Participant is both a Board Member Participant and an Employee Participant, "Termination Date" means the date the Participant satisfies both criteria (i) and (ii) above.

2.31 Valuation Date

"Valuation Date" means the last day of each Plan Year and any other date that the Employer, in its sole discretion, designates as a Valuation Date, as of which the value of an Investment Fund is adjusted for notional deferrals, contributions, distributions, gains, losses, or expenses.

2.32 Other Definitions

Other defined terms used in the Plan shall have the meanings given such terms elsewhere in the Plan.

SECTION 3 ELIGIBILITY AND PARTICIPATION

3.1 Eligibility

Each Eligible Individual on the Effective Date of the Plan shall be eligible to become a Participant by properly making a Deferral Election on a timely basis as described in Section 4, or, if applicable and eligible as designated by the Employer in the Adoption Agreement, by receiving a Matching Contribution or other Employer Contribution under the Plan. Each other Eligible Individual may become a Participant by making a Deferral Election on a timely basis as described in Section 4 or, if applicable and eligible as designated by the Employer in the Adoption Agreement, by receiving a Matching Contribution or other Employer Contribution under the Plan. Each Eligible Individual's decision to become a Participant by making a Deferral Election shall be entirely voluntary. The Employer may require the Participant to complete any necessary forms or other information as it deems necessary or advisable prior to permitting the Eligible Individual to commence participation in the Plan.

3.2 Cessation of Participation

If a Termination Date occurs with respect to a Participant, or if a Participant otherwise ceases to be an Eligible Individual, no further Compensation Deferrals, Performance-Based Bonus Deferrals, Matching Contributions or other Employer Contributions shall be credited to the Participant's Accounts after the Participant's Termination Date or date the Participant ceases to be eligible (or as soon as administratively feasible after the date the Participant ceases to be eligible or, if applicable, the end of the then-current Plan Year or performance period with respect to Performance-Based Bonuses), unless he is again determined to be an Eligible Individual, but the balance credited to his Accounts shall continue to be adjusted for notional investment gains and losses under the terms of the Plan and shall be distributed to him at the time and manner set forth in Section 9. An Employee, Board Member or Other Service Provider shall cease to be a Participant after his Termination Date or other loss of eligibility as soon as his entire Account balance has been distributed.

3.3 Eligibility for Matching or Employer Contributions

An Employee Participant who has satisfied the requirements necessary to become an Eligible Individual with respect to Matching Contributions as specified in the Adoption Agreement, and who has made a Compensation Deferral election pursuant to subsection 4.1 herein or who has satisfied such other criteria as specified in the Adoption Agreement, shall be eligible to receive Matching Contributions described in subsection 4.3. An Employee Participant who has satisfied the requirements necessary to become an Eligible Individual with respect to Employer Contributions other than Matching Contributions as specified in the Adoption Agreement, shall be eligible to receive Employer Contributions described in subsection 4.4.

SECTION 4 DEFERRALS AND CONTRIBUTIONS

4.1 Compensation Deferrals Other Than Performance-Based Bonus Deferrals

Each Plan Year, an Eligible Individual may elect to defer receipt of no less than the minimum and no greater than the maximum percentage or amount selected by the Employer in the Adoption Agreement with respect to each type of Compensation (other than Performance-Based Bonuses) earned with respect to pay periods beginning on and after the effective date of the election; provided, however, that Compensation earned prior to the date the Participant satisfies the eligibility requirements of Section 3 shall not be eligible for deferral under this Plan. Except as otherwise provided in this subsection, a Participant's Deferral Election for a Plan Year under this subsection must be made not later than December 31 of the preceding Plan Year (or such earlier date as determined by the Administrator) with respect to Compensation (other than Performance-Based Bonuses) earned in pay periods beginning on or after the following January 1 in accordance with rules established by the Administrator. An election to defer restricted stock units (RSUs) into the Plan must be made by one of the following deadlines: (i) the end of the calendar year prior to the date of grant of the RSU; (ii) 12 months before the payment date of the RSU (vesting date is treated as the payment date for these purposes), but the election will not take effect for 12 months, and the subsequent payout date must be at least five years later than the original payment date); (iii) within 30 days of the date of grant (but only if the RSU is structured so that vesting is contingent on the Participant performing services for at least an additional 12 months); or (iv) within 6 months of the payment (vesting) date, but only if the RSU is performance-based under Code Section 409A, and only if the performance period must be at least 12 months long and either: (a) the amount of the compensation cannot be reasonably ascertained at the time of the election, or (b) the performance requirement is still not substantially certain to be met at the time of the election. If the Employer allows for deferral of RSUs structured so that a specified portion of the RSU grant vests periodically (for example, an RSU grant over a four-year period vesting 25% annually), then the election to defer may be made separately with respect to each portion of the grant that vests in a given year, if permitted by the Employer. However, each election for each portion of the grant must be made either: (i) within thirty days of the date of grant or each anniversary thereof, and only if the RSU is structured so that vesting is contingent on the employee performing services for at least an additional 12 months subsequent to the election; or (ii) 12 months before the payment date of the RSU (vesting date is treated as the payment date for these purposes), but the election will not take effect for 12 months, and the subsequent payout date must be at least five years later than the previous payment date.

An Employee, Board Member or Other Service Provider who first becomes an Eligible Individual during a Plan Year (by virtue of a promotion, Compensation increase, commencement of employment with the Employer, commencement of Board service, execution of an agreement to provide services to an Employer, or any other reason) shall be provided enrollment documents (including Deferral Election forms) as soon as administratively feasible following such initial notification of eligibility. Such Eligible Individual must make his Deferral Elections within 30 days after first becoming an Eligible Individual, with respect to his Compensation (other than Performance-Based Bonuses) earned on or after the effective date of the Deferral Election

(provided, however, that if such Eligible Individual is participating in any other account balance plan maintained by the Employer or any member of the Employer's "controlled group" (as defined in subsections 414(b) and (c) of the Code), such Eligible Individual must make his Compensation Deferral Election no later than December 31 of the preceding Plan Year (or such earlier date as determined by the Administrator), or he may not elect to make Compensation Deferrals for that initial Plan Year). If an Eligible Individual does not elect to make Compensation Deferrals during that initial 30-day period, he may not later elect to make Compensation Deferrals for that year under this subsection. In the event that an Eligible Individual first becomes eligible during a Plan Year with respect to which Fiscal Year Compensation is payable, such Eligible Individual must make his Fiscal Year Compensation Deferral Election on or before the end of the fiscal year of the Employer immediately preceding the first fiscal year in which any services are performed for which the Fiscal Year Compensation is payable.

In the case of an Employee, Board Member or Other Service Provider who is rehired (or who recommences Board Service or recommences providing services to an Employer as an Other Service Provider) after having previously been an Eligible Individual, the phrase "first becomes an Eligible Individual" in the first sentence of the preceding paragraph shall be interpreted to apply only where the Eligible Individual either (i) previously received payment of his total Account balances under the Plan, or (ii) did not previously receive payment of his total Account balances under the Plan, but is rehired (or recommences Board Service or recommences providing services to an Employer as an Other Service Provider) at least 24 months after his last day as a previously Eligible Individual prior to again becoming such an Eligible Individual. In all other cases such rehired Employee, Board Member or Other Service Provider may not elect to make Compensation Deferrals until the next date determined by the Administrator with respect to Compensation earned after the following January 1. Similarly, in the case of an Employee who recommences status as an Eligible Individual for any other reason after having previously lost his status as an Eligible Individual (due to Compensation fluctuations, transfer from an ineligible location or job classification, or otherwise), the phrase "first becomes an Eligible Individual" shall be interpreted to apply only where the Eligible Individual either: (i) previously received payment of his total Account balances under the Plan, or (ii) did not previously receive payment of his total Account balances under the Plan, but regains his status as an Eligible Individual at least 24 months after his last day as a previously Eligible Individual prior to again becoming such an Eligible Individual. In all other cases such Re-Eligible Participant may not elect to make Compensation Deferrals until the next date determined by the Administrator with respect to Compensation earned after the following January 1.

An election to make Compensation Deferrals under this subsection 4.1 shall remain in effect through the last pay period commencing in the calendar year to which the election applies (except as provided in subsections 2.9 or 4.5), shall apply with respect to the applicable type of Compensation (other than Performance-Based Bonuses) to which the Deferral Election relates earned for pay periods commencing in the applicable calendar year to which the election applies, and shall be irrevocable (provided, however, that a Participant making a Deferral Election under this subsection may change his election at any time prior to December 31 of the year preceding the year for which the Deferral Election is applicable, subject to rules established by the

Administrator). If a Participant fails to make a Compensation Deferral election for a given Plan Year, such Participant's Compensation Deferral Election for that Plan Year shall be deemed to be zero; provided, however, that if the Employer has elected in the Adoption Agreement that a Participant's Compensation Deferral Election shall be "evergreen", then such Participant's Compensation Deferral Election shall be deemed to be identical to the most recent applicable Deferral Election on file with the Administrator with respect to the applicable type of Compensation; provided, however, that no In-Service Distribution shall be applicable to any amounts deferred in a year in which the Participant fails to make an affirmative election, and payment of such amounts for such year shall be made in accordance with his most recent election on file with the Administrator (if no election is on file, then such amounts shall be paid to him in a single lump sum).

Compensation Deferrals shall be credited to the Participant's Compensation Deferral Account as soon as administratively feasible after such amounts would have been payable to the Participant.

4.2 Performance-Based Bonus Deferrals

Each Plan Year, an Eligible Individual may elect to defer receipt of no less than the minimum and no greater than the maximum percentage or amount selected by the Employer in the Adoption Agreement with respect to Performance-Based Bonuses earned with respect to the performance period for which the Performance-Based Bonus is earned; provided, however, that the Eligible Individual performed services continuously from a date no later than the date upon which the performance criteria are established through a date no earlier than the date upon which the Eligible Individual makes a Performance-Based Bonus Deferral Election; and further provided that in no event may an election to defer Performance-Based Bonuses be made after such Bonuses have become readily ascertainable. Except as otherwise provided in this subsection, a Participant's Performance-Based Bonus Deferral Election under this subsection must be made not later than six months (or such earlier date as determined by the Administrator) prior to the end of the performance period.

An Employee, Board Member or Other Service Provider who first becomes an Eligible Individual during a Plan Year (by virtue of a promotion, Compensation increase, commencement of employment with the Employer, commencement of Board service, execution of an agreement to provide services to an Employer, or any other reason) shall be provided enrollment documents (including Deferral Election forms) as soon as administratively feasible following such initial notification of eligibility. Such Eligible Individual must make his Performance-Based Bonus Deferral Election within 30 days after first becoming an Eligible Individual (provided, however, that if such Eligible Individual is participating in any other account balance plan maintained by the Employer or any member of the Employer's "controlled group" (as defined in subsections 414(b) and (c) of the Code), such Eligible Individual must perform services continuously from a date no later than the date the performance criteria are established, and must make his Performance-Based Bonus Deferral Election no later than six months (or such earlier date as determined by the Administrator) prior to the end of the performance period, and at a time when the Performance-Based Bonus is not readily ascertainable, or he may not elect to make

Performance-Based Bonus Deferrals for such initial Plan Year. In the case of a Deferral Election in the first year of eligibility that is made after the beginning of the Performance-Based Bonus performance period, the Deferral Election will apply to the portion of the Performance-Based Bonus equal to the total amount of the Performance-Based Bonus for the performance period multiplied by the ratio of the number of days remaining in the performance period after the effective date of the Deferral Election over the total number of days in the Performance Period. If an Eligible Individual does not elect to make a Performance-Based Bonus Deferral during that initial 30-day period, he may not later elect to make a Performance-Based Bonus Deferral for that performance period under this subsection.
Rules relating to the timing of elections to make a Performance-Based Bonus Deferral with respect to an Employee, Board Member or Other Service Provider who becomes an Eligible Individual (due to rehire or other similar event) after having previously been an Eligible Individual shall be applied in a manner similar to rules described applicable to rehired and other Re-Eligible Participants in subsection 4.1 above.

An election to make Performance-Based Bonus Deferrals under this subsection 4.2 shall remain in effect through the end of the performance period to which the election applies (except as provided in subsection 4.5), and shall be irrevocable (provided, however, that a Participant making a Performance-Based Bonus Deferral Election under this subsection with respect to a Performance-Based Bonus that is not yet readily ascertainable, may change his election at any time prior to the first day of the six-month period ending on the last day of the performance period for which the Performance-Based Bonus Deferral Election is applicable, subject to rules established by the Administrator). If a Participant fails to make a Performance-Based Bonus Deferral Election for a given performance period, such Participant's Performance-Based Bonus Deferral Election for that performance period shall be deemed to be zero; provided, however, that if the Employer has elected in the Adoption Agreement that a Participant's Performance-Based Deferral Election shall be "evergreen", then such Participant's Performance-Based Bonus Deferral Election shall be deemed to be identical to the most recent applicable Performance-Based Bonus Deferral Election on file with the Administrator; provided, however, that no In-Service Distribution shall be applicable to any amounts deferred in a year in which the Participant fails to make an affirmative election, and payment of such amounts for such year shall be made in accordance with his most recent election on file with the Administrator (if no election is on file, then such amounts shall be paid to him in a single lump sum).

Performance-Based Bonus Deferrals shall be credited to the Participant's Compensation Deferral Account as soon as administratively feasible after such amounts would have been payable to the Participant.

4.3 Matching Contributions

Matching Contributions shall be determined in accordance with the formula specified in the Adoption Agreement, and shall be credited to the Employer Contribution Accounts of Participants who have satisfied the eligibility requirements for Matching Contributions specified in the Adoption Agreement. Matching Contributions under this Plan shall be credited to such Participants' Employer Contribution Accounts as soon as administratively feasible after the

Applicable Period selected in the Adoption Agreement, but only with respect to Participants eligible to receive such Matching Contributions as described in the Adoption Agreement.

4.4 Other Employer Contributions

Employer Contributions other than Matching Contributions shall be discretionary from year to year, and shall be credited to the Employer Contribution Accounts of Participants who have satisfied the eligibility requirements for Employer Contributions, all as determined by the Employer and documented in writing, and such writings will form part of the Plan, as specified in the Adoption Agreement. Employer Contributions under this Plan shall be credited to such Participants' Employer Contributions Accounts as soon as administratively feasible.

4.5 No Election Changes During Plan Year

A Participant shall not be permitted to change or revoke his Deferral Elections (except as otherwise described in subsections 4.1 and 4.2), except that, if a Participant's status changes such that he becomes ineligible for the Plan, the Participant's Deferrals under the Plan shall cease as described in subsection 3.2. Notwithstanding the foregoing, in the event the Employer maintains a qualified plan designed to comply with the requirements of Code Section 401(k) that requires the cessation of all deferrals in the event of a hardship withdrawal under such plan, the Participant's Deferrals under this Plan shall cease as soon as administratively feasible upon notification to the Administrator that the participant has taken such a hardship withdrawal. Notwithstanding the foregoing, if the Employer has elected in the Adoption Agreement to permit Unforeseeable Emergency Withdrawals pursuant to subsection 9.8, the Participant's Deferrals under this Plan shall cease as soon as administratively feasible upon approval by the Administrator of a Participant's properly submitted request for an Unforeseeable Emergency Withdrawal under subsection 9.8.

4.6 Crediting of Deferrals

The amount of deferrals pursuant to subsections 4.1 and 4.2 shall be credited to the Participant's Accounts as of a date determined to be administratively feasible by the Administrator.

4.7 Reduction of Deferrals or Contributions

Any Participant Deferrals or Employer Contributions to be credited to a Participant's Account under this Section may be reduced by an amount equal to the Federal or state, local or foreign income, payroll, or other taxes required to be withheld on such deferrals or contributions or to satisfy any necessary contributions under an employee welfare benefit plan described under Section 125 of the Code. A Participant shall be entitled only to the net amount of such deferral or contribution (as adjusted from time to time pursuant to the terms of the Plan). The Administrator may notify a Participant of limitations on his Deferral Election if, as a result of any election, a Participant's Compensation from the Employer would be insufficient to cover taxes, withholding, and other required deductions applicable to the Participant.

SECTION 5 NOTIONAL INVESTMENTS

5.1 Investment Funds

The Employer may designate, in its discretion, one or more Investment Funds for the notional investment of Participants' Accounts. The Employer, in its discretion, may from time to time establish new Investment Funds or eliminate existing Investment Funds. The Investment Funds are for recordkeeping purposes only and do not allow Participants to direct any Employer assets (including, if applicable, the assets of any trust related to the Plan). Each Participant's Accounts shall be adjusted pursuant to the Participant's notional investment elections made in accordance with this Section 5, except as otherwise determined by the Employer or Administrator in their sole discretion.

5.2 Investment Fund Elections

The Employer shall have full discretion in the direction of notional investments of Participants' Accounts under the Plan; provided, however, that if the Employer so elects in the Adoption Agreement, each Participant may elect from among the Investment Funds for the notional investment of such of his Accounts as are permitted under the Adoption Agreement from time to time in accordance with procedures established by the Employer. The Administrator, in its discretion, may adopt (and may modify from time to time) such rules and procedures as it deems necessary or appropriate to implement the notional investment of the Participant's Accounts. Such procedures may differ among Participants or classes of Participants, as determined by the Employer or the Administrator in its discretion. The Employer or Administrator may limit, delay or restrict the notional investment of certain Participants' Accounts, or restrict allocation or reallocation into specified notional investment options, in accordance with rules established in order to comply with Employer policy and applicable law, to minimize regulated filings and disclosures, or under any other circumstances in the discretion of the Employer. Any deferred amounts subject to a Participant's investment election that must be so limited, delayed or restricted under such circumstances may be notionally invested in an Investment Fund designated by the Administrator, or may be credited with earnings at a rate determined by the Administrator, which rate may be zero. A Participant's notional investment election shall remain in effect until later changed in accordance with the rules of the Administrator. If a Participant does not make a notional investment election, all deferrals by the Participant and contributions on his behalf will be deemed to be notionally invested in the Investment Fund designated by the Employer for such purpose, or, at the Employer's election, may remain uninvested until such time as the Administrator receives proper direction, or may be credited with earnings at a rate determined by the Administrator or Employer, which rate may be zero.

5.3 Investment Fund Transfers

A Participant may elect that all or a part of his notional interest in an Investment Fund shall be transferred to one or more of the other Investment Funds. A Participant may make such notional Investment Fund transfers in accordance with rules established from time to time by the Employer or the Administrator, and in accordance with subsection 5.2.

SECTION 6 ACCOUNTING

6.1 Individual Accounts

Bookkeeping Accounts shall be maintained under the Plan in the name of each Participant, as applicable, along with any subaccounts under such Accounts deemed necessary or advisable from time to time, including a subaccount for each Plan Year that a Participant's Deferral Election is in effect. Each such subaccount shall reflect (i) the amount of the Participant's Deferral during that year, any Matching Contributions or Employer Contributions credited during that year, and the notional gains, losses, expenses, appreciation and depreciation attributable thereto.

Rules and procedures may be established relating to the maintenance, adjustment, and liquidation of Participants' Accounts, the crediting of deferrals and contributions and the notional gains, losses, expenses, appreciation, and depreciation attributable thereto, as are considered necessary or advisable.

6.2 Adjustment of Accounts

Pursuant to rules established by the Employer, Participants' Accounts will be adjusted on each Valuation Date, except as provided in Section 9, to reflect the notional value of the various Investment Funds as of such date, including adjustments to reflect any deferrals and contributions, notional transfers between Investment Funds, and notional gains, losses, expenses, appreciation, or depreciation with respect to such Accounts since the previous Valuation Date. The "value" of an Investment Fund at any Valuation Date may be based on the fair market value of the Investment Fund, as determined by the Administrator in its sole discretion.

6.3 Accounting Methods

The accounting methods or formulae to be used under the Plan for purposes of monitoring Participants' Accounts, including the calculation and crediting of notional gains, losses, expenses, appreciation, or depreciation, shall be determined by the Administrator in its sole discretion. The accounting methods or formulae selected by the Administrator may be revised from time to time.

6.4 Statement of Account

At such times and in such manner as determined by the Administrator, but at least annually, each Participant will be furnished with a statement reflecting the condition of his Accounts.

SECTION 7 VESTING

A Participant shall be fully vested at all times in his Compensation Deferral Account (if applicable). A Participant shall be vested in his Matching Contributions and/or Employer Contributions (if applicable), in accordance with the vesting schedule elected by the Employer under the Adoption Agreement. Vesting Years of Service shall be determined in accordance with the election made by the Employer in the Adoption Agreement. Amounts in a Participant's Accounts that are not vested upon the Participant's Termination Date ("forfeitures") may be used to reinstate amounts previously forfeited by other Participants who are subsequently rehired, or may be returned to the Employer, in the discretion of the Employer or the Administrator.

If a Participant has a Termination Date with the Employer as a result of the Participant's Misconduct (as defined by the Employer in the Adoption Agreement), or if the Participant engages in Competition with the Employer (as defined by the Employer in the Adoption Agreement), and the Employer has so elected in the Adoption Agreement, the Participant shall forfeit all amounts allocated to his or her Matching Contribution Account and/or Employer Contribution Accounts (if applicable). Such forfeitures shall be returned to the Employer.

Neither the Administrator nor the Employer in any way guarantee the Participant's Account balance from loss or depreciation. Notwithstanding any provision of the Plan to the contrary, the Participant's Account balance is subject to Section 8.

Vesting Years of Service in the event of the rehire of a Participant shall be reinstated, and amounts previously forfeited by such Participants may be reinstated from forfeitures made by other Participants, or may be reinstated by the Employer.

SECTION 8 FUNDING

No Participant or other person shall acquire by reason of the Plan any right in or title to any assets, funds, or property of the Employer whatsoever, including, without limiting the generality of the foregoing, any specific funds, assets, or other property of the Employer. Benefits under the Plan are unfunded and unsecured. A Participant shall have only an unfunded, unsecured right to the amounts, if any, payable hereunder to that Participant. The Employer's obligations under this Plan are not secured or funded in any manner, even if the Employer elects to establish a trust with respect to the Plan. Even though benefits provided under the Plan are not funded, the Employer may establish a trust to assist in the payment of benefits. All investments under this Plan are notional and do not obligate the Employer (or its delegates) to invest the assets of the Employer or of any such trust in a similar manner.

SECTION 9 DISTRIBUTION OF ACCOUNTS

9.1 Distribution of Accounts

With respect to any Participant who has a Termination Date that precedes his Retirement date, an amount equal to the Participant's vested Account balances shall be distributed to the Participant (or, in the case of the Participant's death, to the Participant's Beneficiary), in the form of a single lump sum payment, or, if subsection 9.2 applies, in the form of installment payments as designated by the Employer in the Adoption Agreement. Subject to subsection 9.3 hereof, distribution of a Participant's Accounts shall be made or begin within the 90-day period following the Participant's Termination Date (provided, however, that if calculation of the amount of the payment is not administratively practicable due to events beyond the control of the Participant, the payment will be made as soon as administratively practicable for the Administrator to make such payment). Notwithstanding any provision of the Plan to the contrary, for purposes of this subsection, a Participant's Accounts shall be valued as of a Valuation Date as soon as administratively feasible preceding the date such distribution is made, in accordance with rules established by the Administrator. A Participant's Accounts may be offset by any amounts owed by the Participant to the Employer, but such offset shall not occur in excess of or prior to the date distribution of the amount would otherwise be made to the Participant.

Notwithstanding the foregoing, to the extent designated by the Employer in the Adoption Agreement, a Participant may elect, in accordance with this subsection, a distribution date for his Compensation Deferral Accounts and/or his Employer Contributions and Matching Contributions Accounts that is prior to his Termination Date (an "In-Service Distribution"). A Participant's election of an In-Service Distribution date must: (i) be made at the time of his Deferral Election for a Plan Year; and (ii) apply only to amounts deferred pursuant to that election, and any earnings, gains, losses, appreciation, and depreciation credited thereto or debited therefrom with respect to such amounts. To the extent permitted by the Employer, a Participant may elect an In-Service Distribution date with respect to Performance-Based Bonus Deferrals that is separate from an In-Service Distribution date with respect to Compensation Deferrals other than Performance-Based Bonus Deferrals for the same year, provided that the applicable In-Service Distribution date may not be earlier than the number of years designated by the Employer in the Adoption Agreement following the year in which the applicable Compensation would have been paid absent the deferral, or as further determined or limited in accordance with rules established by the Administrator. Payments made pursuant to an In-Service Distribution election shall be made in a lump sum (or, if elected by the Employer in the Adoption Agreement, any applicable other form of payment to the extent permitted by the Employer and elected by the Participant in accordance with the terms of the Plan). Each such payment shall be made as soon as administratively feasible following January 1 of the calendar year in which the payment was elected to be made, but in no event later than the end of the calendar year in which the payment was elected to be made (provided, however, that if calculation of the amount of the payment is not administratively practicable due to events beyond the control of the Participant, the payment will be made as soon as administratively practicable for the Administrator to make such payment). For purposes of such payment, the value of the

Participant's Accounts for the applicable Plan Year shall be determined as of a Valuation Date preceding the date that such distribution is made, in accordance with rules established by the Administrator. In the event a Participant's Termination Date occurs (or, if elected by the Employer in the Adoption Agreement, in the event a Change in Control of the Employer occurs) prior to the date the Participant had previously elected to have an In-Service Distribution payment made to him, such amount shall be paid to the Participant under the rules applicable for payment on Termination of Employment in accordance with this subsection 9.1 and subsection 9.2. Participants must make an affirmative election with respect to payment of their In-Service Distributions, and no default or evergreen election shall be allowed with respect to In-Service Distributions.

To the extent elected by the Employer in the Adoption Agreement, Participants whose Termination Date has not yet occurred may elect to defer payment of any In-Service Distribution, provided that such election is made in accordance with procedures established by the Administrator, and further provided that any such election must be made no later than 12 calendar months prior to the previously elected In-Service Distribution Date (which for these purposes shall be January 1 of the calendar year in which the payment was elected to be made). Participants may elect any deferred payment date, but such date must be no fewer than five years from the previously elected In-Service Distribution Date (which for these purposes shall be January 1 of the calendar year in which the payment was elected to be made).

9.2 Installment Distributions

To the extent elected by the Employer in the Adoption Agreement, a Participant may elect to receive payments from his Accounts in the form of a single lump sum, as described in Section 9.1, or in annual installments over a period elected by the Employer in the Adoption Agreement. To the extent a Participant fails to make an election, the Participant shall be deemed to have elected to receive his distribution for that Plan Year in the form of a single lump sum. To the extent elected by the Employer in the Adoption Agreement, a Participant may make a separate election with respect to his Performance-Based Bonus Deferrals for each year (as adjusted for gains and losses thereon) that provides for a different method of distribution from the method of distribution he elects with respect to his Compensation Deferrals (as adjusted for gains and losses thereon) for that year. The Participant's Employer Contributions Account attributable to such year, if any (as adjusted for gains and losses thereon), shall be distributed in the same manner as his Compensation Deferral Account for such year (or in a lump sum upon his Termination Date if no election has been made).

(a) Installment Elections. A Participant will be required to make his distribution election prior to the commencement of each calendar year (or, in the event of an election with respect to Performance-Based Bonuses, prior to six months before the end of the applicable performance period), or such earlier date as determined by the Administrator.

(b) Installment Payments. The first installment payment shall generally be within the 90-day period following the Participant's Termination Date (provided, however, that if calculation of the amount of the payment is not administratively practicable

due to events beyond the control of the Participant, the payment will be made as soon as administratively practicable for the Administrator to make such payment). Succeeding payments shall generally be made by January 1 of each succeeding calendar year, but in no event later than the end of each succeeding calendar year (provided, however, that if calculation of the amount of the payment is not administratively practicable due to events beyond the control of the Participant, the payment will be made as soon as administratively practicable for the Administrator to make such payment). The amount to be distributed in each installment payment shall be determined by dividing the value of the Participant's Accounts being paid in installments as of a Valuation Date preceding the date of each distribution by the number of installment payments remaining to be made, in accordance with rules established by the Administrator. In the event of the death of the Participant prior to the full payment of his Accounts being paid in installments, payments will continue to be made to his Beneficiary in the same manner and at the same time as would have been payable to the Participant.

To the extent elected by the Employer in the Adoption Agreement, Participants who have elected payment in installments may make a subsequent election to elect payment of that amount in the form of a lump sum, if payment of installments with respect to that year's deferrals has not yet commenced. Such election must be made in accordance with procedures established by the Administrator, and any such election must be made no later than 12 calendar months prior to the originally elected payment date of the first installment. The new payment date for the installment with respect to which such election is made must be deferred to the later of: (i) five years from the date such payment would otherwise have been made, or (ii) the last payment date of the last installment with respect to that year's deferrals. To the extent elected by the Employer in the Adoption Agreement, Participants who have elected payment in installments may make a subsequent election to change the number of such installment payments so long as no acceleration of distribution payments occurs (but no fewer than the minimum number, and not to exceed the maximum number of installments elected by the Employer in the Adoption Agreement), if payment of installments with respect to that year's Deferral Elections has not yet commenced. Such election must be made in accordance with procedures established by the Administrator, and any such election must be made no later than 12 calendar months prior to the originally elected payment date of the first installment. The new payment date for any installment with respect to which such election is made must be deferred for a period of not less than five years from the date such payment would otherwise have been made. In the event payment has been elected by the Participant in the form of installments (to the extent elected by the Employer in the Adoption Agreement), each installment payment shall be considered a separately identifiable payment. In the event payment has been elected by the Participant in the form of a lump sum (or in the event payment shall be made to the Participant in the form of a lump sum under the terms of the Plan in the absence of or in lieu of the Participant's election), then the lump sum form shall be deemed to be a separately identifiable form of payment, and the Participant may make a subsequent deferral election to elect payment of that amount in the form of installments (to the extent elected by the Employer in the Adoption Agreement) in accordance with the procedures described above for changing installment payment elections. Participants will be permitted to make such a change only once with respect to any year's Deferral Elections.

9.3 Key Employees

Notwithstanding anything herein to the contrary, and subject to Code Section 409A, except in the case of the Participant's death, payment under the Plan shall not be made or commence as a result of the Participant's Termination Date to any Participant who is a key employee (defined below) before the date that is not less than six months after the Participant's Termination Date. For this purpose, a key employee includes a "specified employee" (as defined in Treasury Regulation Section 1.409A-1(i)) during the entire 12-month period determined by the Administrator ending with the annual date upon which key employees are identified by the Administrator, and also including any Employee identified by the Administrator in good faith with respect to any distribution as belonging to the group of identified key employees, to a maximum of 200 such key employees, regardless of whether such Employee is subsequently determined by the Employer, any governmental agency, or a court not to be a key employee. In the event amounts are payable to a key employee in installments in accordance with subsection 9.2, any installment to be paid in the first six months shall be delayed by six months, with all other installment payments payable as originally scheduled. To the extent not otherwise designated by the Employer in a separate document forming a part of the Plan applicable to all its nonqualified deferred compensation plans, the identification date for determining the Employer's key employees is each December 31 (and the new key employee list is updated and effective each subsequent April 1). To the extent not otherwise designated by the Employer in a separate document forming a part of the Plan, the definition of compensation used to determine key employee status shall be determined under Treasury Regulation Section 1.415(c)-2(a). This subsection 9.3 is applicable only with respect to Employers whose stock is publicly traded on an "established securities market" (as defined in Treasury Regulation Section 1.409A-1(k)), and is not applicable to privately held Employers unless and until such Employers become publicly traded as defined in the Treasury regulations.

9.4 Mandatory Cash-Outs of Small Amounts

If the value of a Participant's total Accounts at his Termination Date (or his death or other applicable distribution date), or at any time thereafter, together with the value of the Participant's accounts under any other account balance plan maintained by the Employer or any member of the Employer's controlled group (as defined in subsections 414(b) and (c) of the Code) is equal to or less than such amount as stated in the Adoption Agreement (which amount shall not exceed the limit described in Section 402(g) of the Code from time to time), the Accounts will be paid to the Participant (or, in the event of his death, his Beneficiary) in a single lump sum, notwithstanding any election by the Participant otherwise. Payments made under this subsection 9.4 on account of the Participant's Termination Date shall be made within the 90-day period following the Participant's Termination Date (provided, however, that if calculation of the amount of the payment is not administratively practicable due to events beyond the control of the Participant, the payment will be made as soon as administratively practicable for the Administrator to make such payment).

9.5 Designation of Beneficiary

Each Participant from time to time may designate any individual, trust, charity or other person or persons to whom the value of the Participant's Accounts (plus any applicable Survivor Benefit, if elected by the Employer in the Adoption Agreement) will be paid in the event the Participant dies before receiving the value of all of his Accounts. A Beneficiary designation must be made in the manner required by the Administrator for this purpose. Primary and secondary Beneficiaries are permitted. A married participant designating a Beneficiary other than his Spouse must obtain the consent of his Spouse to such designation (in accordance with rules determined by the Administrator). Payments to the Participant's Beneficiary(ies) shall be made in accordance with subsection 9.1, 9.2 or 9.4, as applicable, after the Administrator has received proper notification of the Participant's death.

A Beneficiary designation will be effective only when the Beneficiary designation is filed with the Administrator while the Participant is alive, and a subsequent Beneficiary designation will cancel all of the Participant's Beneficiary designations previously filed with the Administrator. Any designation or revocation of a Beneficiary shall be effective as only if it is received by the Administrator. Once received, such designation shall be effective as of the date the designation was executed, but without prejudice to the Administrator on account of any payment made before the change is recorded by the Administrator. If a Beneficiary dies before payment of the Participant's Accounts have been made, the Participant's Accounts shall be distributed in accordance with the Participant's Beneficiary designation and pursuant to rules established by the Administrator. If a deceased Participant failed to designate a Beneficiary, or if the designated Beneficiary predeceases the Participant, the value of the Participant's Accounts shall be payable to the Participant's Spouse or, if there is none, to the Participant's estate, or in accordance with such other equitable procedures as determined by the Administrator.

9.6 Reemployment

If a former Participant is rehired by an Employer, or any affiliate or subsidiary of the Employer described in Section 414(b) and (c) of the Code and Treasury Regulation Section 1.409A-1(h), regardless of whether he is rehired as an Eligible Individual (with respect to an Employee Participant), or a former Participant returns to service as a Board member, any payments being made to such Participant hereunder by virtue of his previous Termination Date shall continue to be made to him without regard to such rehire. If a former Participant is rehired by the Employer (with respect to an Employee Participant) or returns to service as a Board member, and in either case any payments to be made to the Participant by virtue of his previous Termination Date have not been made or commenced, any payments being made to such Participant hereunder by virtue of his previous Termination Date shall continue to be made to him without regard to such rehire or return to service. See subsections 4.1 and 4.2 of the Plan for special rules applicable to deferral elections for rehired or Re-Eligible Participants.

9.7 Special Distribution Rules

Except as otherwise provided herein and in Section 12, Account balances of Participants in this Plan shall not be distributed earlier than the applicable date or dates described in this

Section 9. Notwithstanding the foregoing, in the case of payments: (i) the deduction for which would be limited or eliminated by the application of Section 162(m) of the Code; (ii) that would violate securities or other applicable laws; or (iii) that would jeopardize the ability of the Employer to continue as a going concern in accordance with Code Section 409A and the regulations thereunder, deferral of such payments on a reasonably consistent basis for similarly situated Participants may be made by the Employer at the Employer's discretion. In the case of a payment described in (i) above, the payment must be deferred either to a date in the first year in which the Employer or Administrator reasonably anticipates that a payment of such amount would not result in a limitation of a deduction with respect to the payment of such amount under Section 162(m), or the year in which the Participant's Termination Date occurs. In the case of a payment described in (ii) or (iii) above, payment will be made at the earliest date in the first taxable year of the Employer in which the Employer or Administrator reasonably anticipates that the payment would not jeopardize the ability of the Employer to continue as a going concern in accordance with Code Section 409A and the regulations thereunder, or the payment would not result in a violation of securities or other applicable laws. Payments intended to pay employment taxes or payments made as a result of income inclusion of an amount in a Participant's Accounts as a result of a failure to satisfy Section 409A of the Code shall be permitted at the Employer or Administrator's discretion at any time and to the extent provided in Treasury Regulations under Section 409A of the Code and IRS Notice 2005-1, Q&A-15, and any applicable subsequent guidance. "Employment taxes" shall include Federal Insurance Contributions Act (FICA) tax imposed under Sections 3101, 3121(a) and 3121(v)(2) of the Code on compensation deferred under the Plan (the "FICA Amount"), the income tax imposed under Section 3401 of the Code or corresponding provisions of applicable state, local or foreign tax laws on the FICA Amount, and to pay the additional income tax under Section 3401 of the Code or corresponding provisions of applicable state, local or foreign tax laws attributable to the pyramiding Section 3401 wages and taxes. A distribution may be accelerated as may be necessary to comply with certain conflict of interest rules in accordance with Treasury Regulation Section 1.409A-3(j)(4)(iii). With respect to a subchapter S corporation, a distribution may be accelerated to avoid a nonallocation year under Code Section 409(p) in the discretion of the Employer or Administrator, provided that the amount distributed does not exceed 125 percent of the minimum amount of distribution necessary to avoid the occurrence of a nonallocation year, in accordance with Treasury Regulation Section 1.409A-3(j)(4)(x).

9.8 Distribution on Account of Unforeseeable Emergency

If elected by the Employer in the Adoption Agreement, if a Participant or Beneficiary incurs a severe financial hardship of the type described below, he may request an Unforeseeable Emergency Withdrawal, provided that the withdrawal is necessary in light of severe financial needs of the Participant. To the extent elected by the Employer in the Adoption Agreement, the ability to apply for an Unforeseeable Emergency Withdrawal may be restricted to Participants whose Termination Date has not yet occurred. Such a withdrawal shall not exceed the amount required (including anticipated taxes on the withdrawal) to meet the severe financial need and not reasonably available from other resources of the Participant (including reimbursement or compensation by insurance, cessation of deferrals under this Plan for the remainder of the Plan Year, and liquidation of the Participant's assets, to the extent liquidation itself would not cause

severe financial hardship; provided, however, that the Participant is not required to take into account for these purposes any available distribution or loan from a qualified plan or another nonqualified deferred compensation plan). Each such withdrawal election shall be made at such time and in such manner as the Administrator shall determine, and shall be effective in accordance with such rules as the Administrator shall establish and publish from time to time. Severe financial needs are limited to amounts necessary for:

(a) A sudden unexpected illness or accident incurred by the Participant, his Spouse, Beneficiary under the Plan, or dependents (as defined in Code Section 152(a)).

(b) Uninsured casualty loss pertaining to property owned by the Participant.

(c) Other similar extraordinary and unforeseeable circumstances involving an uninsured loss arising from an event outside the control of the Participant.

Withdrawals of amounts under this subsection shall be paid to the Participant in a lump sum as soon as administratively feasible following receipt of the appropriate forms and information required by and acceptable to the Administrator.

9.9 Distribution Upon Change in Control

In the event of the occurrence of a Change in Control of the Employer or a member of the Employer's controlled group (as designated by the Employer in the Adoption Agreement) to the extent permitted under Section 409A of the Code and the regulations and other guidance thereunder, distributions shall be made to Participants to the extent elected by the Employer in the Adoption Agreement, in the form elected by the Participants as if a Termination Date had occurred with respect to each Participant, or as otherwise specified by the Employer in the Adoption Agreement. The Change in Control shall relate to: (i) the corporation for whom the Participant is performing services at the time of the Change in Control event; (ii) the corporation that is liable for the payment from the Plan to the Participant (or all corporations so liable if more than one corporation is liable); (iii) a corporation that is a majority shareholder of a corporation described in (i) or (ii) above; or (iv) any corporation in a chain of corporations in which each such corporation is a majority shareholder of another corporation in the chain, ending in a corporation described in (i) or (ii) above, as elected by the Employer in the Adoption Agreement. A "majority shareholder" for these purposes is a shareholder owning more than 50% of the total fair market value and total voting power of such corporation. Attribution rules described in section 318(a) of the Code apply to determine stock ownership. Stock underlying a vested option is considered owned by the individual who holds the vested option. Notwithstanding the foregoing, if a vested option is exercisable for stock that is not substantially vested (as defined in section 1.83-3(b) and (j) of the Code), the stock underlying the option is not treated as owned by the individual who holds the option. If plan payments are made on account of a Change in Control and are calculated by reference to the value of the Employer's stock, such payments shall be completed not later than 5 years after the Change in Control event. To the extent designated by the Employer in the Adoption Agreement, the Change in Control shall occur upon the date that: (v) a person or "Group" (as defined in Treasury Regulation Sections 1.409A-3(i)(5)(v)(B) and (vi)(D)) acquires more than 50% of the total fair market value or voting power

of stock of the corporation designated in (i) through (iv) above; (vi) a person or Group acquires ownership ("effective control") of stock of the corporation with at least 30% of the total voting power of the corporation designated in (i) through (iv) above and as further limited by Treasury Regulation Section 1.409A-3(i)(5)(vi)); (vii) a majority of the board of directors of any corporation designated in (i) through (iv) above in which no other corporation is a majority shareholder is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the board as constituted prior to the appointment or election; or (viii) a person or Group acquires assets from the corporation designated in (i) through (iv) above having a total fair market value of at least 40% of the value of all assets of the corporation immediately prior to such acquisition; as designated by the Employer in the Adoption Agreement. For purposes of (vi) above, if any one person, or more than one person acting as a Group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation (or to cause a change in the effective control of the corporation under (vi) above). An increase in the percentage of stock owned by any one person, or persons acting as a Group, as a result of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this subsection. For purposes of (v) through (viii) above, a Change in Control shall be further limited in accordance with Treasury Regulation Sections 1.409A-3(i)(5)(v), (vi) and (vii). Distributions under this subsection shall be made as soon as administratively feasible following such Change in Control.

9.10 Supplemental Survivor Death Benefit

A supplemental survivor death benefit shall be paid to the Beneficiary of an eligible Participant who has satisfied the following criteria prior to his death:

(a) The Participant is eligible to participate in the Plan and, at the time of his death, had a current Account balance (regardless of whether or not the Participant actually was making Compensation Deferrals at the time of his death);

(b) The Participant was an active Employee with the Employer at the time of his death;

(c) The Participant completed and submitted an insurance application to the Administrator; and

(d) The Employer subsequently purchased an insurance policy on the life of the Participant, with a death benefit payable, which policy is in effect at the time of the Participant's death.

Notwithstanding any provision of this Plan or any other document to the contrary, the supplemental survivor death benefit payable pursuant to this Subsection 9.10 shall be paid only if an insurance policy has been issued on the Participant's life and such policy is in force at the time of the Participant's death and the Employer shall have no obligation with respect to the payment of the supplemental survivor death benefit, or to maintain an insurance policy for any Participants.

SECTION 10 GENERAL PROVISIONS

10.1 Interests Not Transferable

The interests of persons entitled to benefits under the Plan are not subject to their debts or other obligations and, except as may be required by the tax withholding provisions of the Code or any state's income tax act, may not be voluntarily or involuntarily sold, transferred, alienated, assigned, or encumbered; provided, however, that a Participant's interest in the Plan may be transferable pursuant to a qualified domestic relations order, as defined in Section 414(p) of the Code to the extent designated by the Employer in the Adoption Agreement.

10.2 Employment Rights

The Plan does not constitute a contract of employment, and participation in the Plan shall not give any Employee the right to be retained in the employ of an Employer, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. The Employer expressly reserves the right to discharge any Employee at any time.

10.3 Litigation by Participants or Other Persons

If a legal action begun against the Administrator (or any member or former member thereof), an Employer, or any person or persons to whom an Employer or the Administrator has delegated all or part of its duties hereunder, by or on behalf of any person results adversely to that person, or if a legal action arises because of conflicting claims to a Participant's or other person's benefits, the cost to the Administrator (or any member or former member thereof), the Employer or any person or persons to whom the Employer or the Administrator has delegated all or part of its duties hereunder of defending the action may be charged to the extent permitted by law to the sums, if any, which were involved in the action or were payable to the Participant or other person concerned.

10.4 Indemnification

To the extent permitted by law, the Employer shall indemnify each member of the Administrator committee, and any other employee or member of the Board with duties under the Plan, against losses and expenses (including any amount paid in settlement) reasonably incurred by such person in connection with any claims against such person by reason of such person's conduct in the performance of duties under the Plan, except in relation to matters as to which such person has acted fraudulently or in bad faith in the performance of duties. Notwithstanding the foregoing, the Employer shall not indemnify any person for any expense incurred through any settlement or compromise of any action unless the Employer consents in writing to the settlement or compromise.

10.5 Evidence

Evidence required of anyone under the Plan may be by certificate, affidavit, document, or other information which the person acting on it considers pertinent and reliable, and signed, made, or presented by the proper party or parties.

10.6 Waiver of Notice

Any notice required under the Plan may be waived by the person entitled to such notice.

10.7 Controlling Law

Except to the extent superseded by laws of the United States, the laws of the state indicated by the Employer in the Adoption Agreement shall be controlling in all matters relating to the Plan.

10.8 Statutory References

Any reference in the Plan to a Code section or a section of ERISA, or to a section of any other Federal law, shall include any comparable section or sections of any future legislation that amends, supplements, or supersedes that section.

10.9 Severability

In case any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if such illegal and invalid provision had never been set forth in the Plan.

10.10 Action By the Employer or the Administrator

Any action required or permitted to be taken by the Employer under the Plan shall be by resolution of its Board of Directors (which term shall include any similar governing body for any Employer that is not a corporation), by resolution or other action of a duly authorized committee of its Board of Directors, or by action of a person or persons authorized by resolution of its Board of Directors or such committee. Any action required or permitted to be taken by the Administrator under the Plan shall be by resolution or other action of the Administrator or by a person or persons duly authorized by the Administrator.

10.11 Headings and Captions

The headings and captions contained in this Plan are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge, or describe the scope or intent of the Plan, nor in any way shall affect the construction of any provision of the Plan.

10.12 Gender and Number

Where the context permits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular.

10.13 Examination of Documents

Copies of the Plan and any amendments thereto are on file at the office of the Employer where they may be examined by any Participant or other person entitled to benefits under the Plan during normal business hours.

10.14 Elections

Each election or request required or permitted to be made by a Participant (or a Participant's Spouse or Beneficiary) shall be made in accordance with the rules and procedures established by the Employer or Administrator and shall be effective as determined by the Administrator. The Administrator's rules and procedures may address, among other things, the method and timing of any elections or requests required or permitted to be made by a Participant (or a Participant's Spouse or Beneficiary). All elections under the Plan shall comply with the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended ("USERRA").

10.15 Manner of Delivery

Each notice or statement provided to a Participant shall be delivered in any manner established by the Administrator and in accordance with applicable law, including, but not limited to, electronic delivery.

10.16 Facility of Payment

When a person entitled to benefits under the Plan is a minor, under legal disability, or is in any way incapacitated so as to be unable to manage his financial affairs, the Administrator may cause the benefits to be paid to such person's guardian or legal representative. If no guardian or legal representative has been appointed, or if the Administrator so determines in its sole discretion, payment may be made to any person as custodian for such individual under any applicable state law, or to the legal representative of such person for such person's benefit, or the Administrator may direct the application of such benefits for the benefit of such person. Any payment made in accordance with the preceding sentence shall be a full and complete discharge of any liability for such payment under the Plan.

10.17 Missing Persons

The Employer and the Administrator shall not be required to search for or locate a Participant, Spouse, or Beneficiary. Each Participant, Spouse, and Beneficiary must file with the Administrator, from time to time, in writing the Participant's, Spouse's, or Beneficiary's post office address and each change of post office address. Any communication, statement, or notice addressed to a Participant, Spouse, or Beneficiary at the last post office address filed with the Administrator, or if no address is filed with the Administrator, then in the case of a Participant, at the Participant's last post office address as shown on the Employer's records, shall be considered a notification for purposes of the Plan and shall be binding on the Participant and the Participant's Spouse and Beneficiary for all purposes of the Plan.

If the Administrator is unable to locate the Participant, Spouse, or Beneficiary to whom a Participant's Accounts are payable, the Participant's Accounts shall be frozen as of the date on which distribution would have been completed under the terms of the Plan, and no further notional investment returns shall be credited thereto.

If a Participant whose Accounts were frozen (or his Beneficiary) files a claim for distribution of the Accounts within 7 years after the date the Accounts are frozen, and if the Administrator or Employer determines that such claim is valid, then the frozen balance that has become payable shall be paid by the Employer to the Participant or Beneficiary in a lump sum cash payment as soon as practicable thereafter. If the Administrator notifies a Participant, Spouse, or Beneficiary of the provisions of this Subsection, and the Participant, Spouse, or Beneficiary fails to claim the Participant's, Spouse's, or Beneficiary's benefits or make such person's whereabouts known to the Administrator within 7 years after the date the Accounts are frozen, the benefits of the Participant, Spouse, or Beneficiary may be disposed of, to the extent permitted by applicable law, by one or more of the following methods:

(a) By retaining such benefits in the Plan.

(b) By paying such benefits to a court of competent jurisdiction for judicial determination of the right thereto.

(c) By forfeiting such benefits in accordance with procedures established by the Administrator. If a Participant, Spouse, or Beneficiary is subsequently located, such benefits may be restored (without adjustment) to the Participant, Spouse, or Beneficiary under the Plan.

(d) By any equitable manner permitted by law under rules adopted by the Administrator.

10.18 Recovery of Benefits

In the event a Participant, Spouse, or Beneficiary receives a benefit payment from the Plan that is in excess of the benefit payment that should have been made to such Participant, Spouse, or Beneficiary, or in the event a person other than a Participant, Spouse, or Beneficiary receives an erroneous payment from the Plan, the Administrator or Employer shall have the right, on behalf of the Plan, to recover the amount of the excess or erroneous payment from the recipient. To the extent permitted under applicable law, the Administrator or Employer may, at its option, deduct the amount of such excess or erroneous payment from any future benefits payable to the applicable Participant, Spouse, or Beneficiary.

10.19 Effect on Other Benefits

Except as otherwise specifically provided under the terms of any other employee benefit plan of the Employer, a Participant's participation in this Plan shall not affect the benefits provided under such other employee benefit plan.

10.20 Tax and Legal Effects

The Employer, the Administrator, and their representatives and delegates do not in any way guarantee the tax treatment of benefits for any Participant, Spouse, or Beneficiary, and the Employer, the Administrator, and their representatives and delegates do not in any way guarantee or assume any responsibility or liability for the legal, tax, or other implications or effects of the Plan. In the event of any legal, tax, or other change that may affect the Plan, the Employer may, in its sole discretion, take any actions it deems necessary or desirable as a result of such change.

SECTION 11 THE ADMINISTRATOR

11.1 Information Required by Administrator

Each person entitled to benefits under the Plan must file with the Administrator from time to time in writing such person's mailing address and each change of mailing address. Any communication, statement, or notice addressed to any person at the last address filed with the Administrator will be binding upon such person for all purposes of the Plan. Each person entitled to benefits under the Plan also shall furnish the Administrator with such documents, evidence, data, or information as the Administrator considers necessary or desirable for the purposes of administering the Plan. The Employer shall furnish the Administrator with such data and information as the Administrator may deem necessary or desirable in order to administer the Plan. The records of the Employer as to an Employee's or

Participant's period of employment or membership on the Board, termination of employment or membership and the reason therefor, leave of absence, reemployment, and Compensation will be conclusive on all persons unless determined to the Administrator's or Employer's satisfaction to be incorrect.

11.2 Uniform Application of Rules

The Administrator shall administer the Plan on a reasonable basis. Any rules, procedures, or regulations established by the Administrator shall be applied uniformly to all persons similarly situated.

11.3 Review of Benefit Determinations

Benefits will be paid to Participants and their beneficiaries without the necessity of formal claims. Participants or their beneficiaries, however, may make a written request to the Administrator for any Plan benefits to which they may be entitled. Participants' written request for Plan benefits will be considered a claim for Plan benefits, and will be subject to a full and fair review. If the claim is wholly or partially denied, the Administrator will furnish the claimant with a written notice of this denial. This written notice will be provided to the claimant within 90 days after the receipt of the claim by the Administrator. If notice of the denial of a claim is not furnished to the claimant in accordance with the above within 90 days, the claim will be deemed denied. The claimant will then be permitted to proceed to the review stage described in the following paragraphs.

Upon the denial of the claim for benefits, the claimant may file a claim for review, in writing, with the Administrator. The claim for review must be filed no later than 60 days after the claimant has received written notification of the denial of the claim for benefits or, if no written denial of the claim was provided, no later than 60 days after the deemed denial of the claim. The claimant may review all pertinent documents relating to the denial of the claim and submit any issues and comments, in writing, to the Administrator. If the claim is denied, the Administrator must provide the claimant with written notice of this denial within 60 days after the Administrator's receipt of the claimant's written claim for review. The Administrator's decision on the claim for review will be communicated to the claimant in writing and will include specific references to the pertinent Plan provisions on which the decision was based. If

the Administrator's decision on review is not furnished to the claimant within the time limitations described above, the claim will be deemed denied on review. If the claim for Plan benefits is finally denied by the Administrator (or deemed denied), then the claimant may bring suit in federal court. The claimant may not commence a suit in a court of law or equity for benefits under the Plan until the Plan's claim process and appeal rights have been exhausted and the Plan benefits requested in that appeal have been denied in whole or in part. However, the claimant may only bring a suit in court if it is filed within 90 days after the date of the final denial of the claim by the Administrator.

With respect to claims for benefits payable as a result of a Participant being determined to be disabled, the Administrator will provide the claimant with notice of the status of his claim for disability benefits under the Plan within a reasonable period of time after a complete claim has been filed, but no later than 45 days after receipt of the claim for benefits. The Administrator may request an additional 30-day extension if special circumstances warrant by notifying the claimant of the extension before the expiration of the initial 45-day period. If a decision still cannot be made within this 30-day extension period due to circumstances outside the Plan's control, the time period may be extended for an additional 30 days, in which case the claimant will be notified before the expiration of the original 30-day extension.

If the claimant has not submitted sufficient information to the Administrator to process his disability benefit claim, he will be notified of the incomplete claim and given 45 days to submit additional information. This will extend the time in which the Administrator has to respond to the claim from the date the notice of insufficient information is sent to the claimant until the date the claimant responds to the request. If the claimant does not submit the requested missing information to the Administrator within 45 days of the date of the request, the claim will be denied.

If a disability benefit claim is denied, the claimant will receive a notice which will include: (i) the specific reasons for the denial, (ii) reference to the specific Plan provisions upon which the decision is based, (iii) a description of any additional information the claimant might be required to provide with an explanation of why it is needed, and (iv) an explanation of the Plan's claims review and appeal procedures, and (v) a statement regarding the claimant's right to bring a civil action under Section 502(a) of ERISA following a denial on appeal.

The claimant may appeal a denial of a disability benefit claim by filing a written request with the Administrator within 180 days of the claimant's receipt of the initial denial notice. In connection with the appeal, the claimant may request that the Plan provide him, free of charge, copies of all documents, records and other information relevant to the claim. The claimant may also submit written comments, records, documents and other information relevant to his appeal, whether or not such documents were submitted in connection with the initial claim. The Administrator may consult with medical or vocational experts in connection with deciding the claimant's claim for benefits.

The Administrator will conduct a full and fair review of the documents and evidence submitted and will ordinarily render a decision on the disability benefit claim no later than 45 days after receipt of the request for review on appeal. If there are special circumstances, the decision will be made as soon as possible, but not later than 90 days after receipt of the request for review on appeal. If such an extension of time is needed, the claimant will be notified in writing prior to the end of the first 45-day period. The Administrator's final written decision will set forth: (i) the specific reasons for the decision, (ii) references to the specific Plan provisions on which the decision is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, access to and copies of all documents, records and other information relevant to the benefit claim, and (iv) a statement regarding the claimant's right to bring a civil action under Section 502(a) of ERISA following a denial on appeal. The Administrator's decision made in good faith will be final and binding.

11.4 Administrator's Decision Final

Benefits under the Plan will be paid only if the Administrator decides in its sole discretion that a Participant or Beneficiary (or other claimant) is entitled to them. Subject to applicable law, any interpretation of the provisions of the Plan and any decisions on any matter within the discretion of the Administrator made by the Administrator or its delegate in good faith shall be binding on all persons. A misstatement or other mistake of fact shall be corrected when it becomes known and the Administrator shall make such adjustment on account thereof as it considers equitable and practicable.

SECTION 12 AMENDMENT AND TERMINATION

While the Employer expects and intends to continue the Plan, the Employer and the Administrator each reserve the right to amend the Plan at any time and for any reason, including the right to amend this Section 12 and the Plan termination rules herein; provided, however, that each Participant will be entitled to the amount credited to his Accounts immediately prior to such amendment. The power to amend the Plan includes (without limitation) the power to change the Plan provisions regarding eligibility, contributions, notional investments, vesting, and distribution forms, and timing of payments, including changes applicable to benefits accrued prior to the effective date of any such amendment; provided, however, that amendments to the Plan (other than amendments relating to Plan termination) shall not cause the Plan to provide for acceleration of distributions in violation of Section 409A of the Code and applicable regulations thereunder.

The Employer reserves the right to terminate the Plan at any time and for any reason; provided, however, that each Participant will be entitled to the amount credited to his Accounts immediately prior to such termination (as adjusted for notional income, losses, expenses, appreciation and depreciation occurring from the date of such termination until the date of distribution).

In the event that the Plan is terminated pursuant to this Section 12, the balances in affected Participants' Accounts shall be distributed at the time and in the manner set forth in Section 9. Notwithstanding the foregoing, the Employer and the Administrator reserve the right to make all such distributions within the second twelve-month period commencing with the date of termination of the Plan; provided, however, that no such distribution will be made during the first twelve-month period following such date of Plan termination other than those that would otherwise be payable under Section 9 absent the termination of the Plan. In the event of a Plan termination due to a Change in Control of the Employer, distributions shall be made within 12 months of the date of the termination of the Plan.

Exhibit 31.1

I, Vincent D. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2015 of Main Street Capital Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this November 6, 2015.

By: /s/ VINCENT D. FOSTER

Vincent D. Foster
Chairman and Chief Executive Officer

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Exhibit 31.2

I, Brent D. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2015 of Main Street Capital Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this November 6, 2015.

By: /s/ BRENT D. SMITH

Brent D. Smith
Chief Financial Officer and Treasurer

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Exhibit 32.1

**Certification of Chief Executive Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the Quarterly Report of Main Street Capital Corporation (the "Registrant") on Form 10-Q for the quarter ended September 30, 2015 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Vincent D. Foster, the Chairman and Chief Executive Officer of the Registrant, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ VINCENT D. FOSTER

Name: Vincent D. Foster
Date: November 6, 2015

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Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report of Main Street Capital Corporation (the "Registrant") on Form 10-Q for the quarter ended September 30, 2015 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Brent D. Smith, the Chief Financial Officer of the Registrant, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ BRENT D. SMITH

Name: Brent D. Smith
Date: November 6, 2015

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