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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 June 30, 2019

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	**41-2230745**
(State or other jurisdiction of incorporation or organization)	(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)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	MAIN	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

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

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

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

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

The number of shares outstanding of the issuer's common stock as of August 8, 2019 was 63,135,427.

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FINANCIAL INFORMATION

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MAIN STREET CAPITAL CORPORATION

Consolidated Balance Sheets

(dollars in thousands, except shares and per share amounts)

	June 30, 2019 (Unaudited)	December 31, 2018
ASSETS		
Investments at fair value:		
Control investments (cost: $770,275 and $750,618 as of June 30, 2019 and December 31, 2018, respectively)	$ 1,040,692	$ 1,004,993
Affiliate investments (cost: $370,235 and $381,307 as of June 30, 2019 and December 31, 2018, respectively)	349,668	359,890
Non-Control/Non-Affiliate investments (cost: $1,166,618 and $1,137,108 as of June 30, 2019 and December 31, 2018, respectively)	1,118,069	1,089,026
Total investments (cost: $2,307,128 and $2,269,033 as of June 30, 2019 and December 31, 2018, respectively)	2,508,429	2,453,909
Cash and cash equivalents	70,548	54,181
Interest receivable and other assets	46,810	39,674
Receivable for securities sold	—	1,201
Deferred financing costs (net of accumulated amortization of $7,032 and $6,562 as of June 30, 2019 and December 31, 2018, respectively)	3,991	4,461
Total assets	$ 2,629,778	$ 2,553,426
LIABILITIES		
Credit facility	$ 122,000	$ 301,000
SBIC debentures (par: $321,800 ($10,000 due within one year) and $345,800 as of June 30, 2019 and December 31, 2018, respectively)	315,189	338,186
5.20% Notes due 2024 (par: $250,000 as of June 30, 2019)	246,053	—
4.50% Notes due 2022 (par: $185,000 as of both June 30, 2019 and December 31, 2018)	182,926	182,622
4.50% Notes due 2019 (par: $175,000 as of both June 30, 2019 and December 31, 2018)	174,699	174,338
Accounts payable and other liabilities	21,615	17,962
Payable for securities purchased	2,475	28,254
Interest payable	8,156	6,041
Dividend payable	12,900	11,948
Deferred tax liability, net	22,683	17,026
Total liabilities	1,108,696	1,077,377
Commitments and contingencies (Note K)		
NET ASSETS		
Common stock, $0.01 par value per share (150,000,000 shares authorized; 62,918,132 and 61,264,861 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively)	629	613
Additional paid-in capital	1,465,679	1,409,945
Total undistributed earnings	54,774	65,491
Total net assets	1,521,082	1,476,049
Total liabilities and net assets	$ 2,629,778	$ 2,553,426
NET ASSET VALUE PER SHARE	$ 24.17	$ 24.09

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

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Operations

(dollars in thousands, except shares and per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
INVESTMENT INCOME:				
Interest, fee and dividend income:				
Control investments	$ 23,617	$ 23,875	$ 47,308	$ 45,830
Affiliate investments	8,346	8,515	17,417	17,587
Non-Control/Non-Affiliate investments	29,330	27,479	57,932	52,395
Total investment income	61,293	59,869	122,657	115,812
EXPENSES:				
Interest	(12,329)	(10,833)	(24,245)	(21,098)
Compensation	(5,516)	(5,673)	(11,585)	(11,164)
General and administrative	(3,160)	(3,097)	(6,363)	(6,071)
Share-based compensation	(2,378)	(2,432)	(4,707)	(4,735)
Expenses allocated to the External Investment Manager	1,707	1,678	3,350	3,744
Total expenses	(21,676)	(20,357)	(43,550)	(39,324)
NET INVESTMENT INCOME	39,617	39,512	79,107	76,488
NET REALIZED GAIN (LOSS):				
Control investments	(756)	(8,413)	(943)	4,681
Affiliate investments	789	—	(2,452)	—
Non-Control/Non-Affiliate investments	(2,587)	(5,531)	(4,892)	(11,165)
Realized loss on extinguishment of debt	—	(1,522)	(5,689)	(2,896)
Total net realized loss	(2,554)	(15,466)	(13,976)	(9,380)
NET UNREALIZED APPRECIATION (DEPRECIATION):				
Control investments	10,137	26,046	15,083	3,072
Affiliate investments	(568)	(376)	1,808	13,862
Non-Control/Non-Affiliate investments	(4,712)	7,041	(810)	4,895
SBIC debentures	(233)	(10)	4,945	1,348
Total net unrealized appreciation	4,624	32,701	21,026	23,177
INCOME TAXES:				
Federal and state income, excise and other taxes	(963)	852	(1,665)	(34)
Deferred taxes	(2,470)	(2,148)	(4,837)	(282)
Income tax provision	(3,433)	(1,296)	(6,502)	(316)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 38,254	$ 55,451	$ 79,655	$ 89,969
NET INVESTMENT INCOME PER SHARE—BASIC AND DILUTED	$ 0.63	$ 0.66	$ 1.27	$ 1.29
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE—BASIC AND DILUTED	$ 0.61	$ 0.93	$ 1.28	$ 1.52
WEIGHTED AVERAGE SHARES OUTSTANDING—BASIC AND DILUTED	62,880,035	59,828,751	62,375,166	59,343,199

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

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Changes in Net Assets

(dollars in thousands, except shares)

(Unaudited)

	Common Stock				
	Number of Shares	Par Value	Additional Paid-In Capital	Total Undistributed Earnings	Total Net Asset Value
Balances at December 31, 2017	58,660,680	$ 586	$ 1,310,780	$ 69,002	$ 1,380,368
Public offering of common stock, net of offering costs	309,895	4	11,332	—	11,336
Share-based compensation	—	—	2,303	—	2,303
Purchase of vested stock for employee payroll tax withholding	(5,392)	—	(212)	—	(212)
Dividend reinvestment	42,423	—	1,589	—	1,589
Amortization of directors' deferred compensation	—	—	206	—	206
Issuance of restricted stock	124	—	—	—	—
Dividends to stockholders	—	—	—	(33,507)	(33,507)
Net increase resulting from operations	—	—	—	34,517	34,517
Balances at March 31, 2018	59,007,730	$ 590	$ 1,325,998	$ 70,012	$ 1,396,600
Public offering of common stock, net of offering costs	1,122,290	10	42,416	—	42,426
Share-based compensation	—	—	2,432	—	2,432
Purchase of vested stock for employee payroll tax withholding	(104,301)	(1)	(3,864)	—	(3,865)
Dividend reinvestment	126,003	2	4,790	—	4,792
Amortization of directors' deferred compensation	—	—	213	—	213
Issuance of restricted stock, net of forfeited shares	248,850	2	(2)	—	—
Dividends to stockholders	—	—	—	(50,696)	(50,696)
Net increase resulting from operations	—	—	—	55,452	55,452
Balances at June 30, 2018	60,400,572	$ 603	$ 1,371,983	$ 74,768	$ 1,447,354
Balances at December 31, 2018	61,264,861	$ 613	$ 1,409,945	$ 65,491	$ 1,476,049
Public offering of common stock, net of offering costs	960,684	9	35,376	—	35,385
Share-based compensation	—	—	2,329	—	2,329
Dividend reinvestment	96,189	1	3,595	—	3,596
Amortization of directors' deferred compensation	—	—	216	—	216
Issuance of restricted stock	52,043	1	(1)	—	—
Dividends to stockholders	—	—	70	(36,549)	(36,479)
Net increase resulting from operations	—	—	—	41,401	41,401
Balances at March 31, 2019	62,373,777	$ 624	$ 1,451,530	$ 70,343	$ 1,522,497
Public offering of common stock, net of offering costs	245,989	2	9,416	—	9,418
Share-based compensation	—	—	2,378	—	2,378
Purchase of vested stock for employee payroll tax withholding	(90,404)	(1)	(3,364)	—	(3,365)
Dividend reinvestment	133,128	1	5,392	—	5,393
Amortization of directors' deferred compensation	—	—	216	—	216
Issuance of restricted stock, net of forfeited shares	262,642	3	(3)	—	—
Dividends to stockholders	—	—	114	(53,823)	(53,709)
Net increase resulting from operations	—	—	—	38,254	38,254
Balances at June 30, 2019	62,925,132	$ 629	$ 1,465,679	$ 54,774	$ 1,521,082

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

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Cash Flows

(dollars in thousands)

(Unaudited)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	$ 79,655	$ 89,969
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Investments in portfolio companies	(301,298)	(528,015)
Proceeds from sales and repayments of debt investments in portfolio companies	220,925	281,802
Proceeds from sales and return of capital of equity investments in portfolio companies	18,169	42,955
Net unrealized appreciation	(21,026)	(23,177)
Net realized loss	13,976	9,380
Accretion of unearned income	(5,997)	(6,945)
Payment-in-kind interest	(2,502)	(952)
Cumulative dividends	(1,350)	(1,069)
Share-based compensation expense	4,707	4,735
Amortization of deferred financing costs	1,790	1,685
Deferred tax provision	4,837	282
Changes in other assets and liabilities:		
Interest receivable and other assets	(6,792)	(3,560)
Interest payable	2,115	204
Accounts payable and other liabilities	4,085	(3,149)
Deferred fees and other	1,226	2,162
Net cash provided by (used in) operating activities	12,520	(133,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering of common stock, net of offering costs	44,803	53,762
Proceeds from public offering of 5.20% Notes due 2024	250,000	—
Dividends paid	(80,247)	(77,492)
Proceeds from issuance of SBIC debentures	—	22,000
Repayments of SBIC debentures	(24,000)	(4,000)
Redemption of 6.125% Notes	—	(90,655)
Proceeds from credit facility	201,000	427,000
Repayments on credit facility	(380,000)	(202,000)
Payment of deferred issuance costs and SBIC debenture fees	(4,344)	(1,889)
Purchases of vested stock for employee payroll tax withholding	(3,365)	(4,077)
Net cash provided by financing activities	3,847	122,649
Net increase (decrease) in cash and cash equivalents	16,367	(11,044)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	54,181	51,528
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 70,548	$ 40,484
Supplemental cash flow disclosures:		
Interest paid	$ 20,279	$ 19,147
Taxes paid	$ 1,672	$ 4,075
Operating non-cash activities:		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 5,240	$ —
Non-cash financing activities:		
Shares issued pursuant to the DRIP	$ 8,989	$ 6,381

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

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Control Investments(5)						
Access Media Holdings, LLC(10)	July 22, 2015	Private Cable Operator				
			10% PIK Secured Debt (Maturity—July 22, 2020)(14)(19)	$ 23,828	$ 23,828	$ 7,603
			Preferred Member Units (9,481,500 units)(27)		9,375	(284)
			Member Units (45 units)		1	—
					33,204	7,319
ASC Interests, LLC	August 1, 2013	Recreational and Educational Shooting Facility				
			11% Secured Debt (Maturity—July 31, 2020)	1,650	1,630	1,630
			Member Units (1,500 units)		1,500	1,290
					3,130	2,920
ATS Workholding, LLC(10)	March 10, 2014	Manufacturer of Machine Cutting Tools and Accessories				
			5% Secured Debt (Maturity—November 16, 2021)	4,877	4,563	4,419
			Preferred Member Units (3,725,862 units)		3,726	2,018
					8,289	6,437
Bond-Coat, Inc.	December 28, 2012	Casing and Tubing Coating Services				
			15% Secured Debt (Maturity—December 28, 2020)	11,596	11,419	11,419
			Common Stock (57,508 shares)		6,350	7,350
					17,769	18,769
Brewer Crane Holdings, LLC	January 9, 2018	Provider of Crane Rental and Operating Services				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.44%, Secured Debt (Maturity—January 9, 2023)(9)	9,300	9,228	9,228
			Preferred Member Units (2,950 units)(8)		4,280	4,280
					13,508	13,508
Bridge Capital Solutions Corporation	April 18, 2012	Financial Services and Cash Flow Solutions Provider				
			13% Secured Debt (Maturity—July 25, 2021)	7,500	6,418	6,418
			Warrants (82 equivalent shares; Expiration—July 25, 2026; Strike price—$0.01 per share)		2,132	3,550
			13% Secured Debt (Mercury Service Group, LLC) (Maturity—July 25, 2021)	1,000	995	995
			Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)		1,000	1,000
					10,545	11,963
Café Brazil, LLC	April 20, 2004	Casual Restaurant Group				
			Member Units (1,233 units)(8)		1,742	4,050

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
California Splendor Holdings LLC	March 30, 2018	Processor of Frozen Fruits				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.63%, Secured Debt (Maturity—March 30, 2023)(9)	14,079	13,935	13,935
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.63%, Secured Debt (Maturity—March 30, 2023)(9)	28,000	27,777	27,777
			Preferred Member Units (6,157 units)(8)		10,775	7,382
					52,487	49,094
CBT Nuggets, LLC	June 1, 2006	Produces and Sells IT Training Certification Videos				
			Member Units (416 units)(8)		1,300	59,590
Centre Technologies Holdings, LLC	January 4, 2019	Provider of IT Hardware Services and Software Solutions				
			LIBOR Plus 9.00% (Floor 2.00%), Current Coupon 11.50%, Secured Debt (Maturity—January 4, 2024)(9)	12,240	12,127	12,127
			Preferred Member Units (12,696 units)		5,840	5,840
					17,967	17,967
Chamberlin Holding LLC	February 26, 2018	Roofing and Waterproofing Specialty Contractor				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.63%, Secured Debt (Maturity—February 26, 2023) (9)	18,875	18,728	18,728
			Member Units (4,347 units)(8)		11,440	22,990
			Member Units (Chamberlin Langfield Real Estate, LLC) (732,160 units)(8)		732	732
					30,900	42,450
Charps, LLC	February 3, 2017	Pipeline Maintenance and Construction				
			15% Secured Debt (Maturity—June 5, 2022)	2,000	2,000	2,000
			Preferred Member Units (1,600 units)(8)		400	4,630
					2,400	6,630
Clad-Rex Steel, LLC	December 20, 2016	Specialty Manufacturer of Vinyl-Clad Metal				
			LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.44%, Secured Debt (Maturity—December 20, 2021) (9)	11,680	11,614	11,680
			Member Units (717 units)(8)		7,280	10,270
			10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity—December 20, 2036)	1,150	1,138	1,150
			Member Units (Clad-Rex Steel RE Investor, LLC) (800 units)		210	350
					20,242	23,450
CMS Minerals Investments	January 30, 2015	Oil & Gas Exploration & Production				
			Member Units (CMS Minerals II, LLC) (100 units)(8)		2,493	2,007

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
CompareNetworks Topco, LLC	January 29, 2019	Internet Publishing and Web Search Portals				
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.50%, Secured Debt (Maturity—January 29, 2021)(9)	250	242	242
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.50%, Secured Debt (Maturity—January 29, 2024)(9)	8,750	8,669	8,669
			Preferred Member Units (1,975 units)		1,975	1,975
					10,886	10,886
Copper Trail Fund Investments(12) (13)	July 17, 2017	Investment Partnership				
			LP Interests (CTMH, LP) (Fully diluted 38.8%)		872	872
Datacom, LLC	May 30, 2014	Technology and Telecommunications Provider				
			8% Secured Debt (Maturity—May 30, 2019)(14)(17)	1,800	1,800	1,554
			10.50% PIK Secured Debt (Maturity—May 30, 2019)(14)(17)(19)	12,511	12,479	9,786
			Class A Preferred Member Units		1,294	—
			Class B Preferred Member Units (6,453 units)		6,030	—
					21,603	11,340
Digital Products Holdings LLC	April 1, 2018	Designer and Distributor of Consumer Electronics				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.50%, Secured Debt (Maturity—April 1, 2023)(9)	25,080	24,877	24,877
			Preferred Member Units (3,451 shares) (8)		8,466	7,965
					33,343	32,842
Direct Marketing Solutions, Inc .	February 13, 2018	Provider of Omni-Channel Direct Marketing Services				
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.50%, Secured Debt (Maturity—February 13, 2023) (9)	17,547	17,397	17,397
			Preferred Stock (8,400 shares)		8,400	16,150
					25,797	33,547
Gamber-Johnson Holdings, LLC	June 24, 2016	Manufacturer of Ruggedized Computer Mounting Systems				
			LIBOR Plus 7.00% (Floor 2.00%), Current Coupon 9.44%, Secured Debt (Maturity—June 24, 2021)(9)	19,822	19,723	19,822
			Member Units (8,619 units)(8)		14,844	45,460
					34,567	65,282
Garreco, LLC	July 15, 2013	Manufacturer and Supplier of Dental Products				
			LIBOR Plus 8.00% (Floor 1.00%, Ceiling 1.50%), Current Coupon 9.50%, Secured Debt (Maturity—March 31, 2020)(9)	4,700	4,687	4,687
			Member Units (1,200 units)(8)		1,200	2,500
					5,887	7,187

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
GRT Rubber Technologies LLC	December 19, 2014	Manufacturer of Engineered Rubber Products				
			LIBOR Plus 7.00%, Current Coupon 9.44%, Secured Debt (Maturity—December 31, 2023)	13,257	13,245	13,257
			Member Units (5,879 units)(8)		13,065	46,130
					26,310	59,387
Guerdon Modular Holdings, Inc.	August 13, 2014	Multi-Family and Commercial Modular Construction Company				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.30%, Secured Debt (Maturity—October 1, 2019)(9)(14)	464	464	464
			16% Secured Debt (Maturity—October 1, 2019)(14)	12,588	12,588	10,490
			Preferred Stock (404,998 shares)		1,140	—
			Common Stock (212,033 shares)		2,983	—
			Warrants (6,208,877 equivalent shares; Expiration— April 25, 2028; Strike price—$0.01 per share)		—	—
					17,175	10,954
Gulf Manufacturing, LLC	August 31, 2007	Manufacturer of Specialty Fabricated Industrial Piping Products				
			Member Units (438 units)(8)		2,980	11,300
Gulf Publishing Holdings, LLC	April 29, 2016	Energy Industry Focused Media and Publishing				
			LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 11.94%, Secured Debt (Maturity—September 30, 2020)(9)	320	320	320
			12.5% Secured Debt (Maturity—April 29, 2021)	12,535	12,478	12,478
			Member Units (3,681 units)		3,681	4,330
					16,479	17,128
Harborside Holdings, LLC	March 20, 2017	Real Estate Holding Company				
			Member units (100 units)		6,406	9,530
Harris Preston Fund Investments(12)(13)	October 1, 2017	Investment Partnership				
			LP Interests (2717 MH, L.P.) (Fully diluted 49.3%)		1,735	1,828
Harrison Hydra-Gen, Ltd.	June 4, 2010	Manufacturer of Hydraulic Generators				
			Common Stock (107,456 shares)(8)		718	8,600
IDX Broker, LLC	November 15, 2013	Provider of Marketing and CRM Tools for the Real Estate Industry				
			11.5% Secured Debt (Maturity—November 15, 2020)	14,000	13,935	14,000
			Preferred Member Units (5,607 units)(8)		5,952	14,420
					19,887	28,420
Jensen Jewelers of Idaho, LLC	November 14, 2006	Retail Jewelry Store				
			Prime Plus 6.75% (Floor 2.00%), Current Coupon 12.25%, Secured Debt (Maturity—November 14, 2019)(9)	3,055	3,047	3,055
			Member Units (627 units)(8)		811	6,810
					3,858	9,865

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
KBK Industries, LLC	January 23, 2006	Manufacturer of Specialty Oilfield and Industrial Products				
			Member Units (325 units)(8)		783	11,910
Kickhaefer Manufacturing Company, LLC	October 31, 2018	Precision Metal Parts Manufacturing				
			11.5% Secured Debt (Maturity—October 31, 2023)	27,200	26,942	26,942
			Member Units (581 units)		12,240	12,240
			9.0% Secured Debt (Maturity—October 31, 2048)	3,992	3,953	3,953
			Member Units (KMC RE Investor, LLC) (800 units)(8)		992	992
					44,127	44,127
Lamb Ventures, LLC	May 30, 2008	Aftermarket Automotive Services Chain				
			Libor Plus 5.75%, Current Coupon 8.18%, Secured Debt (Maturity—July 1, 2019)	200	200	200
			11% Secured Debt (Maturity—July 1, 2022)	11,839	11,811	11,839
			Preferred Stock (non-voting)		400	400
			Member Units (846 units)(8)		5,663	11,880
			9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity—March 31, 2027)	432	428	432
			Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)		625	550
					19,127	25,301
Market Force Information, LLC	July 28, 2017	Provider of Customer Experience Management Services				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.52%, Secured Debt (Maturity—July 28, 2022)(9)	1,509	1,509	1,509
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.52%, Secured Debt (Maturity—July 28, 2022)(9)	22,800	22,644	22,644
			Member Units (657,113 units)		14,700	11,030
					38,853	35,183
MH Corbin Holding LLC	August 31, 2015	Manufacturer and Distributor of Traffic Safety Products				
			5% Current / 5% PIK Secured Debt (Maturity— March 31, 2022)(19)	8,666	8,577	8,666
			Preferred Member Units (66,000 shares)		4,400	4,770
			Preferred Member Units (4,000 shares)		6,000	20
					18,977	13,456

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Mid-Columbia Lumber Products, LLC	December 18, 2006	Manufacturer of Finger-Jointed Lumber Products				
			10% Secured Debt (Maturity—January 15, 2020)	1,750	1,748	1,748
			12% Secured Debt (Maturity—January 15, 2020)	3,900	3,889	3,889
			Member Units (7,874 units)		3,001	700
			9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity—May 13, 2025)	723	723	723
			Member Units (Mid-Columbia Real Estate, LLC) (500 units)(8)		790	1,640
					10,151	8,700
MSC Adviser I, LLC(16)	November 22, 2013	Third Party Investment Advisory Services				
			Member Units (Fully diluted 100.0%) (8)		—	69,578
Mystic Logistics Holdings, LLC	August 18, 2014	Logistics and Distribution Services Provider for Large Volume Mailers				
			12% Secured Debt (Maturity—August 15, 2019)	7,081	7,074	7,074
			Common Stock (5,873 shares)		2,720	2,090
					9,794	9,164
NAPCO Precast, LLC	January 31, 2008	Precast Concrete Manufacturing				
			Member Units (2,955 units)(8)		2,975	15,000
NexRev LLC	February 28, 2018	Provider of Energy Efficiency Products & Services				
			11% Secured Debt (Maturity—February 28, 2023)	17,222	17,087	17,087
			Preferred Member Units (86,400,000 units)(8)		6,880	6,880
					23,967	23,967
NRI Clinical Research, LLC	September 8, 2011	Clinical Research Service Provider				
			LIBOR Plus 6.50% (Floor 1.50%), Current Coupon 8.93%, Secured Debt (Maturity—June 8, 2020)(9)	83	83	83
			14% Secured Debt (Maturity—June 8, 2022)	6,685	6,561	6,685
			Warrants (251,723 equivalent units; Expiration— June 8, 2027; Strike price—$0.01 per unit)		252	790
			Member Units (1,454,167 units)(8)		765	3,088
					7,661	10,646
NRP Jones, LLC	December 22, 2011	Manufacturer of Hoses, Fittings and Assemblies				
			12% Secured Debt (Maturity—March 20, 2023)	6,376	6,376	6,376
			Member Units (65,962 units)(8)		3,717	6,260
					10,093	12,636
NuStep, LLC	January 31, 2017	Designer, Manufacturer and Distributor of Fitness Equipment				
			12% Secured Debt (Maturity—January 31, 2022)	20,600	20,478	20,478
			Preferred Member Units (406 units)		10,200	10,200
					30,678	30,678

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
OMi Holdings, Inc.	April 1, 2008	Manufacturer of Overhead Cranes				
			Common Stock (1,500 shares)(8)		1,080	16,800
Pegasus Research Group, LLC	January 6, 2011	Provider of Telemarketing and Data Services				
			Member Units (460 units)		1,290	6,800
PPL RVs, Inc.	June 10, 2010	Recreational Vehicle Dealer				
			LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 9.59%, Secured Debt (Maturity—November 15, 2021)(9)	14,095	14,021	14,021
			Common Stock (1,962 shares)		2,150	9,050
					16,171	23,071
Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)	February 1, 2011	Noise Abatement Service Provider				
			13% Secured Debt (Maturity—April 30, 2020)	6,397	6,353	6,397
			Preferred Member Units (19,631 units) (8)		4,600	15,600
			Warrants (1,018 equivalent units; Expiration—January 31, 2021; Strike price—$0.01 per unit)		1,200	1,160
					12,153	23,157
Quality Lease Service, LLC	June 8, 2015	Provider of Rigsite Accommodation Unit Rentals and Related Services				
			Member Units (1,000 units)		10,813	10,579
River Aggregates, LLC	March 30, 2011	Processor of Construction Aggregates				
			Zero Coupon Secured Debt (Maturity—June 30, 2018)(17)	750	750	721
			Member Units (1,150 units)		1,150	4,610
			Member Units (RA Properties, LLC) (1,500 units)		369	2,929
					2,269	8,260
Tedder Industries, LLC	August 31, 2018	Manufacturer of Firearm Holsters and Accessories				
			12% Secured Debt (Maturity—August 31, 2020)	800	800	800
			12% Secured Debt (Maturity—August 31, 2023)	16,400	16,259	16,259
			Preferred Member Units (440 units)		7,476	7,476
					24,535	24,535
The MPI Group, LLC	October 2, 2007	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories				
			9% Secured Debt (Maturity—October 2, 2019)	2,924	2,924	2,685
			Series A Preferred Units (2,500 units)		2,500	10
			Warrants (1,424 equivalent units; Expiration— July 1, 2024; Strike price —$0.01 per unit)		1,096	—
			Member Units (MPI Real Estate Holdings, LLC) (100 units)(8)		2,300	2,479
					8,820	5,174

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Trantech Radiator Topco, LLC	May 31, 2019	Transformer Cooling Products and Services				
			12% Secured Debt (Maturity—May 31, 2024)	10,400	10,282	10,282
			Common Stock (615 shares)(8)		4,655	4,655
					14,937	14,937
Vision Interests, Inc.	June 5, 2007	Manufacturer / Installer of Commercial Signage				
			13% Secured Debt (Maturity— September 30, 2019)	2,028	2,028	2,028
			Series A Preferred Stock (3,000,000 shares)		3,000	4,090
			Common Stock (1,126,242 shares)		3,706	409
					8,734	6,527
Ziegler's NYPD, LLC	October 1, 2008	Casual Restaurant Group				
			6.5% Secured Debt (Maturity— October 1, 2019)	1,000	999	999
			12% Secured Debt (Maturity— October 1, 2019)	625	625	625
			14% Secured Debt (Maturity— October 1, 2019)	2,750	2,750	2,750
			Warrants (587 equivalent units; Expiration— October 1, 2019; Strike price—$0.01 per unit)		600	—
			Preferred Member Units (10,072 units)		2,834	1,010
					7,808	5,384
Subtotal Control Investments (68.4% of net assets at fair value)					$ 770,275	$ 1,040,692

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Affiliate Investments(6)						
AFG Capital Group, LLC	November 7, 2014	Provider of Rent-to-Own Financing Solutions and Services				
			10% Secured Debt (Maturity—May 25, 2022)	$ 1,011	$ 1,011	$ 1,011
			Preferred Member Units (186 units)		1,200	4,550
					2,211	5,561
American Trailer Rental Group LLC	June 7, 2017	Provider of Short-term Trailer and Container Rental				
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.85%, Secured Debt (Maturity—June 7, 2022)(9)	25,200	25,019	25,200
			Member Units (Milton Meisler Holdings LLC) (48,555 units)		4,855	7,030
					29,874	32,230
Barfly Ventures, LLC(10)	August 31, 2015	Casual Restaurant Group				
			12% Secured Debt (Maturity—August 31, 2020)	10,185	10,055	9,880
			Options (3 equivalent units)		607	940
			Warrant (1 equivalent unit; Expiration—August 31, 2025; Strike price—$1.00 per unit)		473	410
					11,135	11,230
BBB Tank Services, LLC	April 8, 2016	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market				
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.44%, (Maturity—April 8, 2021)(9)	4,640	4,505	4,505
			Preferred Stock (non-voting)(8)		122	122
			Member Units (800,000 units)		800	120
					5,427	4,747
Boccella Precast Products LLC	June 30, 2017	Manufacturer of Precast Hollow Core Concrete				
			LIBOR Plus 12.00% (Floor 1.00%), Current Coupon 14.59%, Secured Debt (Maturity—June 30, 2022)(9)	14,204	14,033	14,204
			Member Units (2,160,000 units)(8)		2,256	5,360
					16,289	19,564
Buca C, LLC	June 30, 2015	Casual Restaurant Group				
			LIBOR Plus 9.25% (Floor 1.00%), Current Coupon 11.68%, Secured Debt (Maturity—June 30, 2020)(9)	19,004	18,959	18,772
			Preferred Member Units (6 units; 6% cumulative)(8)(19)		4,561	4,561
					23,520	23,333
CAI Software LLC	October 10, 2014	Provider of Specialized Enterprise Resource Planning Software				
			12% Secured Debt (Maturity—December 7, 2023)	10,200	10,098	10,200
			Member Units (66,968 units)		751	4,940
					10,849	15,140

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Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Chandler Signs Holdings, LLC(10)	January 4, 2016	Sign Manufacturer				
			12% Current / 1% PIK Secured Debt (Maturity—July 4, 2021)(19)	4,569	4,549	4,569
			Class A Units (1,500,000 units)(8)		1,500	2,020
					6,049	6,589
Charlotte Russe, Inc(11)	May 28, 2013	Fast-Fashion Retailer to Young Women				
			Common Stock (19,041 shares)		3,141	—
Condit Exhibits, LLC	July 1, 2008	Tradeshow Exhibits / Custom Displays Provider				
			Member Units (3,936 units)(8)		100	1,950
Congruent Credit Opportunities Funds(12)(13)	January 24, 2012	Investment Partnership				
			LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)		5,210	855
			LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8)		16,592	17,278
					21,802	18,133
Copper Trail Fund Investments(12)(13)	July 17, 2017	Investment Partnership				
			LP Interests (Copper Trail Energy Fund I, LP) (Fully diluted 12.4%)		2,311	3,072
Dos Rios Partners(12)(13)	April 25, 2013	Investment Partnership				
			LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)		5,846	6,573
			LP Interests (Dos Rios Partners—A, LP) (Fully diluted 6.4%)		1,856	2,087
					7,702	8,660
East Teak Fine Hardwoods, Inc .	April 13, 2006	Distributor of Hardwood Products				
			Common Stock (6,250 shares)		480	560
EIG Fund Investments(12)(13)	November 6, 2015	Investment Partnership				
			LP Interests (EIG Global Private Debt Fund-A, L.P.) (Fully diluted 11.1%)(8)		725	677
Freeport Financial Funds(12)(13)	June 13, 2013	Investment Partnership				
			LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.3%)		5,974	5,657
			LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.0%)(8)		10,555	10,295
					16,529	15,952
Fuse, LLC(11)	June 30, 2019	Cable Networks Operator				
			12% Secured Debt (Maturity—June 28, 2024)	1,939	1,939	1,939
			Common Stock (10,429 shares)		256	256
					2,195	2,195
Harris Preston Fund Investments(12)(13)	August 9, 2017	Investment Partnership				
			LP Interests (HPEP 3, L.P.) (Fully diluted 8.2%)		2,233	2,233

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Hawk Ridge Systems, LLC(13)	December 2, 2016	Value-Added Reseller of Engineering Design and Manufacturing Solutions				
			10.0% Secured Debt (Maturity— December 2, 2021)	13,400	13,321	13,400
			Preferred Member Units (226 units)(8)		2,850	7,260
			Preferred Member Units (HRS Services, ULC) (226 units)		150	380
					16,321	21,040
Houston Plating and Coatings, LLC	January 8, 2003	Provider of Plating and Industrial Coating Services				
			8% Unsecured Convertible Debt (Maturity— May 1, 2022)	3,000	3,000	3,960
			Member Units (318,462 units)(8)		2,236	9,610
					5,236	13,570
I-45 SLF LLC(12)(13)	October 20, 2015	Investment Partnership				
			Member Units (Fully diluted 20.0%; 24.4% profits interest)(8)		17,000	15,922
L.F. Manufacturing Holdings, LLC(10)	December 23, 2013	Manufacturer of Fiberglass Products				
			Preferred Member Units (non-voting; 14% cumulative)(8)(19)		76	76
			Member Units (2,179,001 units)		2,019	1,940
					2,095	2,016
OnAsset Intelligence, Inc.	April 18, 2011	Provider of Transportation Monitoring / Tracking Products and Services				
			12% PIK Secured Debt (Maturity— June 30, 2021)(19)	6,095	6,095	6,095
			10% PIK Unsecured Debt (Maturity— June 30, 2021)(19)	55	55	55
			Preferred Stock (912 shares)		1,981	—
			Warrants (5,333 equivalent shares; Expiration— April 18, 2021; Strike price—$0.01 per share)		1,919	—
					10,050	6,150
PCI Holding Company, Inc.	December 18, 2012	Manufacturer of Industrial Gas Generating Systems				
			12% Current Secured Debt (Maturity— March 31, 2020)	11,356	11,356	11,356
			Preferred Stock (1,740,000 shares) (non-voting)		1,740	4,350
			Preferred Stock (1,500,000 shares)		3,927	200
					17,023	15,906
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	January 8, 2013	Provider of Rigsite Accommodation Unit Rentals and Related Services				
			12% Secured Debt (Maturity— January 8, 2018)(14)(15)	30,785	30,281	250
			Preferred Member Units (250 units)		2,500	—
					32,781	250
Salado Stone Holdings, LLC(10)	June 27, 2016	Limestone and Sandstone Dimension Cut Stone Mining Quarries				
			Class A Preferred Units (Salado Acquisition, LLC) (2,000,000 units)		2,000	1,010

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Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
SI East, LLC	August 31, 2018	Rigid Industrial Packaging Manufacturing				
			10.25% Current, Secured Debt (Maturity— August 31, 2023)	34,688	34,363	34,687
			Preferred Member Units (157 units)(8)		6,000	6,730
					40,363	41,417
Slick Innovations, LLC	September 13, 2018	Text Message Marketing Platform				
			14% Current, Secured Debt (Maturity— September 13, 2023)	6,400	6,202	6,202
			Member Units (70,000 units)		700	890
			Warrants (18,084 equivalent units; Expiration - September 13, 2028; Strike price—$0.01 per unit)		181	240
					7,083	7,332
UniTek Global Services, Inc.(11)	April 15, 2011	Provider of Outsourced Infrastructure Services				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.83%, Secured Debt (Maturity—August 20, 2024)(9)	2,978	2,953	2,953
			Preferred Stock (1,521,122 shares; 19% cumulative)(8)(19)		1,797	1,797
			Preferred Stock (2,281,682 shares; 19% cumulative)(8)(19)		3,336	3,336
			Preferred Stock (4,336,866 shares; 13.5% cumulative)(8)(19)		7,924	7,924
			Common Stock (945,507 shares)		—	600
					16,010	16,610
Universal Wellhead Services Holdings, LLC(10)	October 30, 2014	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry				
			Preferred Member Units (UWS Investments, LLC) (716,949 units; 14% cumulative)(8)(19)		967	1,020
			Member Units (UWS Investments, LLC) (4,000,000 units)		4,000	990
					4,967	2,010
Volusion, LLC	January 26, 2015	Provider of Online Software-as-a-Service eCommerce Solutions				
			11.5% Secured Debt (Maturity— January 26, 2020)	20,234	19,749	19,749
			8% Unsecured Convertible Debt (Maturity— November 16, 2023)	409	409	291
			Preferred Member Units (4,876,670 units)		14,000	14,000
			Warrants (1,831,355 equivalent units; Expiration - January 26, 2025; Strike price—$0.01 per unit)		2,576	569
					36,734	34,609
Subtotal Affiliate Investments (23.0% of net assets at fair value)					$ 370,235	$ 349,668

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Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Non-Control/Non-Affiliate Investments(7)						
AAC Holdings, Inc.(11)	June 30, 2017	Substance Abuse Treatment Service Provider				
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 9.33% / 4.00% PIK, Current Coupon Plus PIK 13.33%, Secured Debt (Maturity—June 30, 2023)(9)(19)	$ 14,490	$ 14,123	$ 13,041
			LIBOR Plus 8.75% (Floor 1.00%), Current Coupon 13.59%, Secured Debt (Maturity—April 15, 2020)(9)	1,855	1,691	1,883
					15,814	14,924
Adams Publishing Group, LLC(10)	November 19, 2015	Local Newspaper Operator				
			Prime Plus 4.00% (Floor 1.50%), Current Coupon 9.50%, Secured Debt (Maturity—July 3, 2023)(9)	5,000	4,920	4,920
			LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 10.08%, Secured Debt (Maturity—July 3, 2023)(9)	7,070	6,942	6,942
			LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 9.85%, Secured Debt (Maturity—July 3, 2023)(9)	223	223	223
					12,085	12,085
ADS Tactical, Inc.(10)	March 7, 2017	Value-Added Logistics and Supply Chain Provider to the Defense Industry				
			LIBOR Plus 6.25% (Floor 0.75%), Current Coupon 8.65%, Secured Debt (Maturity—July 26, 2023)(9)	20,000	19,844	19,991
Aethon United BR LP(10)	September 8, 2017	Oil & Gas Exploration & Production				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.16%, Secured Debt (Maturity—September 8, 2023)(9)	4,063	4,016	4,063
Affordable Care Holding Corp.(10)	May 9, 2019	Dental Service Organization				
			LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 7.23%, Secured Debt (Maturity—October 22, 2022)(9)	14,471	14,158	14,073
Allen Media, LLC.(11)	September 18, 2018	Operator of Cable Television Networks				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.90%, Secured Debt (Maturity—August 30, 2023)(9)	16,709	16,284	16,375
American Nuts, LLC(10)	April 10, 2018	Roaster, Mixer and Packager of Bulk Nuts and Seeds				
			LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 12.09%, Secured Debt (Maturity—April 10, 2023)(9)	12,299	12,117	11,958
American Scaffold Holdings, Inc.(10)	June 14, 2016	Marine Scaffolding Service Provider				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.83%, Secured Debt (Maturity—March 31, 2022)(9)	5,971	5,921	5,941

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
American Teleconferencing Services, Ltd.(11)	May 19, 2016	Provider of Audio Conferencing and Video Collaboration Solutions				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.06%, Secured Debt (Maturity—December 8, 2021)(9)	17,405	16,203	10,225
APTIM Corp.(11)	August 17, 2018	Engineering, Construction & Procurement				
			7.75% Secured Debt (Maturity—June 15, 2025)	12,452	10,732	9,526
Arcus Hunting LLC(10)	January 6, 2015	Manufacturer of Bowhunting and Archery Products and Accessories				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.59%, Secured Debt (Maturity—January 13, 2020)(9)	15,663	15,644	15,663
Arise Holdings, Inc.(10)	March 12, 2018	Tech-Enabled Business Process Outsourcing				
			Preferred Stock (1,000,000 shares)		1,000	1,896
ASC Ortho Management Company, LLC(10)	August 31, 2018	Provider of Orthopedic Services				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.09%, Secured Debt (Maturity—August 31, 2023)(9)	4,602	4,512	4,448
			13.25% PIK Secured Debt (Maturity—December 1, 2023)(19)	1,734	1,697	1,697
					6,209	6,145
ATI Investment Sub, Inc.(11)	July 11, 2016	Manufacturer of Solar Tracking Systems				
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.66%, Secured Debt (Maturity—June 22, 2021)(9)	3,635	3,601	3,368
ATX Networks Corp.(11)(13)(21)	June 30, 2015	Provider of Radio Frequency Management Equipment				
			LIBOR Plus 6.00% (Floor 1.00%) Current Coupon 8.35% / 1.00% PIK, Current Coupon Plus PIK 9.35% Secured Debt (Maturity—June 11, 2021)(9)(19)	13,975	13,715	13,242
Berry Aviation, Inc.(10)	July 6, 2018	Charter Airline Services				
			10.50% Current / 1.5% PIK, Secured Debt (Maturity— January 6, 2024) (19)	4,519	4,480	4,519
			Preferred Member Units (Berry Acquisition, LLC) (1,548,387 units; 8% cumulative)(8)(19)		1,671	1,671
					6,151	6,190
BigName Commerce, LLC(10)	May 11, 2017	Provider of Envelopes and Complimentary Stationery Products				
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.84%, Secured Debt (Maturity—May 11, 2022)(9)	2,412	2,393	2,378

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Binswanger Enterprises, LLC(10)	March 10, 2017	Glass Repair and Installation Service Provider				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.35%, Secured Debt (Maturity—March 9, 2022)(9)	13,925	13,726	13,910
			Member Units (1,050,000 units)		1,050	1,230
					14,776	15,140
Bluestem Brands, Inc.(11)	December 19, 2013	Multi-Channel Retailer of General Merchandise				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.99%, Secured Debt (Maturity—November 6, 2020)(9)	10,998	10,917	8,386
Bojangles', Inc.(11)	February 5, 2019	Quick Service Restaurant Group				
			LIBOR Plus 4.75%, Current Coupon 7.15%, Secured Debt (Maturity—January 28, 2026)	10,000	9,809	10,042
			LIBOR Plus 8.50%, Current Coupon 10.90%, Secured Debt (Maturity—January 28, 2027)	5,000	4,903	5,000
					14,712	15,042
Brainworks Software, LLC(10)	August 12, 2014	Advertising Sales and Newspaper Circulation Software				
			4.00% Secured Debt (Maturity—July 22, 2019)(9)	6,733	6,733	6,032
Brightwood Capital Fund Investments(12)(13)	July 21, 2014	Investment Partnership				
			LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 1.6%)(8)		11,700	10,171
			LP Interests (Brightwood Capital Fund IV, LP) (Fully diluted 0.6%)(8)		3,500	3,563
					15,200	13,734
Cadence Aerospace LLC(10)	November 14, 2017	Aerostructure Manufacturing				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.83%, Secured Debt (Maturity—November 14, 2023)(9)	19,421	19,266	19,421
California Pizza Kitchen, Inc.(11)	August 29, 2016	Casual Restaurant Group				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.53%, Secured Debt (Maturity—August 23, 2022)(9)	12,674	12,646	12,421
Central Security Group, Inc.(11)	December 4, 2017	Security Alarm Monitoring Service Provider				
			LIBOR Plus 5.63% (Floor 1.00%), Current Coupon 8.03%, Secured Debt (Maturity—October 6, 2021)(9)	13,812	13,759	13,605
Cenveo Corporation(11)	September 4, 2015	Provider of Digital Marketing Agency Services				
			Libor Plus 9.00% (Floor 1.00%), Current Coupon 11.42%, Secured Debt (Maturity—June 7, 2023)(9)	5,674	5,479	5,433
			Common Stock (177,130 shares)		5,309	2,568
					10,788	8,001

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Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Chisholm Energy Holdings, LLC(10)	May 15, 2019	Oil & Gas Exploration & Production				
			LIBOR Plus 6.25% (Floor 1.50%), Current Coupon 8.77%, Secured Debt (Maturity—May 15, 2026)(9)	3,571	3,483	3,483
Clarius BIGS, LLC(10)	September 23, 2014	Prints & Advertising Film Financing				
			15% PIK Secured Debt (Maturity—January 5, 2015)(14)(17)	2,908	2,908	38
Clickbooth.com, LLC(10)	December 5, 2017	Provider of Digital Advertising Performance Marketing Solutions				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.10%, Secured Debt (Maturity—December 5, 2022)(9)	2,700	2,657	2,700
Construction Supply Investments, LLC(10)	December 29, 2016	Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.41%, Secured Debt (Maturity—June 30, 2023)(9)	16,455	16,350	16,414
			Member Units (43,463 units)		4,409	6,510
					20,759	22,924
CTVSH, PLLC(10)	August 3, 2017	Emergency Care and Specialty Service Animal Hospital				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.52%, Secured Debt (Maturity—August 3, 2022)(9)	10,399	10,328	10,399
Darr Equipment LP(10)	April 15, 2014	Heavy Equipment Dealer				
			11.5% Current / 1% PIK Secured Debt (Maturity - June 22, 2023)(19)	5,869	5,869	5,869
			Warrants (915,734 equivalent units; Expiration— December 23, 2023; Strike price—$1.50 per unit)		474	250
					6,343	6,119
Digital River, Inc.(11)	February 24, 2015	Provider of Outsourced e-Commerce Solutions and Services				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.43%, Secured Debt (Maturity—February 12, 2021)(9)	14,279	14,130	14,350
DTE Enterprises, LLC(10)	April 13, 2018	Industrial Powertrain Repair and Services				
			LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 10.11%, Secured Debt (Maturity—April 13, 2023)(9)	11,742	11,544	11,731
			Class AA Preferred Member Units (non-voting; 10% cumulative)(8)(19)		817	817
			Class A Preferred Member Units (776,316 units)		776	1,490
					13,137	14,038

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Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Dynamic Communities, LLC(10)	July 17, 2018	Developer of Business Events and Online Community Groups				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.85%, Secured Debt (Maturity—July 17, 2023)(9)	5,530	5,435	5,385
Elite SEM, Inc.(10)	#N/A	Provider of Digital Marketing Agency Services				
			LIBOR Plus 8.44% (Floor 1.00%), Current Coupon 10.86%, Secured Debt (Maturity—February 1, 2022)(9)(23)	6,875	6,768	6,866
EnCap Energy Fund Investments(12)(13)	December 28, 2010	Investment Partnership				
			LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		3,645	1,615
			LP Interests (EnCap Energy Capital Fund VIII Co- Investors, L.P.) (Fully diluted 0.4%)		2,103	958
			LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)		4,381	3,395
			LP Interests (EnCap Energy Capital Fund X, L.P.) (Fully diluted 0.1%)(8)		7,879	8,517
			LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)		7,071	5,655
			LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)(8)		6,200	6,174
					31,279	26,314
Encino Acquisition Partners Holdings, Inc.(11)	November 16, 2018	Oil & Gas Exploration & Production				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.15%, Secured Debt (Maturity—October 29, 2025)(9)	9,000	8,916	8,302
EPIC Y-Grade Services, LP(11)	June 22, 2018	NGL Transportation & Storage				
			LIBOR Plus 5.50%, Current Coupon 7.90%, Secured Debt (Maturity—June 13, 2024)	15,275	15,012	14,855
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)	May 5, 2014	Technology-based Performance Support Solutions				
			LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 10.65%, Secured Debt (Maturity—April 28, 2022)(9)	6,999	6,914	2,759
Felix Investments Holdings II(10)	August 9, 2017	Oil & Gas Exploration & Production				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.06%, Secured Debt (Maturity—August 9, 2022)(9)	5,000	4,936	4,975
Flavors Holdings Inc.(11)	October 15, 2014	Global Provider of Flavoring and Sweetening Products				
			LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.08%, Secured Debt (Maturity—April 3, 2020)(9)	11,297	11,153	10,591

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Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
GeoStabilization International (GSI) (11)	December 31, 2018	Geohazard Engineering Services & Maintenance				
			LIBOR Plus 5.50%, Current Coupon 7.83%, Secured Debt (Maturity—December 19, 2025)	16,459	16,303	16,459
GI KBS Merger Sub LLC(11)	November 10, 2014	Outsourced Janitorial Service Provider				
			LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 7.22%, Secured Debt (Maturity—October 29, 2021)(9)	9,172	9,123	9,184
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.08%, Secured Debt (Maturity—April 29, 2022)(9)	3,915	3,811	3,949
					12,934	13,133
Good Source Solutions, Inc.(10)	October 23, 2018	Specialized Food Distributor				
			LIBOR Plus 8.32% (Floor 1.00%), Current Coupon 10.65%, Secured Debt (Maturity—June 29, 2023)(9)(23)	5,000	4,956	4,893
GoWireless Holdings, Inc.(11)	December 31, 2017	Provider of Wireless Telecommunications Carrier Services				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.90%, Secured Debt (Maturity—December 22, 2024)(9)	18,623	18,451	18,150
Grupo Hima San Pablo, Inc.(11)	March 7, 2013	Tertiary Care Hospitals				
			LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 9.58%, Secured Debt (Maturity—April 30, 2019)(9)(17)	4,565	4,565	3,743
			13.75% Secured Debt (Maturity—October 15, 2018)(17)	2,055	2,040	226
					6,605	3,969
HDC/HW Intermediate Holdings(10)	December 21, 2018	Managed Services and Hosting Provider				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.83%, Secured Debt (Maturity—December 21, 2023)(9)	3,296	3,232	3,291
Hoover Group, Inc.(10)(13)	October 21, 2016	Provider of Storage Tanks and Related Products to the Energy and Petrochemical Markets				
			LIBOR Plus 6.00%, Current Coupon 9.18%, Secured Debt (Maturity—January 28, 2020)	6,950	6,709	6,559
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.68%, Secured Debt (Maturity—January 28, 2021)(9)	9,322	9,056	9,089
					15,765	15,648
Hunter Defense Technologies, Inc. (10)	March 29, 2018	Provider of Military and Commercial Shelters and Systems				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.33%, Secured Debt (Maturity—March 29, 2023)(9)	15,871	15,644	15,871

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(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
HW Temps LLC	July 2, 2015	Temporary Staffing Solutions				
			8.00% Secured Debt (Maturity—March 29, 2023)	10,718	10,523	9,410
Hydrofarm Holdings LLC(10)	May 18, 2017	Wholesaler of Horticultural Products				
			LIBOR Plus 10.00%, Current Coupon 3.72% / 8.68% PIK, Current Coupon Plus PIK 12.40% Secured Debt (Maturity—May 12, 2022)(19)	7,320	7,206	5,845
iEnergizer Limited(10)(13)(21)	May 8, 2013	Provider of Business Outsourcing Solutions				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.40%, Secured Debt (Maturity—April 17, 2024)(9)	15,250	15,110	15,110
Implus Footcare, LLC(10)	June 1, 2017	Provider of Footwear and Related Accessories				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.58%, Secured Debt (Maturity—April 30, 2024)(9)	18,670	18,234	18,407
Independent Pet Partners Intermediate Holdings, LLC(10)	November 20, 2018	Omnichannel Retailer of Specialty Pet Products				
			LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.66%, Secured Debt (Maturity—November 19, 2023) (9)	17,310	16,990	17,252
			Member Units (1,558,333 units)		1,558	1,558
					18,548	18,810
Industrial Services Acquisition, LLC(10)	June 17, 2016					
		Industrial Cleaning Services				
			6% Current / 7% PIK Unsecured Debt (Maturity— December 17, 2022)(19)	5,058	4,979	5,058
			Preferred Member Units (Industrial Services Investments, LLC) (144 units; 10% cumulative)(8)(19)		99	99
			Preferred Member Units (Industrial Services Investments, LLC) (80 units; 20% cumulative)(8)(19)		55	55
			Member Units (Industrial Services Investments, LLC) (900 units)		900	520
					6,033	5,732
Inn of the Mountain Gods Resort and Casino(11)	October 30, 2013	Hotel & Casino Owner & Operator				
			9.25% Secured Debt (Maturity—November 30, 2020)	7,762	7,495	7,684
Intermedia Holdings, Inc.(11)	August 3, 2018	Unified Communications as a Service				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.40%, Secured Debt (Maturity—July 19, 2025)(9)	11,514	11,410	11,542
Isagenix International, LLC(11)	June 21, 2018	Direct Marketer of Health & Wellness Products				
			LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.08%, Secured Debt (Maturity—June 14, 2025)(9)	6,187	6,133	4,919

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
JAB Wireless, Inc.(10)	May 2, 2018	Fixed Wireless Broadband Provider				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.41%, Secured Debt (Maturity—May 2, 2023)(9)	14,813	14,692	14,813
Jackmont Hospitality, Inc.(10)	May 26, 2015	Franchisee of Casual Dining Restaurants				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.19%, Secured Debt (Maturity—May 26, 2021)(9)	4,112	4,106	4,112
Joerns Healthcare, LLC(11)	April 3, 2013	Manufacturer and Distributor of Health Care Equipment & Supplies				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.31% Secured Debt (Maturity—October 24, 2019)(9)	1,137	1,137	1,137
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.52% Secured Debt (Maturity—May 9, 2020)(9)(14)	13,387	13,344	6,398
					14,481	7,535
Kemp Technologies Inc.(10)	June 27, 2019	Provider of Application Delivery Controllers				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.58%, Secured Debt (Maturity—March 29, 2024)(9)	7,500	7,350	7,350
Kore Wireless Group Inc.(11)	December 31, 2018	Mission Critical Software Platform				
			LIBOR Plus 5.50%, Current Coupon 7.83%, Secured Debt (Maturity—December 20, 2024)	17,456	17,372	17,347
Larchmont Resources, LLC(11)	August 13, 2013	Oil & Gas Exploration & Production				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.46%, Secured Debt (Maturity—August 7, 2020)(9)	2,145	2,145	2,022
			Member Units (Larchmont Intermediate Holdco, LLC) (2,828 units)		353	707
					2,498	2,729
Laredo Energy VI, LP(10)	January 15, 2019	Oil & Gas Exploration & Production				
			LIBOR Plus 10.50% (Floor 2.00%) PIK, Current Coupon 13.05% PIK, Secured Debt (Maturity—November 19, 2021)(9)	9,450	9,244	9,244
Lightbox Holdings, L.P.(11)	May 23, 2019	Provider of Commercial Real Estate Software				
			LIBOR Plus 5.00%, Current Coupon 7.45%, Secured Debt (Maturity—May 9, 2026)	15,000	14,777	14,850
LKCM Headwater Investments I, L.P.(12)(13)	January 25, 2013	Investment Partnership				
			LP Interests (Fully diluted 2.3%)(8)		1,780	3,656
LL Management, Inc.(10)	May 2, 2019	Medical Transportation Service Provider				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.23%, Secured Debt (Maturity—September 25, 2023)(9)	13,818	13,673	13,673

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Consolidated Schedule of Investments (Continued)

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Logix Acquisition Company, LLC(10)	June 24, 2016	Competitive Local Exchange Carrier				
			LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.15%, Secured Debt (Maturity—December 22, 2024)(9)	18,478	18,281	18,478
Looking Glass Investments, LLC(12) (13)	July 1, 2015	Specialty Consumer Finance				
			Member Units (2.5 units)		125	45
			Member Units (LGI Predictive Analytics LLC) (190,712 units)(8)		49	21
					174	66
LSF9 Atlantis Holdings, LLC(11)	May 17, 2017	Provider of Wireless Telecommunications Carrier Services				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.42%, Secured Debt (Maturity—May 1, 2023)(9)	9,584	9,576	9,011
Lulu's Fashion Lounge, LLC(10)	August 31, 2017	Fast Fashion E-Commerce Retailer				
			LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.40%, Secured Debt (Maturity—August 28, 2022)(9)	11,847	11,530	11,610
Mac Lean-Fogg Company(10)	April 22, 2019	Manufacturer and Supplier for Auto and Power Markets				
			LIBOR Plus 4.75%, Current Coupon 7.08%, Secured Debt (Maturity—December 22, 2025)	16,732	16,604	16,604
			Preferred Stock (1,516 shares; 4.50% Cash/ 9.25% PIK cumulative)(8)(19)		1,742	1,742
					18,346	18,346
MHVC Acquisition Corp.(11)	May 8, 2017	Provider of differentiated information solutions, systems engineering, and analytics				
			LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 7.66%, Secured Debt (Maturity—April 29, 2024)(9)	17,353	17,268	17,244
Mills Fleet Farm Group, LLC(10)	October 24, 2018	Omnichannel Retailer of Work, Farm and Lifestyle Merchandise				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.65%, Secured Debt (Maturity—October 24, 2024)(9)	14,963	14,690	14,690
Mobileum, Inc.(10)	October 23, 2018	Provider of big data analytics to telecom service providers				
			LIBOR Plus 10.25% (Floor 0.75%), Current Coupon 12.58%, Secured Debt (Maturity—May 1, 2022)(9)	7,500	7,437	7,437
NBG Acquisition Inc(11)	April 28, 2017	Wholesaler of Home Décor Products				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.83%, Secured Debt (Maturity—April 26, 2024)(9)	4,236	4,184	4,077

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
New Era Technology, Inc.(10)	June 30, 2018	Managed Services and Hosting Provider				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.94%, Secured Debt (Maturity—June 22, 2023)(9)	11,659	11,466	11,518
New Media Holdings II LLC(11)(13)	June 10, 2014	Local Newspaper Operator				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.58%, Secured Debt (Maturity—July 14, 2022)(9)	18,026	17,796	17,974
NNE Partners, LLC(10)	March 2, 2017	Oil & Gas Exploration & Production				
			LIBOR Plus 8.00%, Current Coupon 10.52%, Secured Debt (Maturity—March 2, 2022)	20,417	20,279	20,417
North American Lifting Holdings, Inc.(11)	February 26, 2015	Crane Service Provider				
			LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.83%, Secured Debt (Maturity—November 27, 2020)(9)	7,644	7,213	7,260
Novetta Solutions, LLC(11)	June 21, 2017	Provider of Advanced Analytics Solutions for Defense Agencies				
			LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.41%, Secured Debt (Maturity—October 17, 2022)(9)	21,170	20,720	20,861
NTM Acquisition Corp.(11)	July 12, 2016	Provider of B2B Travel Information Content				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.65%, Secured Debt (Maturity—June 7, 2022)(9)	4,297	4,286	4,232
Ospemifene Royalty Sub LLC (QuatRx)(10)	July 8, 2013	Estrogen-Deficiency Drug Manufacturer and Distributor				
			11.5% Secured Debt (Maturity—November 15, 2026)(14)	4,921	4,921	698
Permian Holdco 2, Inc.(11)	February 12, 2013	Storage Tank Manufacturer				
			14% PIK Unsecured Debt (Maturity—October 15, 2021)(19)	424	424	310
			18% PIK Unsecured Debt (Maturity—June 30, 2022)(19)	291	291	291
			Preferred Stock (Permian Holdco 1, Inc.) (154,558 units)		799	330
					1,514	931
Pier 1 Imports, Inc.(11)	February 20, 2018	Decorative Home Furnishings Retailer				
			LIBOR Plus 3.50% (Floor 1.00%), Current Coupon 5.70%, Secured Debt (Maturity—April 30, 2021)(9)	9,685	9,215	2,421
Point.360(10)	July 8, 2015	Fully Integrated Provider of Digital Media Services				
			Warrants (65,463 equivalent shares; Expiration— July 7, 2020; Strike price —$0.75 per share)		69	—
			Common Stock (163,658 shares)		273	—
					342	—

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
PricewaterhouseCoopers Public Sector LLP(11)	May 24, 2018	Provider of Consulting Services to Governments				
			LIBOR Plus 7.50%, Current Coupon 9.90%, Secured Debt (Maturity—May 1, 2026)	9,000	8,963	8,955
PT Network, LLC(10)	November 1, 2013	Provider of Outpatient Physical Therapy and Sports Medicine Services				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.10%, Secured Debt (Maturity—November 30, 2023)(9)	8,449	8,449	7,976
Research Now Group, Inc. and Survey Sampling International, LLC(11)	December 31, 2017	Provider of Outsourced Online Surveying				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.08%, Secured Debt (Maturity—December 20, 2024)(9)	18,254	17,685	18,231
RM Bidder, LLC(10)	November 12, 2015	Scripted and Unscripted TV and Digital Programming Provider				
			Warrants (327,532 equivalent units; Expiration— October 20, 2025; Strike price—$14.28 per unit)		425	—
			Member Units (2,779 units)		46	12
					471	12
SAFETY Investment Holdings, LLC	April 29, 2016	Provider of Intelligent Driver Record Monitoring Software and Services				
			Member Units (2,000,000 units)		2,000	2,200
Salient Partners L.P.(11)	June 25, 2015	Provider of Asset Management Services				
			LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.18%, Secured Debt (Maturity—June 9, 2021)(9)	7,125	7,099	7,099
SMART Modular Technologies, Inc. (10)(13)	August 18, 2017	Provider of Specialty Memory Solutions				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.75%, Secured Debt (Maturity—August 9, 2022)(9)	19,000	18,817	19,190
Staples Canada ULC(10)(13)(21)	September 14, 2017	Office Supplies Retailer				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.99%, Secured Debt (Maturity—September 12, 2023)(9)(22)	15,146	14,917	13,894
STL Parent Corp.(10)	December 14, 2018	Manufacturer and Servicer of Tank and Hopper Railcars				
			LIBOR Plus 7.00%, Current Coupon 9.40%, Secured Debt (Maturity—December 5, 2022)	14,906	14,442	15,055
TE Holdings, LLC(11)	December 5, 2013	Oil & Gas Exploration & Production				
			Member Units (97,048 units)		970	—

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Tectonic Financial, Inc.	May 15, 2017	Financial Services Organization				
			Common Stock (400,000 shares)(8)		2,000	2,620
TeleGuam Holdings, LLC(11)	June 26, 2013	Cable and Telecom Services Provider				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.90%, Secured Debt (Maturity—April 12, 2024)(9)	7,750	7,629	7,798
TGP Holdings III LLC(11)	September 30, 2017	Outdoor Cooking & Accessories				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.83%, Secured Debt (Maturity—September 25, 2025)(9)	5,500	5,437	5,170
The Pasha Group(11)	February 2, 2018	Diversified Logistics and Transportation Provided				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.94%, Secured Debt (Maturity—January 26, 2023)(9)	9,961	9,725	10,067
TMC Merger Sub Corp.(11)	December 22, 2016	Refractory & Maintenance Services Provider				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.19%, Secured Debt (Maturity—October 31, 2022)(9)(24)	15,956	15,796	15,796
TOMS Shoes, LLC(11)	November 13, 2014	Global Designer, Distributor, and Retailer of Casual Footwear				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.08%, Secured Debt (Maturity—October 30, 2020)(9)	4,788	4,655	3,686
Turning Point Brands, Inc.(10)(13)	February 17, 2017	Marketer/Distributor of Tobacco Products				
			LIBOR Plus 7.00%, Current Coupon 9.40%, Secured Debt (Maturity—March 7, 2024)	6,592	6,538	6,658
U.S. TelePacific Corp.(11)	September 14, 2016	Provider of Communications and Managed Services				
			LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.33%, Secured Debt (Maturity—May 2, 2023)(9)	22,491	22,186	21,483
VIP Cinema Holdings, Inc.(11)	March 9, 2017	Supplier of Luxury Seating to the Cinema Industry				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.41%, Secured Debt (Maturity—March 1, 2023)(9)	10,350	10,313	9,522
Vistar Media, Inc.(10)	February 17, 2017	Operator of Digital Out-of-Home Advertising Platform				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.32%, Secured Debt (Maturity—April 3, 2023)(9)	5,839	5,610	5,787
			Preferred Stock (70,207 shares)(8)(19)		767	830
			Warrants (69,675 equivalent shares; Expiration—April 3, 2029; Strike price—$10.92 per share)		—	820
					6,377	7,437

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Wireless Vision Holdings, LLC(10)	September 29, 2017	Provider of Wireless Telecommunications Carrier Services				
			LIBOR Plus 8.91% (Floor 1.00%), Current Coupon 12.49% / 1% PIK, Current Coupon Plus PIK 13.49%, Secured Debt (Maturity—September 29, 2022)(9)(19)(28)	13,829	13,608	13,695
YS Garments, LLC(11)	August 22, 2018	Designer and Provider of Branded Activewear				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.37% Secured Debt (Maturity—August 9, 2024)(9)	14,813	14,681	14,701
Zilliant Incorporated	June 15, 2012	Price Optimization and Margin Management Solutions				
			Preferred Stock (186,777 shares)		154	259
			Warrants (952,500 equivalent shares; Expiration— June 15, 2022; Strike price—$0.001 per share)		1,071	1,189
					1,225	1,448
Subtotal Non-Control/Non-Affiliate Investments (73.5% of net assets at fair value)					$1,166,618	$ 1,118,069
Total Portfolio Investments, June 30, 2019					$2,307,128	$ 2,508,429

(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 Facility 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 and Schedule 12-14 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% (inclusive) of the voting securities are owned and the investments are not classified as Control investments.

(7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.

(8) Income producing through dividends or distributions.

(9) Index based floating interest rate is subject to contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either LIBOR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each such loan, the Company has provided the weighted average annual stated interest rate in effect at June 30, 2019. As noted in this schedule, 64% of the loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.25%, with a weighted-average LIBOR floor of approximately 1.05%.

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

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

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

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

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

(15) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investments in this portfolio company will not be finally determined until such process is complete. As noted in footnote (14), our debt investments in this portfolio company are on non-accrual status.

(16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Facility or in support of the SBA-guaranteed debentures issued by the Funds.

(17) Maturity date is under on-going negotiations with the portfolio company and other lenders, if applicable.

(18) Investment fair value was determined using significant unobservable inputs, unless otherwise noted. See Note C for further discussion.

(19) PIK interest income and cumulative dividend income represent income not paid currently in cash.

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

June 30, 2019

(dollars in thousands)

(unaudited)

(20) All portfolio company headquarters are based in the United States, unless otherwise noted.

(21) Portfolio company headquarters are located outside of the United States.

(22) In connection with the Company's debt investment in Staples Canada ULC in an attempt to mitigate any potential adverse change in foreign exchange rates during the term of the Company's investment, the Company maintains a forward foreign currency contract with Cadence Bank to lend $18.3 million Canadian Dollars and receive $14.1 million U.S. Dollars with a settlement date of September 12, 2019. The unrealized appreciation on the forward foreign currency contract is $0.1 million as of June 30, 2019.

(23) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of LIBOR plus 6.00% (Floor 1.00%) per the Credit Facility and the Consolidated Schedule of Investments above reflects such higher rate.

(24) The Company has entered into an intercreditor agreement that entitles the Company to the "first out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a lower interest rate than the contractual stated interest rate of LIBOR plus 7.14% (Floor 1.00%) per the Credit Facility and the Consolidated Schedule of Investments above reflects such lower rate.

(25) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."

(26) Investment date represents the date of initial investment in the portfolio company.

(27) Investment has an unfunded commitment as of June 30, 2019 (see Note K). The fair value of the investment includes the impact of the fair value of any unfunded commitments

(28) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of LIBOR plus 8.50% (Floor 1.00%) per the Credit Facility and the Consolidated Schedule of Investments above reflects such higher rate.

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Control Investments(5)						
Access Media Holdings, LLC(10)	July 22, 2015	Private Cable Operator				
			10% PIK Secured Debt (Maturity—July 22, 2020)(14)(19)	$ 23,828	$ 23,828	$ 8,558
			Preferred Member Units (9,481,500 units)(27)		9,375	(284)
			Member Units (45 units)		1	—
					33,204	8,274
ASC Interests, LLC	August 1, 2013	Recreational and Educational Shooting Facility				
			11% Secured Debt (Maturity—July 31, 2020)	1,650	1,622	1,622
			Member Units (1,500 units)		1,500	1,370
					3,122	2,992
ATS Workholding, LLC(10)	March 10, 2014	Manufacturer of Machine Cutting Tools and Accessories				
			5% Secured Debt (Maturity—November 16, 2021)	4,877	4,507	4,390
			Preferred Member Units (3,725,862 units)		3,726	3,726
					8,233	8,116
Bond-Coat, Inc.	December 28, 2012	Casing and Tubing Coating Services				
			12% Secured Debt (Maturity—December 28, 2020)	11,596	11,367	11,596
			Common Stock (57,508 shares)		6,350	9,370
					17,717	20,966
Brewer Crane Holdings, LLC	January 9, 2018	Provider of Crane Rental and Operating Services				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.35%, Secured Debt (Maturity—January 9, 2023)(9)	9,548	9,467	9,467
			Preferred Member Units (2,950 units)(8)		4,280	4,280
					13,747	13,747
Café Brazil, LLC	April 20, 2004	Casual Restaurant Group				
			Member Units (1,233 units)(8)		1,742	4,780
California Splendor Holdings LLC	March 30, 2018	Processor of Frozen Fruits				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.50%, Secured Debt (Maturity—March 30, 2023)(9)	11,091	10,928	10,928
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.50%, Secured Debt (Maturity—March 30, 2023)(9)	28,000	27,755	27,755
			Preferred Member Units (6,157 units)(8)		10,775	9,745
					49,458	48,428
CBT Nuggets, LLC	June 1, 2006	Produces and Sells IT Training Certification Videos				
			Member Units (416 units)(8)		1,300	61,610

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Chamberlin Holding LLC	February 26, 2018	Roofing and Waterproofing Specialty Contractor				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.75%, Secured Debt (Maturity—February 26, 2023) (9)	20,203	20,028	20,028
			Member Units (4,347 units)(8)		11,440	18,940
			Member Units (Chamberlin Langfield Real Estate, LLC) (732,160 units)		732	732
					32,200	39,700
Charps, LLC	February 3, 2017	Pipeline Maintenance and Construction				
			12% Secured Debt (Maturity—February 3, 2022)	11,900	11,805	11,888
			Preferred Member Units (1,600 units) (8)		400	2,270
					12,205	14,158
Clad-Rex Steel, LLC	December 20, 2016	Specialty Manufacturer of Vinyl-Clad Metal				
			LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.35%, Secured Debt (Maturity—December 20, 2021) (9)	12,080	12,001	12,080
			Member Units (717 units)(8)		7,280	10,610
			10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity—December 20, 2036)	1,161	1,150	1,161
			Member Units (Clad-Rex Steel RE Investor, LLC) (800 units)		210	350
					20,641	24,201
CMS Minerals Investments	January 30, 2015	Oil & Gas Exploration & Production				
			Member Units (CMS Minerals II, LLC) (100 units)(8)		2,707	2,580
Copper Trail Fund Investments(12)(13)	July 17, 2017	Investment Partnership				
			LP Interests (CTMH, LP) (Fully diluted 38.8%)		872	872
			LP Interests (Copper Trail Energy Fund I, LP) (Fully diluted 30.1%)(8)		3,495	4,170
					4,367	5,042
Datacom, LLC	May 30, 2014	Technology and Telecommunications Provider				
			8% Secured Debt (Maturity—May 30, 2019)(14)	1,800	1,800	1,690
			10.50% PIK Secured Debt (Maturity—May 30, 2019)(14)(19)	12,511	12,479	9,786
			Class A Preferred Member Units		1,294	—
			Class B Preferred Member Units (6,453 units)		6,030	—
					21,603	11,476
Digital Products Holdings LLC	April 1, 2018	Designer and Distributor of Consumer Electronics				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.38%, Secured Debt (Maturity—April 1, 2023)(9)	25,740	25,511	25,511
			Preferred Member Units (3,451 shares) (8)		8,466	8,466
					33,977	33,977

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Direct Marketing Solutions, Inc.	February 13, 2018	Provider of Omni-Channel Direct Marketing Services				
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.38%, Secured Debt (Maturity—February 13, 2023) (9)	18,017	17,848	17,848
			Preferred Stock (8,400 shares)		8,400	14,900
					26,248	32,748
Gamber-Johnson Holdings, LLC	June 24, 2016	Manufacturer of Ruggedized Computer Mounting Systems				
			LIBOR Plus 7.50% (Floor 2.00%), Current Coupon 9.85%, Secured Debt (Maturity—June 24, 2021)(9)	21,486	21,356	21,486
			Member Units (8,619 units)(8)		14,844	45,460
					36,200	66,946
Garreco, LLC	July 15, 2013	Manufacturer and Supplier of Dental Products				
			LIBOR Plus 8.00% (Floor 1.00%, Ceiling 1.50%), Current Coupon 9.50%, Secured Debt (Maturity—March 31, 2020)(9)	5,121	5,099	5,099
			Member Units (1,200 units)		1,200	2,590
					6,299	7,689
GRT Rubber Technologies LLC	December 19, 2014	Manufacturer of Engineered Rubber Products				
			LIBOR Plus 7.00%, Current Coupon 9.35%, Secured Debt (Maturity—December 31, 2023)(9)	9,740	9,716	9,740
			Member Units (5,879 units)(8)		13,065	39,060
					22,781	48,800
Guerdon Modular Holdings, Inc.	August 13, 2014	Multi-Family and Commercial Modular Construction Company				
			13% Secured Debt (Maturity—March 1, 2019)	12,588	12,572	12,002
			Preferred Stock (404,998 shares)		1,140	—
			Common Stock (212,033 shares)		2,983	—
			Warrants (6,208,877 equivalent shares; Expiration—April 25, 2028; Strike price—$0.01 per unit)		—	—
					16,695	12,002
Gulf Manufacturing, LLC	August 31, 2007	Manufacturer of Specialty Fabricated Industrial Piping Products				
			Member Units (438 units)(8)		2,980	11,690
Gulf Publishing Holdings, LLC	April 29, 2016	Energy Industry Focused Media and Publishing				
			12.5% Secured Debt (Maturity—April 29, 2021)	12,666	12,594	12,594
			Member Units (3,681 units)		3,681	4,120
					16,275	16,714
Harborside Holdings, LLC	March 20, 2017	Real Estate Holding Company				
			Member units (100 units)		6,306	9,500

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Harris Preston Fund Investments(12) (13)	October 1, 2017	Investment Partnership				
			LP Interests (2717 MH, L.P.) (Fully diluted 49.3%)		1,040	1,133
Harrison Hydra-Gen, Ltd.	June 4, 2010	Manufacturer of Hydraulic Generators				
			Common Stock (107,456 shares)(8)		718	8,070
HW Temps LLC	July 2, 2015	Temporary Staffing Solutions				
			LIBOR Plus 13.00% (Floor 1.00%), Current Coupon 15.35%, Secured Debt (Maturity July 2, 2020)(9)	9,976	9,938	9,938
			Preferred Member Units (3,200 units) (8)		3,942	3,942
					13,880	13,880
IDX Broker, LLC	November 15, 2013	Provider of Marketing and CRM Tools for the Real Estate Industry				
			11.5% Secured Debt (Maturity—November 15, 2020)	14,350	14,262	14,350
			Preferred Member Units (5,607 units) (8)		5,952	13,520
					20,214	27,870
Jensen Jewelers of Idaho, LLC	November 14, 2006	Retail Jewelry Store				
			Prime Plus 6.75% (Floor 2.00%), Current Coupon 12.00%, Secured Debt (Maturity—November 14, 2019) (9)	3,355	3,337	3,355
			Member Units (627 units)(8)		811	5,090
					4,148	8,445
KBK Industries, LLC	January 23, 2006	Manufacturer of Specialty Oilfield and Industrial Products				
			Member Units (325 units)(8)		783	8,610
Kickhaefer Manufacturing Company, LLC	October 31, 2018	Precision Metal Parts Manufacturing				
			11.5% Secured Debt (Maturity—October 31, 2020)	1,064	1,045	1,045
			11.5% Secured Debt (Maturity—October 31, 2023)	28,000	27,730	27,730
			Member Units (581 units)		12,240	12,240
			9.0% Secured Debt (Maturity—October 31, 2048)	4,006	3,970	3,970
			Member Units (KMC RE Investor, LLC) (800 units)		992	992
					45,977	45,977
Lamb Ventures, LLC	May 30, 2008	Aftermarket Automotive Services Chain				
			11% Secured Debt (Maturity—July 1, 2022)	8,339	8,306	8,339
			Preferred Stock (non-voting)		400	400
			Member Units (742 units)		5,273	7,440
			9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity—March 31, 2027)	432	428	432
			Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)		625	630
					15,032	17,241

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Consolidated Schedule of Investments (Continued)

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Market Force Information, LLC	July 28, 2017	Provider of Customer Experience Management Services				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.74%, Secured Debt (Maturity—July 28, 2022)(9)	200	200	200
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.74%, Secured Debt (Maturity—July 28, 2022)(9)	22,800	22,624	22,624
			Member Units (657,113 units)		14,700	13,100
					37,524	35,924
MH Corbin Holding LLC	August 31, 2015	Manufacturer and Distributor of Traffic Safety Products				
			10% Current / 3% PIK Secured Debt (Maturity—August 31, 2020)(14)(19)	12,263	12,121	11,733
			Preferred Member Units (4,000 shares)		6,000	1,000
					18,121	12,733
Mid-Columbia Lumber Products, LLC	December 18, 2006	Manufacturer of Finger-Jointed Lumber Products				
			10% Secured Debt (Maturity—January 15, 2020)	1,750	1,746	1,746
			12% Secured Debt (Maturity—January 15, 2020)	3,900	3,880	3,880
			Member Units (7,874 units)		3,001	3,860
			9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity—May 13, 2025)	746	746	746
			Member Units (Mid-Columbia Real Estate, LLC) (500 units)(8)		790	1,470
					10,163	11,702
MSC Adviser I, LLC(16)	November 22, 2013	Third Party Investment Advisory Services				
			Member Units (Fully diluted 100.0%)(8)		—	65,748
Mystic Logistics Holdings, LLC	August 18, 2014	Logistics and Distribution Services Provider for Large Volume Mailers				
			12% Secured Debt (Maturity—August 15, 2019)	7,536	7,506	7,506
			Common Stock (5,873 shares)		2,720	210
					10,226	7,716
NAPCO Precast, LLC	January 31, 2008	Precast Concrete Manufacturing				
			LIBOR Plus 8.50%, Current Coupon 11.24%, Secured Debt (Maturity—May 31, 2019)	11,475	11,464	11,475
			Member Units (2,955 units)(8)		2,975	13,990
					14,439	25,465
NexRev LLC	February 28, 2018	Provider of Energy Efficiency Products & Services				
			11% Secured Debt (Maturity—February 28, 2023)	17,440	17,288	17,288
			Preferred Member Units (86,400,000 units)(8)		6,880	7,890
					24,168	25,178

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Consolidated Schedule of Investments (Continued)

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(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
NRI Clinical Research, LLC	September 8, 2011	Clinical Research Service Provider				
			14% Secured Debt (Maturity—June 8, 2022)	6,685	6,545	6,685
			Warrants (251,723 equivalent units; Expiration—June 8, 2027; Strike price —$0.01 per unit)		252	660
			Member Units (1,454,167 units)		765	2,478
					7,562	9,823
NRP Jones, LLC	December 22, 2011	Manufacturer of Hoses, Fittings and Assemblies				
			12% Secured Debt (Maturity—March 20, 2023)	6,376	6,376	6,376
			Member Units (65,962 units)		3,717	5,960
					10,093	12,336
NuStep, LLC	January 31, 2017	Designer, Manufacturer and Distributor of Fitness Equipment				
			12% Secured Debt (Maturity—January 31, 2022)	20,600	20,458	20,458
			Preferred Member Units (406 units)		10,200	10,200
					30,658	30,658
OMi Holdings, Inc.	April 1, 2008	Manufacturer of Overhead Cranes				
			Common Stock (1,500 shares)(8)		1,080	16,020
Pegasus Research Group, LLC	January 6, 2011	Provider of Telemarketing and Data Services				
			Member Units (460 units)		1,290	7,680
PPL RVs, Inc.	June 10, 2010	Recreational Vehicle Dealer				
			LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 9.40%, Secured Debt (Maturity—November 15, 2021)(9)	15,100	15,006	15,100
			Common Stock (1,962 shares)(8)		2,150	10,380
					17,156	25,480
Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)	February 1, 2011	Noise Abatement Service Provider				
			13% Secured Debt (Maturity—April 30, 2020)	7,477	7,398	7,477
			Preferred Member Units (19,631 units) (8)		4,600	13,090
			Warrants (1,018 equivalent units; Expiration—January 31, 2021; Strike price—$0.01 per unit)		1,200	780
					13,198	21,347
Quality Lease Service, LLC	June 8, 2015	Provider of Rigsite Accommodation Unit Rentals and Related Services				
			Zero Coupon Secured Debt (Maturity—June 8, 2021)	7,341	7,341	6,450
			Member Units (1,000 units)		4,043	3,809
					11,384	10,259

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
River Aggregates, LLC	March 30, 2011	Processor of Construction Aggregates				
			Zero Coupon Secured Debt (Maturity—June 30, 2018)(17)	750	750	722
			Member Units (1,150 units)		1,150	4,610
			Member Units (RA Properties, LLC) (1,500 units)		369	2,930
					2,269	8,262
Tedder Industries, LLC	August 31, 2018	Manufacturer of Firearm Holsters and Accessories				
			12% Secured Debt (Maturity—August 31, 2020)	480	480	480
			12% Secured Debt (Maturity—August 31, 2023)	16,400	16,246	16,246
			Preferred Member Units (440 units)		7,476	7,476
					24,202	24,202
The MPI Group, LLC	October 2, 2007	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories				
			9% Secured Debt (Maturity—October 2, 2019)	2,924	2,924	2,582
			Series A Preferred Units (2,500 units)		2,500	440
			Warrants (1,424 equivalent units; Expiration—July 1, 2024; Strike price—$0.01 per unit)		1,096	—
			Member Units (MPI Real Estate Holdings, LLC) (100 units)(8)		2,300	2,479
					8,820	5,501
Vision Interests, Inc.	June 5, 2007	Manufacturer / Installer of Commercial Signage				
			13% Secured Debt (Maturity—December 23, 2018)(17)	2,153	2,153	2,153
			Series A Preferred Stock (3,000,000 shares)		3,000	3,740
			Common Stock (1,126,242 shares)		3,706	280
					8,859	6,173
Ziegler's NYPD, LLC	October 1, 2008	Casual Restaurant Group				
			6.5% Secured Debt (Maturity—October 1, 2019)	1,000	998	1,000
			12% Secured Debt (Maturity—October 1, 2019)	425	425	425
			14% Secured Debt (Maturity—October 1, 2019)	2,750	2,750	2,750
			Warrants (587 equivalent units; Expiration—October 1, 2019; Strike price—$0.01 per unit)		600	—
			Preferred Member Units (10,072 units)		2,834	1,249
					7,607	5,424
Subtotal Control Investments (68.1% of net assets at fair value)					$ 750,618	$ 1,004,993

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Affiliate Investments(6)						
AFG Capital Group, LLC	November 7, 2014	Provider of Rent-to-Own Financing Solutions and Services				
			Warrants (42 equivalent units; Expiration—November 7, 2024; Strike price—$0.01 per unit)		$ 259	$ 950
			Preferred Member Units (186 units)(8)		1,200	3,980
					1,459	4,930
Barfly Ventures, LLC(10)	August 31, 2015	Casual Restaurant Group				
			12% Secured Debt (Maturity—August 31, 2020)	10,185	10,039	10,018
			Options (3 equivalent units)		607	940
			Warrant (1 equivalent unit; Expiration—August 31, 2025; Strike price—$1.00 per unit)		473	410
					11,119	11,368
BBB Tank Services, LLC	April 8, 2016	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market				
			LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.35%, (Maturity—April 8, 2021)(9)	4,000	3,833	3,833
			Preferred Stock (non-voting)		113	113
			Member Units (800,000 units)		800	230
					4,746	4,176
Boccella Precast Products LLC	June 30, 2017	Manufacturer of Precast Hollow Core Concrete				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.40%, Secured Debt (Maturity—June 30, 2022)(9)	15,724	15,512	15,724
			Member Units (2,160,000 units)(8)		2,160	5,080
					17,672	20,804
Boss Industries, LLC	July 1, 2014	Manufacturer and Distributor of Air, Power and Other Industrial Equipment				
			Preferred Member Units (2,242 units)(8)		2,246	6,176
Bridge Capital Solutions Corporation	April 18, 2012	Financial Services and Cash Flow Solutions Provider				
			13% Secured Debt (Maturity—July 25, 2021)	7,500	6,221	6,221
			Warrants (82 equivalent shares; Expiration—July 25, 2026; Strike price—$0.01 per share)		2,132	4,020
			13% Secured Debt (Mercury Service Group, LLC) (Maturity—July 25, 2021)	1,000	994	1,000
			Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)		1,000	1,000
					10,347	12,241

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Buca C, LLC	June 30, 2015	Casual Restaurant Group				
			LIBOR Plus 9.25% (Floor 1.00%), Current Coupon 11.63%, Secured Debt (Maturity—June 30, 2020)(9)	19,104	19,038	19,038
			Preferred Member Units (6 units; 6% cumulative)(8)(19)		4,431	4,431
					23,469	23,469
CAI Software LLC	October 10, 2014	Provider of Specialized Enterprise Resource Planning Software				
			12% Secured Debt (Maturity—December 7, 2023)	10,880	10,763	10,880
			Member Units (66,968 units)(8)		751	2,717
					11,514	13,597
Chandler Signs Holdings, LLC(10)	January 4, 2016	Sign Manufacturer				
			12% Current / 1% PIK Secured Deb (Maturity—July 4, 2021)(19)	4,546	4,522	4,546
			Class A Units (1,500,000 units)(8)		1,500	2,120
					6,022	6,666
Charlotte Russe, Inc(11)	May 28, 2013	Fast-Fashion Retailer to Young Women				
			8.50% Secured Debt (Maturity—February 2, 2023)	7,932	7,932	3,930
			Common Stock (19,041 shares)		3,141	—
					11,073	3,930
Condit Exhibits, LLC	July 1, 2008	Tradeshow Exhibits / Custom Displays Provider				
			Member Units (3,936 units)(8)		100	1,950
Congruent Credit Opportunities Funds(12)(13)	January 24, 2012	Investment Partnership				
			LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)		5,210	855
			LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8)		16,959	17,468
					22,169	18,323
Dos Rios Partners(12)(13)	April 25, 2013	Investment Partnership				
			LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)		5,846	7,153
			LP Interests (Dos Rios Partners—A, LP) (Fully diluted 6.4%)		1,856	2,271
					7,702	9,424
East Teak Fine Hardwoods, Inc .	April 13, 2006	Distributor of Hardwood Products				
			Common Stock (6,250 shares)(8)		480	560
EIG Fund Investments(12)(13)	November 6, 2015	Investment Partnership				
			LP Interests (EIG Global Private Debt Fund-A, L.P.) (Fully diluted 11.1%) (8)		553	505
Freeport Financial Funds(12)(13)	June 13, 2013	Investment Partnership				
			LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.3%)(8)		5,974	5,399
			LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.0%)(8)		11,155	10,980
					17,129	16,379

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Consolidated Schedule of Investments (Continued)

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Harris Preston Fund Investments(12)(13)	August 9, 2017	Investment Partnership				
			LP Interests (HPEP 3, L.P.) (Fully diluted 8.2%)		1,733	1,733
Hawk Ridge Systems, LLC(13)	December 2, 2016	Value-Added Reseller of Engineering Design and Manufacturing Solutions				
			10.5% Secured Debt (Maturity—December 2, 2021)	14,300	14,201	14,300
			Preferred Member Units (226 units)(8)		2,850	7,260
			Preferred Member Units (HRS Services, ULC) (226 units)		150	380
					17,201	21,940
Houston Plating and Coatings, LLC	January 8, 2003	Provider of Plating and Industrial Coating Services				
			8% Unsecured Convertible Debt (Maturity—May 1, 2022)	3,000	3,000	3,720
			Member Units (318,462 units)(8)		2,236	8,330
					5,236	12,050
I-45 SLF LLC(12)(13)	October 20, 2015	Investment Partnership				
			Member Units (Fully diluted 20.0%; 24.4% profits interest)(8)		16,200	15,627
L.F. Manufacturing Holdings, LLC(10)	December 23, 2013	Manufacturer of Fiberglass Products				
			Member Units (2,179,001 units)		2,019	2,060
Meisler Operating LLC	June 7, 2017	Provider of Short-term Trailer and Container Rental				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.90%, Secured Debt (Maturity—June 7, 2022)(9)	20,480	20,312	20,312
			Member Units (Milton Meisler Holdings LLC) (48,555 units)		4,855	5,780
					25,167	26,092
OnAsset Intelligence, Inc.	April 18, 2011	Provider of Transportation Monitoring / Tracking Products and Services				
			12% PIK Secured Debt (Maturity—June 30, 2021)(19)	5,743	5,743	5,743
			10% PIK Unsecured Debt (Maturity—June 30, 2021)(19)	53	53	53
			Preferred Stock (912 shares)		1,981	—
			Warrants (5,333 equivalent shares; Expiration—April 18, 2021; Strike price—$0.01 per share)		1,919	—
					9,696	5,796
PCI Holding Company, Inc.	December 18, 2012	Manufacturer of Industrial Gas Generating Systems				
			12% Current / 3% PIK Secured Debt (Maturity—March 31, 2019)(19)	11,919	11,908	11,908
			Preferred Stock (1,740,000 shares) (non-voting)		1,740	3,480
			Preferred Stock (1,500,000 shares)		3,927	340
					17,575	15,728

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	January 8, 2013	Provider of Rigsite Accommodation Unit Rentals and Related Services				
			12% Secured Debt (Maturity—January 8, 2018)(14)(15)	30,785	30,281	250
			Preferred Member Units (250 units)		2,500	—
					32,781	250
Salado Stone Holdings, LLC(10)	June 27, 2016	Limestone and Sandstone Dimension Cut Stone Mining Quarries				
			Class A Preferred Units (Salado Acquisition, LLC) (2,000,000 units)(8)		2,000	1,040
SI East, LLC	August 31, 2018	Rigid Industrial Packaging Manufacturing				
			10.25% Current, Secured Debt (Maturity—August 31, 2023)	35,250	34,885	34,885
			Preferred Member Units (157 units)		6,000	6,000
					40,885	40,885
Slick Innovations, LLC	September 13, 2018	Text Message Marketing Platform				
			14% Current, Secured Debt (Maturity—September 13, 2023)	7,200	6,959	6,959
			Member Units (70,000 units)		700	700
			Warrants (18,084 equivalent units; Expiration—September 13, 2028; Strike price—$0.01 per unit)		181	181
					7,840	7,840
UniTek Global Services, Inc.(11)	April 15, 2011	Provider of Outsourced Infrastructure Services				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.01%, Secured Debt (Maturity—August 20, 2024)(9)	2,993	2,969	2,969
			Preferred Stock (1,521,122 shares; 19% cumulative)(8)(19)		1,637	1,637
			Preferred Stock (2,281,682 shares; 19% cumulative)(8)(19)		3,038	3,038
			Preferred Stock (4,336,866 shares; 13.5% cumulative)(8)(19)		7,413	7,413
			Common Stock (945,507 shares)		—	1,420
					15,057	16,477
Universal Wellhead Services Holdings, LLC(10)	October 30, 2014	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry				
			Preferred Member Units (UWS Investments, LLC) (716,949 units; 14% cumulative)(8)(19)		837	950
			Member Units (UWS Investments, LLC) (4,000,000 units)		4,000	2,330
					4,837	3,280

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Volusion, LLC	January 26, 2015	Provider of Online Software-as-a-Service eCommerce Solutions				
			11.5% Secured Debt (Maturity—January 26, 2020)	19,272	18,407	18,407
			8% Unsecured Convertible Debt (Maturity—November 16, 2023)	297	297	297
			Preferred Member Units (4,876,670 units)		14,000	14,000
			Warrants (1,831,355 equivalent units; Expiration—January 26, 2025; Strike price—$0.01 per unit)		2,576	1,890
					35,280	34,594
Subtotal Affiliate Investments (24.4% of net assets at fair value)					$ 381,307	$ 359,890

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Consolidated Schedule of Investments (Continued)

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Non-Control/Non-Affiliate Investments(7)						
AAC Holdings, Inc.(11)	June 30, 2017	Substance Abuse Treatment Service Provider				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.28%, Secured Debt (Maturity—June 30, 2023)(9)	$ 14,500	$ 14,245	$ 14,246
Adams Publishing Group, LLC(10)	November 19, 2015	Local Newspaper Operator				
			Prime Plus 4.00% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity—July 3, 2023)(9)	4,250	4,160	4,160
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.93%, Secured Debt (Maturity—July 3, 2023)(9)	8,108	7,956	7,956
					12,116	12,116
ADS Tactical, Inc.(10)	March 7, 2017	Value-Added Logistics and Supply Chain Provider to the Defense Industry				
			LIBOR Plus 6.25% (Floor 0.75%), Current Coupon 8.77%, Secured Debt (Maturity—July 26, 2023)(9)	16,416	16,263	15,306
Aethon United BR LP(10)	September 8, 2017	Oil & Gas Exploration & Production				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.14%, Secured Debt (Maturity—September 8, 2023)(9)	4,063	4,011	3,817
Allen Media, LLC.(11)	September 18, 2018	Operator of Cable Television Networks				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.21%, Secured Debt (Maturity—August 30, 2023)(9)	17,143	16,670	16,800
Allflex Holdings III Inc.(11)	July 18, 2013	Manufacturer of Livestock Identification Products				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.48%, Secured Debt (Maturity—July 19, 2021)(9)	13,120	13,077	13,013
American Nuts, LLC(10)	April 10, 2018	Roaster, Mixer and Packager of Bulk Nuts and Seeds				
			LIBOR Plus 8.50% (Floor 1.00%) PIK, 9.50% PIK Secured Debt, (Maturity —April 10, 2023)(9)(19)	1,127	1,115	1,115
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.90%, Secured Debt (Maturity—April 10, 2023)(9)	11,194	11,000	10,475
					12,115	11,590
American Scaffold Holdings, Inc.(10)	June 14, 2016	Marine Scaffolding Service Provider				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.30%, Secured Debt (Maturity—March 31, 2022)(9)	6,656	6,592	6,623

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
American Teleconferencing Services, Ltd.(11)	May 19, 2016	Provider of Audio Conferencing and Video Collaboration Solutions				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.09%, Secured Debt (Maturity—December 8, 2021)(9)	15,940	15,186	13,310
Apex Linen Service, Inc .	October 30, 2015	Industrial Launderers				
			LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.35%, Secured Debt (Maturity—October 30, 2022) (9)	2,400	2,400	2,400
			16% Secured Debt (Maturity—October 30, 2022)	14,416	14,357	14,357
					16,757	16,757
APTIM Corp.(11)	August 17, 2018	Engineering, Construction & Procurement				
			7.75% Secured Debt (Maturity—June 15, 2025)	12,452	10,633	9,464
Arcus Hunting LLC(10)	January 6, 2015	Manufacturer of Bowhunting and Archery Products and Accessories				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.40%, Secured Debt (Maturity—November 13, 2019)(9)	15,394	15,351	15,394
Arise Holdings, Inc.(10)	March 12, 2018	Tech-Enabled Business Process Outsourcing				
			Preferred Stock (1,000,000 shares)		1,000	1,704
ASC Ortho Management Company, LLC(10)	August 31, 2018	Provider of Orthopedic Services				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.90%, Secured Debt (Maturity—August 31, 2023)(9)	4,660	4,559	4,559
			13.25% PIK Secured Debt (Maturity—December 1, 2023)(19)	1,624	1,587	1,587
					6,146	6,146
ATI Investment Sub, Inc.(11)	July 11, 2016	Manufacturer of Solar Tracking Systems				
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.76%, Secured Debt (Maturity—June 22, 2021)(9)	4,385	4,346	3,943
ATX Networks Corp.(11)(13)(21)	June 30, 2015	Provider of Radio Frequency Management Equipment				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.39% / 1.00% PIK, Current Coupon Plus PIK 9.39%, Secured Debt (Maturity—June 11, 2021)(9)(19)	14,121	13,844	13,415
Berry Aviation, Inc.(10)	July 6, 2018	Charter Airline Services				
			10.50% Current / 1.5% PIK, Secured Debt (Maturity—January 6, 2024)(19)	4,485	4,443	4,443
			Preferred Member Units (Berry Acquisition, LLC) (1,548,387 units; 8% cumulative)(8)(19)		1,609	1,609
					6,052	6,052

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
BigName Commerce, LLC(10)	May 11, 2017	Provider of Envelopes and Complimentary Stationery Products				
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.65%, Secured Debt (Maturity—May 11, 2022)(9)	2,462	2,440	2,369
Binswanger Enterprises, LLC(10)	March 10, 2017	Glass Repair and Installation Service Provider				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.74%, Secured Debt (Maturity—March 9, 2022)(9)	14,368	14,169	13,743
			Member Units (1,050,000 units)		1,050	1,330
					15,219	15,073
Bluestem Brands, Inc.(11)	December 19, 2013	Multi-Channel Retailer of General Merchandise				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.02%, Secured Debt (Maturity—November 6, 2020) (9)	11,375	11,262	7,356
Brainworks Software, LLC(10)	August 12, 2014	Advertising Sales and Newspaper Circulation Software				
			Prime Plus 9.25% (Floor 3.25%), Current Coupon 14.70%, Secured Debt (Maturity—July 22, 2019)(9)	6,733	6,723	6,590
Brightwood Capital Fund Investments(12)(13)	July 21, 2014	Investment Partnership				
			LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 1.6%)(8)		12,000	10,264
			LP Interests (Brightwood Capital Fund IV, LP) (Fully diluted 0.6%)(8)		2,000	2,063
					14,000	12,327
Cadence Aerospace LLC(10)	November 14, 2017	Aerostructure Manufacturing				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.06%, Secured Debt (Maturity—November 14, 2023)(9)	19,470	19,301	18,244
California Pizza Kitchen, Inc.(11)	August 29, 2016	Casual Restaurant Group				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.53%, Secured Debt (Maturity—August 23, 2022)(9)	12,739	12,707	12,389
Central Security Group, Inc.(11)	December 4, 2017	Security Alarm Monitoring Service Provider				
			LIBOR Plus 5.63% (Floor 1.00%), Current Coupon 8.15%, Secured Debt (Maturity—October 6, 2021)(9)	13,884	13,821	13,867
Cenveo Corporation(11)	September 4, 2015	Provider of Digital Marketing Agency Services				
			Libor Plus 9.00% (Floor 1.00%), Current Coupon 11.54%, Secured Debt (Maturity—June 7, 2023)(9)	6,370	6,128	6,048
			Common Stock (177,130 shares)		5,309	2,746
					11,437	8,794

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Clarius BIGS, LLC(10)	September 23, 2014	Prints & Advertising Film Financing				
			15% PIK Secured Debt (Maturity—January 5, 2015)(14)(17)	2,908	2,908	44
Clickbooth.com, LLC(10)	December 5, 2017	Provider of Digital Advertising Performance Marketing Solutions				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.90%, Secured Debt (Maturity—December 5, 2022)(9)	2,925	2,876	2,750
Construction Supply Investments, LLC(10)	December 29, 2016	Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.62%, Secured Debt (Maturity—June 30, 2023)(9)	15,423	15,355	15,384
			Member Units (42,207 units)		4,221	4,290
					19,576	19,674
CTVSH, PLLC(10)	August 3, 2017	Emergency Care and Specialty Service Animal Hospital				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.74%, Secured Debt (Maturity—August 3, 2022)(9)	11,250	11,163	10,939
Darr Equipment LP(10)	April 15, 2014	Heavy Equipment Dealer				
			11.5% Current / 1% PIK Secured Debt (Maturity—June 22, 2023)(19)	5,839	5,839	5,723
			Warrants (915,734 equivalent units; Expiration—December 23, 2023; Strike price—$1.50 per unit)		474	60
					6,313	5,783
Digital River, Inc.(11)	February 24, 2015	Provider of Outsourced e-Commerce Solutions and Services				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.78%, Secured Debt (Maturity—February 12, 2021)(9)	10,146	10,074	10,044
DTE Enterprises, LLC(10)	April 13, 2018	Industrial Powertrain Repair and Services				
			LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 10.12%, Secured Debt (Maturity—April 13, 2023)(9)	12,492	12,260	11,580
			Class AA Preferred Member Units (non-voting; 10% cumulative)(8)(19)		778	778
			Class A Preferred Member Units (776,316 units)(8)		776	1,300
					13,814	13,658
Dynamic Communities, LLC(10)	July 17, 2018	Developer of Business Events and Online Community Groups				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.80%, Secured Debt (Maturity—July 17, 2023)(9)	5,600	5,495	5,495

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Elite SEM INC.(10)	August 31, 2018	Provider of Digital Marketing Agency Services				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.27%, Secured Debt (Maturity—February 1, 2022)(9)(23)	6,875	6,750	6,750
EnCap Energy Fund Investments(12)(13)	December 28, 2010	Investment Partnership				
			LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		3,661	2,003
			LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.4%)(8)		2,103	1,153
			LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)		4,430	3,784
			LP Interests (EnCap Energy Capital Fund X, L.P.) (Fully diluted 0.1%)(8)		7,629	7,692
			LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)		5,881	4,538
			LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)(8)		5,423	5,051
					29,127	24,221
Encino Acquisition Partners Holdings, Inc.(11)	November 16, 2018	Oil & Gas Exploration & Production				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.27%, Secured Debt (Maturity—October 29, 2025)(9)	9,000	8,911	8,595
EPIC Y-Grade Services, LP(11)	June 22, 2018	NGL Transportation & Storage				
			LIBOR Plus 5.50%, Current Coupon 8.02%, Secured Debt (Maturity—June 13, 2024)	17,500	17,175	16,625
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)	May 5, 2014	Technology-based Performance Support Solutions				
			LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 10.77%, Secured Debt (Maturity—April 28, 2022)(9)	6,999	6,901	3,931
Extreme Reach, Inc.(11)	March 31, 2015	Integrated TV and Video Advertising Platform				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.78%, Secured Debt (Maturity—February 7, 2020)(9)	16,460	16,451	16,371
Felix Investments Holdings II(10)	August 9, 2017	Oil & Gas Exploration & Production				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.10%, Secured Debt (Maturity—August 9, 2022)(9)	3,333	3,279	3,141
Flavors Holdings Inc.(11)	October 15, 2014	Global Provider of Flavoring and Sweetening Products				
			LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.55%, Secured Debt (Maturity—April 3, 2020)(9)	12,295	12,044	11,434

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
GeoStabilization International (GSI) (11)	December 31, 2018	Geohazard Engineering Services & Maintenance				
			LIBOR Plus 5.50%, Current Coupon 8.09%, Secured Debt (Maturity—December 19, 2025)	16,500	16,335	16,418
GI KBS Merger Sub LLC(11)	November 10, 2014	Outsourced Janitorial Service Provider				
			LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 7.43%, Secured Debt (Maturity—October 29, 2021)(9)	9,195	9,139	9,207
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.02%, Secured Debt (Maturity—April 29, 2022)(9)	3,915	3,797	3,949
					12,936	13,156
Good Source Solutions, Inc.(10)	October 23, 2018	Specialized Food Distributor				
			LIBOR Plus 8.34% (Floor 1.00%), Current Coupon 11.14%, Secured Debt (Maturity—June 29, 2023)(9)(23)	5,000	4,952	4,952
GoWireless Holdings, Inc.(11)	December 31, 2017	Provider of Wireless Telecommunications Carrier Services				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 9.02%, Secured Debt (Maturity—December 22, 2024)(9)	17,325	17,170	16,856
Grupo Hima San Pablo, Inc.(11)	March 7, 2013	Tertiary Care Hospitals				
			LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 9.52%, Secured Debt (Maturity—January 31, 2019)(9)	4,688	4,688	3,629
			13.75% Secured Debt (Maturity—October 15, 2018)(17)	2,055	2,040	226
					6,728	3,855
HDC/HW Intermediate Holdings(10)	December 21, 2018	Managed Services and Hosting Provider				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.29%, Secured Debt (Maturity—December 21, 2023)(9)	3,201	3,132	3,132
Hoover Group, Inc.(10)(13)	October 21, 2016	Provider of Storage Tanks and Related Products to the Energy and Petrochemical Markets				
			LIBOR Plus 6.00%, Current Coupon 8.71%, Secured Debt (Maturity—January 28, 2020)	5,250	4,803	4,771
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.90%, Secured Debt (Maturity—January 28, 2021)(9)	9,395	9,053	8,831
					13,856	13,602
Hunter Defense Technologies, Inc. (10)	March 29, 2018	Provider of Military and Commercial Shelters and Systems				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.80%, Secured Debt (Maturity—March 29, 2023)(9)	16,080	15,757	15,077

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Hydrofarm Holdings LLC(10)	May 18, 2017	Wholesaler of Horticultural Products				
			LIBOR Plus 10.00%, Current Coupon 3.69% / 8.61% PIK, Current Coupon Plus PIK 12.30% Secured Debt (Maturity—May 12, 2022)(19)	7,235	7,139	5,660
iEnergizer Limited(11)(13)(21)	May 8, 2013	Provider of Business Outsourcing Solutions				
			LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 8.53%, Secured Debt (Maturity—May 1, 2019)(9)	14,100	14,052	14,117
Implus Footcare, LLC(10)	June 1, 2017	Provider of Footwear and Related Accessories				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.55%, Secured Debt (Maturity—April 30, 2021)(9)	18,819	18,629	18,390
Independent Pet Partners Intermediate Holdings, LLC(10)	November 20, 2018	Omnichannel Retailer of Specialty Pet Products				
			LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.90%, Secured Debt (Maturity—November 19, 2023)(9)	2,078	2,037	2,037
			Member Units (1,558,333 units)		1,558	1,558
					3,595	3,595
Industrial Services Acquisition, LLC(10)	June 17, 2016	Industrial Cleaning Services				
			6% Current / 7% PIK Unsecured Debt (Maturity—December 17, 2022)(19)	4,885	4,822	4,470
			Preferred Member Units (Industrial Services Investments, LLC) (144 units; 10% cumulative)(8)(19)		94	94
			Member Units (Industrial Services Investments, LLC) (900 units)		900	210
					5,816	4,774
Inn of the Mountain Gods Resort and Casino(11)	October 30, 2013	Hotel & Casino Owner & Operator				
			9.25% Secured Debt (Maturity—November 30, 2020)	7,832	7,479	7,480
Intermedia Holdings, Inc.(11)	August 3, 2018	Unified Communications as a Service				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.52%, Secured Debt (Maturity—July 19, 2025)(9)	11,571	11,461	11,557
irth Solutions, LLC	December 29, 2010	Provider of Damage Prevention Information Technology Services				
			Member Units (27,893 units)		1,441	2,830
Isagenix International, LLC(11)	June 21, 2018	Direct Marketer of Health & Wellness Products				
			LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.55%, Secured Debt (Maturity—June 14, 2025)(9)	6,268	6,208	6,095
JAB Wireless, Inc.(10)	May 2, 2018	Fixed Wireless Broadband Provider				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.39%, Secured Debt (Maturity—May 2, 2023)(9)	14,888	14,754	13,987

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Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Jacent Strategic Merchandising, LLC(10)	September 16, 2015	General Merchandise Distribution				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.27%, Secured Debt (Maturity—September 16, 2020) (9)	10,740	10,705	10,740
Jackmont Hospitality, Inc.(10)	May 26, 2015	Franchisee of Casual Dining Restaurants				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.26%, Secured Debt (Maturity—May 26, 2021)(9)	4,165	4,157	4,165
Jacuzzi Brands LLC(11)	June 30, 2017	Manufacturer of Bath and Spa Products				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.52%, Secured Debt (Maturity—June 28, 2023)(9)	3,850	3,788	3,831
Joerns Healthcare, LLC(11)	April 3, 2013	Manufacturer and Distributor of Health Care Equipment & Supplies				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.71% Secured Debt (Maturity—May 9, 2020)(9)	13,387	13,335	11,998
Kore Wireless Group Inc.(11)	December 31, 2018	Mission Critical Software Platform				
			LIBOR Plus 5.50%, Current Coupon 8.29%, Secured Debt (Maturity—December 20, 2024)	6,667	6,600	6,631
Larchmont Resources, LLC(11)	August 13, 2013	Oil & Gas Exploration & Production				
			LIBOR Plus 9.00% (Floor 1.00%) PIK, 11.77% PIK Secured Debt, (Maturity —August 7, 2020)(9)(19)	2,312	2,312	2,266
			Member Units (Larchmont Intermediate Holdco, LLC) (2,828 units)		353	707
					2,665	2,973
LKCM Headwater Investments I, L.P.(12)(13)	January 25, 2013	Investment Partnership				
			LP Interests (Fully diluted 2.3%)(8)		1,780	3,501
Logix Acquisition Company, LLC(10)	June 24, 2016	Competitive Local Exchange Carrier				
			LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.27%, Secured Debt (Maturity—December 22, 2024)(9)	12,927	12,725	12,797
Looking Glass Investments, LLC(12)(13)	July 1, 2015	Specialty Consumer Finance				
			Member Units (2.5 units)		125	57
			Member Units (LGI Predictive Analytics LLC) (190,712 units)(8)		49	33
					174	90
LSF9 Atlantis Holdings, LLC(11)	May 17, 2017	Provider of Wireless Telecommunications Carrier Services				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.38%, Secured Debt (Maturity—May 1, 2023)(9)	9,710	9,694	9,269

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Lulu's Fashion Lounge, LLC(10)	August 31, 2017	Fast Fashion E-Commerce Retailer				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.52%, Secured Debt (Maturity—August 28, 2022)(9)	12,358	12,060	11,987
MHVC Acquisition Corp.(11)	May 8, 2017	Provider of differentiated information solutions, systems engineering, and analytics				
			LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 8.06%, Secured Debt (Maturity—April 29, 2024)(9)	15,475	15,442	15,088
Mills Fleet Farm Group, LLC(10)	October 24, 2018	Omnichannel Retailer of Work, Farm and Lifestyle Merchandise				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.77%, Secured Debt (Maturity—October 24, 2024)(9)	15,000	14,707	15,000
Mobileum(10)	October 23, 2018	Provider of big data analytics to telecom service providers				
			LIBOR Plus 10.25% (Floor 0.75%), Current Coupon 13.06%, Secured Debt (Maturity—May 1, 2022)(9)	7,500	7,429	7,429
NBG Acquisition Inc(11)	April 28, 2017	Wholesaler of Home Décor Products				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.09%, Secured Debt (Maturity—April 26, 2024)(9)	4,292	4,235	4,184
New Era Technology, Inc.(10)	June 30, 2018	Managed Services and Hosting Provider				
			LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.99%, Secured Debt (Maturity—June 22, 2023)(9)	7,654	7,526	7,616
New Media Holdings II LLC(11)(13)	June 10, 2014	Local Newspaper Operator				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.77%, Secured Debt (Maturity—July 14, 2022)(9)	21,125	20,797	20,967
NNE Partners, LLC(10)	March 2, 2017	Oil & Gas Exploration & Production				
			LIBOR Plus 8.00%, Current Coupon 10.74%, Secured Debt (Maturity—March 2, 2022)	20,417	20,260	19,572
North American Lifting Holdings, Inc.(11)	February 26, 2015	Crane Service Provider				
			LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 7.30%, Secured Debt (Maturity—November 27, 2020)(9)	7,664	7,093	6,997
Novetta Solutions, LLC(11)	June 21, 2017	Provider of Advanced Analytics Solutions for Defense Agencies				
			LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.53%, Secured Debt (Maturity—October 17, 2022)(9)	15,478	15,091	15,091

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Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
NTM Acquisition Corp.(11)	July 12, 2016	Provider of B2B Travel Information Content				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.96%, Secured Debt (Maturity—June 7, 2022)(9)	4,419	4,396	4,375
Ospemifene Royalty Sub LLC (QuatRx)(10)	July 8, 2013	Estrogen-Deficiency Drug Manufacturer and Distributor				
			11.5% Secured Debt (Maturity—November 15, 2026)(14)	4,975	4,975	937
Permian Holdco 2, Inc.(11)	February 12, 2013	Storage Tank Manufacturer				
			14% PIK Unsecured Debt (Maturity—October 15, 2021)(19)	396	396	396
			Preferred Stock (Permian Holdco 1, Inc.) (154,558 units)		799	920
					1,195	1,316
Pernix Therapeutics Holdings, Inc. (10)	August 18, 2014	Pharmaceutical Royalty				
			12% Secured Debt (Maturity—August 1, 2020)	3,031	3,031	2,037
Pier 1 Imports, Inc.(11)	February 20, 2018	Decorative Home Furnishings Retailer				
			LIBOR Plus 3.50% (Floor 1.00%), Current Coupon 6.38%, Secured Debt (Maturity—April 30, 2021)(9)	9,736	9,152	6,998
Point.360(10)	July 8, 2015	Fully Integrated Provider of Digital Media Services				
			Warrants (65,463 equivalent shares; Expiration—July 7, 2020; Strike price —$0.75 per share)		69	—
			Common Stock (163,658 shares)		273	5
					342	5
PricewaterhouseCoopers Public Sector LLP(11)	May 24, 2018	Provider of Consulting Services to Governments				
			LIBOR Plus 7.50%, Current Coupon 9.74%, Secured Debt (Maturity—May 1, 2026)	8,000	7,962	8,040
Prowler Acquisition Corp.(11)	February 11, 2014	Specialty Distributor to the Energy Sector				
			LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 7.30%, Secured Debt (Maturity—January 28, 2020)(9)	20,028	19,122	19,727
PT Network, LLC(10)	November 1, 2013	Provider of Outpatient Physical Therapy and Sports Medicine Services				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.99%, Secured Debt (Maturity—November 30, 2021)(9)	8,732	8,732	8,619

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Research Now Group, Inc. and Survey Sampling International, LLC(11)	December 31, 2017	Provider of Outsourced Online Surveying				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.02%, Secured Debt (Maturity—December 20, 2024)(9)	15,360	14,757	15,110
Resolute Industrial, LLC(10)	July 26, 2017	HVAC Equipment Rental and Remanufacturing				
			Member Units (601 units)		750	920
RM Bidder, LLC(10)	November 12, 2015	Scripted and Unscripted TV and Digital Programming Provider				
			Warrants (327,532 equivalent units; Expiration—October 20, 2025; Strike price—$14.28 per unit)		425	—
			Member Units (2,779 units)		46	11
					471	11
SAFETY Investment Holdings, LLC	April 29, 2016	Provider of Intelligent Driver Record Monitoring Software and Services				
			Member Units (2,000,000 units)		2,000	1,820
Salient Partners L.P.(11)	June 25, 2015	Provider of Asset Management Services				
			LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.27%, Secured Debt (Maturity—June 9, 2021)(9)	7,313	7,280	7,280
SiTV, LLC(11)	September 26, 2017	Cable Networks Operator				
			10.375% Secured Debt (Maturity—July 1, 2019)	10,429	7,196	3,911
SMART Modular Technologies, Inc. (10)(13)	August 18, 2017	Provider of Specialty Memory Solutions				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.86%, Secured Debt (Maturity—August 9, 2022)(9)	19,000	18,793	19,095
Sorenson Communications, Inc.(11)	June 7, 2016	Manufacturer of Communication Products for Hearing Impaired				
			LIBOR Plus 5.75% (Floor 2.25%), Current Coupon 8.56%, Secured Debt (Maturity—April 30, 2020)(9)	13,097	13,059	13,048
Staples Canada ULC(10)(13)(21)	September 14, 2017	Office Supplies Retailer				
			LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.26%, Secured Debt (Maturity—September 12, 2023)(9)(22)	16,867	16,589	14,026
STL Parent Corp.(10)	December 14, 2018	Manufacturer and Servicer of Tank and Hopper Railcars				
			LIBOR Plus 7.00%, Current Coupon 9.52%, Secured Debt (Maturity—December 5, 2022)	15,000	14,475	14,475
Strike, LLC(11)	December 12, 2016	Pipeline Construction and Maintenance Services				
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.59%, Secured Debt (Maturity—November 30, 2022)(9)	9,000	8,797	9,011

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Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
TE Holdings, LLC(11)	December 5, 2013	Oil & Gas Exploration & Production				
			Member Units (97,048 units)		970	66
Tectonic Holdings, LLC	May 15, 2017	Financial Services Organization				
			Member Units (200,000 units)(8)		2,000	2,420
TeleGuam Holdings, LLC(11)	June 26, 2013	Cable and Telecom Services Provider				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.02%, Secured Debt (Maturity—April 12, 2024)(9)	7,750	7,620	7,798
TGP Holdings III LLC(11)	September 30, 2017	Outdoor Cooking & Accessories				
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 11.30%, Secured Debt (Maturity—September 25, 2025)(9)	5,500	5,433	5,335
The Pasha Group(11)	February 2, 2018	Diversified Logistics and Transportation Provided				
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 10.06%, Secured Debt (Maturity—January 26, 2023)(9)	10,938	10,655	11,006
TMC Merger Sub Corp.(11)	December 22, 2016	Refractory & Maintenance Services Provider				
			LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.31%, Secured Debt (Maturity—October 31, 2022)(9)(24)	17,207	17,014	17,121
TOMS Shoes, LLC(11)	November 13, 2014	Global Designer, Distributor, and Retailer of Casual Footwear				
			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.30%, Secured Debt (Maturity—October 30, 2020)(9)	4,813	4,635	3,798
Turning Point Brands, Inc.(10)(13)	February 17, 2017	Marketer/Distributor of Tobacco Products				
			LIBOR Plus 7.00%, Current Coupon 9.46%, Secured Debt (Maturity—March 7, 2024)	8,500	8,424	8,585
TVG-I-E CMN ACQUISITION, LLC(10)	November 3, 2016	Organic Lead Generation for Online Postsecondary Schools				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.52%, Secured Debt (Maturity—November 3, 2021)(9)	19,503	19,191	19,454
U.S. TelePacific Corp.(11)	September 14, 2016	Provider of Communications and Managed Services				
			LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.80%, Secured Debt (Maturity—May 2, 2023)(9)	18,491	18,344	17,363
VIP Cinema Holdings, Inc.(11)	March 9, 2017	Supplier of Luxury Seating to the Cinema Industry				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.53%, Secured Debt (Maturity—March 1, 2023)(9)	10,494	10,451	10,304

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Vistar Media, Inc.(10)	February 17, 2017	Operator of Digital Out-of-Home Advertising Platform				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.74%, Secured Debt (Maturity—February 16, 2022) (9)	3,263	3,048	2,987
			Warrants (70,207 equivalent shares; Expiration—February 17, 2027; Strike price—$0.01 per share)		331	790
					3,379	3,777
Wireless Vision Holdings, LLC(10)	September 29, 2017	Provider of Wireless Telecommunications Carrier Services				
			LIBOR Plus 8.91% (Floor 1.00%), Current Coupon 11.41%, Secured Debt (Maturity—September 29, 2022) (9)(28)	14,279	14,055	13,414
YS Garments, LLC(11)	August 22, 2018	Designer and Provider of Branded Activewear				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.42% Secured Debt (Maturity—August 9, 2024)(9)	14,906	14,764	14,756
Zilliant Incorporated	June 15, 2012	Price Optimization and Margin Management Solutions				
			Preferred Stock (186,777 shares)		154	260
			Warrants (952,500 equivalent shares; Expiration—June 15, 2022; Strike price—$0.001 per share)		1,071	1,189
					1,225	1,449
Subtotal Non-Control/Non-Affiliate Investments (73.8% of net assets at fair value)					$1,137,108	$ 1,089,026
Total Portfolio Investments, December 31, 2018					$2,269,033	$ 2,453,909

(1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See Note B for a description of Lower Middle Market portfolio investments. All of the Company's investments, unless otherwise noted, are encumbered either as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.

(2) Debt investments are income producing, unless otherwise noted. Equity and warrants are non-income producing, unless otherwise noted.

(3) See Note C and Schedule 12-14 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% (inclusive) of the voting securities are owned and the investments are not classified as Control investments.

(7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.

(8) Income producing through dividends or distributions.

(9) Index based floating interest rate is subject to contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either LIBOR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each such loan, the Company has provided the weighted average annual stated interest rate in effect at December 31, 2018. As noted in this schedule, 64% of the loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.00%, with a weighted-average LIBOR floor of approximately 1.03%.

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

(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.

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2018

(dollars in thousands)

(unaudited)

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

(15) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investments in this portfolio company will not be finally determined until such process is complete. As noted in footnote (14), our debt investments in this portfolio company are on non-accrual status.

(16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.

(17) Maturity date is under on-going negotiations with the portfolio company and other lenders, if applicable.

(18) Investment fair value was determined using significant unobservable inputs, unless otherwise noted. See Note C for further discussion.

(19) PIK interest income and cumulative dividend income represent income not paid currently in cash.

(20) All portfolio company headquarters are based in the United States, unless otherwise noted.

(21) Portfolio company headquarters are located outside of the United States.

(22) In connection with the Company's debt investment in Staples Canada ULC in an attempt to mitigate any potential adverse change in foreign exchange rates during the term of the Company's investment, the Company maintains a forward foreign currency contract with Cadence Bank to lend $20.4 million Canadian Dollars and receive $15.7 million U.S. Dollars with a settlement date of September 12, 2019. The unrealized appreciation on the forward foreign currency contract is $0.6 million as of December 31, 2018.

(23) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of LIBOR plus 6.00% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.

(24) The Company has entered into an intercreditor agreement that entitles the Company to the "first out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a lower interest rate than the contractual stated interest rate of LIBOR plus 6.64% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such lower rate.

(25) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."

(26) Investment date represents the date of initial investment in the portfolio company.

(27) Investment has an unfunded commitment as of December 31, 2018 (see Note K). The fair value of the investment includes the impact of the fair value of any unfunded commitments

(28) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of LIBOR plus 8.50% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements

(Unaudited)

NOTE A—ORGANIZATION AND BASIS OF PRESENTATION

1. Organization

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

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

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

MSCC has elected to be treated for U.S. federal income tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that it distributes to its stockholders.

MSCC has certain direct and indirect wholly owned subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of the Taxable Subsidiaries is to permit MSCC to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes.

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

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

2. Basis of Presentation

Main Street's consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The Company is an investment company following accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services—Investment Companies* ("ASC 946"). For each of the periods presented herein, Main Street's consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of Main Street's investments in LMM portfolio companies, investments in Middle Market portfolio companies, Private Loan portfolio investments, Other Portfolio investments and the investment in the External Investment Manager (see Note C—Fair Value Hierarchy for Investments and Debentures—Portfolio Composition—Investment Portfolio Composition for additional discussion of Main Street's Investment Portfolio and definitions for the terms Private Loan and Other Portfolio). Main Street's results of operations for the three and six months ended June 30, 2019 and 2018, cash flows for the six months ended June 30, 2019 and 2018, and financial position as of June 30, 2019 and December 31, 2018, are presented on a consolidated basis. The effects of all intercompany transactions between Main Street and its consolidated subsidiaries have been eliminated in consolidation.

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 Articles 6, 10 and 12 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 six months ended June 30, 2019 and 2018 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, 2018. 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 ASC 946, Main Street is precluded from consolidating other entities in which Main Street has equity investments, including those in which it has a controlling interest, unless the other entity is another investment company. An exception to this general principle in ASC 946 occurs if Main Street holds a controlling interest in an operating company that provides all or substantially all of its services directly to Main Street or to its portfolio companies. Accordingly, as noted above, MSCC's consolidated financial statements include the financial position and operating results for the Funds and the Taxable Subsidiaries. Main Street has determined that all of its portfolio investments do not qualify for this exception, including the investment in the External Investment Manager. Therefore, Main Street's Investment Portfolio is carried on the consolidated balance sheet at fair value, as discussed further in Note B.1., with any adjustments to fair value recognized as "Net Unrealized Appreciation (Depreciation)" on the consolidated statements of operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss)."

Portfolio Investment Classification

Main Street classifies its Investment Portfolio in accordance with the requirements of the 1940 Act. Under the 1940 Act, (a) "Control Investments" are defined as investments in which Main Street owns more than 25% of the voting securities or has rights to maintain greater than 50% of the board representation, (b) "Affiliate Investments" are defined as investments in which Main Street owns between 5% and 25% (inclusive) of the voting securities and does not have rights to maintain greater than 50% of the board representation, and (c) "Non-Control/Non-Affiliate Investments" are defined as investments that are neither Control Investments nor Affiliate Investments.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Valuation of the Investment Portfolio

Main Street accounts for its Investment Portfolio at fair value. As a result, Main Street follows the provisions of ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 requires Main Street to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact.

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

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

For LMM portfolio investments, Main Street generally reviews external events, including private mergers, sales and acquisitions involving comparable companies, and includes these events in the valuation process by using an enterprise value waterfall methodology ("Waterfall") for its LMM equity

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

investments and an income approach using a yield-to-maturity model ("Yield-to-Maturity") for its LMM debt investments. For Middle Market portfolio investments, Main Street primarily uses quoted prices in the valuation process. Main Street determines the appropriateness of the use of third-party broker quotes, if any, in determining fair value based on its understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or binding offer, the depth and consistency of broker quotes and the correlation of changes in broker quotes with underlying performance of the portfolio company and other market indices. For Middle Market and Private Loan portfolio investments in debt securities for which it has determined that third-party quotes or other independent pricing are not available or appropriate, Main Street generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value the investment in a current hypothetical sale using the Yield-to-Maturity valuation method. For its Other Portfolio equity investments, Main Street generally calculates the fair value of the investment primarily based on the net asset value ("NAV") of the fund and adjusts the fair value for other factors that would affect the fair value of the investment. All of the valuation approaches for Main Street's portfolio investments estimate the value of the investment as if Main Street were to sell, or exit, the investment as of the measurement date.

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

Under the Waterfall valuation method, Main Street estimates the enterprise value of a portfolio company using a combination of market and income approaches or other appropriate valuation methods, such as considering recent transactions in the equity securities of the portfolio company or third-party valuations of the portfolio company, and then performs a waterfall calculation by allocating the enterprise value over the portfolio company's securities in order of their preference relative to one another. The enterprise value is the fair value at which an enterprise could be sold in a transaction between two willing parties, other than through a forced or liquidation sale. Typically, privately held companies are bought and sold based on multiples of earnings before interest, taxes, depreciation and amortization ("EBITDA"), cash flows, net income, revenues, or in limited cases, book value. There is no single methodology for estimating enterprise value. For any one portfolio company, enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In estimating the enterprise value of a portfolio company, Main Street analyzes various factors including the portfolio company's historical and projected financial results. Due to SEC deadlines for Main Street's quarterly and annual financial reporting, the operating results of a portfolio company used in the current period valuation are generally the results from the period ended three months prior to such valuation date and may include unaudited, projected, budgeted or pro forma financial information and may require adjustments for non-recurring items or to normalize the operating results that may require significant judgment in its determination. In addition, projecting future financial results requires significant judgment regarding future growth assumptions. In evaluating the operating results, Main Street also analyzes the impact of exposure to litigation, loss of customers or other contingencies. After determining the appropriate enterprise value, Main Street allocates the enterprise

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

value to investments in order of the legal priority of the various components of the portfolio company's capital structure. In applying the Waterfall valuation method, Main Street assumes the loans are paid off at the principal amount in a change in control transaction and are not assumed by the buyer, which Main Street believes is consistent with its past transaction history and standard industry practices.

Under the Yield-to-Maturity valuation method, Main Street also uses the income approach to determine the fair value of debt securities based on projections of the discounted future free cash flows that the debt security will likely generate, including analyzing the discounted cash flows of interest and principal amounts for the debt security, as set forth in the associated loan agreements, as well as the financial position and credit risk of the portfolio company. Main Street's estimate of the expected repayment date of its debt securities is generally the maturity date of the instrument, as Main Street generally intends to hold its loans and debt securities to maturity. The Yield-to-Maturity analysis also considers changes in leverage levels, credit quality, portfolio company performance and other factors. Main Street will generally use the value determined by the Yield-to-Maturity analysis as the fair value for that security; however, because of Main Street's general intent to hold its loans to maturity, the fair value will not exceed the principal amount of the debt security valued using the Yield-to-Maturity valuation method. A change in the assumptions that Main Street uses to estimate the fair value of its debt securities using the Yield-to-Maturity valuation method could have a material impact on the determination of fair value. If there is deterioration in credit quality or if a debt security is in workout status, Main Street may consider other factors in determining the fair value of the debt security, including the value attributable to the debt security from the enterprise value of the portfolio company or the proceeds that would most likely be received in a liquidation analysis.

Under the NAV valuation method, for an investment in an investment fund that does not have a readily determinable fair value, Main Street measures the fair value of the investment predominately based on the NAV of the investment fund as of the measurement date and adjusts the investment's fair value for factors known to Main Street that would affect that fund's NAV, including, but not limited to, fair values for individual investments held by the fund if Main Street holds the same investment or for a publicly traded investment. In addition, in determining the fair value of the investment, Main Street considers whether adjustments to the NAV are necessary in certain circumstances, based on the analysis of any restrictions on redemption of Main Street's investment as of the measurement date, recent actual sales or redemptions of interests in the investment fund, and expected future cash flows available to equity holders, including the rate of return on those cash flows compared to an implied market return on equity required by market participants, or other uncertainties surrounding Main Street's ability to realize the full NAV of its interests in the investment fund.

Pursuant to its internal valuation process and the requirements under the 1940 Act, Main Street performs valuation procedures on each of its portfolio investments quarterly. In addition to its internal valuation process, in arriving at estimates of fair value for its investments in its LMM portfolio companies, Main Street, among other things, consults with a nationally recognized independent financial advisory services firm. The nationally recognized independent financial advisory services firm analyzes and provides observations, recommendations and an assurance certification regarding the Company's determinations of the fair value of its LMM portfolio company investments. The nationally recognized independent financial advisory services firm is generally consulted relative to Main Street's investments in each LMM portfolio company at least once every calendar year, and for Main Street's investments in new LMM portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain instances, Main Street may determine that it is not cost-effective, and as a result is not in its stockholders' best interest, to consult with the nationally recognized independent

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

financial advisory services firm on its investments in one or more LMM portfolio companies. Such instances include, but are not limited to, situations where the fair value of Main Street's investment in a LMM portfolio company is determined to be insignificant relative to the total Investment Portfolio. Main Street consulted with and received an assurance certification from its independent financial advisory services firm in arriving at Main Street's determination of fair value on its investments in a total of 25 LMM portfolio companies for the six months ended June 30, 2019, representing approximately 40% of the total LMM portfolio at fair value as of June 30, 2019, and on a total of 26 LMM portfolio companies for the six months ended June 30, 2018, representing approximately 39% of the total LMM portfolio at fair value as of June 30, 2018. Excluding its investments in LMM portfolio companies that, as of June 30, 2019 and 2018, as applicable, have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment or whose primary purpose is to own real estate for which a third-party appraisal is obtained on at least an annual basis, the percentage of the LMM portfolio reviewed and certified by its independent financial advisory services firm for the six months ended June 30, 2019 and 2018 was 42% and 47% of the total LMM portfolio at fair value as of June 30, 2019 and 2018, respectively.

For valuation purposes, all of Main Street's Middle Market portfolio investments are non-control investments. To the extent sufficient observable inputs are available to determine fair value, Main Street uses observable inputs to determine the fair value of these investments through obtaining third-party quotes or other independent pricing. For Middle Market portfolio investments for which it has determined that third-party quotes or other independent pricing are not available or appropriate, Main Street generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value such Middle Market debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method and such Middle Market equity investments in a current hypothetical sale using the Waterfall valuation method. Because the vast majority of the Middle Market portfolio investments are typically valued using third-party quotes or other independent pricing services (including 93% and 94% of the Middle Market portfolio investments as of June 30, 2019 and December 31, 2018, respectively), Main Street generally does not consult with any financial advisory services firms in connection with determining the fair value of its Middle Market investments.

For valuation purposes, all of Main Street's Private Loan portfolio investments are non-control investments. For Private Loan portfolio investments for which it has determined that third-party quotes or other independent pricing are not available or appropriate, Main Street generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value such Private Loan debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method and such Private Loan equity investments in a current hypothetical sale using the Waterfall valuation method.

In addition to its internal valuation process, in arriving at estimates of fair value for its investments in its Private Loan portfolio companies, Main Street, among other things, consults with a nationally recognized independent financial advisory services firm. The nationally recognized independent financial advisory services firm analyzes and provides observations and recommendations and an assurance certification regarding the Company's determinations of the fair value of its Private Loan portfolio company investments. The nationally recognized independent financial advisory services firm is generally consulted relative to Main Street's investments in each Private Loan portfolio company at least once every calendar year, and for Main Street's investments in new Private Loan portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain instances, Main Street may determine that it is not cost-effective, and as a result is not in its

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

stockholders' best interest, to consult with the nationally recognized independent financial advisory services firm on its investments in one or more Private Loan portfolio companies. Such instances include, but are not limited to, situations where the fair value of Main Street's investment in a Private Loan portfolio company is determined to be insignificant relative to the total Investment Portfolio. Main Street consulted with and received an assurance certification from its independent financial advisory services firm in arriving at its determination of fair value on its investments in a total of 18 Private Loan portfolio companies for the six months ended June 30, 2019, representing approximately 31% of the total Private Loan portfolio at fair value as of June 30, 2019, and on a total of 16 Private Loan portfolio companies for the six months ended June 30, 2018, representing approximately 37% of the total Private Loan portfolio at fair value as of June 30, 2018. Excluding its investments in Private Loan portfolio companies that, as of June 30, 2019 and 2018, as applicable, have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment and its investments in its Private Loan portfolio companies that were not reviewed because the investment is valued based upon third-party quotes or other independent pricing, the percentage of the Private Loan portfolio reviewed and certified by its independent financial advisory services firm for the six months ended June 30, 2019 and 2018 was 48% and 58% of the total Private Loan portfolio at fair value as of June 30, 2019 and 2018, respectively.

For valuation purposes, all of Main Street's Other Portfolio investments are non-control investments. Main Street's Other Portfolio investments comprised 4.4% of Main Street's Investment Portfolio at fair value as of both June 30, 2019 and December 31, 2018. Similar to the LMM investment portfolio, market quotations for Other Portfolio equity investments are generally not readily available. For its Other Portfolio equity investments, Main Street generally determines the fair value of these investments using the NAV valuation method.

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

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

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

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

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 June 30, 2019 and December 31, 2018 approximates fair value as of those dates based on the markets in which Main Street operates and other conditions in existence on those reporting dates.

2. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from these estimates under different conditions or assumptions. Additionally, as explained in Note B.1., the consolidated financial statements include investments in the Investment Portfolio whose values have been estimated by Main Street with the oversight, review and approval by Main Street's Board of Directors in the absence of readily ascertainable market values. Because of the inherent uncertainty of the Investment Portfolio valuations, those estimated values may differ materially from the values that would have been determined had a ready market for the securities existed.

3. Cash and Cash Equivalents

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

At June 30, 2019, cash balances totaling $66.7 million exceeded Federal Deposit Insurance Corporation insurance protection levels, subjecting the Company to risk related to the uninsured balance. All of the Company's cash deposits are held at large established high credit quality financial institutions and management believes that the risk of loss associated with any uninsured balances is remote.

4. Interest, Dividend and Fee Income

Main Street records interest and dividend income on the accrual basis to the extent amounts are expected to be collected. Dividend income is recorded as dividends are declared by the portfolio company or at the point an obligation exists for the portfolio company to make a distribution. In accordance with Main Street's valuation policies, Main Street evaluates accrued interest and dividend income periodically for collectability. When a loan or debt security becomes 90 days or more past due, and if Main Street otherwise does not expect the debtor to be able to service all of its debt or other obligations, Main Street will generally place the loan or debt security on non-accrual status and cease recognizing interest income on that loan or debt security until the borrower has demonstrated the ability and intent to pay contractual amounts due. If a loan or debt security's status significantly improves regarding the debtor's ability to service the debt or other obligations, or if a loan or debt security is sold or written off, Main Street removes it from non-accrual status.

As of June 30, 2019, Main Street's total Investment Portfolio had seven investments on non-accrual status, which comprised approximately 1.5% of its fair value and 4.4% of its cost. As of December 31,

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

2018, Main Street's total Investment Portfolio had six investments on non-accrual status, which comprised approximately 1.3% of its fair value and 3.9% of its cost.

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 June 30, 2019 and 2018, (i) approximately 2.2% and 0.6%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.1% and 0.8%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash. For the six months ended June 30, 2019 and 2018, (i) approximately 2.0% and 0.8%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.1% and 0.9%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash.

Main Street may periodically provide services, including structuring and advisory services, to its portfolio companies or other third parties. For services that are separately identifiable and evidence exists to substantiate fair value, fee income is recognized as earned, which is generally when the investment or other applicable transaction closes. Fees received in connection with debt financing transactions for services that do not meet these criteria are treated as debt origination fees and are deferred and accreted into income over the life of the financing.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(dollars in thousands)			
Interest, fee and dividend income:				
Interest income	$ 47,222	$ 44,265	$ 94,541	$ 83,878
Dividend income	12,763	13,680	25,259	27,511
Fee income	1,308	1,924	2,857	4,423
Total interest, fee and dividend income	$ 61,293	$ 59,869	$ 122,657	$ 115,812

5. Deferred Financing Costs

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

6. Equity Offering Costs

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

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

Main Street capitalizes debt origination fees received in connection with financings and reflects such fees as unearned income netted against the applicable debt investments. The unearned income from the fees is accreted into income based on the effective interest method over the life of the financing.

In connection with its portfolio debt investments, Main Street sometimes receives nominal cost warrants or warrants with an exercise price below the fair value of the underlying equity (together, "nominal cost equity") that are valued as part of the negotiation process with the particular portfolio company. When Main Street receives nominal cost equity, Main Street allocates its cost basis in its investment between its debt security and its nominal cost equity at the time of origination based on amounts negotiated with the particular portfolio company. The allocated amounts are based upon the fair value of the nominal cost equity, which is then used to determine the allocation of cost to the debt security. Any discount recorded on a debt investment resulting from this allocation is reflected as unearned income, which is netted against the applicable debt investment, and accreted into interest income based on the effective interest method over the life of the debt investment. The actual collection of this interest is deferred until the time of debt principal repayment.

Main Street may also purchase debt securities at a discount or at a premium to the par value of the debt security. In the case of a purchase at a discount, Main Street records the investment at the par value of the debt security net of the discount, and the discount is accreted into interest income based on the effective interest method over the life of the debt investment. In the case of a purchase at a premium, Main Street records the investment at the par value of the debt security plus the premium, and the premium is amortized as a reduction to interest income based on the effective interest method over the life of the debt investment.

To maintain RIC tax treatment (as discussed in Note B.9. below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the interest income. For the three months ended June 30, 2019 and 2018, approximately 2.5% and 3.0%, respectively, of Main Street's total investment income was attributable to interest income from the accretion of discounts associated with debt investments, net of any premium reduction. For the six months ended June 30, 2019 and 2018, approximately 2.7% and 2.9%, respectively, of Main Street's total investment income was attributable to interest income from the accretion of discounts associated with debt investments, net of any premium reduction.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

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8. Share-Based Compensation

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

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

9. Income Taxes

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that MSCC distributes to its stockholders. MSCC must generally distribute at least 90% of its "investment company taxable income" (which is generally its net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses) and 90% of its tax-exempt income to maintain its RIC status (pass-through tax treatment for amounts distributed). As part of maintaining RIC status, undistributed taxable income (subject to a 4% non-deductible U.S. federal excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared on or prior to the later of (i) the filing of the U.S. federal income tax return for the applicable fiscal year or (ii) the fifteenth day of the ninth month following the close of the year in which such taxable income was generated.

The Taxable Subsidiaries primarily hold certain portfolio investments for Main Street. The Taxable Subsidiaries permit Main Street to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes and to continue to comply with the "source-of-income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are consolidated with Main Street for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in Main Street's consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities, as a result of their ownership of certain portfolio investments. The taxable income, or loss, of the Taxable Subsidiaries may differ from their book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at their normal corporate tax rates based on their taxable income. The income tax expense, or benefit, if any, and the related tax assets and liabilities, of the Taxable Subsidiaries are reflected in Main Street's consolidated financial statements.

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

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

The Taxable Subsidiaries and the External Investment Manager use the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements, using statutory tax rates in effect for the year in which the temporary differences are expected to reverse. A valuation allowance is provided, if necessary, against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized.

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

10. Net Realized Gains or Losses and Net Unrealized Appreciation or Depreciation

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption of an investment or a financial instrument and the cost basis of the investment or financial instrument, without regard to unrealized appreciation or depreciation previously recognized, and includes investments written-off during the period net of recoveries and realized gains or losses from in-kind redemptions. Net unrealized appreciation or depreciation reflects the net change in the fair value of the Investment Portfolio and financial instruments and the reclassification of any prior period unrealized appreciation or depreciation on exited investments and financial instruments to realized gains or losses.

11. Fair Value of Financial Instruments

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Main Street believes that the carrying amounts of its financial instruments, consisting of cash and cash equivalents, receivables, payables and other liabilities approximate the fair values of such items due to the short-term nature of these instruments.

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As part of Main Street's acquisition of the majority of the equity interests of MSC II in January 2010 (the "MSC II Acquisition"), Main Street elected the fair value option under ASC 825, *Financial Instruments* ("ASC 825"), relating to accounting for debt obligations at their fair value, for the MSC II SBIC debentures acquired as part of the acquisition accounting related to the MSC II Acquisition and values those obligations as discussed further in Note C. In order to provide for a more consistent basis of presentation, Main Street has continued to elect the fair value option for SBIC debentures issued by MSC II subsequent to the MSC II Acquisition. When the fair value option is elected for a given SBIC debenture, the deferred loan costs associated with the debenture are fully expensed in the current period to "Net Unrealized Appreciation (Depreciation)—SBIC debentures" as part of the fair value adjustment. Interest incurred in connection with SBIC debentures which are valued at fair value is included in interest expense.

12. Earnings per Share

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

13. Recently Issued or Adopted Accounting Standards

In May 2014, the FASB issued ASU 2014-09,*Revenue from Contracts with Customers (Topic 606).* ASU 2014-09 supersedes the revenue recognition requirements under ASC 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the ASC. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Under the guidance, an entity is required to perform the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance will significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. Additionally, the guidance requires improved disclosures as to the nature, amount, timing and uncertainty of revenue that is recognized. In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net),* which clarified the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU 2016-10,*Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing,* which clarified the implementation guidance regarding performance obligations and licensing arrangements. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606)—Narrow-Scope Improvements and Practical Expedients*, which clarified guidance on assessing collectability, presenting sales tax, measuring noncash consideration, and certain transition matters. In December 2016, the FASB issued ASU No. 2016-20, *Revenue from Contracts with Customers (Topic 606)—Technical Corrections and Improvements*, which provided disclosure relief, and clarified the scope and application of the new revenue standard and related cost guidance. The guidance is effective for the annual reporting period beginning after December 15, 2017, including interim periods within

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that reporting period. Substantially all of Main Street's income is not within the scope of ASU 2014-09. For those income items that are within the scope (primarily fee income), Main Street has similar performance obligations as compared with deliverables and separate units of account previously identified. As a result, Main Street's timing of its income recognition remains the same and the adoption of the standard was not material.

In February 2016, the FASB issued ASU 2016-02,*Leases*, which requires lessees to recognize on the balance sheet a right-of-use asset, representing its right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The guidance is effective for annual periods beginning after December 15, 2018, and interim periods therein. Main Street adopted ASU 2016-02 effective January 1, 2019. Under ASC 842, *Leases* ("ASC 842"), Main Street evaluates leases to determine if the leases are considered financing or operating leases. Main Street currently has one operating lease for office space for which Main Street has recorded a right-of-use asset and lease liability for the operating lease obligation. Non-lease components (maintenance, property tax, insurance and parking) are not included in the lease cost. The lease expense is presented as a single lease cost that is amortized on a straight-line basis over the life of the lease. See further discussion in Note K regarding the lease obligation.

In August 2016, the FASB issued ASU 2016-15,*Statement of Cash Flows (Topic 230)*, which is intended to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance is effective for annual periods beginning after December 15, 2017, and interim periods therein. Main Street adopted ASU 2016-15 effective January 1, 2018. The impact of the adoption of this accounting standard on Main Street's consolidated financial statements was not material.

In August 2018, the FASB issued ASU 2018-13,*Fair Value Measurement (Topic 820)*, which is intended to improve fair value and defined benefit disclosure requirements by removing disclosures that are not cost-beneficial, clarifying disclosures' specific requirements, and adding relevant disclosure requirements. The amendments take effect for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. Main Street elected to early adopt ASU 2018-13 during the year ended December 31, 2018. No significant changes to the fair value disclosures were necessary in the notes to the consolidated financial statements in order to comply with ASU 2018-13.

In August 2018, the SEC adopted rules (the "SEC Release") amending certain disclosure requirements intended to eliminate redundant, duplicative, overlapping, outdated or superseded, in light of other SEC disclosure requirements, U.S. GAAP requirements or changes in the information environment. In part, the SEC Release requires an investment company to present distributable earnings in total on the consolidated balance sheet and consolidated statement of changes in net assets, rather than showing the three components of distributable earnings as previously shown. Main Street adopted this part of the SEC Release during the year ended December 31, 2018. The impact of the adoption of these rules on Main Street's consolidated financial statements was not material. Additionally, the SEC Release requires disclosure of changes in net assets within a registrant's Form 10-Q filing on a quarter-to-date and year-to-date basis for both the current year and prior year comparative periods. Main Street adopted the new requirement to present changes in net assets in interim financial statements within Form 10-Q filings effective January 1, 2019. The adoption of these rules did not have a material impact on the consolidated financial statements.

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

NOTE C—FAIR VALUE HIERARCHY FOR INVESTMENTS AND DEBENTURES—PORTFOLIO COMPOSITION

ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. Main Street accounts for its investments at fair value.

Fair Value Hierarchy

In accordance with ASC 820, Main Street has categorized its investments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical investments (Level 1) and the lowest priority to unobservable inputs (Level 3).

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

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

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

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

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

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(Unaudited)

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

As of June 30, 2019 and December 31, 2018, all of Main Street's LMM portfolio investments consisted of illiquid securities issued by privately held companies. As a result, the fair value determination for all of Main Street's LMM portfolio investments primarily consisted of unobservable inputs. As a result, all of Main Street's LMM portfolio investments were categorized as Level 3 as of June 30, 2019 and December 31, 2018.

As of June 30, 2019 and December 31, 2018, 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 June 30, 2019 and December 31, 2018.

As of June 30, 2019 and December 31, 2018, 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 June 30, 2019 and December 31, 2018.

As of June 30, 2019 and December 31, 2018, Main Street's Other Portfolio investments consisted of illiquid securities issued by privately held companies. The fair value determination for these investments primarily consisted of unobservable inputs. As a result, all of Main Street's Other Portfolio investments were categorized as Level 3 as of June 30, 2019 and December 31, 2018.

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

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

- Pending debt or capital restructuring of the portfolio company;
- Projected operating results of the portfolio company;
- Current information regarding any offers to purchase the investment;
- Current ability of the portfolio company to raise any additional financing as needed;
- Changes in the economic environment which may have a material impact on the operating results of the portfolio company;
- Internal occurrences that may have an impact (both positive and negative) on the operating performance of the portfolio company;
- Qualitative assessment of key management;
- Contractual rights, obligations or restrictions associated with the investment; and
- Other factors deemed relevant.

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

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Notes to Consolidated Financial Statements (Continued)

(Unaudited)

The following tables provide a summary of the significant unobservable inputs used to fair value Main Street's Level 3 portfolio investments as of June 30, 2019 and December 31, 2018:

Type of Investment	Fair Value as of June 30, 2019 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	$ 806,125	Discounted cash flow	WACC	9.5% - 20.1%	13.6%	14.2%
		Market comparable / Enterprise Value	EBITDA multiple(1)	4.7x - 8.3x(2)	7.3x	6.3x
Debt investments	$ 1,095,737	Discounted cash flow	Risk adjusted discount factor	6.6% - 17.0%(2)	11.2%	11.3%
			Expected principal recovery percentage	1.3% - 100.0%	99.4%	100.0%
Debt investments	$ 606,567	Market approach	Third-party quote	25.0 - 101.5	95.5	98.5
Total Level 3 investments	$ 2,508,429					

(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 - 15.0x and the range for risk adjusted discount factor is 5.3% - 43.0%.

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

Type of Investment	Fair Value as of December 31, 2018 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	$ 767,156	Discounted cash flow	WACC	9.9% - 20.7%	13.7%	14.3%
		Market comparable / Enterprise Value	EBITDA multiple(1)	4.7x - 8.0x(2)	7.0x	6.0x
Debt investments	$ 1,039,453	Discounted cash flow	Risk adjusted discount factor	8.5% - 17.0%(2)	12.2%	12.0%
			Expected principal recovery percentage	1.5% - 100.0%	99.3%	100.0%
Debt investments	$ 647,300	Market approach	Third-party quote	37.5 - 101.0	96.0	98.3
Total Level 3 investments	$ 2,453,909					

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

(2) Range excludes outliers that are greater than one standard deviation from the mean. Including these outliers, the range for EBITDA multiple is 3.9x - 15.0x and the range for risk adjusted discount factor is 5.3% - 30.3%.

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

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Notes to Consolidated Financial Statements (Continued)

(Unaudited)

The following tables provide a summary of changes in fair value of Main Street's Level 3 portfolio investments for the six month periods ended June 30, 2019 and 2018 (amounts in thousands):

Type of Investment	Fair Value as of December 31, 2018	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 June 30, 2019
Debt	$ 1,686,753	$ —	$ (235,999)	$ 254,123	$ 15,063	$ (8,776)	$ (8,860)	$ 1,702,304
Equity	755,710	—	(11,298)	24,058	(5,869)	23,362	10,667	796,630
Equity Warrant	11,446	—	1,217	—	(1,090)	(271)	(1,807)	9,495
	$ 2,453,909	$ —	$ (246,080)	$ 278,181	$ 8,104	$ 14,315	$ —	$ 2,508,429

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

Type of Investment	Fair Value as of December 31, 2017	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of June 30, 2018
Debt	$ 1,518,297	$ —	$ (305,877)	$ 435,477	$ 20,129	$ (7,515)	$ (3,141)	$ 1,657,370
Equity	641,493	—	(36,898)	70,121	(16,075)	33,744	3,141	695,526
Equity Warrant	11,515	—	—	—	—	(280)	—	11,235
	$ 2,171,305	$ —	$ (342,775)	$ 505,598	$ 4,054	$ 25,949	$ —	$ 2,364,131

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

As of June 30, 2019 and December 31, 2018, the fair value determination for the SBIC debentures recorded at fair value primarily consisted of unobservable inputs. As a result, the SBIC debentures which are recorded at fair value were categorized as Level 3. Main Street determines the fair value of these instruments primarily using a Yield-to-Maturity approach that analyzes the discounted cash flows of interest and principal for each SBIC debenture recorded at fair value based on estimated market interest rates for debt instruments of similar structure, terms, and maturity. Main Street's estimate of the expected repayment date of principal for each SBIC debenture recorded at fair value is the legal maturity date of the instrument. The significant unobservable inputs used in the fair value measurement of Main Street's SBIC debentures recorded at fair value are the estimated market interest rates used to fair value each debenture using the yield valuation technique described above. Significant increases (decreases) in the estimated market interest rates in isolation would result in a significantly lower (higher) fair value measurement.

The following tables provide a summary of the significant unobservable inputs used to fair value Main Street's Level 3 SBIC debentures as of June 30, 2019 and December 31, 2018 (amounts in thousands):

Type of Instrument	Fair Value as of June 30, 2019	Valuation Technique	Significant Unobservable Inputs	Range	Weighted Average
SBIC debentures	$ 21,432	Discounted cash flow	Estimated market interest rates	4.8% - 4.9%	4.8%

Type of Instrument	Fair Value as of December 31, 2018	Valuation Technique	Significant Unobservable Inputs	Range	Weighted Average
SBIC debentures	$ 44,688	Discounted cash flow	Estimated market interest rates	5.5% - 5.8%	5.6%

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Notes to Consolidated Financial Statements (Continued)

(Unaudited)

The following tables provide a summary of changes for the Level 3 SBIC debentures recorded at fair value for the six month periods ended June 30, 2019 and 2018 (amounts in thousands):

Type of Instrument	Fair Value as of December 31, 2018	Repayments	Net Realized Loss	New SBIC Debentures	Net Unrealized (Appreciation) Depreciation	Fair Value as of June 30, 2019
SBIC debentures at fair value	$ 44,688	$ (24,000)	$ 5,689	$ —	$ (4,945)	$ 21,432

Type of Instrument	Fair Value as of December 31, 2017	Repayments	Net Realized Loss	New SBIC Debentures	Net Unrealized (Appreciation) Depreciation	Fair Value as of June 30, 2018
SBIC debentures at fair value	$ 48,608	$ (4,000)	$ 1,374	$ —	$ (1,348)	$ 44,634

At June 30, 2019 and December 31, 2018, 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 June 30, 2019	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
LMM portfolio investments	$ 1,213,698	$ —	$ —	$ 1,213,698
Middle Market portfolio investments	519,614	—	—	519,614
Private Loan portfolio investments	594,420	—	—	594,420
Other Portfolio investments	111,119	—	—	111,119
External Investment Manager	69,578	—	—	69,578
Total investments	$ 2,508,429	$ —	$ —	$ 2,508,429
SBIC debentures at fair value	$ 21,432	$ —	$ —	$ 21,432

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Notes to Consolidated Financial Statements (Continued)

(Unaudited)

		Fair Value Measurements (in thousands)		
At December 31, 2018	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
LMM portfolio investments	$ 1,195,035	$ —	$ —	$ 1,195,035
Middle Market portfolio investments	576,929	—	—	576,929
Private Loan portfolio investments	507,892	—	—	507,892
Other Portfolio investments	108,305	—	—	108,305
External Investment Manager	65,748	—	—	65,748
Total investments	$ 2,453,909	$ —	$ —	$ 2,453,909
SBIC debentures at fair value	$ 44,688	$ —	$ —	$ 44,688

Investment Portfolio Composition

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

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

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

Main Street's other portfolio ("Other Portfolio") investments primarily consist of investments which are not consistent with the typical profiles for LMM, Middle Market and Private Loan portfolio investments, including investments which may be managed by third parties. In the Other Portfolio,

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Main Street may incur indirect fees and expenses in connection with investments managed by third parties, such as investments in other investment companies or private funds. For Other Portfolio investments, Main Street generally receives distributions related to the assets held by the portfolio company. Those assets are typically expected to be liquidated over a five to ten year period.

Main Street's external asset management business is conducted through its External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. Main Street entered into an agreement with the External Investment Manager to share employees in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, Main Street shares employees with the External Investment Manager, including their related infrastructure, business relationships, management expertise and capital raising capabilities. Main Street allocates the related expenses to the External Investment Manager pursuant to the sharing agreement. Main Street's total expenses for each of the three months ended June 30, 2019 and 2018 are net of expenses allocated to the External Investment Manager of $1.7 million. Main Street's total expenses for the six months ended June 30, 2019 and 2018 are net of expenses allocated to the External Investment Manager of $3.4 million and $3.7 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 six months ended June 30, 2019 and 2018, Main Street did not record investment income from any single portfolio company in excess of 10% of total investment income.

The following tables provide a summary of Main Street's investments in the LMM, Middle Market and Private Loan portfolios as of June 30, 2019 and December 31, 2018 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

	As of June 30, 2019		
	LMM(a)	Middle Market	Private Loan
		(dollars in millions)	
Number of portfolio companies	69	51	62
Fair value	$ 1,213.7	$ 519.6	$ 594.4
Cost	$ 996.3	$ 562.0	$ 629.5
% of portfolio at cost—debt	67.2%	95.8%	93.5%
% of portfolio at cost—equity	32.8%	4.2%	6.5%
% of debt investments at cost secured by first priority lien	98.0%	89.4%	92.7%
Weighted-average annual effective yield(b)	12.1%	9.4%	10.2%
Average EBITDA(c)	$ 4.7	$ 93.1	$ 53.0

(a) At June 30, 2019, Main Street had equity ownership in approximately 99% of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 41%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of June 30, 2019, including amortization of deferred debt origination

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fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield is higher than what an investor in shares of Main Street's common stock will realize on its investment because it does not reflect Main Street's expenses or any sales load paid by an investor.

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

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

(a) At December 31, 2018, Main Street had equity ownership in approximately 99% of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 40%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2018, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield is higher than what an investor in shares of Main Street's common stock will realize on its investment because it does not reflect Main Street's expenses or any sales load paid by an investor.

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

As of June 30, 2019, Main Street had Other Portfolio investments in eleven companies, collectively totaling approximately $111.1 million in fair value and approximately $119.3 million in cost basis and which comprised approximately 4.4% of Main Street's Investment Portfolio at fair value. As of December 31, 2018, Main Street had Other Portfolio investments in eleven companies, collectively

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totaling approximately $108.3 million in fair value and approximately $116.0 million in cost basis and which comprised approximately 4.4% of Main Street's Investment Portfolio at fair value.

As 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 June 30, 2019, there was no cost basis in this investment and the investment had a fair value of approximately $69.6 million, which comprised approximately 2.8% of Main Street's Investment Portfolio at fair value. As of December 31, 2018, there was no cost basis in this investment and the investment had a fair value of approximately $65.7 million, which comprised approximately 2.7% of Main Street's Investment Portfolio at fair value.

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 June 30, 2019 and December 31, 2018 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	June 30, 2019	December 31, 2018
First lien debt	76.9%	77.1%
Equity	17.3%	16.6%
Second lien debt	4.8%	5.3%
Equity warrants	0.6%	0.6%
Other	0.4%	0.4%
	100.0%	100.0%

Fair Value:	June 30, 2019	December 31, 2018
First lien debt	68.6%	69.0%
Equity	26.4%	25.5%
Second lien debt	4.2%	4.6%
Equity warrants	0.4%	0.5%
Other	0.4%	0.4%
	100.0%	100.0%

The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments by geographic region of the United States and other countries at cost and fair value as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, as of June 30, 2019 and December 31, 2018 (this information excludes the Other Portfolio

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

Cost:	June 30, 2019	December 31, 2018
West	25.3%	27.2%
Southwest	24.6%	26.7%
Midwest	19.5%	19.4%
Northeast	15.5%	14.3%
Southeast	12.8%	10.0%
Canada	1.3%	1.4%
Other Non-United States	1.0%	1.0%
	100.0%	100.0%

Fair Value:	June 30, 2019	December 31, 2018
Southwest	26.6%	28.4%
West	26.3%	28.2%
Midwest	19.0%	18.9%
Northeast	14.7%	13.4%
Southeast	11.2%	8.9%
Canada	1.2%	1.2%
Other Non-United States	1.0%	1.0%
	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

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as of June 30, 2019 and December 31, 2018 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	June 30, 2019	December 31, 2018
Machinery	7.1%	6.5%
Media	6.6%	6.5%
Construction & Engineering	6.0%	7.5%
Energy Equipment & Services	5.5%	6.4%
Specialty Retail	4.6%	4.2%
IT Services	4.4%	3.8%
Internet Software & Services	4.3%	4.1%
Diversified Telecommunication Services	4.2%	4.8%
Aerospace & Defense	4.2%	3.8%
Health Care Providers & Services	4.1%	2.8%
Commercial Services & Supplies	3.9%	4.9%
Hotels, Restaurants & Leisure	3.9%	3.3%
Leisure Equipment & Products	3.7%	3.9%
Oil, Gas & Consumable Fuels	3.5%	3.0%
Electronic Equipment, Instruments & Components	3.5%	3.5%
Communications Equipment	3.4%	2.5%
Food Products	3.2%	3.8%
Professional Services	2.5%	2.6%
Computers & Peripherals	2.4%	2.6%
Software	2.3%	2.6%
Road & Rail	2.0%	1.8%
Containers & Packaging	1.8%	1.9%
Construction Materials	1.8%	1.8%
Building Products	1.6%	1.6%
Distributors	1.2%	1.7%
Internet & Catalog Retail	1.0%	1.1%
Other(1)	7.3%	7.0%
	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.

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Fair Value:	June 30, 2019	December 31, 2018
Machinery	9.5%	8.8%
Construction & Engineering	6.6%	7.9%
Media	5.6%	5.4%
Energy Equipment & Services	5.0%	5.7%
Specialty Retail	4.6%	4.2%
IT Services	4.5%	3.9%
Internet Software & Services	4.0%	3.8%
Aerospace & Defense	4.0%	3.5%
Health Care Providers & Services	3.8%	2.7%
Hotels, Restaurants & Leisure	3.7%	3.2%
Computers & Peripherals	3.6%	3.8%
Commercial Services & Supplies	3.5%	4.4%
Leisure Equipment & Products	3.5%	3.7%
Diversified Telecommunication Services	3.4%	4.0%
Oil, Gas & Consumable Fuels	3.2%	2.7%
Communications Equipment	2.9%	2.2%
Food Products	2.8%	3.5%
Electronic Equipment, Instruments & Components	2.8%	2.8%
Diversified Consumer Services	2.7%	2.9%
Software	2.6%	2.9%
Construction Materials	2.2%	2.1%
Professional Services	2.1%	2.4%
Road & Rail	2.0%	1.8%
Containers & Packaging	1.8%	1.8%
Building Products	1.5%	1.6%
Distributors	1.0%	1.5%
Other(1)	7.1%	6.8%
	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 June 30, 2019 and December 31, 2018, Main Street had no portfolio investment that was greater than 10% of the Investment Portfolio at fair value.

Unconsolidated Significant Subsidiaries

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

As of June 30, 2019 and December 31, 2018, Main Street had no single investment that represented greater than 20% of its total Investment Portfolio at fair value and no single investment whose total assets represented greater than 20% of its total assets. After performing the income test for the six months ended June 30, 2019 and 2018, Main Street determined that no single Control Investment had income that represented greater than 20% of Main Street's total income, except for the External Investment Manager. As such, the External Investment Manager was considered a significant subsidiary. The summarized financial information for the External Investment Manager is included in Note D.

NOTE D—EXTERNAL INVESTMENT MANAGER

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

During May 2012, Main Street entered into an investment sub-advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income, a non-listed BDC, to provide certain investment advisory services to HMS Adviser. In December 2013, after obtaining required no-action relief from the SEC to allow it to own a registered investment adviser, Main Street assigned the sub-advisory agreement to the External Investment Manager since the fees received from such arrangement could otherwise have negative consequences on MSCC's ability to meet the source-of-income requirement necessary for it to maintain its RIC tax treatment. Under the investment sub-advisory agreement, the External Investment Manager is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. The External Investment Manager agreed to waive the historical incentive fees otherwise earned through December 31, 2018. During the three months ended June 30, 2019, the External Investment Manager earned $4.1 million in fee income, which consisted of $2.8 million of base management fees and $1.3 million in incentive fees, compared to $2.9 million in base management fees for the comparable period in 2018 under the sub-advisory agreement with HMS Adviser. During the six months ended June 30, 2019, the External Investment Manager earned $7.1 million in fee income, which consisted of $5.7 million of base management fees and $1.4 million in incentive fees compared to $5.7 million of base management fees for the comparable period in 2018 under the sub-advisory agreement with HMS Adviser.

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

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

Main Street shares employees with the External Investment Manager and allocates costs related to such shared employees to the External Investment Manager generally based on a combination of the direct time spent, new investment origination activity and assets under management, depending on the nature of the expense. For each of the three months ended June 30, 2019 and 2018, Main Street allocated $1.7 million of total expenses to the External Investment Manager. For the six months ended June 30, 2019 and 2018, Main Street allocated $3.4 million and $3.7 million of total expenses, respectively, to the External Investment Manager. The total contribution of the External Investment Manager to Main Street's net investment income consists of the combination of the expenses allocated to the External Investment Manager and the dividend income received from the External Investment Manager. For the three months ended June 30, 2019 and 2018, the total contribution to Main Street's net investment income was $3.6 million and $2.7 million, respectively. For the six months ended June 30, 2019 and 2018, the total contribution to Main Street's net investment income was $6.2 million and $5.3 million, respectively.

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Summarized financial information from the separate financial statements of the External Investment Manager as of June 30, 2019 and December 31, 2018 and for the three and six months ended June 30, 2019 and 2018 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(dollars in thousands)			
Management fee income	$ 2,800	$ 2,879	$ 5,677	$ 5,695
Incentive fees	1,294	—	1,374	—
Total revenues	4,094	2,879	7,051	5,695
Expenses allocated from MSCC or its subsidiaries:				
Salaries, share-based compensation and other personnel costs	(1,121)	(1,059)	(2,176)	(2,412)
Other G&A expenses	(586)	(619)	(1,174)	(1,332)
Total allocated expenses	(1,707)	(1,678)	(3,350)	(3,744)
Pre-tax income	2,387	1,201	3,701	1,951
Tax expense	(526)	(185)	(820)	(362)
Net income	$ 1,861	$ 1,016	$ 2,881	$ 1,589

	As of June 30, 2019	As of December 31, 2018
	(dollars in thousands)	
Cash	$ —	$ —
Accounts receivable—HMS Income	3,510	2,947
Total assets	$ 3,510	$ 2,947
Accounts payable to MSCC and its subsidiaries	$ 1,649	$ 1,786
Dividend payable to MSCC and its subsidiaries	1,861	1,161
Equity	—	—
Total liabilities and equity	$ 3,510	$ 2,947

NOTE E—DEBT

SBIC Debentures

Under existing SBA regulations, SBA approved SBICs under common control have the ability to issue debentures guaranteed by the SBA up to a regulatory maximum amount of $350.0 million. Main Street, through the funds, has an effective maximum amount of $347.0 million as a result of certain voluntary prepayments of SBIC debentures under historical commitments from the SBA. SBIC debentures payable were $321.8 million and $345.8 million at June 30, 2019 and December 31, 2018, respectively. SBIC debentures provide for interest to be paid semiannually, with principal due at the applicable 10-year maturity date of each debenture. During the six months ended June 30, 2019, Main Street received a $25.0 million commitment from the SBA in order to issue new SBIC debentures in

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the future and opportunistically prepaid $24.0 million of existing SBIC debentures that were scheduled to mature over the next year as part of an effort to manage the maturity dates of the oldest SBIC debentures. As a result of this prepayment, Main Street recognized a realized loss of $5.7 million due primarily to the previously recognized gain recorded as a result of recording the MSC II debentures at fair value on the date of the acquisition of the majority interests of MSC II. The effect of the realized loss is substantially offset by the reversal of all previously recognized unrealized depreciation due to fair value adjustments since the date of the acquisition. Main Street expects to issue new SBIC debentures under the SBIC program in the future in an amount up to the regulatory maximum amount for affiliated SBIC funds. The weighted-average annual interest rate on the SBIC debentures was 3.6% and 3.7% as of June 30, 2019 and December 31, 2018, respectively. The first principal maturity due under the existing SBIC debentures is in 2020, and the weighted-average remaining duration as of June 30, 2019 was approximately 5.5 years. For each of the three months ended June 30, 2019 and 2018, Main Street recognized interest expense, including the amortization of upfront leverage and other miscellaneous fees, attributable to the SBIC debentures of $3.2 million. For the six months ended June 30, 2019 and 2018, Main Street recognized interest expense, including the amortization of upfront leverage and other miscellaneous fees, attributable to the SBIC debentures of $6.5 million and $6.1 million, respectively. In accordance with SBA regulations, the Funds are precluded from incurring additional non-SBIC debt without the prior approval of the SBA.

As of June 30, 2019, the recorded value of the SBIC debentures was $315.2 million which consisted of (i) $21.4 million recorded at fair value, or $0.6 million less than the $22.0 million par value of the SBIC debentures issued by MSC II, (ii) $149.8 million par value of SBIC debentures outstanding issued by MSMF, with a recorded value of $148.3 million that was net of unamortized debt issuance costs of $1.5 million and (iii) $150.0 million par value of SBIC debentures issued by MSC III with a recorded value of $145.5 million that was net of unamortized debt issuance costs of $4.5 million. As of June 30, 2019, 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 $300.9 million, or $20.9 million less than the $321.8 million face value of the SBIC debentures.

Credit Facility

Main Street maintains the Credit Facility to provide additional liquidity to support its investment and operational activities. The Credit Facility includes total commitments of $705.0 million from a diversified group of 17 lenders. The Credit Facility matures in September 2023 and contains an accordion feature which allows Main Street to increase the total commitments under the facility to up to $800.0 million from new and existing lenders on the same terms and conditions as the existing commitments.

Borrowings under the Credit Facility bear interest, subject to Main Street's election, on a per annum basis at a rate equal to the applicable LIBOR rate (2.4% as of June 30, 2019) plus (i) 1.875% (or the applicable base rate (Prime Rate of 5.5% as of June 30, 2019) plus 0.875%) as long as Main Street meets certain agreed upon excess collateral and maximum leverage requirements or (ii) 2.0% (or the applicable base rate plus 1.0%) otherwise. Main Street pays unused commitment fees of 0.25% per annum on the unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership or assets of the Funds and the External Investment Manager. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining a minimum availability of at least 10% of the borrowing base, (ii) maintaining an interest coverage ratio of at least 2.0 to 1.0, (iii) maintaining an asset coverage ratio (tangible net worth to Credit Facility borrowings) of at least 1.5 to 1.0 and (iv) maintaining a minimum tangible net worth. The Credit Facility is provided on a revolving basis through its final maturity date in September 2023, and contains two, one-year extension options which could extend the final maturity by up to two years, subject to certain conditions, including lender approval.

At June 30, 2019, Main Street had $122.0 million in borrowings outstanding under the Credit Facility. As of June 30, 2019, if Main Street had adopted the fair value option under ASC 825 for its Credit Facility, Main Street estimates its fair value would approximate its recorded value. Main Street recognized interest expense related to the Credit Facility, including unused commitment fees and amortization of deferred issuance costs, of $2.2 million and $3.3 million for the three months ended June 30, 2019 and 2018, respectively, and $6.4 million and $4.7 million for the six months ended June 30, 2019 and 2018, respectively. As of June 30, 2019, the interest rate on the Credit Facility was 4.3%. The average interest rate was 4.4% for each of the three and six months ended June 30, 2019. As of June 30, 2019, Main Street was in compliance with all financial covenants of the Credit Facility.

6.125% Notes

In April 2013, Main Street issued $92.0 million, including the underwriters full exercise of their option to purchase additional principal amounts to cover over-allotments, in aggregate principal amount of 6.125% Notes due 2023 (the "6.125% Notes"). The 6.125% Notes bore interest at a rate of 6.125% per year payable quarterly on January 1, April 1, July 1 and October 1 of each year. The total net proceeds to Main Street from the 6.125% Notes, after underwriting discounts and estimated offering expenses payable, were approximately $89.0 million. On April 2, 2018, Main Street redeemed the entire principal amount of the issued and outstanding 6.125% Notes effective April 1, 2018 (the "Redemption Date"). The 6.125% Notes were redeemed at par value, plus the accrued and unpaid interest thereon from January 1, 2018, through, but excluding, the Redemption Date. As part of the redemption, Main Street recognized a realized loss on extinguishment of debt of $1.5 million in the second quarter of 2018 related to the write-off of the related unamortized deferred financing costs. Main Street recognized interest expense related to the 6.125% Notes, including amortization of unamortized deferred issuance costs, of $1.5 million for the six months ended June 30, 2018.

4.50% Notes due 2019

In November 2014, Main Street issued $175.0 million in aggregate principal amount of 4.50% unsecured notes due 2019 (the "4.50% Notes due 2019") at an issue price of 99.53%. The 4.50% Notes due 2019 are unsecured obligations and rank pari passu with Main Street's current and future unsecured indebtedness; senior to any of its future indebtedness that expressly provides it is subordinated to the 4.50% Notes due 2019; effectively subordinated to all of its existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under its Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes due 2019 mature on December 1, 2019, and may be redeemed in whole or in part at any time at Main Street's option subject to certain make-whole provisions. The 4.50% Notes due 2019 bear interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year. The total net proceeds from the 4.50% Notes due 2019, resulting from the issue price and after underwriting discounts and estimated offering expenses payable, were approximately $171.2 million. Main Street may from time to time repurchase the 4.50% Notes

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due 2019 in accordance with the 1940 Act and the rules promulgated thereunder. As of June 30, 2019, the outstanding balance of the 4.50% Notes due 2019 was $175.0 million and the recorded value of $174.7 million was net of unamortized debt issuance costs of $0.3 million. As of June 30, 2019, if Main Street had adopted the fair value option under ASC 825 for the 4.50% Notes due 2019, Main Street estimates its fair value would be approximately $175.5 million. Main Street recognized interest expense related to the 4.50% Notes due 2019, including amortization of unamortized deferred issuance costs, of $2.1 million for each of the three months ended June 30, 2019 and 2018, and $4.3 million for each of the six months ended June 30, 2019 and 2018.

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

4.50% Notes due 2022

In November 2017, Main Street issued $185.0 million in aggregate principal amount of 4.50% unsecured notes due 2022 (the "4.50% Notes due 2022") at an issue price of 99.16%. The 4.50% Notes due 2022 are unsecured obligations and rank pari passu with Main Street's current and future unsecured indebtedness; senior to any of its future indebtedness that expressly provides it is subordinated to the 4.50% Notes due 2022; effectively subordinated to all of its existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under its Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes due 2022 mature on December 1, 2022, and may be redeemed in whole or in part at any time at Main Street's option subject to certain make-whole provisions. The 4.50% Notes due 2022 bear interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year. The total net proceeds from the 4.50% Notes due 2022, resulting from the issue price and after underwriting discounts and estimated offering expenses payable, were approximately $182.2 million. Main Street may from time to time repurchase the 4.50% Notes due 2022 in accordance with the 1940 Act and the rules promulgated thereunder. As of June 30, 2019, the outstanding balance of the 4.50% Notes due 2022 was $185.0 million and the recorded value of $182.9 million was net of unamortized debt issuance costs of $2.1 million. As of June 30, 2019, if Main Street had adopted the fair value option under ASC 825 for the 4.50% Notes due 2022, Main Street estimates its fair value would be approximately $191.5 million. Main Street recognized interest expense related to the 4.50% Notes due 2022, including amortization of unamortized deferred issuance costs, of $2.2 million and $2.3 million for the three months ended June 30, 2019 and 2018, respectively, and $4.5 million for each of the six months ended June 30, 2019 and 2018.

The indenture governing the 4.50% Notes due 2022 (the "4.50% Notes due 2022 Indenture") contains certain covenants, including covenants requiring Main Street's compliance with (regardless of whether Main Street is subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act, as well as covenants requiring Main Street to provide

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financial information to the holders of the 4.50% Notes due 2022 and the Trustee if Main Street ceases to be subject to the reporting requirements of the Exchange Act. These covenants are subject to limitations and exceptions that are described in the 4.50% Notes due 2022 Indenture. As of June 30, 2019, Main Street was in compliance with these covenants.

5.20% Notes

In April 2019, Main Street issued $250.0 million in aggregate principal amount of 5.20% unsecured notes due 2024 (the "5.20% Notes") at an issue price of 99.125%. The 5.20% 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 5.20% 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 5.20% Notes mature on May 1, 2024, and may be redeemed in whole or in part at any time at Main Street's option subject to certain make-whole provisions. The 5.20% Notes bear interest at a rate of 5.20% per year payable semiannually on May 1 and November 1 of each year. The total net proceeds from the 5.20% Notes, resulting from the issue price and after underwriting discounts and estimated offering expenses payable, were approximately $245.8 million. Main Street may from time to time repurchase the 5.20% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of June 30, 2019, the outstanding balance of the 5.20% Notes was $250.0 million and the recorded value of $246.1 million was net of unamortized debt issuance costs of $3.9 million. As of June 30, 2019, if Main Street had adopted the fair value option under ASC 825 for the 5.20% Notes, Main Street estimates its fair value would be approximately $260.8 million. Main Street recognized $2.6 million of interest expense related to the 5.20% Notes, including amortization of unamortized deferred issuance costs, for each of the three and six months ended June 30, 2019.

The indenture governing the 5.20% Notes (the "5.20% 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 5.20% Notes and the Trustee if Main Street ceases to be subject to the reporting requirements of the Exchange Act. These covenants are subject to limitations and exceptions that are described in the 5.20% Notes Indenture. As of June 30, 2019, Main Street was in compliance with these covenants.

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NOTE F—FINANCIAL HIGHLIGHTS

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Per Share Data:		
NAV at the beginning of the period	$ 24.09	$ 23.53
Net investment income(1)	1.27	1.29
Net realized loss(1)(2)	(0.22)	(0.16)
Net unrealized appreciation(1)(2)	0.34	0.40
Income tax provision(1)(2)	(0.11)	(0.01)
Net increase in net assets resulting from operations(1)	1.28	1.52
Dividends paid from net investment income	(1.44)	(1.42)
Distributions from capital gains	—	—
Total dividends paid	(1.44)	(1.42)
Impact of the net change in monthly dividends declared prior to the end of the period and paid in the subsequent period	(0.01)	—
Accretive effect of stock offerings (issuing shares above NAV per share)	0.25	0.33
Accretive effect of DRIP issuance (issuing shares above NAV per share)	0.05	0.04
Other(3)	(0.05)	(0.04)
NAV at the end of the period	$ 24.17	$ 23.96
Market value at the end of the period	$ 41.12	$ 38.06
Shares outstanding at the end of the period	62,925,132	60,400,572

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

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

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

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

	Six Months Ended June 30,	
	2019	2018
	(dollars in thousands)	
NAV at end of period	$ 1,521,082	$ 1,447,354
Average NAV	$ 1,506,543	$ 1,408,107
Average outstanding debt	$ 1,025,943	$ 911,317
Ratio of total expenses, including income tax expense, to average NAV(1)(2)	3.32%	2.82%
Ratio of operating expenses to average NAV(2)(3)	2.89%	2.79%
Ratio of operating expenses, excluding interest expense, to average NAV(2)(3)	1.28%	1.29%
Ratio of net investment income to average NAV(2)	2.36%	5.43%
Portfolio turnover ratio(2)	9.54%	13.94%
Total investment return(2)(4)	26.15%	(0.56)%
Total return based on change in NAV(2)(5)	5.40%	6.52%

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

(2) Not annualized.

(3) Unless otherwise noted, operating expenses include interest, compensation, general and administrative and share-based compensation expenses, net of expenses allocated to the External Investment Manager.

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

(5) Total return is based on change in net asset value was calculated using the sum of ending net asset value plus dividends to stockholders and other non-operating changes during the period, as divided by the beginning net asset value. Non-operating changes include any items that affect net asset value other than the net increase in net assets resulting from operations, such as the effects of stock offerings, shares issued under the DRIP and equity incentive plans and other miscellaneous items.

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Notes to Consolidated Financial Statements (Continued)

(Unaudited)

NOTE G—DIVIDENDS, DISTRIBUTIONS AND TAXABLE INCOME

Main Street paid regular monthly dividends of $0.20 per share for each month of April through June 2019, totaling $37.6 million, or $0.60 per share, for the three months ended June 30, 2019, and $73.7 million, or $1.185 per share, for the six months ended June 30, 2019 compared to regular monthly dividends of approximately $33.8 million, or $0.57 per share, for the three months ended June 30, 2018, and $67.3 million, or $1.14 per share, for the six months ended June 30, 2018. The second quarter 2019 regular monthly dividends represent a 5.3% increase from the regular monthly dividends paid for the second quarter of 2018. Additionally, Main Street paid a $0.25 per share semi-annual supplemental dividend, totaling $15.8 million, in June 2019 compared to $16.6 million, or $0.275 per share, paid in June 2018 resulting in total dividends paid of $1.435 and $1.415 per share for the six months ended June 30, 2019 and June 30, 2018, respectively.

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that MSCC distributes to its stockholders. MSCC must generally distribute at least 90% of its "investment company taxable income" (which is generally its net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses) and 90% of its tax-exempt income to maintain its RIC status (pass-through tax treatment for amounts distributed). As part of maintaining RIC status, undistributed taxable income (subject to a 4% non-deductible U.S. federal excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared on or prior to the later of (i) filing of the U.S. federal income tax return for the applicable fiscal year or (ii) the fifteenth day of the ninth month following the close of the year in which such taxable income was generated.

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

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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 six months ended June 30, 2019 and 2018.

	Six months ended June 30,	
	2019	2018
	(estimated, dollars in thousands)	
Net increase in net assets resulting from operations	$ 79,655	$ 89,969
Book-tax difference from share-based compensation expense	(4,263)	(5,833)
Net unrealized appreciation	(21,026)	(23,177)
Income tax provision	6,502	316
Pre-tax book income not consolidated for tax purposes	(13,294)	(9,465)
Book income and tax income differences, including debt origination, structuring fees, dividends, realized gains and changes in estimates	28,630	19,913
Estimated taxable income(1)	76,204	71,723
Taxable income earned in prior year and carried forward for distribution in current year	41,489	42,357
Taxable income earned prior to period end and carried forward for distribution next period	(40,221)	(41,354)
Dividend payable as of period end and paid in the following period	12,900	11,477
Total distributions accrued or paid to common stockholders	$ 90,372	$ 84,203

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

The Taxable Subsidiaries primarily hold certain portfolio investments for Main Street. The Taxable Subsidiaries permit Main Street to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes and to continue to comply with the "source-of-income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are consolidated with Main Street for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in Main Street's consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities, as a result of their ownership of certain portfolio investments. The taxable income, or loss, of the Taxable Subsidiaries may differ from their book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at their normal corporate tax rates based on their taxable income. The income tax expense, or benefit, if any, and the related tax assets and liabilities, of the Taxable Subsidiaries are reflected in Main Street's consolidated financial statements.

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Notes to Consolidated Financial Statements (Continued)

(Unaudited)

The income tax provision (benefit) for Main Street is generally composed of (i) deferred tax expense, which is primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation or depreciation and other temporary book tax differences, and (ii) current tax expense, which is primarily the result of current U.S. federal income and state taxes and excise taxes on Main Street's estimated undistributed taxable income. For the three months ended June 30, 2019, Main Street recognized a net income tax provision of $3.4 million, principally consisting of a deferred tax provision of $2.5 million and a $0.9 million current tax expense, which is primarily related to current U.S. federal income and state taxes. For the six months ended June 30, 2019, Main Street recognized a net income tax provision of $6.5 million, principally consisting of a deferred tax provision of $4.8 million and a $1.7 million current tax expense, which is primarily related to a $1.3 million provision for current U.S. federal income and state taxes and a $0.4 million accrual for excise taxes. For the three months ended June 30, 2018, Main Street recognized a net income tax provision of $1.3 million, principally consisting of a deferred tax provision of $2.2 million, partially offset by a $0.9 million current tax benefit, which is primarily related to a benefit for current U.S. federal income and state taxes. For the six months ended June 30, 2018, Main Street recognized a net income tax provision of $0.3 million, principally consisting of a deferred tax provision of $0.3 million and a $0.5 million accrual for excise taxes, partially offset by a $0.5 million benefit for current U.S. federal income and state taxes.

The net deferred tax liability at June 30, 2019 was $22.7 million compared to $17.0 million at December 31, 2018, primarily related to changes in net unrealized appreciation or depreciation, changes in loss carryforwards, and other temporary book-tax differences relating to portfolio investments held by the Taxable Subsidiaries. At June 30, 2019, for U.S. federal income tax purposes, the Taxable Subsidiaries had a net operating loss carryforward from prior years which, if unused, will expire in various taxable years from 2028 through 2037. Under the Tax Cuts and Jobs Act, any net operating losses generated in 2018 and future periods will have an indefinite carryforward. The timing and manner in which Main Street will utilize any loss carryforwards generated before December 31, 2018 may be limited in the future under the provisions of the Code. Additionally, as a result of the Tax Cuts and Jobs Act, our Taxable Subsidiaries have interest expense limitation carryforwards which have an indefinite carryforward.

NOTE H—COMMON STOCK

Main Street maintains a program with certain selling agents through which it can sell shares of its common stock by means of at-the-market offerings from time to time (the "ATM Program"). During the six months ended June 30, 2019, Main Street sold 1,199,734 shares of its common stock at a weighted-average price of $37.68 per share and raised $45.2 million of gross proceeds under the ATM Program. Net proceeds were $44.5 million after commissions to the selling agents on shares sold and offering costs. As of June 30, 2019, sales transactions representing 7,000 shares had not settled and are not included in shares issued and outstanding on the face of the consolidated balance sheet but are included in the weighted-average shares outstanding in the consolidated statement of operations and in the shares used to calculate net asset value per share. As of June 30, 2019, 9,406,603 shares remained available for sale under the ATM Program.

During the year ended December 31, 2018, Main Street sold 2,060,019 shares of its common stock at a weighted-average price of $38.48 per share and raised $79.3 million of gross proceeds under the ATM Program. Net proceeds were $78.0 million after commissions to the selling agents on shares sold and offering costs.

NOTE I—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, its 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 by the DRIP plan administrator. 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 six months ended June 30, 2019, $9.0 million of the total $89.4 million in dividends paid to stockholders represented DRIP participation. During this period, the DRIP participation requirements were satisfied with the issuance of 229,317 newly issued shares. For the six months ended June 30, 2018, $6.4 million of the total $83.9 million in dividends paid to stockholders represented DRIP participation. During this period, the DRIP participation requirements were satisfied with the issuance of 168,426 newly issued shares. The shares disclosed above relate only to Main Street's DRIP and exclude any activity related to broker-managed dividend reinvestment plans.

NOTE J—SHARE-BASED COMPENSATION

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

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

Equity and Incentive Plan, net of shares forfeited, if any, and the remaining shares of restricted stock available for issuance as of June 30, 2019.

Restricted stock authorized under the plan	3,000,000
Less net restricted stock granted during:	
Year ended December 31, 2015	(900)
Year ended December 31, 2016	(260,514)
Year ended December 31, 2017	(223,812)
Year ended December 31, 2018	(243,779)
Six months ended June 30, 2019	(308,584)
Restricted stock available for issuance as of June 30, 2019	1,962,411

As of June 30, 2019, the following table summarizes the restricted stock issued to Main Street's non-employee directors and the remaining shares of restricted stock available for issuance pursuant to the Main Street Capital Corporation 2015 Non-Employee Director Restricted Stock Plan. These shares are granted upon appointment or election to the board and vest on the day immediately preceding the annual meeting of stockholders following the respective grant date and are expensed over such service period.

Restricted stock authorized under the plan	300,000
Less net restricted stock granted during:	
Year ended December 31, 2015	(6,806)
Year ended December 31, 2016	(6,748)
Year ended December 31, 2017	(5,948)
Year ended December 31, 2018	(6,376)
Six months ended June 30, 2019	(6,008)
Restricted stock available for issuance as of June 30, 2019	268,114

For each of the three months ended June 30, 2019 and 2018, Main Street recognized total share-based compensation expense of $2.4 million related to the restricted stock issued to Main Street employees and non-employee directors. For each of the six months ended June 30, 2019 and 2018, Main Street recognized total share-based compensation expense of $4.7 million related to the restricted stock issued to Main Street employees and non-employee directors.

As of June 30, 2019, there was $18.0 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 2.2 years as of June 30, 2019.

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NOTE K—COMMITMENTS AND CONTINGENCIES

At June 30, 2019, Main Street had the following outstanding commitments (in thousands):

	Amount
Investments with equity capital commitments that have not yet funded:	
Congruent Credit Opportunities Funds	
Congruent Credit Opportunities Fund II, LP	$ 8,488
Congruent Credit Opportunities Fund III, LP	8,117
	$ 16,605
Encap Energy Fund Investments	
EnCap Energy Capital Fund VIII, L.P.	$ 240
EnCap Energy Capital Fund IX, L.P.	315
EnCap Energy Capital Fund X, L.P.	2,209
EnCap Flatrock Midstream Fund II, L.P.	4,994
EnCap Flatrock Midstream Fund III, L.P.	1,368
	$ 9,126
EIG Fund Investments	$ 4,580
Brightwood Capital Fund Investments	
Brightwood Capital Fund III, LP	$ 3,000
Brightwood Capital Fund IV, LP	1,500
	$ 4,500
Freeport Fund Investments	
Freeport Financial SBIC Fund LP	$ 1,375
Freeport First Lien Loan Fund III LP	1,945
	$ 3,320
Harris Preston Fund Investments	
HPEP 3, L.P.	$ 2,767
LKCM Headwater Investments I, L.P.	$ 2,500
Dos Rios Partners	
Dos Rios Partners, LP	$ 1,594
Dos Rios Partners—A, LP	506
	$ 2,100
Access Media Holdings, LLC	$ 284
Total equity commitments	$ 45,782

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	Amount
Investments with commitments to fund revolving loans that have not been fully drawn or term loans with additional commitments not yet funded:	
Independent Pet Partners Intermediate Holdings, LLC	$ 13,857
SI East, LLC	7,500
GRT Rubber Technologies LLC	4,858
NNE Partners, LLC	3,000
Centre Technologies Holdings, LLC	2,400
Kickhaefer Manufacturing Company, LLC	2,000
Boccella Precast Products LLC	2,000
Chamberlin Holding LLC	1,600
Direct Marketing Solutions, Inc.	1,600
Trantech Radiator Topco, LLC	1,600
Chisholm Energy Holdings, LLC	1,429
Lamb Ventures, LLC	1,300
Laredo Energy VI, LP	1,250
Gamber-Johnson Holdings, LLC	1,200
LL Management, Inc.(Lab Logistics)	1,182
Joerns Healthcare, LLC	1,137
Arcus Hunting LLC	1,060
Aethon United BR LP	938
NRI Clinical Research, LLC	917
CTVSH, PLLC	800
HW Temps LLC	800
Adams Publishing Group, LLC	762
ASC Ortho Management Company, LLC	750
CompareNetworks Topco, LLC	750
DTE Enterprises RLOC	750
Mac Lean-Fogg Company	729
PT Network, LLC	658
Meisler Operating LLC	640
Wireless Vision Holdings, LLC	592
Hoover Group, Inc.	550
HDC/HW Intermediate Holdings	529
Jensen Jewelers of Idaho, LLC	500
Barfly Ventures, LLC	368
American Nuts, LLC	281
Dynamic Communities, LLC	250
BBB Tank Services, LLC	160
ATS Workholding, LLC	42
BigName Commerce, LLC	29
Total loan commitments	$ 60,768
Total commitments	$ 106,550

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Main Street will fund its unfunded commitments from the same sources it uses to fund its investment commitments that are funded at the time they are made (which are typically through existing cash and cash equivalents and borrowings under the Credit Facility). Main Street follows a process to manage its liquidity and ensure that it has available capital to fund its unfunded commitments as necessary. The Company had total unrealized depreciation of $0.3 million on the outstanding unfunded commitments as of June 30, 2019.

Effective January 1, 2019, ASC 842 required that a lessee evaluate its leases to determine whether they should be classified as operating or financing leases. Main Street identified one operating lease for its office space. The lease commenced May 15, 2017 and expires January 31, 2028. It contains two five-year extension options for a final expiration date of January 31, 2038.

As Main Street classified this lease as an operating lease prior to implementation, ASC 842-10-65-1 indicates that a right-of-use asset and lease liability should be recorded based on the effective date. Main Street adopted ASC 842 effective January 1, 2019 and recorded a right-of-use asset and a lease liability as of that date. After this date, Main Street has recorded lease expense on a straight-line basis, consistent with the accounting treatment for lease expense prior to the adoption of ASC 842.

Total lease expense incurred by Main Street for each of the three months ended June 30, 2019 and 2018 was $0.2 million. Total lease expense incurred by Main Street for each of the six months ended June 30, 2019 and 2018 was $0.4 million. As of June 30, 2019, the asset related to the operating lease was $5.0 million and the lease liability was $5.8 million. As of June 30, 2019, the remaining lease term was 8.6 years and the discount rate was 4.2%.

The following table shows future minimum payments under Main Street's operating lease as of June 30, 2019 (in thousands):

For the Years Ended December 31,	Amount
2019	$ 375
2020	762
2021	776
2022	790
2023	804
Thereafter	3,428
Total	$ 6,935

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.

MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

NOTE L—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 June 30, 2019, Main Street had a receivable of approximately $3.5 million due from the External Investment Manager which included (i) approximately $1.6 million related primarily to operating expenses incurred by MSCC or its subsidiaries as required to support the External Investment Manager's business and amounts due from the External Investment Manager to Main Street under a tax sharing agreement (see further discussion in Note D) and (ii) approximately $1.9 million of dividends declared but not paid by the External Investment Manager.

In November 2015, Main Street's Board of Directors approved and adopted the Main Street Capital Corporation Deferred Compensation Plan (the "2015 Deferred Compensation Plan"). The 2015 Deferred Compensation Plan became effective on January 1, 2016 and replaced the Deferred Compensation Plan for Non-Employee Directors previously adopted by the Board of Directors in June 2013 (the "2013 Deferred Compensation Plan"). Under the 2015 Deferred Compensation Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation and directors' fees, subject to certain limitations. Individuals participating in the 2015 Deferred Compensation Plan receive distributions of their respective balances based on predetermined payout schedules or other events as defined by the plan and are also able to direct investments made on their behalf among investment alternatives permitted from time to time under the plan, including phantom Main Street stock units. As of June 30, 2019, $7.7 million of compensation and directors' fees had been deferred under the 2015 Deferred Compensation Plan (including amounts previously deferred under the 2013 Deferred Compensation Plan). Of this amount, $4.2 million was deferred into phantom Main Street stock units, representing 119,064 shares of Main Street's common stock. Including phantom stock units issued through dividend reinvestment and net of any shares distributed, the phantom stock units outstanding as of June 30, 2019 represented 145,892 shares of Main Street's common stock. Any amounts deferred under the plan represented by phantom Main Street stock units will not be issued or included as outstanding on the consolidated statements of changes in net assets until such shares are actually distributed to the participant in accordance with the plan, but the related phantom stock units are included in weighted-average shares outstanding with the related dollar amount of the deferral included in total expenses in Main Street's consolidated statements of operations as earned. The amounts related to additional phantom stock units are included in the statement of changes in net assets as an increase to dividends to stockholders offset by a corresponding increase to additional paid-in capital.

NOTE M—SUBSEQUENT EVENTS

During July 2019, Main Street fully exited its debt and equity investments in Lamb Ventures, LLC ("Lamb's") upon the sale of Lamb's to a sponsor-backed strategic acquirer. Founded in 1987 and headquartered in Austin, Texas, Lamb's operates 18 tire and automotive repair retail locations throughout the greater Austin area, offering a full range of automotive aftermarket repair and maintenance services under the Lamb's Tire and Automotive brand. Main Street realized a gain of $6.0 million on the exit of its equity investment in Lamb's.

During August 2019, Main Street declared regular monthly dividends of $0.205 per share for each month of October, November and December of 2019. These regular monthly dividends equal a total of $0.615 per share for the fourth quarter of 2019 and represent a 5.1% increase from the regular monthly dividends declared for the fourth quarter of 2018. Including the regular monthly dividends declared for the third and fourth quarters of 2019, Main Street will have paid $26.90 per share in cumulative dividends since its October 2007 initial public offering.

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments in and Advances to Affiliates
June 30, 2019
(dollars in thousands)
(unaudited)

Company	Investment(1)(10)(11)	Geography	Amount of Realized Gain/ (Loss)	Amount of Unrealized Gain/ (Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2018 Fair Value	Gross Additions(3)	Gross Reductions(4)	June 30, 2019 Fair Value
Majority-owned investments									
Café Brazil, LLC	Member Units	(8)	$ —	$ (730)	$ 131	$ 4,780	$ —	$ 730	$ 4,050
California Splendor Holdings LLC	LIBOR Plus 8.00% (Floor 1.00%)	(9)	—	—	518	10,928	7,757	4,750	13,935
	LIBOR Plus 10.00% (Floor 1.00%)	(9)	—	—	1,817	27,755	22	—	27,777
	Preferred Member Units	(9)	—	(2,363)	125	9,745	—	2,363	7,382
Clad-Rex Steel, LLC	LIBOR Plus 9.00% (Floor 1.00%)	(5)	—	(14)	709	12,080	14	414	11,680
	Member Units	(5)	—	(340)	125	10,610	—	340	10,270
	10% Secured Debt	(5)	—	—	58	1,161	—	11	1,150
	Member Units	(5)	—	—	—	350	—	—	350
CMS Minerals Investments	Member Units	(9)	—	(359)	35	2,580	—	573	2,007
CompareNetworks Topco, LLC	LIBOR Plus 11.00% (Floor 1.00%)	(9)	—	—	32	—	242	—	242
	LIBOR Plus 11.00% (Floor 1.00%)	(9)	—	—	641	—	8,669	—	8,669
	Preferred Member Units	(9)	—	—	2	—	1,975	—	1,975
Direct Marketing Solutions, Inc.	LIBOR Plus 11.00% (Floor 1.00%)	(9)	—	—	1,234	17,848	19	470	17,397
	Preferred Stock	(9)	—	1,250	—	14,900	1,250	—	16,150
Gamber-Johnson Holdings, LLC	LIBOR Plus 7.50% (Floor 2.00%)	(5)	—	(31)	1,071	21,486	31	1,695	19,822
	Member Units	(5)	—	—	1,516	45,460	—	—	45,460
GRT Rubber Technologies LLC	LIBOR Plus 7.00%	(8)	—	(11)	550	9,740	3,528	11	13,257
	Member Units	(8)	—	7,070	5,456	39,060	7,070	—	46,130
Guerdon Modular Holdings, Inc.	16% Secured Debt	(9)	—	(1,528)	433	12,002	16	1,528	10,490
	LIBOR Plus 8.50% (Floor 1.00%)	(9)	—	—	—	—	464	—	464
	Preferred Stock	(9)	—	—	—	—	—	—	—
	Common Stock	(9)	(7)	—	—	—	—	—	—
	Warrants	(9)	—	—	—	—	—	—	—
Harborside Holdings, LLC	Member Units	(8)	—	(70)	—	9,500	100	70	9,530
IDX Broker, LLC	11.5% Secured Debt	(9)	—	(23)	842	14,350	23	373	14,000
	Preferred Member Units	(9)	—	900	207	13,520	900	—	14,420
Jensen Jewelers of Idaho, LLC	Prime Plus 6.75% (Floor 2.00%)	(9)	—	(11)	206	3,355	11	311	3,055
	Member Units	(9)	—	1,720	155	5,090	1,720	—	6,810
Kickhaefer Manufacturing Company, LLC	11.5% Secured Debt	(5)	—	—	1,646	28,775	31	1,864	26,942
	Member Units	(5)	—	—	—	12,240	—	—	12,240
	9.0% Secured Debt	(5)	—	—	178	3,970	—	17	3,953
	Member Units	(5)	—	—	71	992	—	—	992
Lamb Ventures, LLC	LIBOR Plus 5.75%	(8)	—	(2)	10	—	402	202	200
	11% Secured Debt	(8)	—	(4)	580	8,339	3,504	4	11,839
	Preferred Equity	(8)	—	—	—	400	—	—	400
	Member Units	(8)	—	4,050	394	7,440	4,440	—	11,880
	9.5% Secured Debt	(8)	—	—	21	432	—	—	432
	Member Units	(8)	—	(80)	73	630	—	80	550
Market Force Information, LLC	LIBOR Plus 7.00% (Floor 1.00%)	(9)	—	—	26	200	1,509	200	1,509
	LIBOR Plus 11.00% (Floor 1.00%)	(9)	—	—	1,583	22,624	20	—	22,644
	Member Units	(9)	—	(2,070)	—	13,100	—	2,070	11,030
MH Corbin Holding LLC	5% Current / 5% PIK Secured Debt	(5)	—	477	984	11,733	1,333	4,400	8,666
	Preferred Member Units	(5)	—	(980)	—	1,000	—	980	20
	Preferred Member Units	(5)	—	370	—	—	4,770	—	4,770
Mid-Columbia Lumber Products, LLC	10% Secured Debt	(9)	—	—	90	1,746	2	—	1,748
	12% Secured Debt	(9)	—	—	244	3,880	9	—	3,889
	Member Units	(9)	—	(3,160)	3	3,860	—	3,160	700
	9.5% Secured Debt	(9)	—	—	35	746	—	23	723
	Member Units	(9)	—	170	34	1,470	170	—	1,640
MSC Adviser I, LLC	Member Units	(8)	—	3,830	2,881	65,748	3,830	—	69,578
Mystic Logistics Holdings, LLC	12% Secured Debt	(6)	—	—	469	7,506	23	455	7,074
	Common Stock	(6)	—	1,880	—	210	1,880	—	2,090
PPL RVs, Inc.	LIBOR Plus 7.00% (Floor 0.50%)	(8)	—	(94)	754	15,100	20	1,099	14,021
	Common Stock	(8)	—	(1,330)	—	10,380	—	1,330	9,050
Principle Environmental, LLC (d/b.a TruHorizon Environmental Solutions)	13% Secured Debt	(8)	—	(35)	484	7,477	35	1,115	6,397
	Preferred Member Units	(8)	—	2,510	1,440	13,090	2,510	—	15,600
	Warrants	(8)	—	380	—	780	380	—	1,160

Company	Investment(1)(10)(11)	Geography	Amount of Realized Gain/ (Loss)	Amount of Unrealized Gain/ (Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2018 Fair Value	Gross Additions(3)	Gross Reductions(4)	June 30, 2019 Fair Value
Quality Lease Service, LLC	Zero Coupon Secured Debt	(7)	(741)	891	—	6,450	891	7,341	—
	Member Units	(7)	—	—	—	3,809	6,770	—	10,579
The MPI Group, LLC	9% Secured Debt	(7)	—	103	132	2,582	103	—	2,685
	Series A Preferred Units	(7)	(8)	(430)	—	440	—	430	10
	Warrants	(7)	—	—	—	—	—	—	—
	Member Units	(7)	—	—	63	2,479	—	—	2,479
Trantech Radiator Topco, LLC	12% Secured Debt	(7)	—	—	350	—	10,282	—	10,282
	Common Stock	(7)	—	—	10	—	4,655	—	4,655
Vision Interests, Inc.	13% Secured Debt	(9)	—	—	136	2,153	—	125	2,028
	Series A Preferred Stock	(9)	—	350	—	3,740	350	—	4,090
	Common Stock	(9)	—	129	—	280	129	—	409
Ziegler's NYPD, LLC	6.5% Secured Debt	(8)	—	—	34	1,000	—	1	999
	12% Secured Debt	(8)	—	—	26	425	200	—	625
	14% Secured Debt	(8)	—	—	194	2,750	—	—	2,750
	Warrants	(8)	—	—	—	—	—	—	—
	Preferred Member Units	(8)	—	(239)	—	1,249	—	239	1,010
Other controlled investments									
Access Media Holdings, LLC	10% PIK Secured Debt	(5)	—	(955)	25	8,558	—	955	7,603
	Preferred Member Units (12)	(5)	—	—	—	(284)	—	—	(284)
	Member Units	(5)	—	—	—	—	—	—	—
ASC Interests, LLC	11% Secured Debt	(8)	—	—	99	1,622	8	—	1,630
	Member Units	(8)	—	(80)	—	1,370	—	80	1,290
ATS Workholding, LLC	5% Secured Debt	(9)	—	(28)	179	4,390	122	93	4,419
	Preferred Member Units	(9)	—	(1,708)	—	3,726	—	1,708	2,018
Bond-Coat, Inc.	15% Secured Debt	(8)	—	(229)	835	11,596	52	229	11,419
	Common Stock	(8)	—	(2,020)	—	9,370	—	2,020	7,350
Brewer Crane Holdings, LLC	LIBOR Plus 10.00% (Floor 1.00%)	(9)	—	—	597	9,467	9	248	9,228
	Preferred Member Units	(9)	—	—	60	4,280	—	—	4,280
Bridge Capital Solutions Corporation	13% Secured Debt	(6)	—	—	687	6,221	197	—	6,418
	Warrants	(6)	—	(470)	—	4,020	—	470	3,550
	13% Secured Debt	(6)	—	(6)	66	1,000	1	6	995
	Preferred Member Units	(6)	—	—	50	1,000	—	—	1,000
CBT Nuggets, LLC	Member Units	(9)	—	(2,020)	300	61,610	—	2,020	59,590
Centre Technologies Holdings, LLC	LIBOR Plus 9.00% (Floor 2.00%)	(8)	—	—	861	—	12,127	—	12,127
	Preferred Member Units	(8)	—	—	60	—	5,840	—	5,840
Chamberlin Holding LLC	LIBOR Plus 10.00% (Floor 1.00%)	(8)	—	—	1,293	20,028	27	1,327	18,728
	Member Units	(8)	—	4,050	588	18,940	4,050	—	22,990
	Member Units	(8)	—	—	11	732	—	—	732
Charps, LLC	11.50% Secured Debt	(5)	—	(83)	675	11,888	1,695	13,583	—
	15% Secured Debt	(5)	—	—	22	—	2,000	—	2,000
	Preferred Member Units	(5)	—	2,360	261	2,270	2,360	—	4,630
Copper Trail Fund Investments	LP Interests (CTMH, LP)	(9)	—	—	5	872	—	—	872
Datacom, LLC	8% Secured Debt	(8)	—	(136)	—	1,690	—	136	1,554
	10.50% PIK Secured Debt	(8)	—	—	—	9,786	—	—	9,786
	Class A Preferred Member Units	(8)	—	—	—	—	—	—	—
	Class B Preferred Member Units	(8)	—	—	—	—	—	—	—
Digital Products Holdings LLC	LIBOR Plus 10.00% (Floor 1.00%)	(5)	—	—	1,620	25,511	26	660	24,877
	Preferred Member Units	(5)	—	(501)	100	8,466	—	501	7,965
Garreco, LLC	LIBOR Plus 8.00% (Floor 1.00%, Ceiling 1.50%)	(8)	—	—	241	5,099	10	422	4,687
	Member Units	(8)	—	(90)	28	2,590	—	90	2,500
Gulf Manufacturing, LLC	Member Units	(8)	—	(390)	609	11,690	—	390	11,300
Gulf Publishing Holdings, LLC	LIBOR Plus 9.50% (Floor 1.00%)	(8)	—	—	6	—	320	—	320
	12.5% Secured Debt	(8)	—	—	804	12,594	14	130	12,478
	Member Units	(8)	—	210	—	4,120	210	—	4,330
Harris Preston Fund Investments	LP Interests (2717 MH, L.P.)	(8)	—	—	—	1,133	1,195	500	1,828
Harrison Hydra-Gen, Ltd.	Common Stock	(8)	—	530	247	8,070	530	—	8,600
KBK Industries, LLC	Member Units	(5)	—	3,300	860	8,610	3,300	—	11,910
NAPCO Precast, LLC	LIBOR Plus 8.50%	(8)	—	(11)	123	11,475	11	11,486	—
	Member Units	(8)	—	1,010	1,890	13,990	1,010	—	15,000
NexRev LLC	11% Secured Debt	(8)	—	—	975	17,288	16	217	17,087
	Preferred Member Units	(8)	—	(1,010)	155	7,890	—	1,010	6,880
NRI Clinical Research, LLC	LIBOR Plus 6.75% (Floor 1.50%)	(9)	—	(16)	8	—	200	117	83
	14% Secured Debt	(9)	—	—	486	6,685	16	16	6,685
	Warrants	(9)	—	—	—	660	130	—	790
	Member Units	(9)	—	740	32	2,478	610	—	3,088
NRP Jones, LLC	12% Secured Debt	(5)	—	—	385	6,376	—	—	6,376
	Member Units	(5)	—	300	120	5,960	300	—	6,260

Company	Investment(1)(10)(11)	Geography	Amount of Realized Gain/ (Loss)	Amount of Unrealized Gain/ (Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2018 Fair Value	Gross Additions(3)	Gross Reductions(4)	June 30, 2019 Fair Value
NuStep, LLC	12% Secured Debt	(5)	—	—	1,265	20,458	20	—	20,478
	Preferred Member Units	(5)	—	—	—	10,200	—	—	10,200
OMi Holdings, Inc.	Common Stock	(8)	—	780	960	16,020	780	—	16,800
Pegasus Research Group, LLC	Member Units	(8)	—	(880)	—	7,680	—	880	6,800
River Aggregates, LLC	Zero Coupon Secured Debt	(8)	—	—	—	722	—	1	721
	Member Units	(8)	—	—	—	4,610	—	—	4,610
	Member Units	(8)	—	—	—	2,930	—	1	2,929
Tedder Industries, LLC	12%, Secured Debt	(9)	—	—	41	480	320	—	800
	12%, Secured Debt	(9)	—	—	1,004	16,246	13	—	16,259
	Preferred Member Units	(9)	—	—	—	7,476	—	—	7,476
Other									
Amounts related to investments transferred to or from other 1940 Act classification during the period			(187)	260	(133)	5,809	—	—	—
Total Control investments			$ (943)	$ 15,083	$ 47,308	$ 1,004,993	$ 119,578	$ 78,070	$1,040,692
Affiliate Investments									
AFG Capital Group, LLC	Warrants	(8)	$ 781	$ (691)	$ —	$ 950	$ —	$ 950	$ —
	10% Secured Debt	(8)	—	—	19	—	1,040	29	1,011
	Preferred Member Units	(8)	—	570	(40)	3,980	570	—	4,550
American Trailer Rental Group LLC	LIBOR Plus 7.25% (Floor 1.00%)	(5)	—	181	1,295	20,312	4,888	—	25,200
	Member Units	(5)	—	1,250	—	5,780	1,250	—	7,030
Barfly Ventures, LLC	12% Secured Debt	(5)	—	(155)	632	10,018	17	155	9,880
	Options	(5)	—	—	—	940	—	—	940
	Warrants	(5)	—	—	—	410	—	—	410
BBB Tank Services, LLC	LIBOR Plus 11% (Floor 1.00%)	(8)	—	—	330	3,833	672	—	4,505
	Preferred Member Units	(8)	—	—	9	113	9	—	122
	Member Units	(8)	—	(110)	—	230	—	110	120
Boccella Precast Products LLC	LIBOR Plus 10% (Floor 1.00%)	(6)	—	(41)	1,167	15,724	441	1,961	14,204
	Member Units	(6)	—	184	75	5,080	280	—	5,360
Boss Industries, LLC	Preferred Member Units	(5)	3,771	(3,930)	611	6,176	—	6,176	—
Buca C, LLC	LIBOR Plus 9.25% (Floor 1.00%)	(7)	—	(187)	1,142	19,038	21	287	18,772
	Preferred Member Units	(7)	—	—	130	4,431	130	—	4,561
CAI Software LLC	12% Secured Debt	(6)	—	(16)	662	10,880	16	696	10,200
	Member Units	(6)	—	2,223	—	2,717	2,223	—	4,940
Chandler Signs Holdings, LLC	12% Secured Debt/1.00% PIK	(8)	—	(4)	302	4,546	27	4	4,569
	Class A Units	(8)	—	(100)	—	2,120	—	100	2,020
Charlotte Russe, Inc	8.50% Secured Debt	(9)	(7,012)	4,003	—	3,930	4,003	7,933	—
	Common Stock	(9)	—	—	—	—	—	—	—
Condit Exhibits, LLC	Member Units	(9)	—	—	107	1,950	—	—	1,950
Congruent Credit Opportunities Funds	LP Interests (Fund II)	(8)	—	—	—	855	—	—	855
	LP Interests (Fund III)	(8)	—	177	532	17,468	177	367	17,278
Copper Trail Fund Investments	LP Interests (Copper Trail Energy Fund I, LP)	(9)	—	86	5	4,170	86	1,184	3,072
Dos Rios Partners	LP Interests (Dos Rios Partners, LP)	(8)	—	(580)	—	7,153	—	580	6,573
	LP Interests (Dos Rios Partners—A, LP)	(8)	—	(184)	—	2,271	—	184	2,087
East Teak Fine Hardwoods, Inc.	Common Stock	(7)	—	—	8	560	—	—	560
EIG Fund Investments	LP Interests (EIG Global Private Debt fund—A, L.P.)	(8)	8	—	39	505	217	45	677
Freeport Financial Funds	LP Interests (Freeport Financial SBIC Fund LP)	(5)	—	258	—	5,399	258	—	5,657
	LP Interests (Freeport First Lien Loan Fund III LP)	(5)	—	(85)	510	10,980	799	1,484	10,295
Fuse, LLC	12% Secured Debt	(9)	—	—	—	—	1,939	—	1,939
	Common Stock	(9)	—	—	—	—	256	—	256
Harris Preston Fund Investments	LP Interests (HPEP 3, L.P.)	(8)	—	—	—	1,733	500	—	2,233
Hawk Ridge Systems, LLC	10.0% Secured Debt	(9)	—	(20)	727	14,300	20	920	13,400
	Preferred Member Units	(9)	—	—	247	7,260	—	—	7,260
	Preferred Member Units	(9)	—	—	—	380	—	—	380
Houston Plating and Coatings, LLC	8% Unsecured Convertible Debt	(8)	—	240	121	3,720	240	—	3,960
	Member Units	(8)	—	1,280	240	8,330	1,280	—	9,610
I-45 SLF LLC	Member Units	(8)	—	(505)	1,718	15,627	800	505	15,922
L.F. Manufacturing Holdings, LLC	Preferred Member Units	(8)	—	—	5	—	76	—	76
	Member Units	(8)	—	(120)	—	2,060	—	120	1,940

Company	Investment(1)(10)(11)	Geography	Amount of Realized Gain/ (Loss)	Amount of Unrealized Gain/ (Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2018 Fair Value	Gross Additions(3)	Gross Reductions(4)	June 30, 2019 Fair Value
OnAsset Intelligence, Inc.	12% PIK Secured Debt	(8)	—	—	355	5,743	352	—	6,095
	10% PIK Secured Debt	(8)	—	—	—	53	2	—	55
	Preferred Stock	(8)	—	—	—	—	—	—	—
	Warrants	(8)	—	—	—	—	—	—	—
PCI Holding Company, Inc.	12% Current Secured Debt	(9)	—	—	792	11,908	98	650	11,356
	Preferred Stock	(9)	—	(140)	—	340	—	140	200
	Preferred Stock	(9)	—	870	—	3,480	870	—	4,350
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	12% Secured Debt	(8)	—	—	—	250	—	—	250
	Preferred Member Units	(8)	—	—	—	—	—	—	—
Salado Stone Holdings, LLC	Class A Preferred Units	(8)	—	(30)	—	1,040	—	30	1,010
SI East, LLC	10.25% Current, Secured Debt	(7)	—	324	1,871	34,885	365	563	34,687
	Preferred Member Units	(7)	—	730	117	6,000	730	—	6,730
Slick Innovations, LLC	14% Current, Secured Debt	(6)	—	—	523	6,959	43	800	6,202
	Warrants	(6)	—	59	—	181	59	—	240
	Member Units	(6)	—	190	—	700	190	—	890
UniTek Global Services, Inc.	LIBOR Plus 5.50% (Floor 1.00%)	(6)	—	—	123	2,969	1	17	2,953
	Preferred Stock	(6)	—	—	512	7,413	511	—	7,924
	Preferred Stock	(6)	—	—	160	1,637	160	—	1,797
	Preferred Stock	(6)	—	—	297	3,038	298	—	3,336
	Common Stock	(6)	—	(820)	—	1,420	—	820	600
Universal Wellhead Services Holdings, LLC	Preferred Member Units	(8)	—	(60)	130	950	130	60	1,020
	Member Units	(8)	—	(1,340)	—	2,330	—	1,340	990
Volusion, LLC	11.5% Secured Debt	(8)	—	—	1,532	18,407	1,342	—	19,749
	8% Unsecured Convertible Debt	(8)	—	(118)	14	297	112	118	291
	Preferred Member Units	(8)	—	—	—	14,000	—	—	14,000
	Warrants	(8)	—	(1,321)	—	1,890	—	1,321	569
Other									
Amounts related to investments transferred to or from other 1940 Act classification during the period			—	(260)	398	8,071	—	—	—
Total Affiliate investments			$ (2,452)	$ 1,808	$ 17,417	$ 359,890	$ 27,498	$ 29,649	$349,668

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

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

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

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

(5) Portfolio company located in the Midwest region as determined by location of the corporate headquarters. The fair value as of June 30, 2019 for control investments located in this region was $248,330. This represented 16.3% of net assets as of June 30, 2019. The fair value as of June 30, 2019 for affiliate investments located in this region was $59,412. This represented 3.9% of net assets as of June 30, 2019.

(6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of June 30, 2019 for control investments located in this region was

$21,127. This represented 1.4% of net assets as of June 30, 2019. The fair value as of June 30, 2019 for affiliate investments located in this region was $58,646. This represented 3.9% of net assets as of June 30, 2019.

(7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of June 30, 2019 for control investments located in this region was $30,690. This represented 2.0% of net assets as of June 30, 2019. The fair value as of June 30, 2019 for affiliate investments located in this region was $65,310. This represented 4.3% of net assets as of June 30, 2019.

(8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of June 30, 2019 for control investments located in this region was $429,774. This represented 28.3% of net assets as of June 30, 2019. The fair value as of June 30, 2019 for affiliate investments located in this region was $122,137. This represented 8.0% of net assets as of June 30, 2019.

(9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of June 30, 2019 for control investments located in this region was $310,771. This represented 20.4% of net assets as of June 30, 2019. The fair value as of June 30, 2019 for affiliate investments located in this region was $44,163. This represented 2.9% of net assets as of June 30, 2019.

(10) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities," unless otherwise noted.

(11) This schedule should be read in conjunction with the consolidated schedule of investments and notes to the consolidated financial statements. Supplemental information can be located within the schedule of investments including end of period interest rate, preferred dividend rate, maturity date, investments not paid currently in cash and investments whose value was determined using significant unobservable inputs.

(12) Investment has an unfunded commitment as of June 30, 2019 (see Note K). The fair value of the investment includes the impact of the fair value of any unfunded commitments.

Schedule 12-14

MAIN STREET CAPITAL CORPORATION

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

Company	Investment(1)(10)(11)	Geography	Amount of Realized Gain/ (Loss)	Amount of Unrealized Gain/ (Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2017 Fair Value	Gross Additions(3)	Gross Reductions(4)	June 30, 2018 Fair Value
Majority-owned investments									
Café Brazil, LLC	Member Units	(8)	$ —	$ (120)	$ 162	$ 4,900	$ —	$ 120	$ 4,780
California Splendor Holdings LLC	LIBOR Plus 8.00% (Floor 1.00%)	(9)	—	—	259	—	9,157	—	9,157
	LIBOR Plus 10.00% (Floor 1.00%)	(9)	—	—	1,189	—	27,733	—	27,733
	Preferred Member Units	(9)	—	—	63	—	12,500	1,725	10,775
Clad-Rex Steel, LLC	LIBOR Plus 9.50% (Floor 1.00%)	(5)	—	(15)	763	13,280	15	415	12,880
	Member Units	(5)	—	280	242	9,500	280	—	9,780
	10% Secured Debt	(5)	—	—	59	1,183	—	10	1,173
	Member Units	(5)	—	—	—	280	—	—	280
CMS Minerals Investments	Member Units	(9)	—	748	54	2,392	748	404	2,736
Direct Marketing Solutions, Inc.	LIBOR Plus 11.00% (Floor 1.00%)	(9)	—	—	1,217	—	18,611	313	18,298
	Preferred Stock	(9)	—	—	28	—	8,400	—	8,400
Gamber-Johnson Holdings, LLC	LIBOR Plus 9.00% (Floor 2.00%)	(5)	—	(25)	1,394	23,400	25	515	22,910
	Member Units	(5)	—	10,010	619	23,370	10,010	—	33,380
GRT Rubber Technologies LLC	LIBOR Plus 9.00% (Floor 1.00%)	(8)	—	(15)	618	11,603	15	836	10,782
	Member Units	(8)	—	3,480	593	21,970	3,480	—	25,450
Harborside Holdings, LLC	Member Units	(8)	—	—	—	9,400	100	—	9,500
Harris Preston Fund Investments	LP Interests (2717 MH, L.P.)	(8)	—	93	—	536	343	—	879
Hydratec, Inc.	Common Stock	(9)	7,922	(7,905)	332	15,000	—	15,000	—
IDX Broker, LLC	11.5% Secured Debt	(9)	—	(24)	890	15,250	24	624	14,650
	Preferred Member Units	(9)	—	(110)	137	11,660	—	110	11,550
Jensen Jewelers of Idaho, LLC	Prime Plus 6.75% (Floor 2.00%)	(9)	—	(10)	226	3,955	10	310	3,655
	Member Units	(9)	—	(500)	130	5,100	—	500	4,600
Lamb Ventures, LLC	11% Secured Debt	(8)	—	(13)	502	9,942	212	1,815	8,339
	Preferred Equity	(8)	—	—	—	400	—	—	400
	Member Units	(8)	—	(60)	—	6,790	—	60	6,730
	9.5% Secured Debt	(8)	—	—	21	432	—	—	432
	Member Units	(8)	—	50	10	520	50	—	570
Mid-Columbia Lumber Products, LLC	10% Secured Debt	(9)	—	6	91	1,390	360	—	1,750
	12% Secured Debt	(9)	—	—	243	3,863	8	—	3,871
	Member Units	(9)	—	—	3	1,575	596	—	2,171
	9.5% Secured Debt	(9)	—	—	37	791	—	23	768
	Member Units	(9)	—	180	21	1,290	180	—	1,470
MSC Adviser I, LLC	Member Units	(8)	—	20,899	1,588	41,768	20,899	—	62,667
Mystic Logistics Holdings, LLC	12% Secured Debt	(6)	—	—	483	7,696	21	232	7,485
	Common Stock	(6)	—	(2,700)	—	6,820	—	2,700	4,120
NexRev LLC	11% Secured Debt	(8)	—	—	879	—	17,274	—	17,274
	Preferred Member Units	(8)	—	—	20	—	6,880	—	6,880
NRP Jones, LLC	12% Secured Debt	(5)	—	—	385	6,376	—	—	6,376
	Member Units	(5)	—	1,500	—	3,250	1,500	—	4,750
PPL RVs, Inc.	LIBOR Plus 7.00% (Floor 0.50%)	(8)	—	(17)	738	16,100	17	517	15,600
	Common Stock	(8)	—	(1,410)	53	12,440	—	1,410	11,030
Principle Environmental, LLC (d/b.a TruHorizon Environmental Solutions)	13% Secured Debt	(8)	—	(24)	514	7,477	24	24	7,477
	Preferred Member Units	(8)	—	1,600	1,104	11,490	1,600	—	13,090
	Warrants	(8)	—	130	—	650	130	—	780
Quality Lease Service, LLC	Zero Coupon Secured Debt	(7)	—	(500)	—	6,950	—	500	6,450
	Member Units	(7)	—	—	—	4,938	775	—	5,713
The MPI Group, LLC	9% Secured Debt	(7)	—	(1,301)	133	2,410	1	1,301	1,110
	Series A Preferred Units	(7)	—	—	—	—	—	—	—
	Warrants	(7)	—	—	—	—	—	—	—
	Member Units	(7)	—	90	34	2,389	91	—	2,480
Uvalco Supply, LLC	9% Secured Debt	(8)	—	—	7	348	—	348	—
	Member Units	(8)	301	(301)	898	3,880	—	3,880	—
Vision Interests, Inc.	13% Secured Debt	(9)	—	—	192	2,797	9	—	2,806
	Series A Preferred Stock	(9)	—	360	—	3,000	360	—	3,360
	Common Stock	(9)	—	130	—	—	129	—	129

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Company	Investment(1)(10)(11)	Geography	Amount of Realized Gain/ (Loss)	Amount of Unrealized Gain/ (Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2017 Fair Value	Gross Additions(3)	Gross Reductions(4)	June 30, 2018 Fair Value
Ziegler's NYPD, LLC	6.5% Secured Debt	(8)	—	—	34	996	1	—	997
	12% Secured Debt	(8)	—	—	21	300	125	—	425
	14% Secured Debt	(8)	—	—	194	2,750	—	—	2,750
	Warrants	(8)	—	—	—	—	—	—	—
	Preferred Member Units	(8)	—	(860)	—	3,220	—	861	2,359
Other controlled investments									
Access Media Holdings, LLC	10% PIK Secured Debt	(5)	—	(2,030)	—	17,150	—	2,030	15,120
	Preferred Member Units	(5)	—	(730)	—	—	729	729	—
	Member Units	(5)	—	—	—	—	—	—	—
ASC Interests, LLC	11% Secured Debt	(8)	—	—	99	1,795	5	151	1,649
	Member Units	(8)	—	(160)	—	1,530	—	160	1,370
ATS Workholding, LLC	5% Secured Debt	(9)	—	—	158	3,249	930	—	4,179
	Preferred Member Units	(9)	—	—	—	3,726	—	—	3,726
Bond-Coat, Inc.	12% Secured Debt	(8)	—	—	723	11,596	—	277	11,319
	Common Stock	(8)	—	—	—	9,370	—	—	9,370
Brewer Crane Holdings, LLC	LIBOR Plus 10.00% (Floor 1.00%)	(9)	—	—	665	—	9,830	124	9,706
	Preferred Member Units	(9)	—	—	57	—	4,280	—	4,280
CBT Nuggets, LLC	Member Units	(9)	—	(25,520)	10,994	89,560	—	25,520	64,040
Chamberlin Holding LLC	LIBOR Plus 10.00% (Floor 1.00%)	(8)	—	—	1,263	—	21,397	—	21,397
	Member Units	(8)	—	—	850	—	11,440	—	11,440
Charps, LLC	12% Secured Debt	(5)	—	—	1,064	18,225	37	2,500	15,762
	Preferred Member Units	(5)	—	540	—	650	540	—	1,190
Copper Trail Fund Investments	LP Interests (CTMH, LP)	(9)	—	—	5	—	872	—	872
	LP Interests (Copper Trail Energy Fund I, LP)	(9)	—	—	57	2,500	770	—	3,270
Datacom, LLC	8% Secured Debt	(8)	—	—	33	1,575	225	—	1,800
	5.25% Current / 5.25% PIK Secured Debt	(8)	—	(718)	330	11,110	168	718	10,560
	Class A Preferred Member Units	(8)	—	(730)	—	730	—	730	—
	Class B Preferred Member Units	(8)	—	—	—	—	—	—	—
Digital Products Holdings LLC	LIBOR Plus 10.00% (Floor 1.00%)	(5)	—	—	1,066	—	26,146	—	26,146
	Preferred Member Units	(5)	—	—	50	—	8,800	—	8,800
Garreco, LLC	LIBOR Plus 10.00% (Floor 1.00%)	(8)	—	—	329	5,443	9	121	5,331
	Member Units	(8)	—	—	—	1,940	—	—	1,940
Guerdon Modular Holdings, Inc.	13% Secured Debt	(9)	—	(570)	429	10,632	2,294	970	11,956
	Preferred Stock	(9)	—	—	—	—	—	—	—
	Common Stock	(9)	—	—	—	—	—	—	—
	Warrants	(9)	—	—	—	—	—	—	—
Gulf Manufacturing, LLC	Member Units	(8)	—	1,090	882	10,060	1,090	—	11,150
Gulf Publishing Holdings, LLC	LIBOR Plus 9.50% (Floor 1.00%)	(8)	—	—	5	80	160	80	160
	12.5% Secured Debt	(8)	—	—	812	12,703	13	134	12,582
	Member Units	(8)	—	(270)	—	4,840	—	270	4,570
Harrison Hydra-Gen, Ltd.	Common Stock	(8)	—	3,260	60	3,580	3,260	—	6,840
HW Temps LLC	LIBOR Plus 11.00% (Floor 1.00%)	(6)	—	—	652	9,918	9	—	9,927
	Preferred Member Units	(6)	—	2	100	3,940	2	—	3,942
KBK Industries, LLC	10% Secured Debt	(5)	—	—	7	375	—	375	—
	12.5% Secured Debt	(5)	—	(5)	376	5,900	5	5	5,900
	Member Units	(5)	—	1,200	462	4,420	1,200	—	5,620
Marine Shelters Holdings, LLC	12% PIK Secured Debt	(8)	(3,361)	3,077	—	—	3,361	3,361	—
	Preferred Member Units	(8)	(5,352)	5,352	—	—	5,352	5,352	—
Market Force Information, LLC	LIBOR Plus 11.00% (Floor 1.00%)	(9)	—	—	1,540	23,143	23	560	22,606
	Member Units	(9)	—	(340)	—	14,700	—	340	14,360
MH Corbin Holding LLC	10% Secured Debt	(5)	—	—	686	12,526	—	443	12,083
	Preferred Member Units	(5)	—	—	70	6,000	—	—	6,000
NAPCO Precast, LLC	LIBOR Plus 8.50%	(8)	—	(12)	622	11,475	12	12	11,475
	Member Units	(8)	—	1,060	625	11,670	1,060	—	12,730
NRI Clinical Research, LLC	14% Secured Debt	(9)	—	30	470	4,265	2,905	400	6,770
	Warrants	(9)	—	—	—	500	—	—	500
	Member Units	(9)	—	—	—	2,500	—	—	2,500
NuStep, LLC	12% Secured Debt	(5)	—	—	1,264	20,420	18	—	20,438
	Preferred Member Units	(5)	—	—	—	10,200	—	—	10,200
OMi Holdings, Inc.	Common Stock	(8)	—	700	792	14,110	700	—	14,810
Pegasus Research Group, LLC	Member Units	(8)	—	(720)	—	10,310	—	720	9,590
River Aggregates, LLC	Zero Coupon Secured Debt	(8)	—	—	43	707	43	—	750
	Member Units	(8)	—	—	—	4,610	—	—	4,610
	Member Units	(8)	—	110	—	2,559	111	—	2,670
SoftTouch Medical Holdings LLC	LIBOR Plus 9.00% (Floor 1.00%)	(7)	—	(30)	120	7,140	30	7,170	—
	Member Units	(7)	5,171	(5,160)	865	10,089	—	10,089	—

Company	Investment(1)(10)(11)	Geography	Amount of Realized Gain/ (Loss)	Amount of Unrealized Gain/ (Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2017 Fair Value	Gross Additions(3)	Gross Reductions(4)	June 30, 2018 Fair Value
Other									
Amounts related to investments transferred to or from other 1940 Act classification during the period			—	—	25	(10,632)	—	—	—
Total Control investments			$ 4,681	$ 3,072	$ 45,830	$ 750,706	$ 250,519	$ 97,894	$913,963
Affiliate Investments									
AFG Capital Group, LLC	Warrants	(8)	$ —	$ 40	$ —	$ 860	$ 40	$ —	$ 900
	Preferred Member Units	(8)	—	170	20	3,590	170	—	3,760
Barfly Ventures, LLC	12% Secured Debt	(5)	—	(4)	549	8,715	729	4	9,440
	Options	(5)	—	(120)	—	920	—	120	800
	Warrants	(5)	—	(70)	—	520	—	70	450
BBB Tank Services, LLC	LIBOR Plus 10% (Floor 1.00%)	(8)	—	—	41	778	416	562	632
	17% Secured Debt	(8)	—	—	330	3,876	14	—	3,890
	Member Units	(8)	—	(30)	—	500	—	30	470
Boccella Precast Products LLC	LIBOR Plus 8% (Floor 1.00%)	(6)	—	(21)	946	16,400	2,181	1,839	16,742
	Member Units	(6)	—	1,780	481	3,440	1,780	—	5,220
Boss Industries, LLC	Preferred Member Units	(5)	—	1,260	377	3,930	1,340	—	5,270
Bridge Capital Solutions Corporation	13% Secured Debt	(6)	—	—	675	5,884	160	—	6,044
	Warrants	(6)	—	500	—	3,520	500	—	4,020
	13% Secured Debt	(6)	—	(1)	66	1,000	1	1	1,000
	Preferred Member Units	(6)	—	—	58	1,000	—	—	1,000
Buca C, LLC	LIBOR Plus 9.25% (Floor 1.00%)	(7)	—	—	1,131	20,193	23	600	19,616
	Preferred Member Units	(7)	—	5	122	4,172	127	—	4,299
CAI Software LLC	12% Secured Debt	(6)	—	(7)	250	4,083	7	247	3,843
	Member Units	(6)	—	(380)	20	3,230	—	380	2,850
Chandler Signs Holdings, LLC	12% Secured Debt/1.00% PIK	(8)	—	(4)	298	4,500	27	4	4,523
	Class A Units	(8)	—	(470)	—	2,650	—	470	2,180
Charlotte Russe, Inc	8.50% Secured Debt	(9)	—	7,779	285	7,807	16,658	17,380	7,085
	Common Stock	(9)	—	—	—	—	3,141	—	3,141
Condit Exhibits, LLC	Member Units	(9)	—	—	85	1,950	—	—	1,950
Congruent Credit Opportunities Funds	LP Interests (Fund II)	(8)	—	(254)	—	1,515	—	774	741
	LP Interests (Fund III)	(8)	—	228	805	18,632	4,242	—	22,874
Dos Rios Partners	LP Interests (Dos Rios Partners, LP)	(8)	—	31	—	7,165	31	150	7,046
	LP Interests (Dos Rios Partners—A, LP)	(8)	—	395	—	1,889	396	48	2,237
East Teak Fine Hardwoods, Inc.	Common Stock	(7)	—	—	33	630	—	—	630
EIG Fund Investments	LP Interests (EIG Global Private Debt fund-A, L.P.)	(8)	—	—	—	1,055	387	1,029	413
Freeport Financial Funds	LP Interests (Freeport Financial SBIC Fund LP)	(5)	—	128	204	5,614	128	—	5,742
	LP Interests (Freeport First Lien Loan Fund III LP)	(5)	—	—	458	8,506	—	—	8,506
Gault Financial, LLC (RMB Capital, LLC)	8% Secured Debt	(7)	—	—	492	11,532	—	150	11,382
	Warrants	(7)	—	—	—	—	—	—	—
Harris Preston Fund Investments	LP Interests (HPEP 3, L.P.)	(8)	—	—	—	943	517	—	1,460
Hawk Ridge Systems, LLC	10.5% Secured Debt	(9)	—	(13)	777	14,300	13	13	14,300
	Preferred Member Units	(9)	—	2,420	89	3,800	2,420	—	6,220
	Preferred Member Units	(9)	—	130	—	200	130	—	330
Houston Plating and Coatings, LLC	8% Unsecured Convertible Debt	(8)	—	180	121	3,200	180	—	3,380
	Member Units	(8)	—	873	96	6,140	930	—	7,070
I-45 SLF LLC	Member Units	(8)	—	(154)	1,409	16,841	—	154	16,687
L.F. Manufacturing Holdings, LLC	Member Units	(8)	—	—	—	2,000	—	—	2,000
Meisler Operating LLC	LIBOR Plus 8.50% (Floor 1.00%)	(5)	—	—	1,063	16,633	3,979	—	20,612
	Member Units	(5)	—	525	—	3,390	2,180	—	5,570
OnAsset Intelligence, Inc.	12% PIK Secured Debt	(8)	—	—	311	5,094	312	—	5,406
	10% PIK Secured Debt	(8)	—	—	2	48	2	—	50
	Preferred Stock	(8)	—	—	—	—	—	—	—
	Warrants	(8)	—	—	—	—	—	—	—
OPI International Ltd.	Common Stock	(8)	—	—	—	—	—	—	—
PCI Holding Company, Inc.	12% Current/3% PIK Secured Debt	(9)	—	—	1,165	12,593	409	651	12,351
	Preferred Stock	(9)	—	(600)	—	890	—	600	290
	Preferred Stock	(9)	—	870	—	2,610	870	—	3,480
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	12% Secured Debt	(8)	—	—	—	250	—	—	250
	Preferred Member Units	(8)	—	—	—	—	—	—	—
Salado Acquisition, LLC	Class A Preferred Units	(8)	—	(170)	23	1,790	—	170	1,620

Company	Investment(1)(10)(11)	Geography	Amount of Realized Gain/ (Loss)	Amount of Unrealized Gain/ (Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2017 Fair Value	Gross Additions(3)	Gross Reductions(4)	June 30, 2018 Fair Value
Tin Roof Acquisition Company	12% Secured Debt	(7)	—	—	841	12,722	561	13,283	—
	Class C Preferred Stock	(7)	—	—	152	3,027	152	3,179	—
UniTek Global Services, Inc.	LIBOR Plus 8.50% (Floor 1.00%)	(6)	—	(3)	442	8,535	3	469	8,069
	LIBOR Plus 7.50% (Floor 1.00%)/1.00% PIK	(6)	—	—	4	137	—	137	—
	15% PIK Unsecured Debt	(6)	—	—	70	865	66	—	931
	Preferred Stock	(6)	—	41	508	7,320	549	—	7,869
	Preferred Stock	(6)	—	8	280	2,850	287	—	3,137
	Common Stock	(6)	—	(1,270)	—	2,490	—	1,270	1,220
Universal Wellhead Services Holdings, LLC	Preferred Member Units	(8)	—	60	—	830	60	—	890
	Member Units	(8)	—	450	—	1,910	450	—	2,360
Valley Healthcare Group, LLC	LIBOR Plus 10.50% (Floor 0.50%)	(8)	—	69	805	11,685	81	120	11,646
	Preferred Member Units	(8)	—	700	—	1,600	700	—	2,300
Volusion, LLC	11.5% Secured Debt	(8)	—	—	1,334	15,200	2,854	—	18,054
	8% Unsecured Convertible Debt	(8)	—	—	3	—	297	—	297
	Preferred Member Units	(8)	—	—	1	14,000	—	—	14,000
	Warrants	(8)	—	(1,209)	—	2,080	—	1,209	871
Other									
Amounts related to investments transferred to or from other 1940 Act classification during the period		(9)	—	—	365	2,825	—	—	—
Total Affiliate investments			$ —	$ 13,862	$ 17,587	$ 338,854	$ 50,500	$ 45,113	$341,416

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

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

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

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

(5) Portfolio company located in the Midwest region as determined by location of the corporate headquarters. The fair value as of June 30, 2018 for control investments located in this region was $218,788. This represented 15.1% of net assets as of June 30, 2018. The fair value as of June 30, 2018 for affiliate investments located in this region was $56,390. This represented 3.9% of net assets as of June 30, 2018.

(6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of June 30, 2018 for control investments located in this region was $25,474. This represented 1.8% of net assets as of June 30, 2018. The fair value as of June 30, 2018 for affiliate investments located in this region was $61,945. This represented 4.3% of net assets as of June 30, 2018.

(7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of June 30, 2018 for control investments located in this region was $15,753. This represented 1.1% of net assets as of June 30, 2018. The fair value as of June 30,

2018 for affiliate investments located in this region was $35,927. This represented 2.5% of net assets as of June 30, 2018.

(8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of June 30, 2018 for control investments located in this region was $377,304. This represented 26.1% of net assets as of June 30, 2018. The fair value as of June 30, 2018 for affiliate investments located in this region was $138,007. This represented 9.5% of net assets as of June 30, 2018.

(9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of June 30, 2018 for control investments located in this region was $276,644. This represented 19.1% of net assets as of June 30, 2018. The fair value as of June 30, 2018 for affiliate investments located in this region was $49,147. This represented 3.4% of net assets as of June 30, 2018.

(10) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities," unless otherwise noted.

(11) This schedule should be read in conjunction with the consolidated schedule of investments and notes to the consolidated financial statements. Supplemental information can be located within the schedule of investments including end of period interest rate, preferred dividend rate, maturity date, investments not paid currently in cash and investments whose value was determined using significant unobservable inputs.

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, 2018, filed with the Securities and Exchange Commission (the "SEC") on March 1, 2019, for a discussion of the uncertainties, risks and assumptions associated with these statements. You should read the following discussion in conjunction with the consolidated financial statements and related notes and other financial information included elsewhere in this Quarterly Report and in the Annual Report on Form 10-K for the year ended December 31, 2018.

ORGANIZATION

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

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

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

MSCC has elected to be treated for U.S. federal income tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that it distributes to its stockholders.

MSCC has certain direct and indirect wholly owned subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of the Taxable Subsidiaries is to permit MSCC to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes.

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

OVERVIEW

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

We seek to fill the financing gap for LMM businesses, which, historically, have had limited access to financing from commercial banks and other traditional sources. The underserved nature of the LMM creates the opportunity for us to meet the financing needs of LMM companies while also negotiating favorable transaction terms and equity participations. Our ability to invest across a company's capital structure, from secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing options, or a "one stop" financing solution. Providing customized, "one stop" financing solutions is important to LMM portfolio companies. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. Our LMM portfolio debt investments are generally secured by a first lien on the assets of the portfolio company and typically have a term of between five and seven years from the original investment date.

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

Our Private Loan portfolio investments are primarily debt securities in privately held companies which have been originated through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals." Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio. Our Private Loan portfolio debt investments are generally secured by either a first or second priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date.

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

Our external asset management business is conducted through the External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. We have entered into an agreement with the External Investment Manager to share employees in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, we share employees with the External Investment Manager, including their related infrastructure, business relationships, management expertise and capital raising capabilities.

The following tables provide a summary of our investments in the LMM, Middle Market and Private Loan portfolios as of June 30, 2019 and December 31, 2018 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

	As of June 30, 2019		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	69	51	62
Fair value	$ 1,213.7	$ 519.6	$ 594.4
Cost	$ 996.3	$ 562.0	$ 629.5
% of portfolio at cost—debt	67.2%	95.8%	93.5%
% of portfolio at cost—equity	32.8%	4.2%	6.5%
% of debt investments at cost secured by first priority lien	98.0%	89.4%	92.7%
Weighted-average annual effective yield(b)	12.1%	9.4%	10.2%
Average EBITDA(c)	$ 4.7	$ 93.1	$ 53.0

(a) At June 30, 2019, we had equity ownership in approximately 99% of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 41%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of June 30, 2019, 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, three Middle Market portfolio companies and three Private Loan portfolio companies, as EBITDA is not a meaningful valuation metric for our investments in these portfolio companies, and those portfolio companies whose primary purpose is to own real estate.

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

(a) At December 31, 2018, we had equity ownership in approximately 99% of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 40%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2018, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. Weighted-average annual effective yield is higher than what an investor in shares of our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor.

(c) The average EBITDA is calculated using a simple average for the LMM portfolio and a weighted-average for the Middle Market and Private Loan portfolios. These calculations exclude certain portfolio companies, including two LMM portfolio companies, one Middle Market portfolio company and four Private Loan portfolio companies, as EBITDA is not 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 June 30, 2019, we had Other Portfolio investments in eleven companies, collectively totaling approximately $111.1 million in fair value and approximately $119.3 million in cost basis and which comprised approximately 4.4% of our Investment Portfolio (as defined in "—Critical Accounting Policies—Basis of Presentation" below) at fair value. As of December 31, 2018, we had Other Portfolio investments in eleven companies, collectively totaling approximately $108.3 million in fair value and approximately $116.0 million in cost basis and which comprised approximately 4.4% of our Investment Portfolio at fair value.

As previously discussed, the External Investment Manager is a wholly owned subsidiary that is treated as a portfolio investment. As of June 30, 2019, there was no cost basis in this investment and the investment had a fair value of approximately $69.6 million, which comprised approximately 2.8% of our Investment Portfolio at fair value. As of December 31, 2018, there was no cost basis in this investment and the investment had a fair value of approximately $65.7 million, which comprised approximately 2.7% of our Investment Portfolio at fair value.

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 directly incur the operating costs associated with employing investment and portfolio management professionals. We believe that our internally managed structure provides us with a beneficial operating expense structure when compared to other publicly traded and privately held investment firms which are externally managed, and our internally managed structure allows us the opportunity to leverage our non-interest operating expenses as we grow our Investment Portfolio. For the trailing twelve months ended June 30, 2019 and 2018, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.3% and 1.5%, respectively, and 1.4% for the year ended December 31, 2018.

During May 2012, we entered into an investment sub-advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income, a non-listed BDC, to provide certain investment advisory services to HMS Adviser. In December 2013, after obtaining required no-action relief from the SEC to allow us to own a registered investment adviser, we assigned the sub-advisory agreement to the External Investment Manager since the fees received from such arrangement could otherwise have negative consequences on our ability to meet the source-of-income requirement necessary for us to maintain our RIC tax treatment. Under the investment sub-advisory agreement, the External Investment Manager is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. The External Investment Manager agreed to waive the historical incentive fees otherwise earned through December 31, 2018. During the three months ended June 30, 2019, the External Investment Manager earned $4.1 million in fees, which consisted of $2.8 million of base management fees and $1.3 million in incentive fees, compared to $2.9 million in base management fees for the comparable period in 2018 under the sub-advisory agreement with HMS Adviser. During the six months ended June 30, 2019, the External Investment Manager earned $7.1 million in fee income, which consisted of $5.7 million of base management fees and $1.4 million in incentive fees compared to $5.7 million of base management fees for the comparable period in 2018 under the sub-advisory agreement with HMS Adviser.

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

CRITICAL ACCOUNTING POLICIES

Basis of Presentation

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). For each of the periods presented herein, our consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of our investments in LMM portfolio companies, investments in Middle Market portfolio companies, Private Loan portfolio investments, Other Portfolio investments, and the investment in the External Investment Manager. Our results of operations for the three and six months ended June 30, 2019 and 2018, cash flows for the six months ended June 30, 2019 and 2018, and financial position as of June 30, 2019 and December 31, 2018, are presented on a consolidated basis. The effects of all intercompany transactions between us and our consolidated subsidiaries have been eliminated in consolidation.

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 Articles 6, 10 and 12 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 six months ended June 30, 2019 and 2018 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, 2018. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

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

Investment Portfolio Valuation

The most significant determination inherent in the preparation of our consolidated financial statements is the valuation of our Investment Portfolio and the related amounts of unrealized appreciation and depreciation. As of June 30, 2019 and December 31, 2018, our Investment Portfolio valued at fair value represented approximately 95% and 96% 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. See "Note B.1.—Valuation of the Investment Portfolio" in the notes to consolidated financial statements for a detailed discussion of our investment portfolio valuation process and procedures.

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

Our Board of Directors has the final responsibility for overseeing, reviewing and approving, in good faith, our determination of the fair value for our Investment Portfolio and our valuation procedures, consistent with 1940 Act requirements. We believe our Investment Portfolio as of June 30, 2019 and December 31, 2018 approximates fair value as of those dates based on the markets in which we operate and other conditions in existence on those reporting dates.

Revenue Recognition

Interest and Dividend Income

We record interest and dividend income on the accrual basis to the extent amounts are expected to be collected. Dividend income is recorded as dividends are declared by the portfolio company or at the point an obligation exists for the portfolio company to make a distribution. In accordance with our valuation policies, we evaluate accrued interest and dividend income periodically for collectability. When a loan or debt security becomes 90 days or more past due, and if we otherwise do not expect the debtor to be able to service all of its debt or other obligations, we will generally place the loan or debt security on non-accrual status and cease recognizing interest income on that loan or debt security until the borrower has demonstrated the ability and intent to pay contractual amounts due. If a loan or debt security's status significantly improves regarding the debtor's ability to service the debt or other obligations, or if a loan or debt security is sold or written off, we remove it from non-accrual status.

Fee Income

We may periodically provide services, including structuring and advisory services, to our portfolio companies or other third parties. For services that are separately identifiable and evidence exists to substantiate fair value, fee income is recognized as earned, which is generally when the investment or other applicable transaction closes. Fees received in connection with debt financing transactions for services that do not meet these criteria are treated as debt origination fees and are deferred and accreted into income over the life of the financing.

Payment-in-Kind ("PIK") Interest and Cumulative Dividends

We hold certain debt and preferred equity instruments in our Investment Portfolio that contain PIK interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though we may not have collected the PIK interest and cumulative dividends in cash. We stop accruing PIK interest and cumulative dividends and write off any accrued and uncollected interest and dividends in arrears when we determine that such PIK interest and dividends in arrears are no longer collectible. For the three months ended June 30, 2019 and 2018, (i) approximately 2.2% and 0.6%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.1% and 0.8%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash. For the six months ended June 30, 2019 and 2018, (i) approximately 2.0% and 0.8%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.1% and 0.9%, 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.

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

Income Taxes

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary taxable income or capital gains that MSCC distributes to its stockholders. MSCC must generally distribute at least 90% of its "investment company taxable income" (which is generally its net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses) and 90% of its tax-exempt income to maintain its RIC status (pass-through tax treatment for amounts distributed). As part of maintaining RIC status, undistributed taxable income (subject to a 4% non-deductible U.S. federal excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared on or prior to the later of (i) filing of the U.S. federal income tax return for the applicable fiscal year or (ii) the fifteenth day of the ninth month following the close of the year in which such taxable income was generated.

The Taxable Subsidiaries primarily hold certain portfolio investments for us. The Taxable Subsidiaries permit us to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes and to continue to comply with the "source-of-income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are consolidated with us for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in our consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities, as a result of their ownership of certain portfolio investments. The taxable income, or loss, of the Taxable Subsidiaries may differ from their book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at their normal corporate tax rates based on their taxable income. The income tax expense, or benefit, if any, and the related tax assets and liabilities, of the Taxable Subsidiaries are reflected in our consolidated financial statements.

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

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

The Taxable Subsidiaries and the External Investment Manager use the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements, using statutory tax rates in effect for the year in which the temporary differences are expected to reverse. A valuation allowance is provided, if necessary, against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized.

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

INVESTMENT PORTFOLIO COMPOSITION

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

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

Our Private Loan portfolio investments are primarily debt securities in privately held companies which have been originated through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals." Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio. Our Private Loan portfolio debt investments are generally secured by either a first or second priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date.

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

Our external asset management business is conducted through the External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. We have entered into an agreement with the External Investment Manager to share employees in connection with its asset management business generally, and specifically for its relationship with HMS Income. Through this agreement, we share employees with the External Investment Manager, including their related infrastructure, business relationships, management expertise and capital raising capabilities, and we allocate the related expenses to the External Investment Manager pursuant to the sharing agreement. Our total expenses for each of the three months ended June 30, 2019 and 2018 are net of expenses allocated to the External Investment Manager of $1.7 million. Our total expenses for the six months ended June 30, 2019 and 2018 are net of expenses allocated to the External Investment Manager of $3.4 million and $3.7 million, respectively. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. The total contribution of the External Investment Manager to our net investment income consists of the combination of the expenses allocated to the External Investment Manager and the dividend income received from the External Investment Manager. For the three months ended June 30, 2019 and 2018, the total contribution to our net investment income was $3.6 million and $2.7 million, respectively. For the six months ended June 30, 2019 and 2018, the total contribution to our net investment income was $6.2 million and $5.3 million, respectively.

The following tables summarize the composition of our total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments as of June 30, 2019 and

December 31, 2018 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	June 30, 2019	December 31, 2018
First lien debt	76.9%	77.1%
Equity	17.3%	16.6%
Second lien debt	4.8%	5.3%
Equity warrants	0.6%	0.6%
Other	0.4%	0.4%
	100.0%	100.0%

Fair Value:	June 30, 2019	December 31, 2018
First lien debt	68.6%	69.0%
Equity	26.4%	25.5%
Second lien debt	4.2%	4.6%
Equity warrants	0.4%	0.5%
Other	0.4%	0.4%
	100.0%	100.0%

Our LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments carry a number of risks including: (1) investing in companies which may have limited operating histories and financial resources; (2) holding investments that generally are not publicly traded and which may be subject to legal and other restrictions on resale; and (3) other risks common to investing in below investment grade debt and equity investments in our Investment Portfolio. Please see "Risk Factors—Risks Related to Our Investments" contained in our Form 10-K for the fiscal year ended December 31, 2018 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, the collectability of our debt investments and the ability to receive a return of the invested capital in our equity investments, comparisons to competitors and other industry participants, the portfolio company's future outlook and other factors that are deemed to be significant to the portfolio company.

As of June 30, 2019, our total Investment Portfolio had seven investments on non-accrual status, which comprised approximately 1.5% of its fair value and 4.4% of its cost. As of December 31, 2018, our total Investment Portfolio had six investments on non-accrual status, which comprised approximately 1.3% of its fair value and 3.9% of its cost.

The operating results of our portfolio companies are impacted by changes in the broader fundamentals of the United States economy. In the event that the United States economy contracts, it is likely that the financial results of small to mid-sized companies, like those in which we invest, could experience deterioration or limited growth from current levels, which could ultimately lead to difficulty in meeting their debt service requirements, to an increase in defaults on our debt investments or in realized losses on our investments and to difficulty in maintaining historical dividend payment rates and unrealized appreciation on our equity investments. Consequently, we can provide no assurance that the performance of certain portfolio companies will not be negatively impacted by economic cycles or other conditions, which could also have a negative impact on our future results.

DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2019 and June 30, 2018

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Net Change Amount	Net Change %
	(dollars in thousands)			
Total investment income	$ 61,293	$ 59,869	$ 1,424	2%
Total expenses	(21,676)	(20,357)	(1,319)	(6)%
Net investment income	39,617	39,512	105	0%
Net realized loss from investments	(2,554)	(13,944)	11,390	
Net realized loss on extinguishment of debt	—	(1,522)	1,522	
Net unrealized appreciation (depreciation) from:				
Portfolio investments	4,857	32,711	(27,854)	
SBIC debentures	(233)	(10)	(223)	
Total net unrealized appreciation	4,624	32,701	(28,077)	
Income tax provision	(3,433)	(1,296)	(2,137)	
Net increase in net assets resulting from operations	$ 38,254	$ 55,451	$ (17,197)	(31)%

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Net Change Amount	Net Change %
	(dollars in thousands, except per share amounts)			
Net investment income	$ 39,617	$ 39,512	$ 105	0%
Share-based compensation expense	2,378	2,432	(54)	(2)%
Distributable net investment income(a)	$ 41,995	$ 41,944	$ 51	0%
Net investment income per share—				
Basic and diluted	$ 0.63	$ 0.66	$ (0.03)	(5)%
Distributable net investment income per share—				
Basic and diluted(a)	$ 0.67	$ 0.70	$ (0.03)	(4)%

(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

Total investment income for the three months ended June 30, 2019 was $61.3 million, a 2% increase over the $59.9 million of total investment income for the corresponding period of 2018. This comparable period increase was principally attributable to a $3.0 million net increase in interest income primarily related to higher average levels of Investment Portfolio debt investments and an increase in the average effective yields, partially offset by (i) a $0.9 million decrease in dividend income from Investment Portfolio equity investments and (ii) a $0.6 million decrease in fee income. The $1.4 million increase in total investment income in the three months ended June 30, 2019 is net of the negative impacts of (i) a decrease of $3.5 million related to elevated dividend income activity from certain Investment Portfolio equity investments that is considered to be less consistent on a recurring basis or non-recurring and (ii) a decrease of $0.4 million related to lower accelerated prepayment, repricing and other activity for certain Private Loan Investment Portfolio debt investments, both when compared to the same period in 2018.

Expenses

Total expenses for the three months ended June 30, 2019 increased to $21.7 million from $20.4 million for the corresponding period of 2018. This comparable period increase in operating expenses was principally attributable to a $1.5 million increase in interest expense, primarily due to an increase in interest expense related to our 5.20% Notes (as defined in "—Liquidity and Capital Resources—Capital Resources" below) issued in April 2019, partially offset by decreased interest expense relating to our multi-year revolving credit facility (the "Credit Facility") due to the lower average balance outstanding.

Net Investment Income

Net investment income for the three months ended June 30, 2019 increased to $39.6 million, or $0.63 per share, compared to net investment income of $39.5 million, or $0.66 per share, for the corresponding period of 2018. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses both as discussed above.

Distributable Net Investment Income

Distributable net investment income for the three months ended June 30, 2019 increased to $42.0 million, or $0.67 per share, compared with $41.9 million, or $0.70 per share, in the corresponding period of 2018. The increase in distributable net investment income was primarily due to the higher level of total investment income, partially offset by higher operating expenses both as discussed above. Distributable net investment income on a per share basis for the three months ended June 30, 2019 includes the impacts of (i) a decrease of approximately $0.06 per share from the comparable period in 2018 attributable to the net effect of the lower dividend income activity that is considered less recurring or non-recurring and the decrease in the comparable levels of accelerated prepayment, repricing and other activity as discussed above and (ii) a greater number of average shares outstanding compared to the corresponding period in 2018 primarily due to shares issued through the ATM Program (as defined in "—Liquidity and Capital Resources—Capital Resources" below), shares issued pursuant to our equity incentive plans and shares issued pursuant to our dividend reinvestment plan.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations for the three months ended June 30, 2019 was $38.3 million, or $0.61 per share, compared with $55.5 million, or $0.93 per share, during the three months ended June 30, 2018. This $17.2 million decrease from the prior year was primarily the result of (i) a $28.1 million decrease in net unrealized appreciation (depreciation) from portfolio investments, including the impact of accounting reversals relating to realized gains/income (losses), and SBIC debentures and (ii) a $2.1 million increase in the income tax provision, with these decreases partially offset by (i) a $11.4 million improvement in the net realized gain (loss) from investments and (ii) a $1.5 million decrease in the net realized loss on extinguishment of debt. The net realized loss from investments of $2.6 million for the three months ended June 30, 2019 was primarily the result of the realized loss of $5.3 million resulting from the exit of a Middle Market investment, with this realized loss partially offset by (i) the realized gain of $2.3 million resulting from the exit of a LMM investment and (ii) the realized gain of $0.4 million resulting from the partial exit of a Private Loan investment.

The following table provides a summary of the total net unrealized appreciation of $4.6 million for the three months ended June 30, 2019:

	Three Months Ended June 30, 2019				
	LMM(a)	Middle Market	Private Loan	Other	Total
	(dollars in millions)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains / income) losses recognized during the current period	$ (1.9)	$ 4.2	$ (0.7)	$ —	$ 1.6
Net unrealized appreciation (depreciation) relating to portfolio investments	11.5	(11.4)	(0.8)	3.9(b)	3.2
Total net unrealized appreciation (depreciation) relating to portfolio investments	$ 9.6	$ (7.2)	$ (1.5)	$ 3.9	$ 4.8
Unrealized depreciation relating to SBIC debentures(c)					(0.2)
Total net unrealized appreciation					$ 4.6

(a) LMM includes unrealized appreciation on 21 LMM portfolio investments and unrealized depreciation on 15 LMM portfolio investments.

(b) Other includes (i) $3.8 million of unrealized appreciation relating to the External Investment Manager and (ii) $0.1 million of unrealized appreciation relating to the Main Street Capital Corporation Deferred Compensation Plan (see "Related Party Transactions").

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

The income tax provision for the three months ended June 30, 2019 of $3.4 million principally consisted of a deferred tax provision of $2.5 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences, and current tax expense of $0.9 million primarily related to accruals for current U.S. federal and state income taxes.

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Comparison of the six months ended June 30, 2019 and June 30, 2018

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Net Change Amount	Net Change %
	(dollars in thousands)			
Total investment income	$ 122,657	$ 115,812	$ 6,845	6%
Total expenses	(43,550)	(39,324)	(4,226)	(11)%
Net investment income	79,107	76,488	2,619	3%
Net realized loss from investments	(8,287)	(6,484)	(1,803)	
Net realized loss on extinguishment of debt	(5,689)	(2,896)	(2,793)	
Net unrealized appreciation (depreciation) from:				
Portfolio investments	16,081	21,829	(5,748)	
SBIC debentures	4,945	1,348	3,597	
Total net unrealized appreciation	21,026	23,177	(2,151)	
Income tax provision	(6,502)	(316)	(6,186)	
Net increase in net assets resulting from operations	$ 79,655	$ 89,969	$ (10,314)	(11)%

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Net Change Amount	Net Change %
	(dollars in thousands, except per share amounts)			
Net investment income	$ 79,107	$ 76,488	$ 2,619	3%
Share-based compensation expense	4,707	4,735	(28)	(1)%
Distributable net investment income(a)	$ 83,814	$ 81,223	$ 2,591	3%
Net investment income per share—				
Basic and diluted	$ 1.27	$ 1.29	$ (0.02)	(2)%
Distributable net investment income per share—				
Basic and diluted(a)	$ 1.34	$ 1.37	$ (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

Total investment income for the six months ended June 30, 2019 was $122.7 million, a 6% increase over the $115.8 million of total investment income for the corresponding period of 2018. This comparable period increase was principally attributable to a $10.7 million net increase in interest income primarily related to higher average levels of Investment Portfolio debt investments and an increase in the average effective yields, partially offset by (i) a $2.3 million decrease in dividend income from Investment Portfolio equity investments and (ii) a $1.6 million decrease in fee income. The $6.8 million increase in total investment income in the six months ended June 30, 2019 is net of the negative impacts of (i) a decrease of $8.0 million related to elevated dividend income activity from certain Investment Portfolio equity investments that is considered to be less consistent on a recurring basis or non-recurring and (ii) a decrease of $1.7 million related to lower accelerated prepayment, repricing and other activity for certain Middle Market and Private Loan Investment Portfolio debt investments, both when compared to the same period in 2018.

Expenses

Total expenses for the six months ended June 30, 2019 increased to $43.6 million from $39.3 million for the corresponding period of 2018. This comparable period increase in operating expenses was principally attributable to (i) a $3.1 million increase in interest expense, primarily due to (a) an increase in interest expense related to our 5.20% Notes issued in April 2019 and (b) increased interest expense relating to our Credit Facility due to the higher average balance outstanding and the increase in market based floating interest rates, partially offset by a decrease in interest expense resulting from the redemption of the 6.125% Notes (as defined in "—Liquidity and Capital Resources—Capital Resources" below) in April 2018, (ii) a $0.4 million increase in compensation expense primarily due to an increase of $0.5 million in the fair value of our deferred compensation plan assets, (iii) a $0.4 million decrease in the expenses allocated to the External Investment Manager primarily as a result of the non-recurring strategic activities at the External Investment Manager during the six months ended June 30, 2018 which did not occur during the six months ended June 30, 2019 and (iv) a $0.3 million increase in general and administrative expenses.

Net Investment Income

Net investment income for the six months ended June 30, 2019 increased 3% to $79.1 million, or $1.27 per share, compared to net investment income of $76.5 million, or $1.29 per share, for the corresponding period of 2018. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses both as discussed above.

Distributable Net Investment Income

Distributable net investment income for the six months ended June 30, 2019 increased 3% to $83.8 million, or $1.34 per share, compared with $81.2 million, or $1.37 per share, in the corresponding period of 2018. The increase in distributable net investment income was primarily due to the higher level of total investment income, partially offset by higher operating expenses both as discussed above. Distributable net investment income on a per share basis for the six months ended June 30, 2019 includes the impacts of (i) a decrease of approximately $0.16 per share from the comparable period in 2018 attributable to the net effect of the lower dividend income activity that is considered less recurring or non-recurring and the decrease in the comparable levels of accelerated prepayment, repricing and other activity as discussed above, (ii) a decrease of $0.01 per share due to the increase in the fair value of the deferred compensation plan assets as discussed above and (iii) a greater number of average shares outstanding compared to the corresponding period in 2018 primarily due to shares issued through the ATM Program (as defined in "—Liquidity and Capital Resources—Capital Resources" below), shares issued pursuant to our equity incentive plans and shares issued pursuant to our dividend reinvestment plan.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations for the six months ended June 30, 2019 was $79.7 million, or $1.28 per share, compared with $90.0 million, or $1.52 per share, during the six months ended June 30, 2018. This $10.3 million decrease from the prior year was primarily the result of (i) a $6.2 million increase in the income tax provision, (ii) a $2.8 million increase in the net realized loss on extinguishment of debt, (iii) a $2.2 million decrease in net unrealized appreciation (depreciation) from portfolio investments and SBIC debentures, including the impact of accounting reversals relating to realized gains/income (losses), and (iv) a $1.8 million decrease in the net realized gain (loss) from investments, with these increases partially offset by a $2.6 million increase in net investment income as discussed above. The net realized loss from investments of $8.3 million for the six months ended June 30, 2019 was primarily the result of (i) the realized loss of $7.1 million resulting from the partial exit of a Middle Market investment, (ii) the realized loss of $5.3 million resulting from the exit of a Middle Market investment and (iii) the net realized loss of $1.8 million resulting from the exit of three Private Loan investments, with these net realized losses partially offset by realized gains of $6.1 million resulting from the exit of two LMM investments.

The following table provides a summary of the total net unrealized appreciation of $21.0 million for the six months ended June 30, 2019:

	Six Months Ended June 30, 2019				
	LMM(a)	Middle Market	Private Loan	Other	Total
	(dollars in millions)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains / income) losses recognized during the current period	$ (5.8)	$ 8.3	$ 0.2	$ —	$ 2.7
Net unrealized appreciation (depreciation) relating to portfolio investments	18.8	(18.9)	9.7	3.7(b)	13.3
Total net unrealized appreciation (depreciation) relating to portfolio investments	$ 13.0	$ (10.6)	$ 9.9	$ 3.7	$ 16.0
Unrealized appreciation relating to SBIC debentures(c)					5.0
Total net unrealized appreciation					$ 21.0

(a) LMM includes unrealized appreciation on 28 LMM portfolio investments and unrealized depreciation on 26 LMM portfolio investments.

(b) Other includes (i) $3.8 million of unrealized appreciation relating to the External Investment Manager and (ii) $0.5 million of unrealized appreciation relating to the Main Street Capital Corporation Deferred Compensation Plan (see "Related Party Transactions"), partially offset by $0.6 million of net unrealized depreciation relating to the Other Portfolio.

(c) Relates to unrealized appreciation on the SBIC debentures previously issued by MSC II which are accounted for on a fair value basis and is primarily related to accounting reversals of previously recognized unrealized depreciation recorded since the date of the MSC II acquisition on the debentures repaid during the six months ended June 30, 2019.

The income tax provision for the six months ended June 30, 2019 of $6.5 million principally consisted of a deferred tax provision of $4.8 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences, and current tax expense of $1.7 million related to (i) a $1.3 million provision for current U.S. federal and state income taxes and (ii) a $0.4 million provision for excise tax on our estimated undistributed taxable income.

Liquidity and Capital Resources

Cash Flows

For the six months ended June 30, 2019, we experienced a net increase in cash and cash equivalents in the amount of approximately $16.4 million, which is the net result of approximately $12.5 million of cash provided by our operating activities and approximately $3.8 million of cash provided by our financing activities.

The $12.5 million of cash provided by our operating activities resulted primarily from (i) cash flows we generated from the operating profits earned through our operating activities totaling $75.7 million, which is our distributable net investment income, excluding the non-cash effects of the accretion of unearned income, payment-in-kind interest income, cumulative dividends and the amortization expense for deferred financing costs, (ii) cash uses totaling $301.3 million for the funding of new portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2018, (iii) cash proceeds totaling $239.1 million from the sales and repayments of debt investments and sales of and return on capital of equity investments and (iv) cash uses of $1.0 million related to changes in other assets and liabilities.

The $3.8 million of cash provided by our financing activities principally consisted of (i) $250.0 million in cash proceeds from the issuance of the 5.20% Notes in April 2019 and (ii) $44.8 million in net cash proceeds from the ATM Program (described below), partially offset by (i) $179.0 million in net repayments on the Credit Facility, (ii) $80.2 million in cash dividends paid to stockholders, (iii) $24.0 million in repayment of SBIC debentures, (iv) $4.3 million for payment of deferred debt issuance costs, SBIC debenture fees and other costs and (v) $3.4 million for purchases of vested restricted stock from employees to satisfy their tax withholding requirements upon the vesting of such restricted stock.

Capital Resources

As of June 30, 2019, we had $70.5 million in cash and cash equivalents and $583.0 million of unused capacity under the Credit Facility, which we maintain to support our investment and operating activities. As of June 30, 2019, our net asset value totaled $1,521.1 million, or $24.17 per share.

The Credit Facility, which provides additional liquidity to support our investment and operational activities, provides for total commitments of $705.0 million from a diversified group of 17 lenders. The Credit Facility matures in September 2023 and contains an accordion feature which allows us to increase the total commitments under the facility to up to $800.0 million from new and existing lenders on the same terms and conditions as the existing commitments.

Borrowings under the Credit Facility bear interest, subject to our election, on a per annum basis at a rate equal to the applicable LIBOR rate (2.4% as of June 30, 2019) plus (i) 1.875% (or the applicable base rate (Prime Rate of 5.5% as of June 30, 2019) plus 0.875%) as long as we meet certain agreed upon excess collateral and maximum leverage requirements or (ii) 2.0% (or the applicable base rate plus 1.0%) otherwise. We pay unused commitment fees of 0.25% per annum on the unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership or assets of the Funds and the External Investment Manager. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining a minimum availability of at least 10% of the borrowing base, (ii) maintaining an interest coverage ratio of at least 2.0 to 1.0, (iii) maintaining an asset coverage ratio (tangible net worth to Credit Facility borrowings) of at least 1.5 to 1.0 and (iv) maintaining a minimum tangible net worth. The Credit Facility is provided on a revolving basis through its final maturity date in September 2023, and contains two, one-year extension options which could extend the final maturity by up to two years, subject to certain conditions, including lender approval. As of June 30, 2019, we had

$122.0 million in borrowings outstanding under the Credit Facility, the interest rate on the Credit Facility was 4.3% and we were in compliance with all financial covenants of the Credit Facility.

Through the Funds, we have the ability to issue SBIC debentures guaranteed by the SBA at favorable interest rates and favorable terms and conditions. Under existing SBIC regulations, SBA approved SBICs under common control have the ability to issue debentures guaranteed by the SBA up to a regulatory maximum amount of $350.0 million. Through the Funds, we have an effective maximum amount of $347.0 million as a result of certain voluntary prepayments of SBIC debentures under historical commitments from the SBA. During the six months ended June 30, 2019, Main Street received a $25.0 million commitment from the SBA in order to issue new SBIC debentures in the future and opportunistically prepaid $24.0 million of existing SBIC debentures that were scheduled to mature over the next year as part of an effort to manage the maturity dates of the oldest SBIC debentures. Debentures guaranteed by the SBA have fixed interest rates that equal prevailing 10-year Treasury Note rates plus a market spread and have a maturity of ten years with interest payable semiannually. The principal amount of the debentures is not required to be paid before maturity, but may be pre-paid at any time with no prepayment penalty. We expect to issue new SBIC debentures under the SBIC program in the future in an amount up to the regulatory maximum amount for affiliated SBIC funds. As of June 30, 2019, through our three wholly owned SBICs, we had $321.8 million of outstanding SBIC debentures guaranteed by the SBA, which bear a weighted-average annual fixed interest rate of approximately 3.6%, paid semiannually, and mature ten years from issuance. The first maturity related to our SBIC debentures occurs in 2020, and the weighted-average remaining duration is approximately 5.5 years as of June 30, 2019.

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

In November 2014, we issued $175.0 million in aggregate principal amount of 4.50% unsecured notes due 2019 (the "4.50% Notes due 2019") at an issue price of 99.53%. The 4.50% Notes due 2019 are unsecured obligations and rank pari passu with our current and future unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 4.50% Notes due 2019; effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under our Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes due 2019 mature on December 1, 2019, and may be redeemed in whole or in part at any time at our option subject to certain make-whole provisions. The 4.50% Notes due 2019 bear interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year. We may from time to time repurchase 4.50% Notes due 2019 in accordance with the 1940 Act and the rules promulgated thereunder. As of June 30, 2019, the outstanding balance of the 4.50% Notes due 2019 was $175.0 million.

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

In November 2017, we issued $185.0 million in aggregate principal amount of 4.50% unsecured notes due 2022 (the "4.50% Notes due 2022") at an issue price of 99.16%. The 4.50% Notes due 2022 are unsecured obligations and rank pari passu with our current and future unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 4.50% Notes due 2022; effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under our Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes due 2022 mature on December 1, 2022, and may be redeemed in whole or in part at any time at our option subject to certain make-whole provisions. The 4.50% Notes due 2022 bear interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year. We may from time to time repurchase 4.50% Notes due 2022 in accordance with the 1940 Act and the rules promulgated thereunder. As of June 30, 2019, the outstanding balance of the 4.50% Notes due 2022 was $185.0 million.

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

In April 2019, we issued $250.0 million in aggregate principal amount of 5.20% unsecured Notes due 2024 (the "5.20% Notes") at an issue price of 99.125%. The net proceeds were used to repay a portion of the borrowings outstanding under the Credit Facility and Main Street currently expects that it will re-borrow under the Credit Facility to repay the 4.50% Notes due 2019 upon maturity in December 2019. The 5.20% Notes are unsecured obligations and rank pari passu with our current and future unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 5.20% 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 5.20% Notes mature on May 1, 2024, and may be redeemed in whole or in part at any time at our option subject to certain make-whole provisions. The 5.20% Notes bear interest at a rate of 5.20% per year payable semiannually on May 1 and November 1 of each year. We may from time to time repurchase 5.20% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of June 30, 2019, the outstanding balance of the 5.20% Notes was $250.0 million.

The indenture governing the 5.20% Notes (the "5.20% 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 5.20% Notes and the Trustee if we cease to be subject to the reporting requirements of the Exchange Act. These covenants are subject to limitations and exceptions that are described in the 5.20% Notes Indenture.

We maintain a program with certain selling agents through which we can sell shares of our common stock by means of at-the-market offerings from time to time (the "ATM Program"). During the six months ended June 30, 2019, we sold 1,199,734 shares of our common stock at a weighted-average price of $37.68 per share and raised $45.2 million of gross proceeds under the ATM Program. Net proceeds were $44.5 million after commissions to the selling agents on shares sold and offering costs. As of June 30, 2019, sales transactions representing 7,000 shares had not settled and are not included in shares issued and outstanding on the face of the consolidated balance sheet but are included in the weighted-average shares outstanding in the consolidated statement of operations and in the shares used to calculate net asset value per share. As of June 30, 2019, 9,406,603 shares remained available for sale under the ATM Program.

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

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

We periodically invest excess cash balances into marketable securities and idle funds investments. The primary investment objective of marketable securities and idle funds investments is to generate incremental cash returns on excess cash balances prior to utilizing those funds for investment in our LMM, Middle Market and Private Loan portfolio investments. Marketable securities and idle funds investments generally consist of debt investments, independently rated debt investments, certificates of deposit with financial institutions, diversified bond funds and publicly traded debt and equity investments.

If our common stock trades below our net asset value per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board of Directors makes certain determinations. We did not seek stockholder authorization to sell shares of our common stock below the then current net asset value per share of our common stock at our 2019 annual meeting of stockholders because our common stock price per share had been trading significantly above the net asset value per share of our common stock since 2011. We would therefore need future approval from our stockholders to issue shares below the then current net asset value per share.

In order to satisfy the Code requirements applicable to a RIC, we intend to distribute to our stockholders, after consideration and application of our ability under the Code to carry forward certain excess undistributed taxable income from one tax year into the next tax year, substantially all of our taxable income. In addition, as a BDC, we generally are required to meet a coverage ratio of total assets to total senior securities, which include borrowings and any preferred stock we may issue in the future, of at least 200% (or 150% if certain requirements are met). This requirement limits the amount that we may borrow. In January 2008, we received an exemptive order from the SEC to exclude SBA-guaranteed debt securities issued by MSMF and any other wholly owned subsidiaries of ours which operate as SBICs from the asset coverage requirements of the 1940 Act as applicable to us, which, in turn, enables us to fund more investments with debt capital.

Although we have been able to secure access to additional liquidity, including through the Credit Facility, public debt issuances, leverage available through the SBIC program and equity offerings, there is no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

Recently Issued or Adopted Accounting Standards

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

In February 2016, the FASB issued ASU 2016-02, Leases, which requires lessees to recognize on the balance sheet a right-of-use asset, representing its right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The guidance is effective for annual periods beginning after December 15, 2018, and interim periods therein. We adopted ASU 2016-02 effective January 1, 2019. Under ASC 842, *Leases* ("ASC 842"), we evaluate leases to determine if the leases are considered financing or operating leases. We currently have one operating lease for office space for which we have recorded a right-of-use asset and lease liability for the operating lease obligation. Non-lease components (maintenance, property tax, insurance and parking) are not included in the lease cost. The lease expense is presented as a single lease cost that is amortized on a straight-line basis over the life of the lease. See further discussion regarding the lease obligation in Note K in the notes to the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15,*Statement of Cash Flows (Topic 230)*, which is intended to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance is effective for annual periods beginning after December 15, 2017, and interim periods therein. We adopted ASU 2016-15 effective January 1, 2018. The impact of the adoption of this accounting standard on our consolidated financial statements was not material.

In August 2018, the FASB issued ASU 2018-13,*Fair Value Measurement (Topic 820)*, which is intended to improve fair value and defined benefit disclosure requirements by removing disclosures that are not cost-beneficial, clarifying disclosures' specific requirements, and adding relevant disclosure requirements. The amendments take effect for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. We elected to early adopt ASU 2018-13 during the year ended December 31, 2018. No significant changes to our fair value disclosures were necessary in the notes to the consolidated financial statements in order to comply with ASU 2018-13.

In August 2018, the SEC adopted rules (the "SEC Release") amending certain disclosure requirements intended to eliminate redundant, duplicative, overlapping, outdated or superseded, in light of other SEC disclosure requirements, U.S. GAAP requirements or changes in the information environment. In part, the SEC Release requires an investment company to present distributable earnings in total on the consolidated balance sheet and consolidated statement of changes in net assets, rather than showing the three components of distributable earnings as previously shown. We adopted this part of the SEC Release during the year ended December 31, 2018. The impact of the adoption of these rules on our consolidated financial statements was not material. Additionally, the SEC Release requires disclosure of changes in net assets within a registrant's Form 10-Q filing on a quarter-to-date and year-to-date basis for both the current year and prior year comparative periods. We adopted the new requirement to present changes in net assets in interim financial statements within Form 10-Q filings effective January 1, 2019. The adoption of these rules did not have a material impact on the consolidated financial statements.

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

Inflation

Inflation has not had a significant effect on our results of operations in any of the reporting periods presented herein. However, our portfolio companies have experienced, and may in the future experience, the impacts of inflation on their operating results, including periodic escalations in their costs for labor, raw materials and third-party services and required energy consumption.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and fund equity capital and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. At June 30, 2019, we had a total of $106.5 million in outstanding commitments comprised of (i) 38 investments with commitments to fund revolving loans that had not been fully drawn or term loans with additional commitments not yet funded and (ii) 9 investments with equity capital commitments that had not been fully called.

Contractual Obligations

As of June 30, 2019, the future fixed commitments for cash payments in connection with our SBIC debentures, the 4.50% Notes due 2019, the 4.50% Notes due 2022, the 5.20% Notes and rent obligations under our office lease for each of the next five years and thereafter are as follows:

	2019	2020	2021	2022	2023	Thereafter	Total
SBIC debentures	$ —	$ 47,000	$ 40,000	$ 5,000	$ 16,000	$ 213,800	$ 321,800
Interest due on SBIC debentures	5,890	11,504	9,260	8,248	7,868	23,317	66,087
4.50% Notes due 2019	175,000	—	—	—	—	—	175,000
Interest due on 4.50% Notes due 2019	3,938	—	—	—	—	—	3,938
4.50% Notes due 2022	—	—	—	185,000	—	—	185,000
Interest due on 4.50% Notes due 2022	4,163	8,325	8,325	8,325	—	—	29,138
5.20% Notes	—	—	—	—	—	250,000	250,000
Interest due on 5.20% Notes	6,789	13,000	13,000	13,000	13,000	6,500	65,289
Operating Lease Obligation(1)	375	762	776	790	804	3,428	6,935
Total	$ 196,155	$ 80,591	$ 71,361	$ 220,363	$ 37,672	$ 497,045	$ 1,103,187

(1) Operating Lease Obligation means a rent payment obligation under a lease classified as an operating lease and disclosed pursuant to FASB ASC 842, as may be modified or supplemented.

As of June 30, 2019, we had $122.0 million in borrowings outstanding under our Credit Facility, and the Credit Facility is currently scheduled to mature in September 2023. The Credit Facility contains two, one-year extension options which could extend the maturity to September 2025, subject to lender approval. See further discussion of the Credit Facility terms in "—Liquidity and Capital Resources—Capital Resources."

Related Party Transactions

As discussed further above, the External Investment Manager is treated as a wholly owned portfolio company of MSCC and is included as part of our Investment Portfolio. At June 30, 2019, we had a receivable of approximately $3.5 million due from the External Investment Manager which included approximately $1.6 million primarily related to operating expenses incurred by us as required to support the External Investment Manager's business and amounts due from the External Investment Manager to Main Street under a tax sharing agreement (see further discussion above in "—Critical Accounting Policies—Income Taxes") and approximately $1.9 million of dividends declared but not paid by the External Investment Manager.

In November 2015, our Board of Directors approved and adopted the Main Street Capital Corporation Deferred Compensation Plan (the "2015 Deferred Compensation Plan"). The 2015 Deferred Compensation Plan became effective on January 1, 2016 and replaced the Deferred Compensation Plan for Non-Employee Directors previously adopted by the Board of Directors in June 2013 (the "2013 Deferred Compensation Plan"). Under the 2015 Deferred Compensation Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation and directors' fees, subject to certain limitations. Individuals participating in the 2015 Deferred Compensation Plan receive distributions of their respective balances based on predetermined payout schedules or other events as defined by the plan and are also able to direct investments made on their behalf among investment alternatives permitted from time to time under the plan, including phantom Main Street stock units. As of June 30, 2019, $7.7 million of compensation and directors' fees had been deferred under the 2015 Deferred Compensation Plan (including amounts previously deferred under the 2013 Deferred Compensation Plan). Of this amount, $4.2 million was deferred into phantom Main Street stock units, representing 119,064 shares of our common stock. Including phantom stock units issued through dividend reinvestment and net of any shares distributed, the phantom stock units outstanding as of June 30, 2019 represented 145,892 shares of our common stock. Any amounts deferred under the plan represented by phantom Main Street stock units will not be issued or included as outstanding on the consolidated statements of changes in net assets until such shares are actually distributed to the participant in accordance with the plan, but the related phantom stock units are included in weighted average shares outstanding with the related dollar amount of the deferral included in total expenses in Main Street's consolidated statements of operations as earned. The amounts related to additional phantom stock units are included in the statement of changes in net assets as an increase to dividends to stockholders offset by a corresponding increase to additional paid-in capital.

Recent Developments

During July 2019, we fully exited our debt and equity investments in Lamb Ventures, LLC ("Lamb's") upon the sale of Lamb's to a sponsor-backed strategic acquirer. Founded in 1987 and headquartered in Austin, Texas, Lamb's operates 18 tire and automotive repair retail locations throughout the greater Austin area, offering a full range of automotive aftermarket repair and maintenance services under the Lamb's Tire and Automotive brand. We realized a gain of $6.0 million on the exit of our equity investment in Lamb's.

During August 2019, we declared regular monthly dividends of $0.205 per share for each month of October, November and December of 2019. These regular monthly dividends equal a total of $0.615 per share for the fourth quarter of 2019 and represent a 5.1% increase from the regular monthly dividends declared for the fourth quarter of 2018. Including the regular monthly dividends declared for the third and fourth quarters of 2019, we will have paid $26.90 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 interest expense on the debt outstanding under our Credit Facility and our interest income from portfolio investments. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks. Our investment income will be affected by changes in various interest rates, including LIBOR and prime rates, to the extent that any debt investments include floating interest rates. The majority of our debt investments are made with either fixed interest rates or floating rates that are subject to contractual minimum interest rates for the term of the investment. As of June 30, 2019, approximately 74% of our debt investment portfolio (at cost) bore interest at floating rates, 87% of which were subject to contractual minimum interest rates. Our interest expense will be affected by changes in the published LIBOR rate in connection with our Credit Facility; however, the interest rates on our outstanding SBIC debentures, 4.50% Notes due 2019, 4.50% Notes due 2022 and 5.20% Notes, which comprise the majority of our outstanding debt, are fixed for the life of such debt. As of June 30, 2019, we had not entered into any interest rate hedging arrangements. The following table shows the approximate annualized increase or decrease in the components of net investment income due to hypothetical base rate changes in interest rates, assuming no changes in our investments and borrowings as of June 30, 2019.

Basis Point Change	Increase (Decrease) in Interest Income	(Increase) Decrease in Interest Expense	Increase (Decrease) in Net Investment Income	Increase (Decrease) in Net Investment Income per Share
		(dollars in thousands)		
(200)	$ (18,574)	$ 2,440	$ (16,134)	$ (0.26)
(175)	(18,091)	2,135	(15,956)	(0.25)
(150)	(17,563)	1,830	(15,733)	(0.25)
(125)	(16,258)	1,525	(14,733)	(0.23)
(100)	(13,078)	1,220	(11,858)	(0.19)
(75)	(9,878)	915	(8,963)	(0.14)
(50)	(6,630)	610	(6,020)	(0.10)
(25)	(3,352)	305	(3,047)	(0.05)
25	3,352	(305)	3,047	0.05
50	6,705	(610)	6,095	0.10
100	13,409	(1,220)	12,189	0.19
200	26,818	(2,440)	24,378	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 Chief Executive Officer, President, Chief Financial Officer, Chief Compliance Officer and 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 Exchange Act). Based on that evaluation, our Chief Executive Officer, President, Chief Financial Officer, Chief Compliance Officer and 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 Exchange Act. There have been no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2019 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 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, 2018 that we filed with the SEC on March 1, 2019.

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

During the three months ended June 30, 2019, we issued 133,128 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 June 30, 2019 under the dividend reinvestment plan was approximately $5.4 million.

Upon vesting of restricted stock awarded pursuant to our employee equity compensation plan, shares may be withheld to meet applicable tax withholding requirements. Any withheld shares are treated as common stock purchases by the Company in our consolidated financial statements as they reduce the number of shares received by employees upon vesting (see "Purchase of vested stock for employee payroll tax withholding" in the consolidated statements of changes in net assets for share amounts withheld).

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*	Dividend Reinvestment and Direct Stock Purchase Plan (previously filed as Exhibit 99.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on May 10, 2019 (File No. 1-33723)).
10.2*	Form of Equity Distribution Agreement (previously filed as Exhibit 1.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on May 16, 2019 (File No. 1-33723)).
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).

* Exhibit previously filed with the Securities and Exchange Commission, as indicated, and incorporated herein by reference.

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: August 9, 2019	/s/ DWAYNE L. HYZAK
	Dwayne L. Hyzak *Chief Executive Officer* *(principal executive officer)*
Date: August 9, 2019	/s/ BRENT D. SMITH
	Brent D. Smith *Chief Financial Officer and Treasurer* *(principal financial officer)*
Date: August 9, 2019	/s/ SHANNON D. MARTIN
	Shannon D. Martin *Vice President and Chief Accounting Officer* *(principal accounting officer)*

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Exhibit 31.1

I, Dwayne L. Hyzak, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2019 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 August 9, 2019.

By: /s/ DWAYNE L. HYZAK

Dwayne L. Hyzak
Chief Executive Officer

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Exhibit 31.1

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 June 30, 2019 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 August 9, 2019.

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 June 30, 2019 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Dwayne L. Hyzak, the 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/ DWAYNE L. HYZAK

Name:	Dwayne L. Hyzak
Date:	August 9, 2019

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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 June 30, 2019 (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: August 9, 2019