

Main Street Capital CORP
Form 497
November 18, 2016

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**Filed Pursuant to Rule 497
Registration Statement No. 333-203147**

**PROSPECTUS SUPPLEMENT
(to Prospectus dated May 16, 2016)**

Up to 2,500,000 Shares Common Stock

We have entered into separate equity distribution agreements, each dated November 18, 2016, with Goldman, Sachs & Co., Raymond James & Associates, Inc., RBC Capital Markets, LLC and Robert W. Baird & Co. Incorporated, each a "Sales Agent" and, collectively, the "Sales Agents," relating to the shares of common stock offered by this prospectus supplement and the accompanying prospectus. The equity distribution agreements provide that we may offer and sell up to 2,500,000 shares of our common stock from time to time through the Sales Agents. Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market," as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the New York Stock Exchange ("NYSE") or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices. See "Plan of Distribution." As of the date of this prospectus supplement, we have not sold any shares of our common stock under the equity distribution agreements.

We are a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies and debt capital to middle market ("Middle Market") companies. Our LMM companies generally have annual revenues between \$10 million and \$150 million, and our LMM portfolio investments generally range in size from \$5 million to \$50 million. Our Middle Market investments are made in businesses that are generally larger in size than our LMM portfolio companies, with annual revenues typically between \$150 million and \$1.5 billion, and our Middle Market investments generally range in size from \$3 million to \$15 million.

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

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity and equity related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company.

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

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Our common stock is listed on the NYSE under the symbol "MAIN." On November 17, 2016, the last reported sale price of our common stock on the NYSE was \$36.31 per share, and the net asset value per share of our common stock on September 30, 2016 (the last date prior to the date of this prospectus supplement on which we determined our net asset value per share) was \$21.62.

Under the terms of the equity distribution agreements, the Sales Agents will receive a commission from us equal to up to 1.0% of the gross sales price of any shares of our common stock sold through the Sales Agents under the equity distribution agreements. The Sales Agents are not required to sell any specific number or dollar amount of common stock, but will use their commercially reasonable efforts consistent with their sales and trading practices to sell the shares of our common stock offered by this prospectus supplement and the accompanying prospectus. We may also sell shares of our common stock to a Sales Agent, as principal for its own respective account, at a price agreed upon at the time of sale. If we sell shares to a Sales Agent as principal, we will enter into a separate terms agreement with the applicable Sales Agent, setting forth the terms of such transaction, and we will describe the agreement in a separate prospectus supplement. See "Plan of Distribution" beginning on page S-37 of this prospectus supplement.

Investing in our common stock involves a high degree of risk, and should be considered highly speculative. See "Risk Factors" beginning on page 14 of the accompanying prospectus to read about factors you should consider, including the risk of leverage and dilution, before investing in our common stock.

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

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

**GOLDMAN,
SACHS & CO.**

**RAYMOND
JAMES**

**RBC CAPITAL
MARKETS**

BAIRD

The date of this prospectus supplement is November 18, 2016

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ABOUT THE PROSPECTUS

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

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

Forward-Looking Statements

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

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PROSPECTUS SUMMARY

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

Organization

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

MSCC was formed in March 2007 to operate as an internally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSCC wholly owns several investment funds, including Main Street Mezzanine Fund, LP ("MSMF"), 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 receive fee income for such services. MSCC has been granted no action relief by the Securities and Exchange Commission ("SEC") to allow the External Investment Manager to register as a registered investment adviser ("RIA") under Investment Advisers Act of 1940, as amended (the "Advisers Act"). Since the External Investment Manager conducts all of its investment management activities for External Parties, it is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements.

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

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

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be a taxable entity. The Taxable Subsidiaries and the External Investment Manager are each taxed at their normal corporate tax rates based on their taxable income.

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our," 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 \$15 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 more limited access to financing from commercial banks and other traditional sources. The underserved nature of the LMM creates the opportunity for us to meet the financing needs of LMM companies while also negotiating favorable transaction terms and equity participations. Our ability to invest across a company's capital structure, from secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing options, or a "one stop" financing solution. Providing customized, "one stop" financing solutions is important to LMM portfolio companies. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. Our LMM portfolio debt investments are generally secured by a first lien on the assets of the portfolio company and typically have a term of between five and seven years from the original investment date.

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.

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

Our portfolio investments are generally made through MSCC and the Funds. MSCC and the Funds share the same investment strategies and criteria, although they are subject to different regulatory regimes (see "Regulation" in the accompanying prospectus). An investor's return in MSCC will depend, in part, on the Funds' investment returns as they are wholly owned subsidiaries of MSCC.

The level of new portfolio investment activity will fluctuate from period to period based upon our view of the current economic fundamentals, our ability to identify new investment opportunities that meet our investment criteria, and our ability to consummate the identified opportunities. The level of new investment activity, and associated interest and fee income, will directly impact future investment income. In addition, the level of dividends paid by portfolio companies and the portion of our portfolio debt investments on non accrual status will directly impact future investment income. While we intend to grow our portfolio and our investment income over the long term, our growth and our operating results may be more limited during depressed economic periods. However, we intend to appropriately manage our cost structure and liquidity position based on applicable economic conditions and our investment outlook. The level of realized gains or losses and unrealized appreciation or depreciation on our investments will also fluctuate depending upon portfolio activity, economic conditions and the performance of our individual portfolio companies. The changes in realized gains and losses and unrealized appreciation or depreciation could have a material impact on our operating results.

Because we are internally managed, we do not pay any external investment advisory fees, but instead directly incur the operating costs associated with employing investment and portfolio management professionals. We believe that our internally managed structure provides us with a beneficial operating expense structure when compared to other publicly traded and privately held investment firms which are externally managed, and our internally managed structure allows us the opportunity to leverage our non interest operating expenses as we grow our Investment Portfolio.

During May 2012, we entered into an investment sub advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income, a non publicly traded BDC, to provide certain investment advisory services to HMS Adviser. In December 2013, after obtaining required no action relief from the SEC to allow us to own a registered investment adviser, we assigned the sub advisory agreement to the External Investment Manager since the fees received from such arrangement could otherwise have negative consequences on our ability to meet the source of income requirement necessary for us to maintain our RIC tax treatment. Under the investment sub advisory agreement, the External Investment Manager is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income.

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

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allocate opportunities to HMS Income instead of us. However, both we and the External Investment Manager have policies and procedures in place to manage this conflict.

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

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

Business Strategies

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and realizing capital appreciation from our equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. We have adopted the following business strategies to achieve our investment objective. Please see "Business Business Strategies" in the accompanying prospectus for a more complete discussion of our business strategies.

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

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

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

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

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

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

Investment Criteria

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

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

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

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

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

Recent Developments

During October 2016, we declared a semi-annual supplemental cash dividend of \$0.275 per share payable in December 2016. This supplemental cash dividend is in addition to the previously announced regular monthly cash dividends that we declared for the fourth quarter of 2016 of \$0.185 per share for each of October, November and December 2016.

In November 2016, we declared regular monthly dividends of \$0.185 per share for each month of January, February and March of 2017. These regular monthly dividends equal a total of \$0.555 per share for the first quarter of 2017 and represent a 2.8% increase from the regular monthly dividends declared for the first quarter of 2016. Including the semi-annual supplemental dividend declared for December 2016 and the regular monthly dividends declared for the first quarter of 2017, we will have paid \$19.160 per share in cumulative dividends since our October 2007 initial public offering.

In October 2016, we amended our credit facility ("Credit Facility") to extend the maturity by one year to September 2021. The Credit Facility includes total commitments of \$555.0 million from a diversified group of fourteen lenders and also contains an accordion feature which allows us to increase the total commitments under the facility to up to \$750.0 million from new and existing lenders on the same terms and conditions as the existing commitments.

Pre-Existing Offering

On June 9, 2016, we established an at-the-market program to sell up to 1,500,000 shares of our common stock (the "June ATM Program"). As of November 17, 2016, 88,365 shares of common stock remained available for sale under the June ATM Program. We expect to sell all of the remaining shares under the June ATM Program before making any sales pursuant to the at-the-market program under this prospectus supplement.

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The Offering

Common stock offered by us	Up to 2,500,000 shares of our common stock.
Manner of offering	"At the market offering" that may be made from time to time through Goldman, Sachs & Co., Raymond James & Associates, Inc., Robert W. Baird & Co. Incorporated and RBC Capital Markets, LLC, each a "Sales Agent" and, collectively, "Sales Agents," using commercially reasonable efforts. See "Plan of Distribution."
Use of proceeds	<p>If we sell all 2,500,000 shares of our common stock available for sale under the equity distribution agreements with the Sales Agents at a price of \$36.31 per share (the last reported sale price of our common stock on November 17, 2016), we anticipate that our net proceeds, after deducting the sales agent commissions and estimated expenses payable by us will be approximately \$89.6 million.</p> <p>We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our Credit Facility. However, through re-borrowing of the initial repayments under our Credit Facility, we intend to use the net proceeds from this offering to make investments in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus, to make investments in marketable securities and idle funds investments, which may include investments in secured intermediate term bank debt, rated debt securities and other income producing investments, to pay our operating expenses and other cash obligations, and for general corporate purposes.</p> <p>On November 17, 2016, we had approximately \$320.0 million outstanding under our Credit Facility. Our Credit Facility matures in September 2021, unless extended, and bears interest, at our election, on a per annum basis equal to (A)(i) the applicable LIBOR rate plus 1.875% or (ii) the applicable base rate plus 0.875% so long as we maintain an investment grade rating and satisfy certain agreed upon excess collateral and leverage requirements, (B) 0.125% higher in each case so long as we maintain an investment grade rating but not the agreed upon excess collateral and/or leverage requirements, and (C) 0.375% higher in each case so long as we do not maintain an investment grade rating. Amounts repaid under our Credit Facility will remain available for future borrowings.</p> <p>See "Use of Proceeds" in this prospectus supplement for more information.</p>
Dividends and distributions	Our dividends and other distributions, if any, will be determined by our Board of Directors from time to time.

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Taxation	<p>Our ability to declare dividends depends on our earnings, our overall financial condition (including our liquidity position), maintenance of our RIC status and such other factors as our Board of Directors may deem relevant from time to time. When we make distributions, we are required to determine the extent to which such distributions are paid out of current or accumulated earnings, recognized capital gains or capital. To the extent there is a return of capital (a distribution of the stockholders' invested capital), investors will be required to reduce their basis in our stock for federal tax purposes. In the future, our distributions may include a return of capital. MSCC has elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. Accordingly, we generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders as dividends. To maintain our qualification as a RIC for U.S. federal income tax purposes, we must meet specified source-of-income and asset diversification requirements and distribute annually at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such income. Any such carryover taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income. See "Material U.S. Federal Income Tax Considerations" in the accompanying prospectus.</p>
Risk factors	<p>See "Risk Factors" beginning on page 14 of the accompanying prospectus for a discussion of risks you should carefully consider before deciding to invest in shares of our common stock.</p>
New York Stock Exchange symbol	<p>"MAIN"</p>

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus supplement contains a reference to fees or expenses paid by "you," "us" or

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"Main Street," or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in us.

<i>Stockholder Transaction Expenses:</i>	
Sales load (as a percentage of offering price)	1.00%(1)
Offering expenses (as a percentage of offering price)	0.28%(2)
Dividend reinvestment plan expenses	%(3)
Total stockholder transaction expenses (as a percentage of offering price)	1.28%
<i>Annual Expenses (as a percentage of net assets attributable to common stock):</i>	
Operating expenses	2.86%(4)
Interest payments on borrowed funds	2.96%(5)
Income tax expense	%(6)
Acquired fund fees and expenses	0.40%(7)
Total annual expenses	6.22%

- (1) Represents the maximum agent commission with respect to the shares of our common stock sold by us in this offering. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus.
- (2) The percentage reflects estimated offering expenses payable by us of approximately \$250,000 for the estimated duration of this offering.
- (3) The expenses of administering our dividend reinvestment plan are included in operating expenses.
- (4) Operating expenses in this table represent the estimated expenses of MSCC and its consolidated subsidiaries.
- (5) Interest payments on borrowed funds represent our estimated annual interest payments on borrowed funds based on current debt levels as adjusted for projected increases (but not decreases) in debt levels over the next twelve months.
- (6) Income tax expense relates to the accrual of (a) deferred tax provision (benefit) on the net unrealized appreciation (depreciation) from portfolio investments held in Taxable Subsidiaries and (b) excise, state and other taxes. Deferred taxes are non-cash in nature and may vary significantly from period to period. We are required to include deferred taxes in calculating our annual expenses even though deferred taxes are not currently payable or receivable. Due to the variable nature of deferred tax expense, which can be a large portion of the income tax expense, and the difficulty in providing an estimate for future periods, this income tax expense estimate is based upon the actual amount of income tax expense for the year ended December 31, 2015. However, since we recorded an income tax benefit for such period, which would have resulted in a reduction in our annual expenses as a percentage of net assets attributable to common stock, we excluded it from the computations contained in this table.
- (7) Acquired fund fees and expenses represent the estimated indirect expense incurred due to investments in other investment companies and private funds.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage and that our annual operating expenses would remain at the levels set forth in the table above, and

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that you would pay a sales load of up to 1.0% (the commission to be paid by us with respect to common stock sold by us in this offering).

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a \$1,000 investment, assuming a 5.0% annual return	\$ 75	\$ 196	\$ 314	\$ 598

The example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. In addition, while the example assumes reinvestment of all dividends at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by (i) the market price per share of our common stock at the close of trading on the dividend payment date in the event that we use newly issued shares to satisfy the share requirements of the dividend reinvestment plan or (ii) the average purchase price of all shares of common stock purchased by the administrator of the dividend reinvestment plan in the event that shares are purchased in the open market to satisfy the share requirements of the dividend reinvestment plan, which may be at, above or below net asset value. See "Dividend Reinvestment Plan" in the accompanying prospectus for additional information regarding our dividend reinvestment plan.

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USE OF PROCEEDS

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market" as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in this paragraph depending on, among other things, the market price of our common stock at the time of any such sale. As a result, the actual net proceeds we receive may be more or less than the amount of net proceeds estimated in this prospectus supplement. Assuming the sale of all 2,500,000 shares of common stock available for sale under the equity distribution agreements with the Sales Agents at a price of \$36.31 per share (the last reported sales price of our common stock on November 17, 2016), we estimate that the net proceeds of this offering will be approximately \$89.6 million after deducting the estimated sales commission payable to the Sales Agent and our estimated offering expenses.

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

On November 17, 2016, we had approximately \$320.0 million outstanding under our Credit Facility. Our Credit Facility matures in September 2021, unless extended, and bears interest, at our election, on a per annum basis equal to (A)(i) the applicable LIBOR rate plus 1.875% or (ii) the applicable base rate plus 0.875% so long as we maintain an investment grade rating and satisfy certain agreed upon excess collateral and leverage requirements, (B) 0.125% higher in each case so long as we maintain an investment grade rating but not the agreed upon excess collateral and/or leverage requirements, and (C) 0.375% higher in each case so long as we do not maintain an investment grade rating. Amounts repaid under our Credit Facility will remain available for future borrowings.

Affiliates of Goldman, Sachs & Co., Raymond James & Associates, Inc. and RBC Capital Markets, LLC, Sales Agents in this offering, act as lenders and/or agents under our Credit Facility. As described above, we intend to use net proceeds of this offering to repay the outstanding indebtedness under this Credit Facility, and such affiliates therefore may receive a portion of the proceeds from this offering through the repayment of those borrowings. See "Plan of Distribution" below.

Table of Contents**SELECTED FINANCIAL DATA**

The selected financial and other data below reflects the consolidated financial condition and the consolidated statement of operations of Main Street and its subsidiaries as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011, and as of September 30, 2016 and for the nine months ended September 30, 2016 and 2015. The selected financial data as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 have been derived from consolidated financial statements that have been audited by Grant Thornton LLP, an independent registered public accounting firm. The selected financial data as of September 30, 2016, and for the nine months ended September 30, 2016 and 2015, have been derived from unaudited financial data but, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the financial condition and operating results for such interim periods. Interim results as of and for the nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. You should read this selected financial and other data in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and the financial statements and related notes thereto in the accompanying prospectus and "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" in this prospectus supplement.

	Nine Months Ended September 30,		Twelve Months Ended December 31,				2011
	2016	2015	2015	2014	2013	2012	
	(dollars in thousands, except per share amounts)						
	(Unaudited)						
Statement of operations data:							
Investment income:							
Total interest, fee and dividend income	\$ 131,334	\$ 120,250	\$ 163,603	\$ 139,939	\$ 115,158	\$ 88,858	\$ 65,045
Interest from idle funds and other	174	846	986	824	1,339	1,662	1,195
Total investment income	131,508	121,096	164,589	140,763	116,497	90,520	66,240
Expenses:							
Interest	(25,010)	(23,755)	(32,115)	(23,589)	(20,238)	(15,631)	(13,518)
Compensation	(12,081)	(11,055)	(14,852)	(12,337)	(8,560)		
General and administrative	(6,808)	(6,271)	(8,621)	(7,134)	(4,877)	(2,330)	(2,483)
Share-based compensation	(5,977)	(4,592)	(6,262)	(4,215)	(4,210)	(2,565)	(2,047)
Expenses charged to the External Investment Manager	3,739	3,133	4,335	2,048			
Expenses reimbursed to MSCP(1)					(3,189)	(10,669)	(8,915)
Total expenses	(46,137)	(42,540)	(57,515)	(45,227)	(41,074)	(31,195)	(26,963)
Net investment income	85,371	78,556	107,074	95,536	75,423	59,325	39,277
Total net realized gain (loss) from investments	33,347	(9,037)	(21,316)	23,206	7,277	16,479	2,639
Total net realized loss from SBIC debentures					(4,775)		
Total net change in unrealized appreciation (depreciation) from investments	(28,009)	21,195	10,871	(776)	14,503	44,464	34,989
Total net change in unrealized appreciation (depreciation) from SBIC debentures and investment in MSCP(1)	(820)	(823)	(879)	(10,931)	4,392	(5,004)	(6,511)
Income tax benefit (provision)	1,018	7,004	8,687	(6,287)	35	(10,820)	(6,288)
Net increase in net assets resulting from operations	90,907	96,895	104,437	100,748	96,855	104,444	64,106
Noncontrolling interest						(54)	(1,139)
Net increase in net assets resulting from operations attributable to common stock	\$ 90,907	\$ 96,895	\$ 104,437	\$ 100,748	\$ 96,855	\$ 104,390	\$ 62,967
Net investment income per share basic and diluted	\$ 1.66	\$ 1.61	\$ 2.18	\$ 2.20	\$ 2.06	\$ 2.01	\$ 1.69
	\$ 1.76	\$ 1.99	\$ 2.13	\$ 2.31	\$ 2.65	\$ 3.53	\$ 2.76

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Net increase in net assets resulting from
operations attributable to common stock per
share basic and diluted

Weighted average shares outstanding basic and diluted	51,538,745	48,681,260	49,071,492	43,522,397	36,617,850	29,540,114	22,850,299
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- (1) As defined in "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Basis of Presentation."

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	As of September 30,		As of December 31,			
	2016	2015	2014	2013	2012	2011
	(dollars in thousands)					
	(Unaudited)					
Balance sheet data:						
Assets:						
Total portfolio investments at fair value	\$ 1,920,267	\$ 1,799,996	\$ 1,563,330	\$ 1,286,188	\$ 924,431	\$ 658,093
Marketable securities and idle funds investments		3,693	9,067	13,301	28,535	26,242
Cash and cash equivalents	31,782	20,331	60,432	34,701	63,517	42,650
Interest receivable and other assets	34,003	37,638	46,406	16,054	14,580	6,539
Deferred financing costs, net of accumulated amortization	12,259	13,267	14,550	9,931	5,162	4,168
Deferred tax asset, net	9,199	4,003				
Total assets	\$ 2,007,510	\$ 1,878,928	\$ 1,693,785	\$ 1,360,175	\$ 1,036,225	\$ 737,692
Liabilities and net assets:						
Credit facility	\$ 313,000	\$ 291,000	\$ 218,000	\$ 237,000	\$ 132,000	\$ 107,000
SBIC debentures at fair value(1)	230,480	223,660	222,781	187,050	211,467	201,887
4.50% Notes	175,000	175,000	175,000			
6.125% Notes	90,655	90,738	90,823	90,882		
Accounts payable and other liabilities	11,581	12,292	10,701	10,549	8,593	7,001
Payable for securities purchased	29,100	2,311	14,773	27,088	20,661	
Interest payable	3,561	3,959	4,848	2,556	3,562	3,984
Dividend payable	9,783	9,074	7,663	6,577	5,188	2,856
Deferred tax liability, net			9,214	5,940	11,778	3,776
Total liabilities	863,160	808,034	753,803	567,642	393,249	326,504
Total net asset value	1,144,350	1,070,894	939,982	792,533	642,976	405,711
Noncontrolling interest						5,477
Total liabilities and net assets	\$ 2,007,510	\$ 1,878,928	\$ 1,693,785	\$ 1,360,175	\$ 1,036,225	\$ 737,692
Other data:						
Weighted average effective yield on LMM debt investments(2)	12.5%	12.2%	13.2%	14.7%	14.3%	14.8%
Number of LMM portfolio companies	71	71	66	62	56	54
Weighted average effective yield on Middle Market debt investments(2)	8.4%	8.0%	7.8%	7.8%	8.0%	9.5%
Number of Middle Market portfolio companies	81	86	86	92	79	57
Weighted average effective yield on Private Loan debt investments(2)	9.6%	9.5%	10.1%	11.3%	14.8%	
Number of Private Loan portfolio companies	45	40	31	15	9	
Expense ratios (as percentage of average net assets):						
Total expenses, including income tax expense	4.1%	4.6%	5.8%	5.8%	8.2%(3)	9.8%(3)
Operating expenses	4.2%	5.5%	5.1%	5.8%	6.1%(3)	8.0%(3)
Operating expenses, excluding interest expense	1.9%	2.4%	2.4%	3.0%	3.0%(3)	4.0%(3)

(1) SBIC debentures for September 30, 2016, December 31, 2015, 2014, 2013, 2012 and 2011 are \$231,000, \$225,000, \$225,000, \$200,200, \$225,000 and \$220,000 at par, respectively, with par of \$75,200 for September 30, 2016, December 31, 2015, 2014 and 2013, \$100,000 for December 31, 2012, and \$95,000 for December 31, 2011 recorded at fair value of \$74,680, \$73,860, \$72,981, \$62,050, \$86,467 and 76,887, as of September 30, 2106, December 31, 2015, 2014, 2013, 2012 and 2011, respectively.

(2)

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Weighted-average effective yield is calculated based on our debt investments at the end of each period and includes amortization of deferred debt origination fees and accretion of original issue discount, but excludes liquidation fees payable upon repayment and any debt investments on non-accrual status.

(3)

Ratios are net of amounts attributable to MSC II non-controlling interest.

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

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

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

ORGANIZATION

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

MSCC was formed in March 2007 to operate as an internally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSCC wholly owns several investment funds, including Main Street Mezzanine Fund, LP ("MSMF"), 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 receive fee income for such services. MSCC has been granted no action relief by the Securities and Exchange Commission ("SEC") to allow the External Investment Manager to register as a registered investment adviser ("RIA") under Investment Advisers Act of 1940, as amended (the "Advisers Act"). Since the External Investment Manager conducts all of its investment management activities for External Parties, it is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements.

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

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MSCC has certain direct and indirect wholly owned subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of the Taxable Subsidiaries is to permit MSCC to hold equity investments in portfolio companies which are "pass through" entities for tax purposes. The External Investment Manager is also a direct wholly owned subsidiary that has elected to be a taxable entity. The Taxable Subsidiaries and the External Investment Manager are each taxed at their normal corporate tax rates based on their taxable income.

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our," 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 \$15 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 more limited access to financing from commercial banks and other traditional sources. The underserved nature of the LMM creates the opportunity for us to meet the financing needs of LMM companies while also negotiating favorable transaction terms and equity participations. Our ability to invest across a company's capital structure, from secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing options, or a "one stop" financing solution. Providing customized, "one stop" financing solutions is important to LMM portfolio companies. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. Our LMM portfolio debt investments are generally secured by a first lien on the assets of the portfolio company and typically have a term of between five and seven years from the original investment date.

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,

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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 September 30, 2016 and December 31, 2015 (this information excludes the Other Portfolio investments and the External Investment Manager which are discussed further below):

	As of September 30, 2016		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	71	81	45
Fair value	\$ 829.7	\$ 627.9	\$ 337.7
Cost	\$ 703.6	\$ 658.0	\$ 353.8
% of portfolio at cost debt	68.8%	97.5%	94.3%
% of portfolio at cost equity	31.2%	2.5%	5.7%
% of debt investments at cost secured by first priority lien	91.5%	87.6%	87.6%
Weighted-average annual effective yield(b)	12.5%	8.4%	9.6%
Average EBITDA(c)	\$ 6.2	\$ 101.6	\$ 21.1

- (a) At September 30, 2016, 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 36%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2016, 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 five LMM portfolio companies, three Middle Market portfolio companies and three Private Loan portfolio companies, as

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EBITDA is not a meaningful valuation metric for our investments in these portfolio companies.

	As of December 31, 2015		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	71	86	40
Fair value	\$ 862.7	\$ 586.9	\$ 248.3
Cost	\$ 685.6	\$ 637.2	\$ 268.6
% of total investments at cost debt	70.4%	98.3%	94.3%
% of total investments at cost equity	29.6%	1.7%	5.7%
% of debt investments at cost secured by first priority lien	91.8%	86.6%	87.3%
Weighted-average annual effective yield(b)	12.2%	8.0%	9.5%
Average EBITDA(c)	\$ 6.0	\$ 98.8	\$ 13.1

- (a) At December 31, 2015, we had equity ownership in approximately 96% of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 36%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2015, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. Weighted-average annual effective yield is higher than what an investor in shares of our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor.
- (c) The average EBITDA is calculated using a simple average for the LMM portfolio and a weighted average for the Middle Market and Private Loan portfolios. These calculations exclude certain portfolio companies, including five LMM portfolio companies, three Middle Market portfolio companies and six Private Loan portfolio companies, as EBITDA is not a meaningful valuation metric for our investments in these portfolio companies, and those portfolio companies whose primary purpose is to own real estate.

As of September 30, 2016, we had Other Portfolio investments in ten companies, collectively totaling approximately \$94.8 million in fair value and approximately \$101.3 million in cost basis and which comprised 4.9% of our Investment Portfolio (as defined in "Critical Accounting Policies Basis of Presentation" below) at fair value. As of December 31, 2015, we had Other Portfolio investments in ten companies, collectively totaling approximately \$74.8 million in fair value and approximately \$75.2 million in cost basis and which comprised approximately 4.2% of our Investment Portfolio at fair value.

As previously discussed, the External Investment Manager is a wholly owned subsidiary that is treated as a portfolio investment. As of September 30, 2016, there was no cost basis in this investment and the investment had a fair value of \$30.1 million, which comprised 1.6% of our Investment Portfolio at fair value. As of December 31, 2015, there was no cost basis in this investment and the investment had a fair value of \$27.3 million, which comprised 1.5% 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.

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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 three months ended September 30, 2016, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.5% on an annualized basis, compared to 1.3% on an annualized basis for the three months ended September 30, 2015. For the nine months ended September 30, 2016, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.4% on an annualized basis, which is consistent with the ratio on an annualized basis for the nine months ended September 30, 2015 and for the year ended December 31, 2015.

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-publicly traded 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. Based upon several fee waiver agreements with HMS Income and HMS Adviser, the External Investment Manager did not begin accruing the base management fee and incentive fees, if any, until January 1, 2014. The External Investment Manager has conditionally agreed to waive a limited amount of the incentive fees otherwise earned. During the three months ended September 30, 2016 and 2015, the External Investment Manager earned \$2.5 million and \$2.1 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser. During the nine months ended September 30, 2016 and 2015, the External Investment Manager earned \$7.1 million and \$5.5 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser.

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

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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 financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). For each of the periods presented herein, our consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of our investments in LMM portfolio companies, investments in Middle Market portfolio companies, Private Loan portfolio investments, Other Portfolio investments, and the investment in the External Investment Manager, but excludes all "Marketable securities and idle funds investments". "Marketable securities and idle funds investments" are classified as financial instruments and are reported separately on our consolidated balance sheets and consolidated schedules of investments due to the nature of such investments. Our results of operations for the three and nine months ended September 30, 2016 and 2015, cash flows for the nine months ended September 30, 2016 and 2015, and financial position as of September 30, 2016 and December 31, 2015, 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 Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and nine months ended September 30, 2016 and 2015 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, 2015. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Under regulations pursuant to Article 6 of Regulation S-X applicable to BDCs and Accounting Standards Codification ("Codification" or "ASC") 946, *Financial Services Investment Companies* ("ASC 946"), we are precluded from consolidating other entities in which we have equity investments, including those in which we have a controlling interest, unless the other entity is another investment company. An exception to this general principle in ASC 946 occurs if we hold a controlling interest in an operating company that provides all or substantially all of its services directly to us or to 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. Our consolidated financial statements also include the financial position and operating results for our wholly owned operating subsidiary, Main Street Capital Partners, LLC, ("MSCP"), as the wholly owned subsidiary provides all of its services directly or indirectly to Main Street or our portfolio companies. We have determined that all of our portfolio investments do not qualify for this exception, including the investment in the External Investment Manager. Therefore, our Investment Portfolio is carried on the consolidated balance sheet at fair value with any adjustments to fair value recognized as "Net Change

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in Unrealized Appreciation (Depreciation)" on the consolidated statements of operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss)."

Investment Portfolio Valuation

The most significant determination inherent in the preparation of our consolidated financial statements is the valuation of our Investment Portfolio and the related amounts of unrealized appreciation and depreciation. As of both September 30, 2016 and December 31, 2015, our Investment Portfolio valued at fair value represented approximately 96% of our total assets. We are required to report our investments at fair value. We follow the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. ASC 820 requires us to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact. See "Note B.1. Valuation of the Investment Portfolio" in the notes to consolidated financial statements for a detailed discussion of our investment portfolio valuation process and procedures.

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

Our Board of Directors has the final responsibility for overseeing, reviewing and approving, in good faith, our determination of the fair value for our Investment Portfolio and our valuation procedures, consistent with 1940 Act requirements. We believe our Investment Portfolio as of September 30, 2016 and December 31, 2015 approximates fair value as of those dates based on the markets in which we operate and other conditions in existence on those reporting dates.

Revenue Recognition

Interest and Dividend Income

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

Fee Income

We may periodically provide services, including structuring and advisory services, to our portfolio companies or other third parties. For services that are separately identifiable and evidence exists to

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substantiate fair value, fee income is recognized as earned, which is generally when the investment or other applicable transaction closes. Fees received in connection with debt financing transactions for services that do not meet these criteria are treated as debt origination fees and are deferred and accreted into interest income over the life of the financing.

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

We hold certain debt and preferred equity instruments in our Investment Portfolio that contain PIK interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though we may not have collected the PIK interest and cumulative dividends in cash. We stop accruing PIK interest and cumulative dividends and write off any accrued and uncollected interest and dividends in arrears when we determine that such PIK interest and dividends in arrears are no longer collectible. For the three months ended September 30, 2016 and 2015, (i) approximately 4.0% and 2.2%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.8% and 1.2%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash. For the nine months ended September 30, 2016 and 2015, (i) approximately 3.7% and 2.1%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.1% and 1.0%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash.

Share-Based Compensation

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

Income Taxes

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC. MSCC's taxable income includes the taxable income generated by MSCC and certain of its subsidiaries, including the Funds, which are treated as disregarded entities for tax purposes. As a RIC, MSCC generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that MSCC distributes to its stockholders. MSCC must generally distribute at least 90% of its "investment company taxable income" (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 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

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

MSCP is included in our consolidated financial statements for financial reporting purposes. For tax purposes, MSCP has elected to be treated as a taxable entity, and therefore is not consolidated with MSCC for income tax purposes and is taxed at normal corporate tax rates based on its taxable income and, as a result of its activities, may generate income tax expense or benefit. The taxable income, or loss, of MSCP may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in our consolidated financial statements.

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

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

INVESTMENT PORTFOLIO COMPOSITION

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

Our Middle Market portfolio investments primarily consist of direct investments in or secondary purchases of interest-bearing debt securities in privately held companies based in the United States that are generally larger in size than the companies included in our LMM portfolio. Our Middle Market portfolio companies generally have annual revenues between \$150 million and \$1.5 billion, and our Middle Market investments generally range in size from \$3 million to \$15 million. Our Middle Market portfolio debt investments are generally secured by either a first or second priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date.

Our Private Loan portfolio investments are primarily debt securities 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

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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. In the first quarter of 2014, we began allocating costs to the External Investment Manager pursuant to the sharing agreement. Our total expenses for the three months ended September 30, 2016 and 2015 are net of expenses allocated to the External Investment Manager of \$1.2 million and \$1.1 million, respectively. Our total expenses for the nine months ended September 30, 2016 and 2015 are net of expenses allocated to the External Investment Manager of \$3.7 million and \$3.1 million, respectively. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. The total contribution of the External Investment Manager to our net investment income consists of the combination of the expenses allocated to the External Investment Manager and dividend income from the External Investment Manager. For the three months ended September 30, 2016 and 2015, the total contribution to our net investment income was \$2.0 million and \$1.8 million, respectively. For the nine months ended September 30, 2016 and 2015, the total contribution to our net investment income was \$5.8 million and \$4.7 million, respectively.

The following tables summarize the composition of our total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments as of September 30, 2016 and December 31, 2015 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	September 30, 2016	December 31, 2015
First lien debt	75.6%	75.8%
Equity	13.9%	13.5%
Second lien debt	8.5%	8.7%
Equity warrants	1.0%	0.9%
Other	1.0%	1.1%
	100.0%	100.0%

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Fair Value:	September 30, 2016	December 31, 2015
First lien debt	68.3%	66.1%
Equity	22.0%	24.9%
Second lien debt	8.0%	7.7%
Equity warrants	0.8%	0.6%
Other	0.9%	0.7%
	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 the accompanying prospectus 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.

Investment Rating 1 represents a LMM portfolio company that is performing in a manner which significantly exceeds expectations.

Investment Rating 2 represents a LMM portfolio company that, in general, is performing above expectations.

Investment Rating 3 represents a LMM portfolio company that is generally performing in accordance with expectations.

Investment Rating 4 represents a LMM portfolio company that is underperforming expectations. Investments with such a rating require increased monitoring and scrutiny by us.

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

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

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The following table shows the distribution of our LMM portfolio investments on the 1 to 5 investment rating scale at fair value as of September 30, 2016 and December 31, 2015:

Investment Rating	As of September 30, 2016		As of December 31, 2015	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
(dollars in thousands)				
1	\$ 247,888	29.8%	\$ 332,606	38.6%
2	192,089	23.2%	143,268	16.6%
3	294,020	35.4%	277,160	32.1%
4	91,061	11.0%	107,926	12.5%
5	4,634	0.6%	1,750	0.2%
Total	\$ 829,692	100.0%	\$ 862,710	100.0%

Based upon our investment rating system, the weighted-average rating of our LMM portfolio was approximately 2.3 as of September 30, 2016 and 2.2 as of December 31, 2015.

As of September 30, 2016, our total Investment Portfolio had five investments on non-accrual status, which comprised approximately 0.4% of its fair value and 2.8% of its cost. As of December 31, 2015, our total Investment Portfolio had six investments on non-accrual status, which comprised approximately 0.4% of its fair value and 3.7% of its cost.

The operating results of our portfolio companies are impacted by changes in the broader fundamentals of the United States economy. In the event that the United States economy contracts, it is likely that the financial results of small-to mid-sized companies, like those in which we invest, could experience deterioration or limited growth from current levels, which could ultimately lead to difficulty in meeting their debt service requirements and to an increase in defaults on our debt investments and to difficulty in maintaining historical dividend payment rates 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 September 30, 2016 and September 30, 2015

	Three Months Ended		Net Change	
	September 30, 2016	September 30, 2015	Amount	%
(dollars in thousands)				
Total investment income	\$ 46,599	\$ 42,608	\$ 3,991	9%
Total expenses	(16,042)	(14,747)	(1,295)	9%
Net investment income	30,557	27,861	2,696	10%
Net realized gain (loss) from investments	4,286	(1,343)	5,629	
Net change in net unrealized appreciation (depreciation) from:				
Portfolio investments	8,376	(8,389)	16,765	
SBIC debentures and marketable securities and idle funds	(566)	(698)	132	
Total net change in net unrealized appreciation (depreciation)	7,810	(9,087)	16,897	
Income tax benefit	528	3,237	(2,709)	
Net increase in net assets resulting from operations	\$ 43,181	\$ 20,668	\$ 22,513	109%

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	Three Months Ended September 30,		Net Change	
	2016	2015	Amount	%
	(dollars in thousands, except per share amounts)			
Net investment income	\$ 30,557	\$ 27,861	\$ 2,696	10%
Share-based compensation expense	2,137	1,651	486	29%
Distributable net investment income(a)	\$ 32,694	\$ 29,512	\$ 3,182	11%
Distributable net investment income per share Basic and diluted(a)	\$ 0.62	\$ 0.59	\$ 0.03	5%

(a)

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

Investment Income

For the three months ended September 30, 2016, total investment income was \$46.6 million, a 9% increase over the \$42.6 million of total investment income for the corresponding period of 2015. This comparable period increase was principally attributable to (i) a \$1.4 million increase in interest income primarily related to higher average levels of portfolio debt investments and (ii) a \$2.8 million increase in dividend income from Investment Portfolio equity investments. The \$4.0 million increase in total investment income in the three months ended September 30, 2016 includes the impact of an increase of \$0.3 million primarily related to higher accelerated prepayment and repricing activity for certain Investment Portfolio debt investments when compared to the same period in 2015 and an increase of \$1.7 million related to dividend income activity from portfolio companies that is considered to be less consistent on a recurring basis or non-recurring during the period when compared to the same period in 2015.

Expenses

For the three months ended September 30, 2016, total expenses increased to \$16.0 million from \$14.7 million for the corresponding period of 2015. This comparable period increase in operating expenses was principally attributable to (i) a \$0.6 million increase in compensation expense related to increases in the number of personnel, base compensation levels and incentive compensation accruals, (ii) a \$0.5 million increase in share-based compensation expense and (iii) a \$0.3 million increase in interest expense, primarily due to an increase in interest expense on the Credit Facility in the three months ended September 30, 2016, with these increases partially offset by a \$0.1 million increase in the expenses allocated to the External Investment Manager (see further discussion in "Overview"), in each case when compared to the same period in the prior year. For the three months ended September 30, 2016, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.5% on an annualized basis, compared to 1.3% on an annualized basis for the three months ended September 30, 2015 and 1.4% for the year ended December 31, 2015.

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Net Investment Income

Net investment income for the three months ended September 30, 2016 was \$30.6 million, or a 10% increase, compared to net investment income of \$27.9 million for the corresponding period of 2015. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses as discussed above.

Distributable Net Investment Income

For the three months ended September 30, 2016, distributable net investment income increased 11% to \$32.7 million, or \$0.62 per share, compared with \$29.5 million, or \$0.59 per share, in the corresponding period of 2015. The increase in distributable net investment income was primarily due to the higher level of total investment income, partially offset by higher operating expenses as discussed above. Distributable net investment income on a per share basis for the three months ended September 30, 2016 reflects (i) an increase of approximately \$0.01 per share from the comparable period in 2015 attributable to the net increase in the comparable levels of accelerated prepayment and repricing activity for certain Investment Portfolio debt investments, (ii) an increase of approximately \$0.03 per share from the comparable period in 2015 attributable to the increase in dividend income that is considered to be less consistent on a recurring basis or non-recurring and (iii) a greater number of average shares outstanding compared to the corresponding period in 2015 primarily due to shares issued through the ATM Program (as defined in "Liquidity and Capital Resources" below) and shares issued pursuant to our restricted stock plan and dividend reinvestment plan.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations during the three months ended September 30, 2016 was \$43.2 million, or \$0.82 per share, compared with \$20.7 million, or \$0.41 per share, during the three months ended September 30, 2015. This \$22.5 million increase from the same period in the prior year period was primarily the result of (i) a \$16.9 million increase in net change in unrealized appreciation (depreciation) from net unrealized depreciation of \$9.1 million for the three months ended September 30, 2015 to net unrealized appreciation of \$7.8 million for the three months ended September 30, 2016, (ii) a \$5.6 million increase in the net realized gain (loss) from investments from a net realized loss of \$1.3 million during the three months ended September 30, 2015 to a net realized gain of \$4.3 million for the three months ended September 30, 2016 and (iii) a \$2.7 million increase in net investment income as discussed above, partially offset by a \$2.7 million decrease in the income tax benefit for the three months ended September 30, 2016. The net realized gain of \$4.3 million for the three months ended September 30, 2016 was primarily the result of (i) the net realized gain on the exit of three LMM investments totaling \$13.2 million and (ii) the net realized gain of \$1.2 million due to activity in our Other Portfolio, partially offset by (i) the realized loss of \$7.3 million on the exit of a Private Loan investment and (ii) the realized loss of \$2.6 million related to the restructuring of a Middle Market investment.

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The following table provides a summary of the total net unrealized appreciation of \$7.8 million for the three months ended September 30, 2016:

	Three Months Ended September 30, 2016				
	LMM(a)	Middle Market	Private Loan	Other(b)	Total
	(dollars in millions)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains)/losses recognized during period	\$ (10.2)	\$ 2.6	\$ 7.3	\$ (1.2)	\$ (1.5)
Net unrealized appreciation (depreciation) relating to portfolio investments	(3.3)	6.7	0.5	6.0	9.9
Total net change in unrealized appreciation (depreciation) relating to portfolio investments	\$ (13.5)	\$ 9.3	\$ 7.8	\$ 4.8	\$ 8.4
Net unrealized appreciation relating to marketable securities					0.2
Unrealized depreciation relating to SBIC debentures(c)					(0.8)
Total net change in unrealized appreciation (depreciation)					\$ 7.8

(a) LMM includes unrealized appreciation on 20 LMM portfolio investments and unrealized depreciation on 18 LMM portfolio investments.

(b) Other includes \$3.2 million of unrealized appreciation relating to the External Investment Manager and \$2.8 million of net unrealized appreciation relating to the Other Portfolio.

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

The income tax benefit for the three months ended September 30, 2016 of \$0.5 million consisted of a deferred tax benefit of \$1.4 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, partially offset by \$0.9 million of other current tax expense primarily related to an accrual for excise tax on our estimated undistributed taxable income.

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	Nine Months Ended September 30,		Net Change	
	2016	2015	Amount	%
	(dollars in thousands)			
Total investment income	\$ 131,508	\$ 121,096	\$ 10,412	9%
Total expenses	(46,137)	(42,540)	(3,597)	8%
Net investment income	85,371	78,556	6,815	9%
Net realized gain (loss) from investments	33,347	(9,037)	42,384	
Net change in net unrealized appreciation (depreciation) from:				
Portfolio investments	(29,738)	21,716	(51,454)	
SBIC debentures and marketable securities and idle funds	909	(1,344)	2,253	
Total net change in net unrealized appreciation (depreciation)	(28,829)	20,372	(49,201)	
Income tax benefit	1,018	7,004	(5,986)	
Net increase in net assets resulting from operations	\$ 90,907	\$ 96,895	\$ (5,988)	(6)%

	Nine Months Ended September 30,		Net Change	
	2016	2015	Amount	%
	(dollars in thousands, except per share amounts)			
Net investment income	\$ 85,371	\$ 78,556	\$ 6,815	9%
Share-based compensation expense	5,977	4,592	1,385	30%
Distributable net investment income(a)	\$ 91,348	\$ 83,148	\$ 8,200	10%
Distributable net investment income per share Basic and diluted(a)	\$ 1.77	\$ 1.71	\$ 0.06	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

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For the nine months ended September 30, 2016, total investment income was \$131.5 million, a 9% increase over the \$121.1 million of total investment income for the corresponding period of 2015. This comparable period increase was principally attributable to (i) a \$4.2 million increase in interest income primarily related to higher average levels of portfolio debt investments and (ii) a \$7.7 million increase in dividend income from Investment Portfolio equity investments, partially offset by (i) a \$0.8 million decrease in fee income and (ii) a \$0.7 million decrease in investment income from Marketable

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securities and idle funds investments. The \$10.4 million increase in total investment income in the nine months ended September 30, 2016 includes an increase of \$1.7 million related to dividend income activity from portfolio companies that is considered to be less consistent on a recurring basis or non-recurring during the period when compared to the same period in 2015 and the impact of a decrease of \$0.9 million primarily related to lower accelerated prepayment and repricing activity for certain Investment Portfolio debt investments when compared to the same period in 2015.

Expenses

For the nine months ended September 30, 2016, total expenses increased to \$46.1 million from \$42.5 million for the corresponding period of 2015. This comparable period increase in operating expenses was principally attributable to (i) a \$1.4 million increase in share-based compensation expense, (ii) a \$1.3 million increase in interest expense, primarily due to an increase in interest expense on the Credit Facility generally due to the higher average balance outstanding in the nine months ended September 30, 2016, (iii) a \$1.0 million increase in compensation expense related to increases in the number of personnel, base compensation levels and incentive compensation accruals and (iv) a \$0.5 million increase in general and administrative expenses, with these increases partially offset by a \$0.6 million increase in the expenses allocated to the External Investment Manager, in each case when compared to the same period in the prior year. For the nine months ended September 30, 2016, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.4% on an annualized basis, which is consistent with the ratio on an annualized basis for the nine months ended September 30, 2015 and for the year ended December 31, 2015.

Net Investment Income

Net investment income for the nine months ended September 30, 2016 was \$85.4 million, or a 9% increase, compared to net investment income of \$78.6 million for the corresponding period of 2015. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses as discussed above.

Distributable Net Investment Income

For the nine months ended September 30, 2016, distributable net investment income increased 10% to \$91.3 million, or \$1.77 per share, compared with \$83.1 million, or \$1.71 per share, in the corresponding period of 2015. The increase in distributable net investment income was primarily due to the higher level of total investment income, partially offset by higher operating expenses both as discussed above. Distributable net investment income on a per share basis for the nine months ended September 30, 2016 reflects (i) a decrease of approximately \$0.02 per share from the comparable period in 2015 attributable to the net decrease in the comparable levels of accelerated prepayment and repricing activity for certain Investment Portfolio debt investments, (ii) an increase of approximately \$0.03 per share from the comparable period in 2015 attributable to the increase in dividend income that is considered to be less consistent on a recurring basis or non-recurring and (iii) a greater number of average shares outstanding compared to the corresponding period in 2015 primarily due to the March 2015 equity offering, shares issued through the ATM Program and shares issued pursuant to our restricted stock plan and dividend reinvestment plan.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations during the nine months ended September 30, 2016 was \$90.9 million, or \$1.76 per share, compared with \$96.9 million, or \$1.99 per share, during the nine months ended September 30, 2015. This \$6.0 million decrease from the same period in the prior year period was primarily the result of (i) a \$49.2 million decrease in net change in

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unrealized appreciation (depreciation) from net unrealized appreciation of \$20.4 million for the nine months ended September 30, 2015 to net unrealized depreciation of \$28.8 million for the nine months ended September 30, 2016 and (ii) a \$6.0 million decrease in the income tax benefit from the same period in the prior year, partially offset by (i) a \$6.8 million increase in net investment income as discussed above and (ii) a \$42.4 million increase in the net realized gain (loss) from investments from a net realized loss of \$9.0 million during the nine months ended September 30, 2015 to a net realized gain of \$33.3 million for the nine months ended September 30, 2016. The net realized gain of \$33.3 million for the nine months ended September 30, 2016 was primarily the result of (i) the net realized gain of \$56.3 million on the exit five LMM investments and (ii) the net realized gain of \$2.8 million due to activity in our Other Portfolio, partially offset by (i) the net realized loss of \$9.6 million on the exit of three Private Loan investments, (ii) the net realized loss of \$10.0 million related to the restructuring of three Middle Market investments, (iii) the net realized loss of \$4.7 million on the exit of two Middle Market investments and (iv) the net realized loss of \$1.6 million on the exit of a Marketable securities and idle funds investment.

The following table provides a summary of the total net unrealized depreciation of \$28.8 million for the nine months ended September 30, 2016:

	Nine Months Ended September 30, 2016					Total
	LMM(a)	Middle Market	Private Loan	Other(b)		
	(dollars in millions)					
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains)/losses recognized during period	\$ (52.9)	\$ 18.7	\$ 9.5	\$ (2.7)		\$ (27.4)
Net change in unrealized appreciation (depreciation) relating to portfolio investments	1.9	1.5	(5.3)	(0.4)		(2.3)
Total net change in unrealized appreciation (depreciation) relating to portfolio investments	\$ (51.0)	\$ 20.2	\$ 4.2	\$ (3.1)		\$ (29.7)
Net change in unrealized appreciation relating to marketable securities						1.7
Unrealized depreciation relating to SBIC debentures(c)						(0.8)
Total net change in unrealized appreciation (depreciation)						\$ (28.8)

(a) LMM includes unrealized appreciation on 29 LMM portfolio investments and unrealized depreciation on 26 LMM portfolio investments.

(b) Other includes \$3.3 million of net unrealized depreciation relating to the Other Portfolio offset by \$2.9 million of unrealized appreciation relating to the External Investment Manager.

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

The income tax benefit for the nine months ended September 30, 2016 of \$1.0 million principally consisted of a deferred tax benefit of \$3.4 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, partially offset by other current tax expense related to (i) a \$2.1 million accrual for excise tax on our estimated undistributed taxable income and (ii) other current tax expense of \$0.3 million related to accruals for U.S. federal and state income taxes.

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Liquidity and Capital Resources

Cash Flows

For the nine months ended September 30, 2016, we experienced a net increase in cash and cash equivalents in the amount of \$11.5 million, which is the result of \$9.4 million of cash provided by our operating activities and \$2.0 million of cash provided by financing activities.

During the period, we generated \$9.4 million of cash from our operating activities, which resulted primarily from (i) cash flows we generated from the operating profits earned through our operating activities totaling \$79.7 million, which is our \$91.3 million of distributable net investment income, excluding the non-cash effects of the accretion of unearned income of \$7.1 million, payment-in-kind interest income of \$4.9 million, cumulative dividends of \$1.5 million and the amortization expense for deferred financing costs of \$1.9 million, (ii) cash uses totaling \$423.5 million which primarily resulted from (a) the funding of new portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2015, which collectively total \$420.0 million, (b) \$3.0 million related to decreases in payables and accruals and (c) \$0.5 million from the purchase of Marketable securities and idle funds investments and (iii) cash proceeds totaling \$353.2 million from (a) \$347.9 million in cash proceeds from the sales and repayments of debt investments and sales of and return on capital of equity investments and (b) \$4.3 million of cash proceeds from the sale of Marketable securities and idle funds investments and (c) decreases in other assets of \$1.0 million.

During the nine months ended September 30, 2016, \$2.0 million in cash was provided by financing activities, which principally consisted of (i) \$64.3 million in net cash proceeds from the ATM Program (described below), (ii) \$22.0 million in net cash proceeds from the Credit Facility and (iii) \$6.0 million in cash proceeds from issuance of SBIC debentures, partially offset by (i) \$86.7 million in cash dividends paid to stockholders, (ii) \$2.6 million for purchases of vested restricted stock from employees to satisfy their tax withholding requirements upon the vesting of such restricted stock and (iii) \$1.0 million for payment of deferred loan costs, SBIC debenture fees and other costs.

Capital Resources

As of September 30, 2016, we had \$31.8 million in cash and cash equivalents and \$242.0 million of unused capacity under the Credit Facility, which we maintain to support our investment and operating activities. As of September 30, 2016, our net asset value totaled \$1,144.4 million, or \$21.62 per share.

The Credit Facility, which provides additional liquidity to support our investment and operational activities, includes total commitments of \$555.0 million from a diversified group of fourteen lenders and matures in September 2020. The Credit Facility also contains an accordion feature which allows us to increase the total commitments under the facility to up to \$750.0 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 (0.53% as of September 30, 2016) plus (i) 1.875% (or the applicable base rate (Prime Rate of 3.50% as of September 30, 2016) plus 0.875%) as long as we maintain an investment grade rating and meet certain agreed upon excess collateral and maximum leverage requirements, (ii) 2.0% (or the applicable base rate plus 1.0%) if we maintain an investment grade rating but, do not meet certain excess collateral and maximum leverage requirements or (iii) 2.25% (or the applicable base rate plus 1.25%) if we do not maintain an investment grade rating. We pay unused commitment fees of 0.25% per annum on the unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership or assets of the Funds and the External Investment Manager. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining a minimum availability of at least 10% of the borrowing base, (ii) maintaining an

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interest coverage ratio of at least 2.0 to 1.0, (iii) maintaining an asset coverage ratio of at least 1.5 to 1.0 and (iv) maintaining a minimum tangible net worth. The Credit Facility is provided on a revolving basis through its final maturity date in September 2020, and contains two, one-year extension options which could extend the final maturity by up to two years, subject to certain conditions, including lender approval. As of September 30, 2016, we had \$313.0 million in borrowings outstanding under the Credit Facility, the interest rate on the Credit Facility was 2.4% and we were in compliance with all financial covenants of the Credit Facility.

Due to each of the Funds' status as a licensed SBIC, we have the ability to issue, through the Funds, debentures guaranteed by the SBA at favorable interest rates and favorable terms and conditions. In addition, in December 2015, the 2016 omnibus spending bill approved by Congress and signed into law by the President increased the amount of SBA-guaranteed debentures that affiliated SBIC funds can have outstanding from \$225.0 million to \$350.0 million. This new legislation allows us to issue additional SBIC debentures, subject to SBA approval, above the \$225.0 million that we had outstanding prior to the legislation. In August 2016, we received a license from the SBA to form and operate a third SBIC, which at the time provided us with up to an additional \$125.0 million of additional long-term, fixed interest rate debt capital through the issuance of SBA-guaranteed debentures. During September 2016, we issued \$6.0 million of SBIC debentures, leaving \$119.0 million of remaining capacity. Debentures guaranteed by the SBA have fixed interest rates that equal prevailing 10-year Treasury Note rates plus a market spread and have a maturity of ten years with interest payable semi-annually. The principal amount of the debentures is not required to be paid before maturity, but may be pre-paid at any time with no prepayment penalty. On September 30, 2016, through our three wholly owned SBICs, we had \$231.0 million of outstanding SBIC debentures guaranteed by the SBA, which bear a weighted-average annual fixed interest rate of approximately 4.1%, paid semi-annually, and mature ten years from issuance. The first maturity related to our SBIC debentures does not occur until 2017, and the weighted-average remaining duration is approximately 5.0 years as of September 30, 2016.

In April 2013, we issued \$92.0 million, including the underwriters' full exercise of their over-allotment option, in aggregate principal amount of the 6.125% Notes. The 6.125% Notes are unsecured obligations and rank pari passu with our current and future unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 6.125% Notes; effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under our Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, the indebtedness of the Funds. The 6.125% Notes mature on April 1, 2023, and may be redeemed in whole or in part at any time or from time to time at our option on or after April 1, 2018. We may from time to time repurchase 6.125% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2016, the outstanding balance of the 6.125% Notes was \$90.7 million.

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

In November 2014, we issued \$175.0 million in aggregate principal amount of the 4.50% Notes at an issue price of 99.53%. The 4.50% Notes are unsecured obligations and rank pari passu with our current and future unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 4.50% Notes; effectively subordinated to all of our existing and future

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secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under our Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes mature on December 1, 2019, and may be redeemed in whole or in part at any time at our option subject to certain make-whole provisions. The 4.50% Notes bear interest at a rate of 4.50% per year payable semi-annually on June 1 and December 1 of each year, beginning June 1, 2015. We may from time to time repurchase 4.50% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2016, the outstanding balance of the 4.50% Notes was \$175.0 million.

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

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

During November 2015, we commenced a program with 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 three months ended December 31, 2015, we sold 140,568 shares of our common stock at a weighted-average price of \$31.98 per share and raised \$4.5 million of gross proceeds under the ATM Program. Net proceeds were \$4.3 million after commissions to the selling agents on shares sold and offering costs.

During the nine months ended September 30, 2016, we sold 1,996,793 shares of our common stock at a weighted-average price of \$32.67 per share and raised \$65.2 million of gross proceeds under the ATM Program. Net proceeds were \$64.3 million after commissions to the selling agents on shares sold and offering costs. As of September 30, 2016, sales transactions representing 30,804 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 on the consolidated statement of operations and in the shares used to calculate our net asset value per share. As of September 30, 2016, 362,639 shares were available for sale under the ATM Program.

We anticipate that we will continue to fund our investment activities through existing cash and cash equivalents, the liquidation of Marketable securities and idle funds investments, and a combination of future 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. The composition of Marketable securities and idle funds investments will vary in a given period based upon, among other things, changes in market conditions, the underlying fundamentals in

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our Marketable securities and idle funds investments, our outlook regarding future LMM, Middle Market and Private Loan portfolio investment needs, and any regulatory requirements applicable to us.

If our common stock trades below our net asset value per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board of Directors makes certain determinations. We did not seek stockholder authorization to sell shares of our common stock below the then current net asset value per share of our common stock at our 2016 annual meeting of stockholders because our common stock price per share had been trading significantly above the current net asset value per share of our common stock since 2011. We would therefore need future approval from our stockholders to issue shares below the then current net asset value per share.

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

Although we have been able to secure access to additional liquidity, including recent public equity and historical debt offerings, our \$555.0 million Credit Facility, and the available leverage through the SBIC program, there is no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

Recently Issued or Adopted Accounting Standards

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-9 supersedes the revenue recognition requirements under ASC Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the ASC. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Under the new guidance, an entity is required to perform the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The new guidance will significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. Additionally, the guidance requires improved disclosures as to the nature, amount, timing and uncertainty of revenue that is recognized. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606) Narrow-Scope Improvements and Practical Expedients*. This ASU clarified guidance on assessing collectability, presenting sales tax, measuring noncash consideration, and certain transition matters. The FASB tentatively decided to defer the effective date of the new revenue standard for public entities under U.S. GAAP for one year. If finalized, the new guidance will be effective for the annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. Early adoption would be permitted for annual reporting periods beginning after December 15, 2016. We are currently evaluating the impact the adoption of this new accounting standard will have on our consolidated financial statements.

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In May 2015, the FASB issued ASU 2015-07, *Fair Value Measurements Disclosures for Certain Entities that Calculate Net Asset Value per Share*. This amendment updates guidance intended to eliminate the diversity in practice surrounding how investments measured at net asset value under the practical expedient with future redemption dates have been categorized in the fair value hierarchy. Under the updated guidance, investments for which fair value is measured at net asset value per share using the practical expedient should no longer be categorized in the fair value hierarchy, while investments for which fair value is measured at net asset value per share but the practical expedient is not applied should continue to be categorized in the fair value hierarchy. The updated guidance requires retrospective adoption for all periods presented and is effective for interim and annual reporting periods beginning after December 15, 2015, with early adoption permitted. The Company adopted this standard during the three months ended March 31, 2016. There was no impact of the adoption of this new accounting standard on our consolidated financial statements as none of our investments are measured through the use of the practical expedient.

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 new guidance is effective for annual periods beginning after December 15, 2018, and interim periods therein. Early application is permitted. The impact of the adoption of this new accounting standard on our consolidated financial statements is currently being evaluated.

In March 2016, the FASB issued ASU 2016-09, *Compensation Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which is intended to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The guidance is effective for annual periods beginning after December 15, 2016, and interim periods therein. Early application is permitted. The Company elected to early adopt this standard during the three months ended March 31, 2016. See further discussion of the impact of the adoption of this standard in "Note B.8. Summary of Significant Accounting Policies Share-based Compensation" in the notes to consolidated financial statements

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

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

Inflation

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

Table of Contents***Off-Balance Sheet Arrangements***

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and fund equity capital and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. At September 30, 2016, we had a total of \$108.8 million in outstanding commitments comprised of (i) 30 investments with commitments to fund revolving loans that had not been fully drawn or term loans with additional commitments not yet funded and (ii) nine investments with equity capital commitments that had not been fully called.

Contractual Obligations

As of September 30, 2016, the future fixed commitments for cash payments in connection with our SBIC debentures, the 4.50% Notes and the 6.125% Notes for each of the next five years and thereafter are as follows:

	2016	2017	2018	2019	2020	2021 and thereafter	Total
SBIC debentures	\$	\$ 15,000	\$ 10,200	\$ 20,000	\$ 55,000	\$ 130,800	\$ 231,000
Interest due on SBIC debentures(1)		9,569	8,293	7,970	6,772	11,155	43,759
Notes 6.125%						90,655	90,655
Interest due on 6.125% Notes							
4.50% Notes	1,388	5,553	5,553	5,553	5,553	12,492	36,092
Interest due on 4.50% Notes				175,000			175,000
Total	\$ 5,326	\$ 37,997	\$ 31,921	\$ 216,398	\$ 67,325	\$ 245,102	\$ 604,069

(1)

The interest due on the \$6.0 million of SBIC debentures drawn in September 2016 does not have a final rate that has been fixed by the SBA as of September 30, 2016. In March 2017, the final rate for this tranche of SBIC debentures will be determined and, thereafter, the rate will be fixed for the ensuing 10 years. The table above assumes that the interim rate being charged as of September 30, 2016 will be used until the final maturity. This rate will be adjusted once the final rate is determined.

As of September 30, 2016, we had \$313.0 million in borrowings outstanding under our Credit Facility, and the Credit Facility is currently scheduled to mature in September 2020. The Credit Facility contains two, one-year extension options which could extend the maturity to September 2022. See further discussion of the Credit Facility terms in "Liquidity and Capital Resources Capital Resources".

Related Party Transactions

As discussed further above, the External Investment Manager is treated as a wholly owned portfolio company of MSCC and is included as part of our Investment Portfolio. At September 30, 2016, we had a receivable of \$2.2 million due from the External Investment Manager which included approximately \$1.4 million primarily related to operating expenses incurred by us required to support the External Investment Manager's business, along with dividends declared but not paid by the External Investment Manager of approximately \$0.8 million.

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

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2013 (the "2013 Deferred Compensation Plan"). Under the 2015 Deferred Compensation Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation and directors' fees, subject to certain limitations. Individuals participating in the 2015 Deferred Compensation Plan receive distributions of their respective balances based on predetermined payout schedules or other events as defined by the plan and are also able to direct investments made on their behalf among investment alternatives permitted from time to time under the plan, including phantom Main Street stock units. As of September 30, 2016, \$2.0 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, \$1.7 million was deferred into phantom Main Street stock units, representing 55,753 shares of our common stock. Including phantom stock units issued through dividend reinvestment, the phantom stock units outstanding as of September 30, 2016 represented 63,257 shares of our common stock. Any amounts deferred under the plan represented by phantom stock units will not be issued or included as outstanding on the consolidated statement of changes in net assets until such shares are actually distributed to the participant in accordance with the plan, but are included in operating expenses and weighted average shares outstanding on our consolidated statement of operations as earned.

PLAN OF DISTRIBUTION

We have entered into separate equity distribution agreements, each dated November 18, 2016, with each of Goldman, Sachs & Co., Raymond James & Associates, Inc., RBC Capital Markets, LLC and Robert W. Baird & Co. Incorporated, under which each will act as our sales agent (each, a "Sales Agent" and, collectively, the "Sales Agents") in connection with the offer and sale of shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Upon written instructions from us, a Sales Agent will use its commercially reasonable efforts consistent with its sales and trading practices to sell, as our sales agent, our common stock under the terms and subject to the conditions set forth in the respective equity distribution agreement. We will instruct each Sales Agent as to the amount of common stock to be sold by it. We may instruct the Sales Agent not to sell common stock if the sales cannot be effected at or above the price designated by us in any instruction. We or the Sales Agent may suspend the offering of shares of common stock upon proper notice and subject to other conditions.

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market," as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or similar securities exchange or sales made to or through a market maker other than on an exchange at prices related to the prevailing market prices or at negotiated prices.

The Sales Agent will provide written confirmation of a sale to us no later than the opening of the trading day on the NYSE following each trading day in which shares of our common stock are sold under the equity distribution agreement. Each confirmation will include the number of shares of common stock sold on the preceding day, the net proceeds to us and the compensation payable by us to the Sales Agent in connection with the sales.

Under the terms of the equity distribution agreements, Goldman, Sachs & Co., Raymond James & Associates, Inc., RBC Capital Markets, LLC and Robert W. Baird & Co. Incorporated will be entitled to compensation equal to up to 1.0% of the gross sales price of shares of our common stock sold through it as Sales Agent. We estimate that the total expenses for the offering, excluding compensation payable to the Sales Agents under the terms of each equity distribution agreement, will be approximately \$250,000 (which includes up to \$7,500 per fiscal quarter in reimbursement of the Sales Agents' aggregate reasonable legal fees and expenses of counsel).

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Settlement for sales of shares of common stock will occur on the third trading day following the date on which such sales are made, or on some other date that is agreed upon by us and the Sales Agent in connection with a particular transaction, in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

Under the terms of the equity distribution agreements, we also may sell shares of our common stock to the Sales Agents as principal for their own accounts at a price agreed upon at the time of sale. The Sales Agents may offer the common stock sold to them as principals from time to time through public or private transactions at market prices prevailing at the time of sale, at fixed prices, at negotiated prices, at various prices determined at the time of sale or at prices related to prevailing market prices. If we sell shares to a Sales Agent as principal, we will enter into a separate terms agreement with the applicable Sales Agent, setting forth the terms of such transaction, and we will describe the agreement in a separate prospectus supplement.

We will report at least quarterly the number of shares of our common stock sold through the Sales Agents under the equity distribution agreements and the net proceeds to us.

In connection with the sale of the common stock on our behalf, the Sales Agents may be deemed to be an "underwriter" within the meaning of the Securities Act, and the compensation of the Sales Agent may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the Sales Agents with respect to certain civil liabilities, including liabilities under the Securities Act.

The offering of our shares of common stock pursuant to the equity distribution agreement will terminate upon the earlier of (i) the sale of all common stock subject to the equity distribution agreement or (ii) the termination of the equity distribution agreements as permitted therein.

Conflicts of Interest

Affiliates of Goldman, Sachs & Co., Raymond James & Associates, Inc. and RBC Capital Markets, LLC, Sales Agents in this offering, act as lenders and/or agents under our Credit Facility. Certain of the net proceeds from the sale of our common stock, not including selling compensation, may be paid to such affiliates of Goldman, Sachs & Co., Raymond James & Associates, Inc. and RBC Capital Markets, LLC in connection with the repayment of debt owed under our Credit Facility. As a result, Goldman, Sachs & Co., Raymond James & Associates, Inc. and RBC Capital Markets, LLC and/or their affiliates may receive more than 5% of the net proceeds of this offering, not including selling compensation.

The Sales Agents and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Sales Agents and/or their affiliates from time to time provide and may in the future provide investment banking, commercial banking and financial advisory services to us, for which they have received and may receive customary compensation.

In the ordinary course of their various business activities, the Sales Agents and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The Sales Agents and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time

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hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. In addition, the Sales Agents and/or their affiliates may from time to time refer investment banking clients to us as potential portfolio investments. If we invest in those clients, we may utilize net proceeds from this offering to fund such investments, and the referring Sales Agent or its affiliate may receive placement fees from its client in connection with such financing, which placement fees may be paid out of the amount funded by us.

The addresses of the Sales Agents are: Goldman, Sachs & Co., 200 West Street, New York, NY 10282; Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, Florida 33716; RBC Capital Markets, LLC, Three World Financial Center, 8th Floor, 200 Vesey Street, New York, NY 10281; and Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

LEGAL MATTERS

Certain legal matters regarding the shares of common stock offered hereby will be passed upon for us by Sutherland Asbill & Brennan LLP, Washington D.C., and certain legal matters in connection with this offering will be passed upon for the Sales Agents by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

AVAILABLE INFORMATION

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

We file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act of 1934. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at www.sec.gov. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

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INTERIM FINANCIAL STATEMENTS

MAIN STREET CAPITAL CORPORATION

Consolidated Balance Sheets

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

	September 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
Portfolio investments at fair value:		
Control investments (cost: \$401,190 and \$387,727 as of September 30, 2016 and December 31, 2015, respectively)	\$ 547,651	\$ 555,011
Affiliate investments (cost: \$368,553 and \$333,728 as of September 30, 2016 and December 31, 2015, respectively)	352,873	350,519
Non-Control/Non-Affiliate investments (cost: \$1,046,923 and \$945,187 as of September 30, 2016 and December 31, 2015, respectively)	1,019,743	894,466
Total portfolio investments (cost: \$1,816,666 and \$1,666,642 as of September 30, 2016 and December 31, 2015, respectively)	1,920,267	1,799,996
Marketable securities and idle funds investments (cost: \$0 and \$5,407 as of September 30, 2016 and December 31, 2015, respectively)		3,693
Total investments (cost: \$1,816,666 and \$1,672,049 as of September 30, 2016 and December 31, 2015, respectively)	1,920,267	1,803,689
Cash and cash equivalents	31,782	20,331
Interest receivable and other assets	33,500	27,737
Receivable for securities sold	503	9,901
Deferred financing costs (net of accumulated amortization of \$10,896 and \$8,965 as of September 30, 2016 and December 31, 2015, respectively)	12,259	13,267
Deferred tax asset, net	9,199	4,003
Total assets	\$ 2,007,510	\$ 1,878,928
LIABILITIES		
Credit facility	\$ 313,000	\$ 291,000
SBIC debentures (par: \$231,000 (\$15,000 due within one year) and \$225,000 as of September 30, 2016 and December 31, 2015, respectively. Par of \$75,200 is recorded at a fair value of \$74,680 and \$73,860 as of September 30, 2016 and December 31, 2015, respectively)	230,480	223,660
4.50% Notes	175,000	175,000
6.125% Notes	90,655	90,738
Accounts payable and other liabilities	11,581	12,292
Payable for securities purchased	29,100	2,311
Interest payable	3,561	3,959
Dividend payable	9,783	9,074
Total liabilities	863,160	808,034
Commitments and contingencies (Note M)		
NET ASSETS		
Common stock, \$0.01 par value per share (150,000,000 shares authorized; 52,901,113 and 50,413,744 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively)	529	504
Additional paid-in capital	1,090,197	1,011,467
Accumulated net investment income, net of cumulative dividends of \$471,478 and \$417,347 as of September 30, 2016 and December 31, 2015, respectively	38,421	7,181
Accumulated net realized gain from investments (accumulated net realized gain from investments of \$52,352 before cumulative dividends of \$112,539 as of September 30, 2016 and accumulated net realized gain from investments of \$19,005 before cumulative dividends of \$68,658 as of December 31, 2015)	(60,187)	(49,653)
Net unrealized appreciation, net of income taxes	75,390	101,395

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Total net assets		1,144,350		1,070,894
Total liabilities and net assets		\$ 2,007,510	\$	1,878,928
NET ASSET VALUE PER SHARE		\$ 21.62	\$	21.24

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Operations

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

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
INVESTMENT INCOME:				
Interest, fee and dividend income:				
Control investments	\$ 14,826	\$ 13,437	\$ 40,398	\$ 36,264
Affiliate investments	9,619	6,852	27,095	19,862
Non-Control/Non-Affiliate investments	22,149	22,090	63,841	64,124
Interest, fee and dividend income	46,594	42,379	131,334	120,250
Interest, fee and dividend income from marketable securities and idle funds investments	5	229	174	846
Total investment income	46,599	42,608	131,508	121,096
EXPENSES:				
Interest	(8,573)	(8,302)	(25,010)	(23,755)
Compensation	(4,309)	(3,727)	(12,081)	(11,055)
General and administrative	(2,247)	(2,212)	(6,808)	(6,271)
Share-based compensation	(2,137)	(1,651)	(5,977)	(4,592)
Expenses allocated to the External Investment Manager	1,224	1,145	3,739	3,133
Total expenses	(16,042)	(14,747)	(46,137)	(42,540)
NET INVESTMENT INCOME	30,557	27,861	85,371	78,556
NET REALIZED GAIN (LOSS):				
Control investments	17,862		32,220	3,324
Affiliate investments	(3,447)	5,964	25,260	5,827
Non-Control/Non-Affiliate investments	(10,033)	(6,195)	(22,452)	(16,836)
Marketable securities and idle funds investments	(96)	(1,112)	(1,681)	(1,352)
Total net realized gain (loss)	4,286	(1,343)	33,347	(9,037)
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):				
Portfolio investments	8,376	(8,389)	(29,738)	21,716
Marketable securities and idle funds investments	235	(648)	1,729	(521)
SBIC debentures	(801)	(50)	(820)	(823)
Total net change in unrealized appreciation (depreciation)	7,810	(9,087)	(28,829)	20,372
INCOME TAXES:				
Federal and state income, excise and other taxes	(904)	495	(2,372)	(1,547)
Deferred taxes	1,432	2,742	3,390	8,551
Income tax benefit	528	3,237	1,018	7,004
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 43,181	\$ 20,668	\$ 90,907	\$ 96,895
NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED	\$ 0.58	\$ 0.56	\$ 1.66	\$ 1.61

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NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE - BASIC AND DILUTED	\$	0.82	\$	0.41	\$	1.76	\$	1.99
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DIVIDENDS PAID PER SHARE:

Regular monthly dividends	\$	0.540	\$	0.525	\$	1.620	\$	1.560
Supplemental dividends						0.275		0.275
Total dividends	\$	0.540	\$	0.525	\$	1.895	\$	1.835

WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC AND DILUTED	52,613,277	50,036,776	51,538,745	48,681,260
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The accompanying notes are an integral part of these financial statements

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

(dollars in thousands, except shares)

(Unaudited)

	Common Stock			Accumulated Net Investment Income, Net of Dividends	Accumulated Net Realized Gain From Investments, Net of Dividends	Net Unrealized Appreciation from Investments, Net of Income Taxes	Total Net Asset Value
	Number of Shares	Par Value	Additional Paid-In Capital				
Balances at December 31, 2014	45,079,150	\$ 451	\$ 853,606	\$ 23,665	\$ (20,456)	\$ 82,716	\$ 939,982
Public offering of common stock, net of offering costs	4,370,000	44	127,720				127,764
Share-based compensation			4,592				4,592
Purchase of vested stock for employee payroll tax withholding	(54,840)	(1)	(1,739)				(1,740)
Dividend reinvestment	444,957	4	13,654				13,658
Amortization of directors' deferred compensation			292				292
Issuance of restricted stock, net of forfeited shares	239,911	2	(2)				
Dividends to stockholders				(88,294)	(2,168)		(90,462)
Net increase (loss) resulting from operations				78,556	(9,037)	27,376	96,895
Balances at September 30, 2015	50,079,178	\$ 500	\$ 998,123	\$ 13,927	\$ (31,661)	\$ 110,092	\$ 1,090,981
Balances at December 31, 2015	50,413,744	\$ 504	\$ 1,011,467	\$ 7,181	\$ (49,653)	\$ 101,395	\$ 1,070,894
Public offering of common stock, net of offering costs	1,996,793	20	64,239				64,259
Share-based compensation			5,977				5,977
Purchase of vested stock for employee payroll tax withholding	(80,750)	(1)	(2,592)				(2,593)
Dividend reinvestment	339,544	3	10,645				10,648
Amortization of directors' deferred compensation			464				464
Issuance of restricted stock, net of forfeited shares	262,586	3	(3)				
Dividends to stockholders				(54,131)	(43,881)		(98,012)
Cumulative-effect to retained earnings for excess tax benefit						1,806	1,806
Net increase (loss) resulting from operations				85,371	33,347	(27,811)	90,907
Balances at September 30, 2016	52,931,917	\$ 529	\$ 1,090,197	\$ 38,421	\$ (60,187)	\$ 75,390	\$ 1,144,350

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Cash Flows

(dollars in thousands)

(Unaudited)

	Nine Months Ended September 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	\$ 90,907	\$ 96,895
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Investments in portfolio companies	(420,036)	(727,099)
Proceeds from sales and repayments of debt investments in portfolio companies	274,907	421,933
Proceeds from sales and return of capital of equity investments in portfolio companies	73,017	29,289
Investments in marketable securities and idle funds investments	(523)	(4,483)
Proceeds from sales and repayments of marketable securities and idle funds investments	4,316	7,094
Net change in net unrealized (appreciation) depreciation	28,829	(20,372)
Net realized (gain) loss	(33,347)	9,037
Accretion of unearned income	(7,073)	(6,474)
Payment-in-kind interest	(4,911)	(2,485)
Cumulative dividends	(1,470)	(1,242)
Share-based compensation expense	5,977	4,592
Amortization of deferred financing costs	1,931	1,899
Deferred tax benefit	(3,390)	(8,551)
Changes in other assets and liabilities:		
Interest receivable and other assets	(685)	(3,493)
Interest payable	(398)	147
Accounts payable and other liabilities	(247)	(1,618)
Deferred fees and other	1,644	1,438
Net cash provided by (used in) operating activities	9,448	(203,493)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering of common stock, net of offering costs	64,259	127,764
Dividends paid	(86,655)	(75,453)
Proceeds from issuance of SBIC debentures	6,000	
Proceeds from credit facility	254,000	473,000
Repayments on credit facility	(232,000)	(345,000)
Payment of deferred loan costs and SBIC debenture fees	(925)	(132)
Purchases of vested stock for employee payroll tax withholding	(2,593)	(1,740)
Other	(83)	(83)
Net cash provided by financing activities	2,003	178,356
Net increase (decrease) in cash and cash equivalents	11,451	(25,137)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,331	60,432
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 31,782	\$ 35,295
Supplemental cash flow disclosures:		
Interest paid	\$ 23,368	\$ 21,708

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Taxes paid	\$	1,762	\$	2,504
Non-cash financing activities:				
Shares issued pursuant to the DRIP	\$	10,648	\$	13,658

The accompanying notes are an integral part of these financial statements

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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<u>Control Investments(5)</u>					
Access Media Holdings, LLC(10)	Private Cable Operator	5% Current / 5% PIK Secured Debt (Maturity July 22, 2020) Preferred Member Units (6,232,500 units; 12% cumulative) Member Units (45 units)	\$ 22,380	\$ 22,380 6,126 1	\$ 19,720 250 1
				28,507	19,970
AmeriTech College, LLC	For-Profit Nursing and Healthcare College	10% Secured Debt (Maturity November 30, 2019) 10% Secured Debt (Maturity January 31, 2020) Preferred Member Units (294 units; 5%)(8)	1,004 3,025	1,004 3,025 2,291	1,004 3,025 2,291
				6,320	6,320
ASC Interests, LLC	Recreational and Educational Shooting Facility	11% Secured Debt (Maturity July 31, 2018) Member Units (1,500 units)(8)	2,250	2,230 1,500	2,250 2,680
				3,730	4,930
Bond-Coat, Inc.	Casing and Tubing Coating Services	12% Secured Debt (Maturity December 28, 2017) Common Stock (57,508 shares)	11,596	11,547 6,350	11,596 5,090
				17,897	16,686
Café Brazil, LLC	Casual Restaurant Group	Member Units (1,233 units)(8)		1,742	6,570
CBT Nuggets, LLC	Produces and Sells IT Training Certification Videos	Member Units (416 units)(8)		1,300	52,800
CMS Minerals Investments	Oil & Gas Exploration & Production				

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Preferred Member Units (CMS Minerals LLC) (458 units)(8)	2,207	3,371
Member Units (CMS Minerals II, LLC) (100 units)(8)	3,955	3,893
	6,162	7,264

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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Datacom, LLC	Technology and Telecommunications Provider	8% Secured Debt (Maturity May 30, 2017)	900	900	900
		5.25% Current / 5.25% PIK Secured Debt (Maturity May 30, 2019)	11,558	11,491	10,888
		Class A Preferred Member Units (15% cumulative)(8)		1,181	1,318
		Class B Preferred Member Units (6,453 units)		6,030	1,769
				19,602	14,875
Gamber-Johnson Holdings, LLC	Manufacturer of Ruggedized Computer Mounting Systems	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.00%, Secured Debt (Maturity June 24, 2021)(9)	20,000	19,798	19,798
		Member Units (7,040 units)		12,124	12,124
				31,922	31,922
Garreco, LLC	Manufacturer and Supplier of Dental Products	14% Secured Debt (Maturity January 12, 2018)	5,550	5,511	5,511
		Member Units (1,200 units)(8)		1,200	1,150
				6,711	6,661
GRT Rubber Technologies LLC	Manufacturer of Engineered Rubber Products	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity December 19, 2019)(9)	13,484	13,390	13,484
		Member Units (5,879 units)(8)		13,065	18,030
				26,455	31,514
Gulf Manufacturing, LLC	Manufacturer of Specialty Fabricated Industrial Piping Products	9% PIK Secured Debt (Ashland Capital IX, LLC) (Maturity June 30, 2017)	777	777	777
		Member Units (438 units)		2,980	8,770

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				3,757	9,547
Gulf Publishing Holdings, LLC	Energy Focused Media and Publishing				
		12.5% Secured Debt (Maturity April 29, 2021)	10,000	9,907	9,907
		Member Units (3,124 units)		3,124	3,124
				13,031	13,031

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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Harrison Hydra-Gen, Ltd.	Manufacturer of Hydraulic Generators	Common Stock (107,456 shares)(8)		718	3,340
Hawthorne Customs and Dispatch Services, LLC	Facilitator of Import Logistics, Brokerage, and Warehousing	Member Units (500 units)		589	280
		Member Units (Wallisville Real Estate, LLC) (588,210 units)(8)		1,215	2,040
				1,804	2,320
HW Temps LLC	Temporary Staffing Solutions	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.50%, Secured Debt (Maturity July 2, 2020)(9)	10,376	10,296	10,296
		Preferred Member Units (3,200 units)(8)		3,942	4,360
				14,238	14,656
Hydratec, Inc.	Designer and Installer of Micro-Irrigation Systems	Common Stock (7,095 shares)(8)		7,095	15,760
IDX Broker, LLC	Provider of Marketing and CRM Tools for the Real Estate Industry	12.5% Secured Debt (Maturity November 15, 2018)	11,250	11,197	11,250
		Member Units (5,400 units)(8)		5,606	6,690
				16,803	17,940
Indianapolis Aviation Partners, LLC	Fixed Base Operator	15% Secured Debt (Maturity January 15, 2017)	3,100	3,100	3,100
		Warrants (1,046 equivalent units)		1,129	2,649
				4,229	5,749
Jensen Jewelers of Idaho, LLC	Retail Jewelry Store	Prime Plus 6.75% (Floor 2.00%), Current Coupon 10.25%, Secured Debt (Maturity November 14, 2016)(9)	4,205	4,200	4,205
		Member Units (627 units)(8)		811	4,650
				5,011	8,855

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Lamb Ventures, LLC	Aftermarket Automotive Services Chain	LIBOR Plus 5.75%, Current Coupon			
		6.27%, Secured Debt (Maturity March 3, 2017)	139	139	139
		11% Secured Debt (Maturity May 31, 2018)	7,735	7,735	7,735
		Preferred Equity (non-voting)		400	400
		Member Units (742 units)(8)		5,273	5,880
		9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity October 1, 2025)	882	882	882
		Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)		625	1,620
			15,054	16,656	
Lighting Unlimited, LLC	Commercial and Residential Lighting Products and Design Services	8% Secured Debt (Maturity August 22, 2017)	1,514	1,514	1,514
		Preferred Equity (non-voting)		434	430
		Warrants (71 equivalent units)		54	10
		Member Units (700 units)		100	80
					2,102
Marine Shelters Holdings, LLC	Fabricator of Marine and Industrial Shelters	12% PIK Secured Debt (Maturity December 28, 2017)	9,967	9,905	9,379
		Preferred Member Units (3,810 units)		5,352	906
				15,257	10,285
MH Corbin Holding LLC	Manufacturer and Distributor of Traffic Safety Products	10% Secured Debt (Maturity August 31, 2020)	13,475	13,365	13,365
		Preferred Member Units (4,000 shares)		6,000	6,000
				19,365	19,365
Mid-Columbia Lumber Products, LLC	Manufacturer of Finger-Jointed Lumber Products		1,750	1,750	1,750

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10% Secured Debt (Maturity December 18, 2017)			
12% Secured Debt (Maturity December 18, 2017)	3,900	3,900	3,900
Member Units (3,554 units)		1,244	2,300
9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity May 13, 2025)	847	847	847
Member Units (Mid-Columbia Real Estate, LLC) (250 units)(8)		250	600
		7,991	9,397

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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
MSC Adviser I, LLC(16)	Third Party Investment Advisory Services	Member Units (Fully diluted 100.0%)(8)			30,133
Mystic Logistics Holdings, LLC	Logistics and Distribution Services Provider for Large Volume Mailers	12% Secured Debt (Maturity August 15, 2019) Common Stock (5,873 shares)	9,176	9,043 2,720	9,176 5,150
				11,763	14,326
NAPCO Precast, LLC	Precast Concrete Manufacturing	Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity February 1, 2019)(9) 18% Secured Debt (Maturity February 1, 2019) Member Units (2,955 units)(8)	2,713 3,952	2,690 3,919 2,975	2,713 3,952 10,670
				9,584	17,335
NRI Clinical Research, LLC	Clinical Research Service Provider	14% Secured Debt (Maturity September 8, 2017) Warrants (251,723 equivalent units) Member Units (1,454,167 units)	4,510	4,464 252 765	4,510 650 2,321
				5,481	7,481
NRP Jones, LLC	Manufacturer of Hoses, Fittings and Assemblies	6% Current / 6% PIK Secured Debt (Maturity December 22, 2016) Warrants (14,331 equivalent units) Member Units (50,877 units)	13,703	13,631 817 2,900	13,631 130 410
				17,348	14,171
OMi Holdings, Inc.	Manufacturer of Overhead Cranes	Common Stock (1,500 shares)		1,080	14,390
Pegasus Research Group, LLC	Provider of Telemarketing and Data Services				

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		Member Units (460 units)(8)	1,290	8,620
PPL RVs, Inc.	Recreational Vehicle Dealer			
		11.1% Secured Debt (Maturity December 31, 2016)	9,710	9,710
		Common Stock (1,962 shares)(8)		2,150
			11,860	21,490

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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Principle Environmental, LLC	Noise Abatement Service Provider	12% Secured Debt (Maturity April 30, 2017)	4,060	4,060	4,060
		12% Current / 2% PIK Secured Debt (Maturity April 30, 2017)	3,361	3,361	3,361
		Preferred Member Units (19,631 units)		4,663	4,600
		Warrants (1,036 equivalent units)		1,200	20
				13,284	12,041
Quality Lease Service, LLC	Provider of Rigsite Accommodation Unit Rentals and Related Services	8% PIK Secured Debt (Maturity June 8, 2020)	6,929	6,929	6,929
		Member Units (1,000 units)		818	2,888
				7,747	9,817
River Aggregates, LLC	Processor of Construction Aggregates	Zero Coupon Secured Debt (Maturity June 30, 2018)	750	609	609
		Member Units (1,150 units)(8)		1,150	4,600
		Member Units (RA Properties, LLC) (1,500 units)		369	2,510
				2,128	7,719
SoftTouch Medical Holdings LLC	Home Provider of Pediatric Durable Medical Equipment	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity October 31, 2019)(9)	7,225	7,177	7,225
		Member Units (4,450 units)(8)		4,930	8,670
				12,107	15,895
The MPI Group, LLC	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories	9% Secured Debt (Maturity October 2, 2018)	2,924	2,922	2,922
		Series A Preferred Units (2,500 units; 10% Cumulative)		2,500	360
		Warrants (1,424 equivalent units)		1,096	

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		Member Units (MPI Real Estate Holdings, LLC) (100% Fully diluted)(8)	2,300	2,300
			8,818	5,582
Uvalco Supply, LLC	Farm and Ranch Supply Store	9% Secured Debt (Maturity January 1, 2019)	986	986
		Member Units (2,011 units)(8)	3,843	4,860
			4,829	5,846

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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Vision Interests, Inc.	Manufacturer / Installer of Commercial Signage	13% Secured Debt (Maturity December 23, 2016)	2,889	2,885	2,885
		Series A Preferred Stock (3,000,000 shares)		3,000	3,370
		Common Stock (1,126,242 shares)		3,706	140
				9,591	6,395
Ziegler's NYPD, LLC	Casual Restaurant Group	6.5% Secured Debt (Maturity October 1, 2019)	1,000	993	993
		12% Secured Debt (Maturity October 1, 2019)	300	300	300
		14% Secured Debt (Maturity October 1, 2019)	2,750	2,750	2,750
		Warrants (587 equivalent units)		600	220
		Preferred Member Units (10,072 units)		2,834	3,700
				7,477	7,963
Subtotal Control Investments (28.5% of total investments at fair value)				\$ 401,190	\$ 547,651

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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<u>Affiliate Investments(6)</u>					
AFG Capital Group, LLC	Provider of Rent-to-Own Financing Solutions and Services	Warrants (42 equivalent units) Member Units (186 units)		\$ 259 1,200	\$ 620 2,530
				1,459	3,150
Barfly Ventures, LLC(10)	Casual Restaurant Group	12% Secured Debt (Maturity August 31, 2020) Options (2 equivalent units) Warrant (1 equivalent unit)	5,958	5,854 397 473	5,761 420 240
				6,724	6,421
BBB Tank Services, LLC	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity April 8, 2021)(9) 12% Current / 1% PIK Secured Debt (Maturity April 8, 2021) Member Units (800,000 units)	336 4,020	332 3,982 800	332 3,982 800
				5,114	5,114
Boss Industries, LLC	Manufacturer and Distributor of Air, Power and Other Industrial Equipment	Preferred Member Units (2,242 units)(8)		2,379	2,606
Bridge Capital Solutions Corporation	Financial Services and Cash Flow Solutions Provider	13% Secured Debt (Maturity July 25, 2021) Warrants (63 equivalent shares) 13% Secured Debt (Mercury Service Group, LLC) (Maturity July 25, 2021) Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)	7,500 1,000	5,550 2,132 990 1,000	5,550 3,312 990 1,000
				9,672	10,852

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Buca C, LLC	Casual Restaurant Group	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity June 30, 2020)(9)	22,371	22,197	22,371
		Preferred Member Units (6 units; 6% cumulative)(8)		3,879	5,599
				26,076	27,970

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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
CAI Software LLC	Provider of Specialized Enterprise Resource Planning Software	12% Secured Debt (Maturity October 10, 2019)	3,780	3,754	3,780
		Member Units (65,356 units)(8)		654	2,150
				4,408	5,930
CapFusion, LLC(13)	Non-Bank Lender to Small Businesses	13% Secured Debt (Maturity March 25, 2021)	12,800	11,566	11,566
		Warrants (1,600 equivalent units)		1,200	1,200
				12,766	12,766
Chandler Signs Holdings, LLC(10)	Sign Manufacturer	12% Secured Debt (Maturity July 4, 2021)	4,500	4,459	4,500
		Class A Units (1,500,000 units)(8)		1,500	2,950
				5,959	7,450
Condit Exhibits, LLC	Tradeshaw Exhibits / Custom Displays Provider	Member Units (3,936 units)(8)		100	1,780
Congruent Credit Opportunities Funds(12)(13)	Investment Partnership	LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)(8)		5,778	1,439
		LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8)		15,754	15,976
				21,532	17,415
Daseke, Inc.	Specialty Transportation Provider	12% Current / 2.5% PIK Secured Debt (Maturity July 31, 2018)	21,660	21,471	21,660
		Common Stock (19,467 shares)		5,213	21,640
				26,684	43,300
Dos Rios Partners(12)(13)	Investment Partnership			5,237	4,121

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LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)
 LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)

1,663 1,191

6,900 5,312

Dos Rios Stone Products LLC(10)	Limestone and Sandstone Dimension Cut Stone Mining Quarries	Class A Units (2,000,000 units)(8)	2,000	2,000
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East Teak Fine Hardwoods, Inc.	Distributor of Hardwood Products	Common Stock (6,250 shares)(8)	480	860
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Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule Of Investments (Continued)****September 30, 2016****(dollars in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
East West Copolymer & Rubber, LLC	Manufacturer of Synthetic Rubbers	12% Current / 2% PIK Secured Debt (Maturity October 17, 2019) Warrants (2,510,790 equivalent units)	9,650	9,534 50	9,534 50
				9,584	9,584
EIG Fund Investments(12)(13)	Investment Partnership	LP Interests (EIG Global Private Debt fund-A, L.P.) (Fully diluted 11.1%)(8)		2,788	2,788
EIG Traverse Co-Investment, L.P.(12)(13)	Investment Partnership	LP Interests (Fully diluted 22.2%)(8)		9,805	10,027
Freeport Financial Funds(12)(13)	Investment Partnership	LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.3%)(8) LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.0%)(8)		5,974 3,564	5,620 3,564
				9,538	9,184
Gault Financial, LLC (RMB Capital, LLC)	Purchases and Manages Liquidation of Distressed Assets	10% Current Secured Debt (Maturity November 21, 2016) Warrants (29,025 equivalent units)	13,046	13,018 400	11,053 400
				13,418	11,053
Glowpoint, Inc.	Provider of Cloud Managed Video Collaboration Services	12% Secured Debt (Maturity October 18, 2018) Common Stock (7,711,517 shares)	9,000	8,943 3,958	6,639 2,160
				12,901	8,799
Guerdon Modular Holdings, Inc.	Multi-Family and Commercial Modular Construction Company	9% Current / 4% PIK Secured Debt (Maturity August 13, 2019) Preferred Stock (404,998 shares) Common Stock (212,033 shares)	10,599	10,476 1,140 2,983	10,476 1,140 80

