

Main Street Capital CORP  
Form 497  
August 12, 2013

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[TABLE OF CONTENTS](#)

[INDEX TO FINANCIAL STATEMENTS](#)

[Table of Contents](#)

**The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell and are not soliciting offers to buy these securities in any state where such offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED AUGUST 12, 2013**

**PRELIMINARY PROSPECTUS SUPPLEMENT  
(to Prospectus dated August 1, 2013)**

## Shares

# Main Street Capital Corporation Common Stock

---

We are offering for sale \_\_\_\_\_ shares of our common stock.

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 \$25 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.

Our common stock is listed on the New York Stock Exchange under the symbol "MAIN." On August \_\_\_\_\_, 2013, the last reported sale price of our common stock on the New York Stock Exchange was \$ \_\_\_\_\_ per share, and the net asset value per share of our common stock on June 30, 2013 (the last date prior to the

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

date of this prospectus supplement on which we determined our net asset value per share) was \$18.72.

**Investing in our common stock involves a high degree of risk, and should be considered highly speculative. See "Supplementary Risk Factors" beginning on page S-12 of this prospectus supplement and "Risk Factors" beginning on page 15 of the accompanying prospectus to read about factors you should consider, including the risk of leverage 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, Suite 800, Houston, Texas 77056 or by telephone at (713) 350-6000 or on our website at [www.mainstreetcapital.com](http://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](http://www.sec.gov) that contains such information.

	Per share	Total
Public offering price	\$	\$
Underwriting discount (3.75%)	\$	\$
Proceeds, before expenses, to us(1)	\$	\$

(1) We estimate that we will incur approximately \$200,000 in offering expenses in connection with this offering.

The underwriters have the option to purchase up to an additional \_\_\_\_\_ shares of common stock at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement. If the option to purchase additional shares is exercised in full, the total public offering price will be \$ \_\_\_\_\_, the total underwriting discount (3.75%) will be \$ \_\_\_\_\_, and the total proceeds to us, before deducting estimated expenses payable by us of \$200,000, will be \$ \_\_\_\_\_.

**The Securities and Exchange Commission has not 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.**

The underwriters expect to deliver the shares on or about August \_\_\_\_\_, 2013.

**RAYMOND JAMES**

**GOLDMAN, SACHS & CO.**

**BAIRD**

The date of this prospectus supplement is August \_\_\_\_\_, 2013

---

Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Prospectus Supplement</b>	
<u>Prospectus Summary</u>	<u>S-1</u>
<u>Fees and Expenses</u>	<u>S-10</u>
<u>Supplementary Risk Factors</u>	<u>S-12</u>
<u>Use of Proceeds</u>	<u>S-13</u>
<u>Capitalization</u>	<u>S-14</u>
<u>Selected Financial Data</u>	<u>S-15</u>
<u>Interim Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>S-17</u>
<u>Underwriting (Conflicts of Interest)</u>	<u>S-43</u>
<u>Legal Matters</u>	<u>S-48</u>
<u>Independent Registered Public Accounting Firm</u>	<u>S-48</u>
<u>Available Information</u>	<u>S-48</u>
<u>Interim Financial Statements</u>	<u>S-49</u>
<b>Prospectus</b>	
<u>Prospectus Summary</u>	<u>1</u>
<u>Fees and Expenses</u>	<u>13</u>
Risk Factors	15
Cautionary Statement Concerning Forward-Looking Statements	34
Use of Proceeds	34
Price Range of Common Stock and Distributions	35
Ratios of Earnings to Fixed Charges	39
Selected Financial Data	40
Management's Discussion and Analysis of Financial Condition and Results of Operations	42
Senior Securities	69
Business	70
Portfolio Companies	86
Management	99
Certain Relationships and Related Transactions	121
Control Persons and Principal Stockholders	123
Sales of Common Stock Below Net Asset Value	125
Dividend Reinvestment Plan	131
Description of Common Stock	132
Description of Our Preferred Stock	139
Description of Our Warrants	140
Description of Our Subscription Rights	142
Description of Our Debt Securities	144
Description of Our Units	158
Material U.S. Federal Income Tax Considerations	158
Regulation	166
Plan of Distribution	171
Custodian, Transfer and Distribution Paying Agent and Registrar	173
Brokerage Allocation and Other Practices	173
Legal Matters	173
Independent Registered Public Accounting Firm	173
Available Information	173
Privacy Notice	174
Index to Financial Statements	F-1

Table of Contents

**ABOUT THE PROSPECTUS**

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of 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 underwriters have authorized any other person to provide you with different information from that contained in this prospectus supplement or the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to buy, any 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 sections titled "Supplementary Risk Factors" in this prospectus supplement and "Risk Factors" in the accompanying prospectus and certain other factors noted throughout this prospectus supplement and the accompanying prospectus constitute cautionary statements identifying important factors with respect to any such forward-looking statements, including certain risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We undertake no obligation to revise or update any forward-looking statements but advise you to consult any additional disclosures that we may make directly to you or through reports that we may file in the future with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. We note that the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995 does not apply to statements made in this prospectus supplement or the accompanying prospectus.

Table of Contents

**PROSPECTUS SUMMARY**

*This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. To understand the terms of the 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 "Supplementary Risk Factors," "Selected Financial Data," "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" in this prospectus supplement and the documents identified in the section titled "Available Information" in this prospectus supplement, as well as the section titled "Risk Factors" in the accompanying prospectus. Except as otherwise noted, all information in this prospectus supplement and the accompanying prospectus assumes no exercise of the underwriters' option to purchase additional shares.*

**Organization**

Main Street Capital Corporation ("MSCC") was formed on March 9, 2007 for the purpose of (i) acquiring 100% of the equity interests of Main Street Mezzanine Fund, LP ("MSMF") and its general partner, Main Street Mezzanine Management, LLC ("MSMF GP"), (ii) acquiring 100% of the equity interests of Main Street Capital Partners, LLC (the "Investment Manager"), (iii) raising capital in an initial public offering, which was completed in October 2007 (the "IPO"), and (iv) thereafter operating as an internally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSMF is licensed as a Small Business Investment Company ("SBIC") by the United States Small Business Administration ("SBA") and the Investment Manager acts as MSMF's manager and investment adviser. Because the Investment Manager, which employs all of the executive officers and other employees of MSCC, is wholly owned by us, we do not pay any external investment advisory fees, but instead we incur the operating costs associated with employing investment and portfolio management professionals through the Investment Manager. The IPO and related transactions discussed above were consummated in October 2007 and are collectively termed the "Formation Transactions."

On January 7, 2010, MSCC consummated transactions (the "Exchange Offer") to exchange 1,239,695 shares of its common stock for approximately 88% of the total dollar value of the limited partner interests in Main Street Capital II, LP ("MSC II" and, together with MSMF, the "Funds"). Pursuant to the terms of the Exchange Offer, 100% of the membership interests in the general partner of MSC II, Main Street Capital II GP, LLC ("MSC II GP"), were also transferred to MSCC for no consideration. MSC II commenced operations in January 2006, is an investment fund that operates as an SBIC and is also managed by the Investment Manager. During the first quarter of 2012, MSCC exchanged 229,634 shares of its common stock to acquire all of the remaining minority ownership in the total dollar value of the MSC II limited partnership interests, including approximately 5% owned by affiliates of MSCC (the "Final MSC II Exchange"). After the completion of the Final MSC II Exchange, MSCC owns 100% of MSC II. The Exchange Offer and related transactions, including the transfer of the MSC II GP interests and the Final MSC II Exchange, are collectively termed the "Exchange Offer Transactions."

MSCC has elected to be treated for 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 federal income taxes on any net ordinary income or capital gains that it distributes to its stockholders as dividends.

MSCC has direct and indirect wholly owned subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of these entities is to hold certain investments that generate "pass through" income for tax purposes. The Investment Manager is also a direct wholly

Table of Contents

owned subsidiary that has elected to be a taxable entity. The Taxable Subsidiaries and the Investment Manager are each taxed at their normal corporate tax rates based on their taxable income.

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our" and "Main Street" refer to MSCC and its consolidated subsidiaries, which include the Funds, the Taxable Subsidiaries and, beginning April 1, 2013, the Investment Manager.

**Overview**

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 portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. We seek to partner with entrepreneurs, business owners and management teams and generally provide "one stop" financing alternatives within our LMM portfolio. We 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. 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 \$25 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") investments are made in businesses that are consistent with the size of companies in our LMM portfolio or our Middle Market portfolio, but are investments which have been originated through strategic relationships with other investment funds on a collaborative basis. The structure, terms and conditions for these Private Loan investments are typically consistent with the structure, terms and conditions for the loans made in our LMM portfolio or Middle Market portfolio.

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

We seek to fill the current 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 senior 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 has become even more relevant to our LMM portfolio companies in the current investing environment. 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. We believe that our LMM investment strategy has a lower correlation to the broader debt and equity markets.

As of June 30, 2013, we had debt and equity investments in 58 LMM portfolio companies with an aggregate fair value of approximately \$555.3 million, with a total cost basis of approximately

Table of Contents

\$438.7 million, and a weighted average annual effective yield on our LMM debt investments of approximately 15.1%. As of June 30, 2013 approximately 75% of our total LMM portfolio investments at cost were in the form of debt investments and approximately 94% of such debt investments at cost were secured by first priority liens on the assets of our LMM portfolio companies. At June 30, 2013, we had equity ownership in approximately 93% of our LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 33%. As of December 31, 2012, we had debt and equity investments in 56 LMM portfolio companies with an aggregate fair value of approximately \$482.9 million, with a total cost basis of approximately \$380.5 million, and a weighted average annual effective yield on our LMM debt investments of approximately 14.3%. As of December 31, 2012, approximately 75% of our total LMM portfolio investments at cost were in the form of debt investments and approximately 93.0% of such debt investments at cost were secured by first priority liens on the assets of our LMM portfolio companies. At December 31, 2012, we had equity ownership in approximately 93% of our LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 33%. The weighted average annual yields were computed using the effective interest rates for all debt investments at June 30, 2013 and December 31, 2012, 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.

Additionally, we pursue investments in Middle Market companies. Our Middle Market portfolio investments primarily consist of direct or secondary purchases of interest-bearing debt securities in privately held companies that are generally larger in size than the LMM 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 company and have an expected duration of between three and five years.

As of June 30, 2013, we had Middle Market portfolio investments in 95 companies, collectively totaling approximately \$445.2 million in fair value with a total cost basis of approximately \$440.4 million. The weighted average revenue for the 95 Middle Market portfolio company investments was approximately \$576.8 million as of June 30, 2013. As of June 30, 2013, substantially all of our Middle Market portfolio investments were in the form of debt investments and approximately 92% of such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our Middle Market portfolio debt investments was approximately 7.9% as of June 30, 2013. As of December 31, 2012, we had Middle Market portfolio investments in 79 companies, collectively totaling approximately \$352.0 million in fair value with a total cost basis of approximately \$348.1 million. The weighted average revenue for the 79 Middle Market portfolio company investments was approximately \$533.6 million as of December 31, 2012. As of December 31, 2012, substantially all of our Middle Market portfolio investments were in the form of debt investments and approximately 91% of such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our Middle Market portfolio debt investments was approximately 8.0% as of December 31, 2012. The weighted average annual yields were computed using the effective interest rates for all debt investments at June 30, 2013 and December 31, 2012, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments.

Our Private Loan portfolio investments primarily consist of investments in interest-bearing debt securities in companies that are consistent with the size of the companies included in our LMM portfolio or our 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.

As of June 30, 2013, we had Private Loan portfolio investments in 11 companies, collectively totaling approximately \$78.9 million in fair value with a total cost basis of approximately \$79.3 million.

Table of Contents

The weighted average revenue for the 11 Private Loan portfolio company investments was approximately \$309.4 million as of June 30, 2013. As of June 30, 2013, 99% of our Private Loan portfolio investments were in the form of debt investments and all such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our Private Loan portfolio debt investments was approximately 12.2% as of June 30, 2013. As of December 31, 2012, we had Private Loan portfolio investments in 9 companies, collectively totaling approximately \$65.5 million in fair value with a total cost basis of approximately \$64.9 million. The weighted average revenue for the 9 Private Loan portfolio company investments was approximately \$230.5 million as of December 31, 2012. As of December 31, 2012, 99% of our Private Loan portfolio investments were in the form of debt investments and all such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our Private Loan portfolio debt investments was approximately 14.8% as of December 31, 2012. The weighted average annual yields were computed using the effective interest rates for all debt investments at June 30, 2013 and 2012, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments.

As of June 30, 2013, we had Other Portfolio investments in 6 companies, collectively totaling approximately \$34.6 million in fair value and approximately \$32.3 million in cost basis and which comprised 3.1% of our Investment Portfolio at fair value as of June 30, 2013. As of December 31, 2012, we had Other Portfolio investments in 3 companies, collectively totaling approximately \$24.1 million in both fair value and approximately \$23.6 million in cost basis and which comprised 2.6% of our Investment Portfolio at fair value as of December 31, 2012.

During the six months ended June 30, 2013, there were ten portfolio company investment transfers from the LMM and Middle Market portfolio investment categories to the Private Loan portfolio investment category totaling \$69.6 million in fair value and \$69.0 million in cost as of the date of transfer.

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 MSMF and MSC II are both 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 will also fluctuate depending upon portfolio activity 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.

MSCC and its consolidated subsidiaries are internally managed by the Investment Manager, a wholly owned subsidiary of MSCC, which employs all of the executive officers and other employees of Main Street. Because the Investment Manager is wholly owned by MSCC, Main Street does not pay any external investment advisory fees, but instead incurs the operating costs associated with employing investment and portfolio management professionals through the Investment Manager. We believe that our internally managed structure provides us with a beneficial operating expense structure when



Table of Contents

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 and six months ended June 30, 2013, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.6% and 1.6%, respectively, on an annualized basis, compared to 1.9% and 2.0%, respectively, on an annualized basis for the three and six months ended June 30, 2012 and 1.8% for the year ended December 31, 2012.

During May 2012, MSCC and the Investment Manager executed an investment sub-advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income Fund, Inc. ("HMS Income"), a non publicly-traded BDC whose registration statement on Form N-2 was declared effective by the SEC in June 2012, to provide certain investment advisory services to HMS Adviser. MSCC is initially providing such investment advisory services to HMS Adviser, but it is ultimately intended that the Investment Manager provide such services because the fees MSCC receives from such arrangement could otherwise have negative consequences on its ability to meet the source-of-income requirement necessary for it to maintain its RIC tax treatment (MSCC or the Investment Adviser, whichever is providing such investment advisory services, the "Sub-Adviser"). Certain relief must be obtained from the SEC before the Investment Manager is permitted to provide these services to HMS Adviser, which relief is being sought, but there can be no assurance that it will be obtained. Under the investment sub-advisory agreement, the Sub-Adviser is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. However, the Sub-Adviser has agreed to waive all such fees from the effective date of HMS Adviser's registration statement on Form N-2 through December 31, 2013. As a result, as of June 30, 2013, the Sub-Adviser has not received any base management fee or incentive fees under the investment sub-advisory agreement and the Sub-Adviser is not due any unpaid compensation for any base management fee or incentive fees under the investment sub-advisory agreement.

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 "Supplementary Risk Factors" in this prospectus supplement and "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, Suite 800, Houston, Texas 77056, and our telephone number is (713) 350-6000. We maintain a website at <http://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.

**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 financing solutions with equity components that are tailored to the facts and circumstances of each situation.

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

### Table of Contents

*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 rates that are generally lower than rates on comparable bank 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.

*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 refinancing. In addition, we seek to invest in companies whose business models and expected future cash flows may provide alternate methods of repaying our investment, such as through a strategic acquisition by other industry participants or a recapitalization.

### **Recent Developments**

In July 2013, we closed a LMM portfolio investment in Garreco, LLC ("Garreco") to facilitate a recapitalization of the company. The investment consists of \$5.8 million in senior secured term debt and a \$1.2 million direct equity investment. Garreco is headquartered in Heber Springs, Arkansas, and is a manufacturer and supplier of consumable products used to create dentures, crowns, and bridges in dental laboratories and clinics.

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

In July 2013, we completed a new portfolio investment totaling \$5.0 million of invested capital in ASC Interests, LLC ("ASC"). Our investment in ASC consists of \$3.5 million in first lien, senior secured debt and a \$1.5 million direct equity investment, and the proceeds of our investment were used by ASC to complete a management-led buyout of ASC Owners Group, LLC, dba American Shooting Centers. ASC, operating under the name American Shooting Centers since 1989, operates a 563 acre

S-6

---

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

### Table of Contents

shooting complex located in George Bush Park, Harris County, Texas. ASC is among the premier outdoor shooting facilities in the United States. ASC's complex consists of rifle and pistol shooting lanes, a trap and skeet facility and sporting clays fields.

In August 2013, we completed a follow on investment totaling \$20.0 million in second lien senior subordinated secured debt in Daseke, Inc. ("Daseke"), to support Daseke's addition of Central Oregon Truck Company, Inc. ("COTC"). Founded in 1992 and based in Redmond, Oregon, COTC provides dedicated flatbed transportation and logistical services to the contiguous United States as well as parts of Canada.

In August 2013, we closed a new portfolio investment totaling \$16.8 million of invested capital in Southern RV, LLC and Southern RV Real Estate, LLC (collectively, "Southern RV"). Our investment in Southern RV consists of \$14.6 million in first lien, senior secured term debt, of which \$3.3 million is a first lien mortgage loan, and a \$2.2 million direct equity investment. Southern RV is one of the largest dealers of new and used recreational vehicles ("RV") and related services in the Gulf Coast region.

In August 2013, we announced the appointment of John E. Jackson as a new independent member of our Board of Directors. Simultaneous with Mr. Jackson's appointment to the Board, Todd A. Reppert retired as Executive Vice Chairman of Main Street and from the Investment Committee and Credit Committee and from the Board of Directors of MSCC in conjunction with a new investment initiative led by him which will focus on making debt and equity investments in private U.S. companies that are generally smaller than those currently being pursued by us for investment. Mr. Reppert will remain involved in managing our wholly owned SBIC funds while certain regulatory approvals are sought. As a part of his retirement, the Board accelerated the vesting of all of the unvested shares of restricted stock previously granted to him under our 2008 Equity Incentive Plan.

Table of Contents

**The Offering**

Common stock offered by us	shares
Common stock outstanding prior to this offering	shares
Common stock to be outstanding after this offering	shares
Option to purchase additional shares	shares
Use of proceeds	

The net proceeds from this offering (without exercise of the option to purchase additional shares and before deducting estimated expenses payable by us of approximately \$200,000) will be \$ .

We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our \$372.5 million Credit Facility. However, through re-borrowing of the initial repayments under our \$372.5 million 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. See "Use of Proceeds" below.

Dividends and distributions

Our dividends and other distributions, if any, will be determined by our Board of Directors from time to time.

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. From our IPO through the third quarter of 2008 we paid quarterly dividends, but in the fourth quarter of 2008 we began paying, and we intend to continue paying, monthly dividends to our stockholders.

When we make monthly 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, 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.

Table of Contents

	<p>In May 2013, we declared regular monthly dividends of \$0.155 per share for each of July, August and September 2013. These regular monthly dividends equate to a total of \$0.465 per share for the third quarter of 2013. Investors who purchase shares of our common stock in this offering will be entitled to receive the September regular monthly dividend payment and subsequent dividends provided that they continue to hold such shares.</p>
Taxation	<p>MSCC has elected to be treated for federal income tax purposes as a RIC under Subchapter M of the Code. Accordingly, we generally will not pay corporate-level 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 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.</p> <p>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% 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 "Supplementary Risk Factors" beginning on page S-12 of this prospectus supplement and "Risk Factors" beginning on page 15 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>

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

<b>Stockholder Transaction Expenses:</b>	
Sales load (as a percentage of offering price)	3.75%(1)
Offering expenses (as a percentage of offering price)	%(2)
Dividend reinvestment plan expenses	(3)
<b>Total stockholder transaction expenses (as a percentage of offering price)</b>	<b>%</b>
<b>Annual Expenses (as a percentage of net assets attributable to common stock):</b>	
Operating expenses	2.59%(4)
Interest payments on borrowed funds	3.70%(5)
Income tax expense	1.65%(6)
Acquired fund fees and expenses	0.63%(7)
<b>Total annual expenses</b>	<b>8.57%</b>

- (1) Represents the underwriting discount with respect to the shares sold by us in this offering.
- (2) The offering expenses of this offering borne by us are estimated to be approximately \$200,000. If the underwriters exercise their option to purchase additional shares in full, the offering expenses borne by us (as a percentage of the offering price) will be approximately %.
- (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, including the Investment Manager.
- (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 taxes on the net unrealized appreciation 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. Due to the variable nature of deferred tax expense, which is 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, 2012.
- (7) Acquired fund fees and expenses represent the estimated indirect expense incurred due to investments in other investment companies and private funds.





Table of Contents**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 that you would pay a sales load of 3.75% (the underwriting discount 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	\$	\$	\$	\$

**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.

Table of Contents

**SUPPLEMENTARY RISK FACTORS**

Investing in our securities involves a number of significant risks. In addition to the other information contained in this prospectus supplement and the accompanying prospectus, you should consider carefully the following supplementary risk factors together with the risk factors beginning on page 15 of the accompanying prospectus before making an investment in our securities. The risks set out below and in the accompanying prospectus are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the events described herein or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment.

*It is unclear how increased regulatory oversight and changes in the method for determining LIBOR may affect the value of the financial obligations to be held or issued by us that are linked to LIBOR, or how such changes could affect our results of operations or financial condition.*

As a result of concerns about the accuracy of the calculation of LIBOR, a number of British Bankers' Association, or BBA, member banks entered into settlements with certain regulators and law enforcement agencies with respect to the alleged manipulation of LIBOR, and there are ongoing investigations by regulators and governmental authorities in various jurisdictions. Following a review of LIBOR conducted at the request of the U.K. government, on September 28, 2012, recommendations for reforming the setting and governing of LIBOR were released, which are referred to as the Wheatley Review. The Wheatley Review made a number of recommendations for changes with respect to LIBOR, including the introduction of S-5 statutory regulation of LIBOR, the transfer of responsibility for LIBOR from the BBA to an independent administrator, changes to the method of the compilation of lending rates and new regulatory oversight and enforcement mechanisms for rate-setting and a reduction in the number of currencies and tenors for which LIBOR is published. Based on the Wheatley Review and on a subsequent public and governmental consultation process, on March 25, 2013, the U.K. Financial Services Authority published final rules for the U.K. Financial Conduct Authority's regulation and supervision of LIBOR, which are referred to as the FCA Rules. In particular, the FCA Rules include requirements that (1) an independent LIBOR administrator monitor and survey LIBOR submissions to identify breaches of practice standards and/or potentially manipulative behavior, and (2) firms submitting data to LIBOR establish and maintain a clear conflicts of interest policy and appropriate systems and controls. The FCA Rules took effect on April 2, 2013, and on July 9, 2013, NYSE Euronext was chosen to serve as the independent LIBOR administrator commencing in 2014. It is uncertain what additional regulatory changes or what changes, if any, in the method of determining LIBOR may be required or made by the U.K. government or other governmental or regulatory authorities. Accordingly, uncertainty as to the nature of such changes may adversely affect the market for or value of any LIBOR-linked securities, loans, derivatives and other financial obligations or extensions of credit held by or due to us or on our overall financial condition or results of operations. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for or value of any LIBOR-linked securities, loans, derivatives and other financial obligations or extensions of credit held by or due to us or on our overall financial condition or results of operations.

Table of Contents

**USE OF PROCEEDS**

The net proceeds from the sale of the \_\_\_\_\_ shares of common stock in this offering are \$ \_\_\_\_\_, and \$ \_\_\_\_\_ if the underwriter's option to purchase additional shares is exercised in full, after deducting the underwriting discount and estimated offering expenses payable by us.

We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our \$372.5 million Credit Facility. However, through re-borrowing of the initial repayments under our \$372.5 million 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.

At August 9, 2013, we had approximately \$246.0 million outstanding under our \$372.5 million Credit Facility. Our Credit Facility matures in September 2017, unless extended, and bears interest, at our election, on a per annum basis equal to (i) the applicable LIBOR rate plus 2.50% or (ii) the applicable base rate plus 1.50%. Amounts repaid under our \$372.5 million Credit Facility will remain available for future borrowings. As of June 30, 2013, the interest rate on our \$372.5 million Credit Facility was 2.69%.

Affiliates of Raymond James & Associates, Inc., underwriters in this offering, act as lenders and/or agents under our \$372.5 million 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 "Underwriting Conflicts of Interest" below.

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization:

on an actual basis as of June 30, 2013; and

on an as-adjusted basis giving effect to the sale of \_\_\_\_\_ shares of our common stock in this offering at the public offering price of \$ \_\_\_\_\_ per share, less estimated underwriting discounts and offering expenses payable by us.

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

	<b>As of June 30, 2013</b>	
	<b>Actual</b>	<b>As-adjusted for this Offering</b>
	<b>(Unaudited)</b>	
	<b>(in thousands, except shares)</b>	
Cash and cash equivalents	\$ 41,220	\$ 41,220
Marketable securities and idle funds investments (cost: \$22,502)	21,759	21,759
<b>Total cash and cash equivalents, marketable securities and idle funds investments</b>	<b>\$ 62,979</b>	<b>\$ 62,979</b>
SBIC debentures (par: \$225,000; par of \$100,000 is recorded at a fair value of \$87,123)	\$ 212,123	\$ 212,123
Credit facility(1)	215,000	
Notes payable	92,000	92,000
Net asset value:		
Common stock, \$0.01 par value per share (150,000,000 shares authorized; 35,014,302 and _____ shares issued and outstanding, actual and as adjusted for this offering, respectively)	350	
Additional paid-in capital	553,011	
Accumulated net investment income, net of cumulative dividends of \$159,506	26,879	26,879
Accumulated net realized gain from investments (accumulated net realized gain from investments of \$10,241 before cumulative dividends of \$28,993)	(18,752)	(18,752)
Net unrealized appreciation, net of income taxes	93,895	93,895
<b>Total net asset value</b>	<b>655,383</b>	
<b>Total capitalization</b>	<b>\$ 1,174,506</b>	<b>\$ _____</b>

(1) As of August 9, 2013, we had approximately \$246.0 million outstanding under our \$372.5 million credit facility. This table has not been adjusted to reflect our additional borrowings under the credit facility subsequent to June 30, 2013.

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, 2012, 2011, 2010, 2009 and 2008 and as of and for the six months ended June 30, 2013 and 2012. The selected financial data at December 31, 2012, 2011, 2010, 2009 and 2008 and for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, 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 at June 30, 2013, and for the six months ended June 30, 2013 and 2012, 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 six months ended June 30, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013. You should read this selected financial 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.

	Six Months Ended June 30,		Years Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(dollars in thousands)						
	(Unaudited)						
<b>Statement of operations data:</b>							
Investment income:							
Total interest, fee and dividend income	\$ 52,763	\$ 39,912	\$ 88,858	\$ 65,045	\$ 35,645	\$ 14,514	\$ 16,123
Interest and dividends from idle funds and other	681	1,489	1,662	1,195	863	1,488	1,172
<b>Total investment income</b>	<b>53,444</b>	<b>41,401</b>	<b>90,520</b>	<b>66,240</b>	<b>36,508</b>	<b>16,002</b>	<b>17,295</b>
Expenses:							
Interest	(9,424)	(8,044)	(15,631)	(13,518)	(9,058)	(3,791)	(3,778)
Compensation and related	(2,574)						
General and administrative	(1,937)	(1,162)	(2,330)	(2,483)	(1,437)	(1,351)	(1,684)
Expenses reimbursed to Investment Manager	(3,189)	(5,359)	(10,669)	(8,915)	(5,263)	(570)	(1,007)
Share-based compensation	(1,205)	(1,161)	(2,565)	(2,047)	(1,489)	(1,068)	(511)
<b>Total expenses</b>	<b>(18,329)</b>	<b>(15,726)</b>	<b>(31,195)</b>	<b>(26,963)</b>	<b>(17,247)</b>	<b>(6,780)</b>	<b>(6,980)</b>
<b>Net investment income</b>	<b>35,115</b>	<b>25,675</b>	<b>59,325</b>	<b>39,277</b>	<b>19,261</b>	<b>9,222</b>	<b>10,315</b>
Total net realized gain (loss) from investments	403	4,809	16,479	2,639	(2,880)	(7,798)	1,398
<b>Net realized income</b>	<b>35,518</b>	<b>30,484</b>	<b>75,804</b>	<b>41,916</b>	<b>16,381</b>	<b>1,424</b>	<b>11,713</b>
Total net change in unrealized appreciation (depreciation)	14,948	20,380	39,460	28,478	19,639	8,242	(3,961)
Income tax benefit (provision)	(2,833)	(2,872)	(10,820)	(6,288)	(941)	2,290	3,182
Bargain purchase gain					4,891		
<b>Net increase in net assets resulting from operations</b>	<b>47,633</b>	<b>47,992</b>	<b>104,444</b>	<b>64,106</b>	<b>39,970</b>	<b>11,956</b>	<b>10,934</b>
Noncontrolling interest		(54)	(54)	(1,139)	(1,226)		
<b>Net increase in net assets resulting from operations attributable to common stock</b>	<b>\$ 47,633</b>	<b>\$ 47,938</b>	<b>\$ 104,390</b>	<b>\$ 62,967</b>	<b>\$ 38,744</b>	<b>\$ 11,956</b>	<b>\$ 10,934</b>
Net investment income per share basic and diluted	\$ 1.01	\$ 0.94	\$ 2.01	\$ 1.69	\$ 1.16	\$ 0.92	\$ 1.13
Net realized income per share basic and diluted	\$ 1.02	\$ 1.12	\$ 2.56	\$ 1.80	\$ 0.99	\$ 0.14	\$ 1.29
Net increase in net assets resulting from operations attributable to common stock per share basic and diluted	\$ 1.37	\$ 1.77	\$ 3.53	\$ 2.76	\$ 2.38	\$ 1.19	\$ 1.20
Weighted average shares outstanding basic and diluted	34,751,905	27,118,421	29,540,114	22,850,299	16,292,846	10,042,639	9,095,904



Edgar Filing: Main Street Capital CORP - Form 497

Table of Contents

	As of June 30,		As of December 31,			
	2013	2012	2011	2010	2009	2008
	(dollars in thousands)					
	(Unaudited)					
<b>Balance sheet data:</b>						
Assets:						
Total portfolio investments at fair value	\$ 1,114,095	\$ 924,431	\$ 658,093	\$ 407,987	\$ 159,154	\$ 127,007
Marketable securities and idle funds investments	21,759	28,535	26,242	9,577	839	4,390
Cash and cash equivalents	41,220	63,517	42,650	22,334	30,620	35,375
Receivable for securities sold	31,213					
Interest receivable and other assets	12,168	14,580	6,539	4,524	1,510	1,101
Deferred financing costs, net of accumulated amortization	7,994	5,162	4,168	2,544	1,611	1,635
Deferred tax asset, net				1,958	2,716	1,121
Total assets	\$ 1,228,449	\$ 1,036,225	\$ 737,692	\$ 448,924	\$ 196,450	\$ 170,629
Liabilities and net assets:						
SBIC debentures at fair value	\$ 212,123	\$ 211,467	\$ 201,887	\$ 155,558	\$ 65,000	\$ 55,000
Credit facility	215,000	132,000	107,000	39,000		
Notes payable	92,000					
Accounts payable for securities purchased	26,605	20,661				
Deferred tax liability, net	11,006	11,778	3,776			
Accounts payable and other liabilities	5,782	8,593	7,001	1,188	721	1,439
Interest payable	5,626	3,562	3,984	3,195	1,069	1,108
Dividend payable	4,924	5,188	2,856			726
Total liabilities	573,066	393,249	326,504	198,941	66,790	58,273
Total net asset value	655,383	642,976	405,711	245,535	129,660	112,356
Noncontrolling interest			5,477	4,448		
Total liabilities and net assets	\$ 1,228,449	\$ 1,036,225	\$ 737,692	\$ 448,924	\$ 196,450	\$ 170,629
<b>Other data:</b>						
Weighted average effective yield on LMM debt investments(1)	15.1%	14.3%	14.8%	14.5%	14.3%	14.0%
Number of LMM portfolio companies(2)	58	56	54	44	35	31
Weighted average effective yield on Middle Market debt investments(1)	7.9%	8.0%	9.5%	10.5%	11.8%	N/A
Number of Middle Market portfolio companies	95	79	57	32	6	N/A
Expense ratios (as percentage of average net assets):						
Total expenses, including income tax expense	3.3%(4)	8.2%(3)	9.8%(3)	8.8%(3)	5.6%	6.1%
Operating expenses	2.8%(4)	6.1%(3)	8.0%(3)	8.3%(3)	5.6%	6.1%
Operating expenses, excluding interest expense	1.4%(4)	3.0%(3)	4.0%(3)	4.0%(3)	2.5%	2.8%

(1) 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.

(2)

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

Excludes the investment in affiliated Investment Manager, as discussed elsewhere in this prospectus supplement.

- (3) Ratios are net of amounts attributable to MSC II non-controlling interest.
- (4) Not annualized.

S-16

---



Table of Contents

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

*The following discussion should be read in conjunction with our consolidated financial statements and 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" and "Supplementary Risk Factors" in this prospectus supplement and "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors" in the accompanying prospectus.*

**ORGANIZATION**

Main Street Capital Corporation ("MSCC") was formed on March 9, 2007 for the purpose of (i) acquiring 100% of the equity interests of Main Street Mezzanine Fund, LP ("MSMF") and its general partner, Main Street Mezzanine Management, LLC ("MSMF GP"), (ii) acquiring 100% of the equity interests of Main Street Capital Partners, LLC (the "Investment Manager"), (iii) raising capital in an initial public offering, which was completed in October 2007 (the "IPO"), and (iv) thereafter operating as an internally managed business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). MSMF is licensed as a Small Business Investment Company ("SBIC") by the United States Small Business Administration ("SBA") and the Investment Manager acts as MSMF's manager and investment adviser. Because the Investment Manager, which employs all of the executive officers and other employees of MSCC, is wholly owned by us, we do not pay any external investment advisory fees, but instead we incur the operating costs associated with employing investment and portfolio management professionals through the Investment Manager. The IPO and related transactions discussed above were consummated in October 2007 and are collectively termed the "Formation Transactions."

On January 7, 2010, MSCC consummated transactions (the "Exchange Offer") to exchange 1,239,695 shares of its common stock for approximately 88% of the total dollar value of the limited partner interests in Main Street Capital II, LP ("MSC II" and, together with MSMF, the "Funds"). Pursuant to the terms of the Exchange Offer, 100% of the membership interests in the general partner of MSC II, Main Street Capital II GP, LLC ("MSC II GP"), were also transferred to MSCC for no consideration. MSC II commenced operations in January 2006, is an investment fund that operates as an SBIC and is also managed by the Investment Manager. During the first quarter of 2012, MSCC exchanged 229,634 shares of its common stock to acquire all of the remaining minority ownership in the total dollar value of the MSC II limited partnership interests, including approximately 5% owned by affiliates of MSCC (the "Final MSC II Exchange"). After the completion of the Final MSC II Exchange, MSCC owns 100% of MSC II. The Exchange Offer and related transactions, including the transfer of the MSC II GP interests and the Final MSC II Exchange, are collectively termed the "Exchange Offer Transactions."

MSCC has elected to be treated for 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 federal income taxes on any net ordinary income or capital gains that it distributes to its stockholders as dividends.

MSCC has direct and indirect wholly owned subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of these entities is to hold certain investments that generate "pass through" income for tax purposes. The Investment Manager is also a direct wholly

Table of Contents

owned subsidiary that has elected to be a taxable entity. The Taxable Subsidiaries and the Investment Manager are each taxed at their normal corporate tax rates based on their taxable income.

Unless otherwise noted or the context otherwise indicates, the terms "we," "us," "our" and "Main Street" refer to MSCC and its consolidated subsidiaries, which include the Funds, the Taxable Subsidiaries and, beginning April 1, 2013, the Investment Manager.

**OVERVIEW**

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 portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. We seek to partner with entrepreneurs, business owners and management teams and generally provide "one stop" financing alternatives within our LMM portfolio. We 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. 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 \$25 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") investments are made in businesses that are consistent with the size of companies in our LMM portfolio or our Middle Market portfolio, but are investments which have been originated through strategic relationships with other investment funds on a collaborative basis. The structure, terms and conditions for these Private Loan investments are typically consistent with the structure, terms and conditions for the loans made in our LMM portfolio or Middle Market portfolio.

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

We seek to fill the current 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 senior 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 has become even more relevant to our LMM portfolio companies in the current investing environment. 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. We believe that our LMM investment strategy has a lower correlation to the broader debt and equity markets.

As of June 30, 2013, we had debt and equity investments in 58 LMM portfolio companies with an aggregate fair value of approximately \$555.3 million, with a total cost basis of approximately

Table of Contents

\$438.7 million, and a weighted average annual effective yield on our LMM debt investments of approximately 15.1%. As of June 30, 2013 approximately 75% of our total LMM portfolio investments at cost were in the form of debt investments and approximately 94% of such debt investments at cost were secured by first priority liens on the assets of our LMM portfolio companies. At June 30, 2013, we had equity ownership in approximately 93% of our LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 33%. As of December 31, 2012, we had debt and equity investments in 56 LMM portfolio companies with an aggregate fair value of approximately \$482.9 million, with a total cost basis of approximately \$380.5 million, and a weighted average annual effective yield on our LMM debt investments of approximately 14.3%. As of December 31, 2012, approximately 75% of our total LMM portfolio investments at cost were in the form of debt investments and approximately 93.0% of such debt investments at cost were secured by first priority liens on the assets of our LMM portfolio companies. At December 31, 2012, we had equity ownership in approximately 93% of our LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 33%. The weighted average annual yields were computed using the effective interest rates for all debt investments at June 30, 2013 and December 31, 2012, 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.

Additionally, we pursue investments in Middle Market companies. Our Middle Market portfolio investments primarily consist of direct or secondary purchases of interest-bearing debt securities in privately held companies that are generally larger in size than the LMM 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 company and have an expected duration of between three and five years.

As of June 30, 2013, we had Middle Market portfolio investments in 95 companies, collectively totaling approximately \$445.2 million in fair value with a total cost basis of approximately \$440.4 million. The weighted average revenue for the 95 Middle Market portfolio company investments was approximately \$576.8 million as of June 30, 2013. As of June 30, 2013, substantially all of our Middle Market portfolio investments were in the form of debt investments and approximately 92% of such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our Middle Market portfolio debt investments was approximately 7.9% as of June 30, 2013. As of December 31, 2012, we had Middle Market portfolio investments in 79 companies, collectively totaling approximately \$352.0 million in fair value with a total cost basis of approximately \$348.1 million. The weighted average revenue for the 79 Middle Market portfolio company investments was approximately \$533.6 million as of December 31, 2012. As of December 31, 2012, substantially all of our Middle Market portfolio investments were in the form of debt investments and approximately 91% of such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our Middle Market portfolio debt investments was approximately 8.0% as of December 31, 2012. The weighted average annual yields were computed using the effective interest rates for all debt investments at June 30, 2013 and December 31, 2012, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments.

Our Private Loan portfolio investments primarily consist of investments in interest-bearing debt securities in companies that are consistent with the size of the companies included in our LMM portfolio or our 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.

As of June 30, 2013, we had Private Loan portfolio investments in 11 companies, collectively totaling approximately \$78.9 million in fair value with a total cost basis of approximately \$79.3 million.

Table of Contents

The weighted average revenue for the 11 Private Loan portfolio company investments was approximately \$309.4 million as of June 30, 2013. As of June 30, 2013, 99% of our Private Loan portfolio investments were in the form of debt investments and all such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our Private Loan portfolio debt investments was approximately 12.2% as of June 30, 2013. As of December 31, 2012, we had Private Loan portfolio investments in 9 companies, collectively totaling approximately \$65.5 million in fair value with a total cost basis of approximately \$64.9 million. The weighted average revenue for the 9 Private Loan portfolio company investments was approximately \$230.5 million as of December 31, 2012. As of December 31, 2012, 99% of our Private Loan portfolio investments were in the form of debt investments and all such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average annual effective yield on our Private Loan portfolio debt investments was approximately 14.8% as of December 31, 2012. The weighted average annual yields were computed using the effective interest rates for all debt investments at June 30, 2013 and 2012, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments.

As of June 30, 2013, we had Other Portfolio investments in 6 companies, collectively totaling approximately \$34.6 million in fair value and approximately \$32.3 million in cost basis and which comprised 3.1% of our Investment Portfolio at fair value as of June 30, 2013. As of December 31, 2012, we had Other Portfolio investments in 3 companies, collectively totaling approximately \$24.1 million in both fair value and approximately \$23.6 million in cost basis and which comprised 2.6% of our Investment Portfolio at fair value as of December 31, 2012.

During the six months ended June 30, 2013, there were ten portfolio company investment transfers from the LMM and Middle Market portfolio investment categories to the Private Loan portfolio investment category totaling \$69.6 million in fair value and \$69.0 million in cost as of the date of transfer.

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 MSMF and MSC II are both 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 will also fluctuate depending upon portfolio activity 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.

MSCC and its consolidated subsidiaries are internally managed by the Investment Manager, a wholly owned subsidiary of MSCC, which employs all of the executive officers and other employees of Main Street. Because the Investment Manager is wholly owned by MSCC, Main Street does not pay any external investment advisory fees, but instead incurs the operating costs associated with employing investment and portfolio management professionals through the Investment Manager. We believe that our internally managed structure provides us with a beneficial operating expense structure when

Table of Contents

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 and six months ended June 30, 2013, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.6% and 1.6%, respectively, on an annualized basis, compared to 1.9% and 2.0%, respectively, on an annualized basis for the three and six months ended June 30, 2012 and 1.8% for the year ended December 31, 2012.

During May 2012, MSCC and the Investment Manager executed an investment sub-advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income Fund, Inc. ("HMS Income"), a non publicly-traded BDC whose registration statement on Form N-2 was declared effective by the SEC in June 2012, to provide certain investment advisory services to HMS Adviser. MSCC is initially providing such investment advisory services to HMS Adviser, but it is ultimately intended that the Investment Manager provide such services because the fees MSCC receives from such arrangement could otherwise have negative consequences on its ability to meet the source-of-income requirement necessary for it to maintain its RIC tax treatment (MSCC or the Investment Adviser, whichever is providing such investment advisory services, the "Sub-Adviser"). Certain relief must be obtained from the SEC before the Investment Manager is permitted to provide these services to HMS Adviser, which relief is being sought, but there can be no assurance that it will be obtained. Under the investment sub-advisory agreement, the Sub-Adviser is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. However, the Sub-Adviser has agreed to waive all such fees from the effective date of HMS Adviser's registration statement on Form N-2 through December 31, 2013. As a result, as of June 30, 2013, the Sub-Adviser has not received any base management fee or incentive fees under the investment sub-advisory agreement and the Sub-Adviser is not due any unpaid compensation for any base management fee or incentive fees under the investment sub-advisory agreement.

**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 the three months ended March 31, 2013 and the three and six months ended June 30, 2012, our consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries, which include the Funds and the Taxable Subsidiaries. Beginning April 1, 2013, and for all periods thereafter, our consolidated financial statements also include the balance sheet and income statement accounts and other information for the Investment Manager reflected as a consolidated subsidiary (see further discussion below). The Investment Portfolio, as used herein, refers to all of our LMM portfolio investments, Middle Market portfolio investments, Private Loan portfolio investments, Other Portfolio investments and, for all periods up to and including March 31, 2013, the investment in the Investment Manager, but excludes all "Marketable securities and idle funds investments," and for all periods after March 31, 2013, the Investment Portfolio also excludes the Investment Manager. For all periods up to and including the period ending March 31, 2013, the Investment Manager was accounted for as a portfolio investment and was not consolidated with MSCC and its consolidated subsidiaries. For all periods after March 31, 2013, the Investment Manager is consolidated with MSCC and its other consolidated subsidiaries. Marketable securities and idle funds investments are classified as financial instruments and are reported separately on our Consolidated Balance Sheets and Consolidated Schedule of Investments due to the nature of such investments. Our results of operations for the three and six months ended June 30, 2013 and 2012, cash flows for the six months ended June 30, 2013 and 2012, and financial position as of June 30, 2013 and December 31, 2012, are presented on a consolidated basis. The effects of all intercompany transactions between Main Street and its consolidated subsidiaries have been eliminated in

Table of Contents

consolidation. Certain reclassifications have been made to prior period balances to conform with the current presentation, including certain investments previously included as part of the LMM portfolio or Middle Market portfolio that are now classified as part of the Private Loan portfolio and the reclassification of Investment Portfolio and Marketable securities and idle funds investment related activity from cash flows from investing activities to cash flows from operating activities.

The accompanying unaudited consolidated financial statements of Main Street are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and six months ended June 30, 2013 and June 30, 2012 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, 2012. 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 the investment company rules and regulations pursuant to Article 6 of Regulation S-X and the Audit and Accounting Guide for Investment Companies issued by the American Institute of Certified Public Accountants (the "AICPA Guide"), we are precluded from consolidating portfolio company investments, including those in which we have a controlling interest, unless the portfolio company is another investment company. An exception to this general principle in the AICPA Guide 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 an investment company of ours. None of the portfolio investments made by us qualify for this exception, except as discussed below with respect to the Investment Manager. Therefore, the Investment Portfolio is carried on the balance sheet at fair value, with any adjustments to fair value recognized as "Net Change in Unrealized Appreciation (Depreciation)" on our Statement of Operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss) from Investments." For all periods prior to and including March 31, 2013, the Investment Manager was accounted for as a portfolio investment and included as part of the Investment Portfolio in our consolidated financial statements. The Investment Manager was consolidated with MSCC and its other consolidated subsidiaries prospectively beginning April 1, 2013 as the controlled operating subsidiary was providing substantially all of its services directly or indirectly to Main Street or its portfolio companies.

***Portfolio Investment Valuation***

The most significant determination inherent in the preparation of our consolidated financial statements is the valuation of our Investment Portfolio and the related amounts of unrealized appreciation and depreciation. As of June 30, 2013 and December 31, 2012, approximately 91% and 89%, respectively, of our total assets at each date represented our Investment Portfolio valued at fair value. We are required to report our investments at fair value. We follow the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("Codification" or "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.

Table of Contents

Our business strategy calls for us to invest primarily in illiquid debt and equity securities issued by private, LMM companies and debt securities issued by Middle Market companies that are generally larger in size than the LMM companies. We also categorize some of our investments in LMM companies and Middle Market companies as Private Loan portfolio investments, which are typically debt securities issued by companies that are consistent in size with either the LMM companies or Middle Market companies, but are investments which have been originated through strategic relationships with other investment funds on a collaborative basis. Our portfolio also includes Other Portfolio investments which primarily consist of investments which are not consistent with the typical profiles for our LMM portfolio investments, Middle Market portfolio investments or Private Loan portfolio investments, including investments which may be managed by third parties. All of these portfolio investments may be subject to restrictions on resale.

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

For LMM investments, we review external events, including private mergers, sales and acquisitions involving comparable companies, and include these events in the valuation process. For Middle Market portfolio investments, we primarily use observable inputs such as quoted prices in the valuation process. For Middle Market portfolio investments for which sufficient observable inputs are not available to determine fair value, we generally use a combination of observable inputs through obtaining third party quotes or other independent pricing and an approach similar to the income approach using a yield-to-maturity model used to value our LMM portfolio debt investments.

For valuation purposes, "control" LMM portfolio investments are composed of debt and equity securities in companies for which we have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. Market quotations are generally not readily available for our control LMM portfolio investments. As a result, for control LMM portfolio investments, we determine the fair value using a combination of market and income approaches. Under the market approach, we will typically use the enterprise value methodology to determine the fair value of these investments. The enterprise value is the fair value at which an enterprise could be sold in a transaction between two willing parties, other than through a forced or liquidation sale. Typically, private companies are bought and sold based on multiples of earnings before interest, taxes, depreciation and amortization, or EBITDA, cash flows, net income, revenues, or in limited cases, book value. There is no single methodology for estimating enterprise value. For any one portfolio company, enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In estimating the enterprise value of a portfolio company, we analyze various factors, including the portfolio company's historical and projected financial results. We allocate the enterprise value to investments in order of the legal priority of the various components of the portfolio company's capital structure. We will also use the income approach to determine the fair value of these securities, based on projections of the discounted future free cash flows that the portfolio company or the debt security will likely generate, and which includes using a yield-to-maturity approach that analyzes the discounted cash flows of interest and principal for the debt security, as set forth in the associated loan agreements, as well as the financial position and credit risk of each of these portfolio investments. The valuation approaches for our control LMM portfolio investments estimate the value of the investment if we were to sell, or exit, the investment. In addition, these valuation approaches consider the value associated with our ability to control the capital structure of the portfolio company, as well as the timing of a potential exit.

Table of Contents

For valuation purposes, "non-control" LMM portfolio investments are composed of debt and equity securities in companies for which we do not have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. Market quotations are generally not readily available for non-control LMM portfolio investments. For our non-control LMM portfolio investments, we use a combination of the market and income approaches to value our equity investments and the income approach to value our debt investments similar to the approaches used for our control LMM portfolio investments, and which includes using a yield-to-maturity approach that analyzes the discounted cash flows of interest and principal for the debt security, as set forth in the associated loan agreements, as well as the financial position and credit risk of each of these portfolio investments. Our estimate of the expected repayment date of a LMM debt security is generally the legal maturity date of the instrument, as we generally intend to hold our LMM loans and debt securities to maturity. The yield-to-maturity analysis considers changes in leverage levels, credit quality, portfolio company performance and other factors. We will use the value determined by the yield-to-maturity analysis as the fair value for that security; however, because of our general intent to hold our loans to maturity, the fair value will not exceed the face amount of the LMM debt security. A change in the assumptions that we use to estimate the fair value of our LMM debt securities using the yield-to-maturity analysis could have a material impact on the determination of fair value. If there is deterioration in credit quality or if a LMM debt security is in workout status, we may consider other factors in determining the fair value of the LMM debt security, including the value attributable to the debt security from the enterprise value of the portfolio company or the proceeds that would most likely be received in a liquidation analysis.

Our Middle Market portfolio investments primarily consist of direct or secondary investments in interest-bearing debt securities in companies that are generally larger in size than the LMM companies included in our Investment Portfolio. For valuation purposes, all of our Middle Market portfolio investments are non-control investments for which we do not have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. We primarily use observable inputs to determine the fair value of these investments through obtaining third party quotes or other independent pricing, to the extent such sufficient observable inputs are available to determine fair value. For Middle Market portfolio investments for which sufficient observable inputs are not available to determine fair value, we generally use a combination of observable inputs through obtaining third party quotes or other independent pricing and an approach similar to the income approach using a yield-to-maturity model used to value our LMM portfolio debt investments.

Our Private Loan portfolio investments primarily consist of direct or secondary investments in interest-bearing debt securities in companies that are consistent with the size of companies included in our LMM portfolio or our Middle Market portfolio. For valuation purposes, all of our Private Loan portfolio investments are non-control investments for which we do not have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. As sufficient observable inputs to determine the fair value of these Private Loan portfolio investments through obtaining third party pricing or other independent pricing are not generally available, we generally use a combination of observable inputs through obtaining third party quotes or other independent pricing and an approach similar to the income approach using a yield-to-maturity model used to value our LMM portfolio debt investments.

For valuation purposes, all of our Other Portfolio investments are non-control investments for which we generally do not have a controlling interest in the portfolio company or the ability to nominate a majority of the portfolio company's board of directors. Our Other Portfolio investments comprised 3.1% and 2.6%, respectively, of our Investment Portfolio at fair value as of June 30, 2013 and December 31, 2012. Similar to the LMM investment portfolio, market quotations for Other Portfolio equity investments are generally not readily available. For our Other Portfolio equity investments, we determine the fair value based on the fair value of the portfolio company as



Table of Contents

determined by independent third parties and based on our proportional ownership in the portfolio company, as well as the financial position and assessed risk of each of these portfolio investments. For Other Portfolio debt investments with observable inputs, we determine the fair value of these investments through obtaining third party quotes or other independent pricing, to the extent such sufficient observable inputs are available to determine fair value. To the extent observable inputs are not available, we value these Other Portfolio debt investments through an approach similar to the income approach using a yield-to-maturity model used to value our LMM portfolio debt investments.

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 used 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.

***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 or at the point an obligation exists for the portfolio company to make a distribution. In accordance with our valuation policy, 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 will remove it from non-accrual status.

*Fee Income*

We may periodically provide services, including structuring and advisory services, to our portfolio companies or other third parties. For services that are separately identifiable and evidence exists to substantiate fair value, 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 debt and preferred equity instruments in our Investment Portfolio that contain payment-in-kind ("PIK") interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed. 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 will stop accruing PIK interest and cumulative dividends and will write off any accrued and uncollected interest and dividends in arrears when it is determined that such PIK interest and dividends in arrears are no longer collectible.

Table of Contents

***Share-Based Compensation***

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

***Income Taxes***

MSCC has elected to be treated for federal income tax purposes as a RIC. As a RIC, MSCC generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that MSCC distributes to its stockholders as dividends. MSCC must generally distribute at least 90% of its investment company taxable income to qualify for pass-through tax treatment and maintain its RIC status. As part of maintaining RIC status, undistributed taxable income (subject to a 4% excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared prior to the filing of the federal income tax return for the prior year.

The Taxable Subsidiaries hold certain portfolio investments for us. The Taxable Subsidiaries are consolidated with us for financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in our consolidated financial statements. The principal purpose of the Taxable Subsidiaries is to permit us to hold equity investments in portfolio companies which are "pass through" entities for tax purposes and continue to comply with the "source income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are not consolidated with us for income tax purposes and may generate income tax expense, or benefit, and the related tax assets and liabilities, as a result of their ownership of various portfolio investments. This income tax expense, or benefit, if any, and related tax assets and liabilities, are reflected in our consolidated financial statements.

The Investment Manager has elected, for tax purposes, to be treated as a taxable entity, is not consolidated with us for income tax purposes and is taxed at normal corporate tax rates based on its taxable income, or loss, and, as a result of its activities, may generate income tax expense or benefit. The Investment Manager permits us to receive third party fees and continue to comply with the "source income" requirements contained in the RIC tax provisions. The taxable income, or loss, of the Investment Manager may differ from its book income, or loss, due to temporary book and tax timing differences, as well as permanent differences. Through March 31, 2013, the Investment Manager provided for any tax expense, or benefit, and related tax assets or liabilities, in its separate financial statements. Beginning April 1, 2013, the Investment Manager is included in our consolidated financial statements reflected as a consolidated subsidiary and any income tax expense, or benefit, and related tax assets and liabilities are reflected in our consolidated financial statements.

The Taxable Subsidiaries and the Investment Manager use the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the 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.

Table of Contents**INVESTMENT PORTFOLIO COMPOSITION**

LMM portfolio investments principally consist of secured debt, equity warrants and direct equity investments in privately held, LMM companies. The LMM debt investments are primarily secured by either a first or second lien on the assets of the portfolio company, generally bear interest at fixed rates, and generally mature between five and seven years from the original investment date. In most LMM portfolio companies, we also receive nominally priced equity warrants and/or make direct equity investments, usually in connection with a debt investment.

Middle Market portfolio investments primarily consist of direct or secondary investments in interest-bearing debt securities in companies that are generally larger in size than the LMM companies included in our LMM portfolio. Our Middle Market portfolio debt investments are generally secured by either a first or second priority lien and typically have a term of between three and five years.

Our Private Loan portfolio investments primarily consist of investments in interest-bearing debt securities in companies that are consistent with the size of companies included in our LMM portfolio or our 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.

The following tables summarize the composition of our total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments as of June 30, 2013 and December 31, 2012 (this information excludes the Other Portfolio investments and the Investment Manager).

<b>Cost:</b>	<b>June 30, 2013</b>	<b>December 31, 2012</b>
First lien debt	82.3%	81.1%
Equity	9.4%	10.4%
Second lien debt	5.5%	6.0%
Equity warrants	2.4%	1.9%
Other	0.4%	0.6%
	100.0%	100.0%

<b>Fair Value:</b>	<b>June 30, 2013</b>	<b>December 31, 2012</b>
First lien debt	73.4%	72.1%
Equity	17.7%	18.7%
Second lien debt	5.0%	5.4%
Equity warrants	3.6%	3.3%
Other	0.3%	0.5%
	100.0%	100.0%

The following tables summarize the composition of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments by geographic region of the United States or other countries at cost and fair value as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, as of June 30, 2013 and December 31, 2012 (this information excludes the Other Portfolio

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

### Table of Contents

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

<b>Cost:</b>	<b>June 30, 2013</b>	<b>December 31, 2012</b>
West	24.4%	25.7%
Southwest	22.5%	27.7%
Northeast	17.4%	17.2%
Southeast	15.9%	10.1%
Midwest	14.2%	17.6%
Non-United States	5.6%	1.7%
	100.0%	100.0%

<b>Fair Value:</b>	<b>June 30, 2013</b>	<b>December 31, 2012</b>
Southwest	26.0%	31.3%
West	24.3%	25.3%
Northeast	16.1%	15.8%
Southeast	14.4%	9.1%
Midwest	14.2%	17.0%
Non-United States	5.0%	1.5%
	100.0%	100.0%

Our LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments are in companies conducting business in a variety of industries. The following tables summarize the composition of our total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, by industry at cost and fair value as of June 30,

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

### Table of Contents

2013 and December 31, 2012 (this information excludes the Other Portfolio investments and the Investment Manager).

Cost:	June 30, 2013	December 31, 2012
Energy Equipment & Services	12.2%	8.4%
Media	7.6%	7.2%
Specialty Retail	5.9%	6.1%
Software	5.3%	8.3%
Commercial Services & Supplies	5.3%	6.4%
Health Care Providers & Services	5.3%	5.3%
Machinery	5.2%	6.7%
Construction & Engineering	4.2%	4.7%
Hotels, Restaurants & Leisure	2.9%	3.5%
Diversified Consumer Services	2.9%	3.2%
IT Services	2.8%	2.8%
Professional Services	2.8%	2.2%
Diversified Telecommunication Services	2.6%	0.0%
Electronic Equipment, Instruments & Components	2.2%	2.6%
Textiles, Apparel & Luxury Goods	2.1%	0.7%
Oil, Gas & Consumable Fuels	2.0%	1.6%
Insurance	1.9%	2.0%
Health Care Equipment & Supplies	1.9%	1.5%
Food Products	1.6%	2.0%
Electrical Equipment	1.5%	0.8%
Metals & Mining	1.5%	2.2%
Building Products	1.4%	2.0%
Aerospace & Defense	1.4%	1.9%
Communications Equipment	1.4%	1.2%
Consumer Finance	1.3%	1.2%
Chemicals	1.2%	2.0%
Containers & Packaging	1.2%	1.5%
Paper & Forest Products	1.1%	1.0%
Leisure Equipment & Products	1.1%	0.0%
Road & Rail	1.0%	1.0%
Trading Companies & Distributors	0.8%	1.0%
Construction Materials	0.5%	1.7%
Other(1)	7.9%	7.3%
	100.0%	100.0%

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

Table of Contents

<b>Fair Value:</b>	<b>June 30, 2013</b>	<b>December 31, 2012</b>
Energy Equipment & Services	13.5%	10.2%
Media	7.2%	6.7%
Machinery	6.5%	8.3%
Health Care Providers & Services	5.3%	5.3%
Software	5.2%	7.9%
Commercial Services & Supplies	5.1%	6.1%
Specialty Retail	4.9%	4.9%
Construction & Engineering	4.5%	5.1%
Diversified Consumer Services	3.7%	4.0%
Hotels, Restaurants & Leisure	3.0%	3.5%
IT Services	2.5%	2.5%
Professional Services	2.4%	2.0%
Diversified Telecommunication Services	2.3%	0.0%
Electronic Equipment, Instruments & Components	2.1%	2.4%
Textiles, Apparel & Luxury Goods	1.9%	0.6%
Oil, Gas & Consumable Fuels	1.8%	1.4%
Insurance	1.7%	1.8%
Health Care Equipment & Supplies	1.7%	1.3%
Food Products	1.5%	1.8%
Trading Companies & Distributors	1.5%	1.7%
Road & Rail	1.5%	1.5%
Electrical Equipment	1.4%	0.7%
Metals & Mining	1.3%	1.9%
Aerospace & Defense	1.3%	1.7%
Paper & Forest Products	1.3%	1.2%
Communications Equipment	1.3%	1.1%
Chemicals	1.1%	1.8%
Containers & Packaging	1.1%	1.3%
Consumer Finance	1.1%	1.1%
Building Products	1.0%	1.5%
Leisure Equipment & Products	1.0%	0.0%
Transportation Infrastructure	0.8%	1.0%
Construction Materials	0.2%	1.4%
Other(1)	7.3%	6.3%
	100.0%	100.0%

(1)

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

Our LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments carry a number of risks including, but not limited to: (1) investing in LMM, Middle Market, Private Loan and Other Portfolio 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.

Table of Contents**PORTFOLIO ASSET QUALITY**

We utilize an internally developed investment rating system to rate the performance of each LMM portfolio company and to monitor our expected level of returns on each of our LMM investments in relation to our expectations for the portfolio company. The investment rating system takes into consideration various factors, including but not limited to each investment's expected level of returns and the collectability of our debt investments, comparisons to competitors and other industry participants and the portfolio company's future outlook. Investment Rating 1 represents a LMM portfolio company that is performing in a manner which significantly exceeds expectations. Investment Rating 2 represents a LMM portfolio company that, in general, is performing above expectations. Investment Rating 3 represents a LMM portfolio company that is generally performing in accordance with expectations. Investment Rating 4 represents a LMM portfolio company that is underperforming expectations. Investments with such a rating require increased monitoring and scrutiny by us. Investment Rating 5 represents a LMM portfolio company that is significantly underperforming. Investments with such a rating require heightened levels of monitoring and scrutiny by us and involve the recognition of significant unrealized depreciation on such investment. All new LMM portfolio investments receive an initial Investment Rating of 3.

The following table shows the distribution of our LMM portfolio investments on the 1 to 5 investment rating scale at fair value as of June 30, 2013 and December 31, 2012:

Investment Rating	June 30, 2013		December 31, 2012	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
(dollars in thousands)				
1	\$ 182,907	32.9%	\$ 167,154	34.6%
2	118,630	21.4%	117,157	24.3%
3	219,309	39.5%	174,754	36.2%
4	34,468	6.2%	23,799	4.9%
5		0.0%		0.0%
Totals	\$ 555,314	100.0%	\$ 482,864	100.0%

Based upon our investment rating system, the weighted average rating of our LMM portfolio was approximately 2.2 as of June 30, 2013 and 2.1 as of December 31, 2012.

For the total Investment Portfolio, as of June 30, 2013, we had one investment with positive fair value on non-accrual status which comprised 0.2% of the total Investment Portfolio at fair value and, together with another fully impaired investment, comprised approximately 0.7% of the total Investment Portfolio at cost. As of December 31, 2012, we had no investments with positive fair value on non-accrual status and one fully impaired investment which comprised approximately 0.2% of the total Investment Portfolio at cost, excluding the investment in the affiliated Investment Manager.

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

Table of Contents**DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS**

	Three Months Ended June 30,		Net Change	
	2013	2012	Amount	%
	(dollars in millions)			
Total investment income	\$ 27.8	\$ 20.8	\$ 7.0	33%
Total expenses	(10.0)	(8.0)	(2.0)	24%
Net investment income	17.8	12.8	5.0	39%
Net realized gain (loss) from investments	0.8	(3.3)	4.1	
Net realized income	18.6	9.5	9.1	96%
Net change in unrealized appreciation (depreciation) from:				
Portfolio investments	6.3	17.5	(11.2)	
SBIC debentures, marketable securities and idle funds and investment in the Investment Manager	(0.1)	(1.8)	1.7	
Total net change in unrealized appreciation	6.2	15.7	(9.5)	
Income tax provision	(0.8)	(1.0)	0.2	
Net increase in net assets resulting from operations attributable to common stock	\$ 24.0	\$ 24.2	\$ (0.2)	(1)%

	Three Months Ended June 30,		Net Change	
	2013	2012	Amount	%
	(dollars in millions)			
Net investment income	\$ 17.8	\$ 12.8	\$ 5.0	39%
Share-based compensation expense	0.6	0.6	(0.0)	4%
Distributable net investment income(a)	18.4	13.4	5.0	38%
Net realized gain (loss) from investments	0.8	(3.3)	4.1	
Distributable net realized income(a)	\$ 19.2	\$ 10.1	\$ 9.1	91%
Distributable net investment income per share				
Basic and diluted(a)	\$ 0.53	\$ 0.49	\$ 0.04	8%
Distributable net realized income per share				
Basic and diluted(a)	\$ 0.55	\$ 0.37	\$ 0.18	49%

(a) Distributable net investment income and distributable net realized income are net investment income and net realized income, respectively, 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 distributable net realized 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 and distributable net realized income are non-U.S. GAAP measures and should not be considered as a replacement to net investment income, net realized income, and other earnings measures presented in accordance with U.S. GAAP. Instead, distributable net investment income and distributable net realized income should be reviewed only in connection with such U.S. GAAP measures in analyzing our financial



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

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

S-32

---

Table of Contents

*Investment Income*

For the three months ended June 30, 2013, total investment income was \$27.8 million, a 33% increase over the \$20.8 million of total investment income for the corresponding period of 2012. This comparable period increase was principally attributable to (i) a 6.4 million increase in interest income from higher average levels of portfolio debt investments and increased activity in the Investment Portfolio and (ii) a \$1.0 million increase in dividend income from Investment Portfolio equity investments, partially offset by (i) a \$0.3 million decrease in fee income due to lower LMM new deal activity and (ii) a \$0.2 million decrease in Marketable securities and idle funds investments income. The \$7.0 million increase in investment income in the second quarter of 2013 includes a \$1.2 million net increase in investment income related to accelerated prepayment and repricing activity for certain portfolio debt investments and Marketable securities and idle funds investments when compared to the same period in 2012.

*Expenses*

For the three months ended June 30, 2013, total expenses increased to \$10.0 million from \$8.0 million for the corresponding period of 2012. This comparable period increase in operating expenses was principally attributable to (i) higher interest expenses of \$1.4 million primarily as a result of the \$92.0 million Notes offering in April 2013 and (ii) an increase in general and administrative expenses of \$0.6 million, which is composed of \$0.2 million in higher compensation and related expenses primarily as a result of additional personnel and a \$0.4 million increase related to other general and administrative expenses compared to the corresponding period of 2012. The ratio of our total operating expenses, excluding interest expense, as a percentage of our average total assets was 1.6% on an annualized basis for the three months ended June 30, 2013, compared to 1.9% for the comparable period in the prior year.

*Distributable Net Investment Income*

Distributable net investment income increased 38% to \$18.4 million, or \$0.53 per share, compared with \$13.4 million, or \$0.49 per share, in the corresponding period of 2012. The increase in distributable net investment income was primarily due to the higher level of total investment income partially offset by higher operating expenses, due to the changes discussed above. Distributable net investment income on a per share basis for the three months ended June 30, 2013 reflects (i) an increase of approximately \$0.03 per share from the comparable period in 2012 attributable to the increase in the comparable levels of accelerated prepayment and repricing activity for certain portfolio debt investments and Marketable securities and idle funds investments as discussed above and (ii) a greater number of average shares outstanding compared to the corresponding period in 2012 primarily due to the June 2012 and December 2012 follow-on stock offerings.

*Net Investment Income*

Net investment income for the three months ended June 30, 2013 was \$17.8 million, or a 39% increase, compared to net investment income of \$12.8 million for the corresponding period of 2012. 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 Realized Income*

Distributable net realized income was \$19.2 million, or \$0.55 per share, for the three months ended June 30, 2013 compared with distributable net realized income of \$10.1 million, or \$0.37 per share, in the corresponding period of 2012. The \$9.1 million increase was primarily attributable to (i) the increase in net realized gain from investments of \$4.1 million due primarily to the realized losses

Table of Contents

of \$3.3 million incurred in the second quarter of 2012, and (ii) higher distributable net investment income in the three months ended June 30, 2013 compared to the corresponding period of 2012 as discussed above. The \$0.8 million net realized gain from investments during the second quarter of 2013 was primarily attributable to net realized gains related to Middle Market debt and Marketable securities and idle funds investments.

*Net Realized Income*

The higher levels of net investment income and net realized gain from investments in the three months ended June 30, 2013 compared to the corresponding period of 2012, both as discussed above, resulted in a \$9.1 million increase in net realized income compared with the corresponding period of 2012.

*Net Increase in Net Assets Resulting from Operations Attributable to Common Stock*

The net increase in net assets resulting from operations attributable to common stock during the three months ended June 30, 2013 was \$24.0 million, or \$0.69 per share, compared with a net increase of \$24.2 million, or \$0.88 per share, in the second quarter of 2012. This \$0.2 million decrease from the comparable period in the prior year was the result of the \$9.1 million increase in net realized income as discussed above, offset by a \$9.5 million decrease in the net change in unrealized appreciation to \$6.2 million in the second quarter of 2013, compared to \$15.7 million for the comparable period in the prior year. The total net change in unrealized appreciation for the second quarter of 2013 of \$6.2 million included a \$6.3 million net change in unrealized appreciation from portfolio investments and a net change in unrealized appreciation of \$0.6 million from the SBIC debentures held by MSC II, partially offset by a net unrealized depreciation from Marketable securities and idle funds investments of \$0.7 million. The \$6.3 million net change in unrealized appreciation from portfolio investments for the three months ended June 30, 2013 was principally attributable to (i) unrealized appreciation on 21 LMM portfolio investments totaling \$10.0 million, partially offset by unrealized depreciation on 4 LMM portfolio investments totaling \$1.0 million and (ii) net unrealized appreciation on Other Portfolio investments of \$1.5 million, partially offset by (iii) \$1.8 million of net unrealized depreciation on the Middle Market portfolio investments, (iv) \$0.9 million of net unrealized depreciation on Private Loan portfolio investments, and (v) accounting reversals of net unrealized appreciation from prior periods of \$1.5 million related to portfolio investment exits and repayments. For the three months ended June 30, 2013, we also recognized a net income tax provision of \$0.8 million primarily related to other taxes of \$0.7 million which include a \$0.5 million accrual for excise tax on our estimated spillover taxable income and \$0.2 million related to accruals for state and other taxes.

Table of Contents*Comparison of the six months ended June 30, 2013 and June 30, 2012*

	Six Months Ended June 30,		Net Change	
	2013	2012	Amount	%
	(dollars in millions)			
Total investment income	\$ 53.4	\$ 41.4	\$ 12.0	29%
Total expenses	(18.3)	(15.7)	(2.6)	17%
Net investment income	35.1	25.7	9.4	37%
Net realized gain (loss) from investments	0.4	4.8	(4.4)	
Net realized income	35.5	30.5	5.0	
Net change in unrealized appreciation (depreciation) from:				
Portfolio investments	16.4	22.0	(5.6)	
SBIC debentures, marketable securities and idle funds and investment in the Investment Manager	(1.5)	(1.6)	0.1	
Total net change in unrealized appreciation	14.9	20.4	(5.5)	
Income tax provision	(2.8)	(2.9)	0.1	
Noncontrolling interest		(0.1)	0.1	
Net increase in net assets resulting from operations attributable to common stock	\$ 47.6	\$ 47.9	\$ (0.3)	(1)%

	Six Months Ended June 30,		Net Change	
	2013	2012	Amount	%
	(dollars in millions)			
Net investment income	\$ 35.1	\$ 25.7	\$ 9.4	37%
Share-based compensation expense	1.2	1.2	(0.0)	4%
Distributable net investment income(a)	36.3	26.9	9.4	35%
Net realized gain from investments	0.4	4.8	(4.4)	
Distributable net realized income(a)	\$ 36.7	\$ 31.7	\$ 5.0	
Distributable net investment income per share Basic and diluted(a)(b)	\$ 1.05	\$ 0.99	\$ 0.06	6%
Distributable net realized income per share Basic and diluted(a)(b)	\$ 1.06	\$ 1.17	\$ (0.11)	(9)%

(a)

Distributable net investment income and distributable net realized income are net investment income and net realized income, respectively, 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 distributable net realized 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 and distributable net realized income are non-U.S. GAAP measures and should not be considered as a replacement to net investment income, net realized income, and other earnings measures presented in accordance with U.S. GAAP. Instead, distributable net investment income and distributable net realized income should be reviewed only in connection with such U.S. GAAP measures in analyzing our financial performance. A reconciliation of net investment income and net realized income in accordance with U.S. GAAP to distributable net investment income and distributable net realized income is presented in the table above.



Table of Contents

- (b) Per share amounts exclude the earnings attributable to the noncontrolling equity interests in MSC II not owned by Main Street for the periods prior to the completion of the Final MSC II Exchange during the first quarter of 2012.

*Investment Income*

For the six months ended June 30, 2013, total investment income was \$53.4 million, a 29% increase over the \$41.4 million of total investment income for the corresponding period of 2012. This comparable period increase was principally attributable to (i) a 10.6 million increase in interest income from higher average levels of portfolio debt investments and increased activity in the Investment Portfolio, and (ii) a \$2.1 million increase in dividend income from portfolio equity investments, offset by (i) a \$0.8 million decrease in interest and dividend income from Marketable securities and idle funds investments. The \$12.0 million increase in investment income in the second quarter of 2013 includes a \$1.5 million decrease in the amount of non-recurring investment income associated with debt repayment and financing activities in LMM portfolio investments included in investment income in the first six months of 2013 offset by a \$1.5 million increase in the amount of investment income related to higher accelerated prepayment and repricing activity of certain Middle Market and Private Loan portfolio debt investments and Marketable securities and idle funds investments in the first six months of 2013, both when compared to the comparable period.

*Expenses*

For the six months ended June 30, 2013, total expenses increased to \$18.3 million from \$15.7 million for the corresponding period of 2012. This comparable period increase in operating expenses was principally attributable to (i) higher interest expenses of \$1.4 million primarily as a result of the \$92.0 million Notes offering in April 2013 and (ii) an increase in general and administrative expenses of \$1.2 million, which is composed an increase of \$0.7 million related to compensation and related expenses primarily as a result of additional personnel and an increase of \$0.5 million related to other general and administrative expenses compared to the corresponding period of 2012. The ratio of our total operating expenses, excluding interest expense, as a percentage of our average total assets was 1.6% on an annualized basis for the six months ended June 30, 2013, compared to 2.0% for the comparable period in the prior year.

*Distributable Net Investment Income*

Distributable net investment income increased 35% to \$36.3 million, or \$1.05 per share, compared with \$26.9 million, or \$0.99 per share, in the corresponding period of 2012. The increase in distributable net investment income was primarily due to the higher level of total investment income partially offset by higher operating expenses, due to the changes discussed above. The distributable net investment income on a per share basis for the six months ended June 30, 2013 reflects the impact of a greater number of average shares outstanding compared to the corresponding period in 2012 primarily due to the June 2012 and December 2012 follow-on stock offerings.

*Net Investment Income*

Net investment income for the six months ended June 30, 2013 was \$35.1 million, or a 37% increase, compared to net investment income of \$25.7 million for the corresponding period of 2012. 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.

Table of Contents

*Distributable Net Realized Income*

Distributable net realized income was \$36.7 million, or \$1.06 per share, for the six months ended June 30, 2013 compared with distributable net realized income of \$31.7 million, or \$1.17 per share, in the corresponding period of 2012. The \$5.0 million increase was primarily attributable to higher distributable net investment income in the six months ended June 30, 2013 compared to the corresponding period of 2012 as discussed above, partially offset by a decrease in net realized gain from investments of \$4.4 million. The \$0.4 million net realized gain from investments during the six months ended June 30, 2013 was primarily attributable to related to Middle Market debt and Marketable securities investments and idle funds investments.

*Net Realized Income*

The higher net investment income, partially offset by lower level of net realized gain from investments, in the six months ended June 30, 2013 compared to the corresponding period of 2012, both as discussed above, resulted in a \$5.0 million increase in net realized income compared with the corresponding period of 2012.

*Net Increase in Net Assets Resulting from Operations Attributable to Common Stock*

The net increase in net assets resulting from operations attributable to common stock during the six months ended June 30, 2013 was \$47.6 million, or \$1.37 per share, compared with a net increase of \$47.9 million, or \$1.77 per share, in the corresponding period of 2012. This \$0.3 million decrease from the comparable period in the prior year was primarily the result of a \$5.5 million decrease in the net change in unrealized appreciation to \$14.9 million in the second quarter of 2013, compared to \$20.4 million for the comparable period in the prior year, partially offset by the increase in net realized income as discussed above. The total net change in unrealized appreciation for the six months ended June 30, 2013 of \$14.9 million included \$16.4 million of net unrealized appreciation from portfolio investments, partially offset by net unrealized depreciation of \$0.7 million on the SBIC debentures held by MSC II and by the net unrealized depreciation from Marketable securities and idle funds investments of \$0.8 million. The \$16.4 million net change in unrealized appreciation from portfolio investments for the six months ended June 30, 2013 was principally attributable to (i) unrealized appreciation on 25 LMM portfolio investments totaling \$19.6 million, partially offset by unrealized depreciation on 13 LMM portfolio investments totaling \$4.4 million, (ii) \$2.9 million of net unrealized appreciation on the Middle Market investments and (iii) \$1.8 million of net unrealized appreciation on the Other portfolio, partially offset by (i) accounting reversals of net unrealized appreciation from prior periods of \$2.8 million related to portfolio investment exits and repayments and (ii) \$0.7 million of net unrealized depreciation on the Private Loan investments. For the six months ended June 30, 2013, we also recognized a net income tax provision of \$2.8 million related to deferred taxes of \$1.4 million and other taxes of \$1.4 million. The deferred taxes related primarily to net unrealized appreciation on equity investments held in our taxable subsidiaries. The other taxes include \$0.9 million related to an accrual for excise tax on our estimated spillover taxable income and \$0.5 million related to accruals for state and other taxes.

*Liquidity and Capital Resources*

*Cash Flows*

For the six months ended June 30, 2013, we experienced a net decrease in cash and cash equivalents in the amount of \$22.3 million. During the period, we used \$155.2 million of cash for our operating activities, which resulted primarily from (i) cash flows we generated from the ordinary operating profits earned through our operating activities totaling \$28.8 million, which is our \$36.3 million of distributable net investment income, excluding the non-cash effects of the accretion of

Table of Contents

unearned income of \$5.1 million, payment-in-kind interest income of \$2.4 million, cumulative dividends of \$0.5 million and the amortization expense for deferred financing costs of \$0.5 million, (ii) cash uses totaling \$409.7 million from (a) the funding of new portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2012, which together total \$353.6 million, (b) the funding of new Marketable securities and idle funds investments and settlement of accruals for Marketable securities and idle funds investments existing as of December 31, 2012, which together total \$52.5 million, and (c) \$3.6 million related to decreases in payables and accruals, and (iii) cash proceeds totaling \$225.7 million from (a) \$178.8 million in cash proceeds from the sales and repayments of debt and equity investments, (b) \$42.5 million of cash proceeds from the sale of Marketable securities and idle funds investments, and (c) decreases in other assets of \$4.4 million.

During the six months ended June 30, 2013, \$132.9 million in cash was provided by financing activities, which principally consisted of \$89.0 million of net proceeds from the issuance of Notes and \$83.0 million in net cash proceeds from our credit facility (the "Credit Facility"), partially offset by \$38.8 million in cash dividends paid to stockholders.

*Capital Resources*

As of June 30, 2013, we had \$41.2 million in cash and cash equivalents, \$21.8 million in Marketable Securities and and idle funds investments and \$157.5 million of unused capacity under the Credit Facility, which we maintain to support our future investment and operating activities. As of June 30, 2013, our net asset value totaled \$655.4 million, or \$18.72 per share.

The Credit Facility was amended during the three months ended June 30, 2013 to provide for an increase from \$287.5 million to \$372.5 million in total commitments and to a diversified group of ten lenders. The Credit Facility contains an accordion feature which allows us to increase the total commitments under the facility up to \$425.0 million from new or existing lenders on the same terms and conditions as the existing commitments.

Borrowings under the Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable LIBOR rate (0.19%, as of June 30, 2013) plus 2.50% or (ii) the applicable base rate (Prime Rate, 3.25% as of June 30, 2013) plus 1.50%. We pay unused commitment fees of 0.375% 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 assets of the Funds. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining an interest coverage ratio of at least 2.0 to 1.0, (ii) maintaining an asset coverage ratio of at least 2.5 to 1.0, and (iii) maintaining a minimum tangible net worth. The Credit Facility includes an initial revolving period through September 2015 followed by a two-year term out period with a final maturity in September 2017, and contains two, one-year extension options which could extend both the revolving period and the final maturity by up to two years, subject to certain conditions including lender approval. At June 30, 2013, we had \$215.0 million in borrowings outstanding under the Credit Facility. As of June 30, 2013, the interest rate on the Credit Facility was 2.69%, 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. Under the regulations applicable to SBIC funds, an SBIC can have outstanding debentures guaranteed by the SBA generally in an amount up to twice its regulatory capital, which effectively approximates the amount of its equity capital. 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 June 30, 2013, we, through the Funds, had \$225 million of outstanding indebtedness guaranteed by the SBA, which carried a weighted average



Table of Contents

annual fixed interest rate of approximately 4.8%. The first maturity related to the SBIC debentures does not occur until 2014, and the remaining weighted average duration is approximately 5.9 years as of June 30, 2013.

In April, 2013, we issued \$92.0 million, including the underwriter's full exercise of the over-allotment option, in aggregate principal amount of 6.125% Notes due 2023 (the "Notes"). The Notes are unsecured obligations and rank pari passu with our current and future senior unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 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 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. As of June 30, 2013, the outstanding balance of the Notes was \$92.0 million. Main Street may from time to time repurchase Notes in accordance with the 1940 Act and the rules promulgated thereunder.

The 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 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 Notes Indenture.

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

We periodically invest excess cash balances into Marketable securities and idle funds investments. The primary investment objective of Marketable securities and idle funds investments is to generate incremental cash returns on excess cash balances prior to utilizing those funds for investment in our LMM, Middle Market and Private Loan portfolio investments. Marketable securities and idle funds investments generally consist of debt investments, independently rated debt investments, certificates of deposit with financial institutions, diversified bond funds and public traded debt and equity investments. The composition of Marketable securities and idle funds investments will vary in a given period based upon, among other things, changes in market conditions, the underlying fundamentals in our Marketable securities and idle funds investments, our outlook regarding future LMM, Middle Market and Private Loan portfolio investment needs, and any regulatory requirements applicable to us.

If our common stock trades below our net asset value per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board of Directors makes certain determinations. We did not seek approval to sell shares of our common stock below the then current net asset value per share of our common stock from our stockholders at our 2013 annual meeting of stockholders because our common stock price per share has been trading significantly above the current net asset value per share of our common stock. We would therefore need future approval from our stockholders to issue shares below the then current net asset value per share if we desire to issue shares of our common stock at a price 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 substantially all of our taxable income, but we may also elect to periodically spillover certain excess undistributed taxable income from one tax year into the next tax year. In addition, as a BDC, we generally are required to meet a coverage ratio of total assets to total senior securities, which

Table of Contents

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 stock offerings, our expanded \$372.5 million Credit Facility, and the available leverage through the SBIC program, there is no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

***Recently Issued Accounting Standards***

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 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 raw materials and required energy consumption.

***Off-Balance Sheet Arrangements***

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. At June 30, 2013, we had a total of \$101.3 million in outstanding commitments comprised of (i) eight commitments to fund revolving loans that had not been fully drawn and (ii) five capital commitments that had not been fully called.

***Contractual Obligations***

As of June 30, 2013, the future fixed commitments for cash payments in connection with our SBIC debentures and the Notes for each of the next five years and thereafter are as follows:

	2013	2014	2015	2016	2017	2018 and thereafter	Total
	(dollars in thousands)						
SBIC debentures	\$	\$ 6,000	\$ 23,100	\$ 5,000	\$ 44,700	\$ 146,200	\$ 225,000
Interest due on SBIC debentures	5,455	10,893	10,382	9,241	8,353	17,690	62,014
Notes						92,000	92,000
Interest due on Notes	2,833	5,713	5,713	5,729	5,713	31,431	57,132
<b>Total</b>	<b>\$ 8,288</b>	<b>\$ 22,606</b>	<b>\$ 39,195</b>	<b>\$ 19,970</b>	<b>\$ 58,766</b>	<b>\$ 287,321</b>	<b>\$ 436,146</b>

As of June 30, 2013, we had \$215.0 million in borrowings outstanding under our Credit Facility and the Credit Facility is currently scheduled to mature in September 2017. The Credit Facility contains two, one year extension options which could extend the maturity to September 2019. See further discussion of the Credit Facility terms in Liquidity and Capital Resources Capital Resources.

Table of Contents

***Related Party Transactions***

Subsequent to the completion of the Formation Transactions, the Investment Manager was treated as a wholly owned portfolio company of MSCC and was included as part of our Investment Portfolio through March 31, 2013. At December 31, 2012, the Investment Manager had a receivable of \$4.1 million due from MSCC related to operating expenses incurred by the Investment Manager required to support our business. Beginning April 1, 2013, the accounts of the Investment Manager are included as a part of our consolidated financial statements and the Investment Manager is reflected as a consolidated subsidiary, as opposed to being a part of our Investment Portfolio, and any intercompany balances between the Investment Manager and MSCC or any of its other consolidated subsidiaries have been eliminated in consolidation.

In June 2013, we adopted a deferred compensation plan for the non-employee members of our board of directors, which allows the directors at their option to defer all or a portion of the fees paid for their services as directors and have such deferred fees paid in shares of our common stock within 90 days after the participant's end of service as a director. As of June 30, 2013, \$225,000 of directors' fees had been deferred under this plan. These deferred fees represented 8,239 shares of our common shares. These shares will not be issued or included as outstanding on the consolidated statement of changes in net assets until each applicable participant's end of service as a director, but will be included in operating expenses and weighted average shares outstanding on our consolidated statement of operations as earned.

***Recent Developments***

In July 2013, we closed a LMM portfolio investment in Garreco, LLC ("Garreco") to facilitate a recapitalization of the company. The investment consists of \$5.8 million in senior secured term debt and a \$1.2 million direct equity investment. Garreco is headquartered in Heber Springs, Arkansas, and is a manufacturer and supplier of consumable products used to create dentures, crowns, and bridges in dental laboratories and clinics.

In July 2013, we completed a new portfolio investment totaling \$5.0 million of invested capital in ASC Interests, LLC ("ASC"). Our investment in ASC consists of \$3.5 million in first lien, senior secured debt and a \$1.5 million direct equity investment, and the proceeds of our investment were used by ASC to complete a management-led buyout of ASC Owners Group, LLC, dba American Shooting Centers. ASC, operating under the name American Shooting Centers since 1989, operates a 563 acre shooting complex located in George Bush Park, Harris County, Texas. ASC is among the premier outdoor shooting facilities in the United States. ASC's complex consists of rifle and pistol shooting lanes, a trap and skeet facility and sporting clays fields.

In August 2013, we completed a follow on investment totaling \$20.0 million in second lien senior subordinated secured debt in Daseke, Inc. ("Daseke"), to support Daseke's addition of Central Oregon Truck Company, Inc. ("COTC"). Founded in 1992 and based in Redmond, Oregon, COTC provides dedicated flatbed transportation and logistical services to the contiguous United States as well as parts of Canada.

In August 2013, we closed a new portfolio investment totaling \$16.8 million of invested capital in Southern RV, LLC and Southern RV Real Estate, LLC (collectively, "Southern RV"). Our investment in Southern RV consists of \$14.6 million in first lien, senior secured term debt, of which \$3.3 million is a first lien mortgage loan, and a \$2.2 million direct equity investment. Southern RV is one of the largest dealers of new and used recreational vehicles ("RV") and related services in the Gulf Coast region.

In August 2013, we announced the appointment of John E. Jackson as a new independent member of our Board of Directors. Simultaneous with Mr. Jackson's appointment to the Board,

Table of Contents

Todd A. Reppert retired as Executive Vice Chairman of Main Street and from the Investment Committee and Credit Committee and from the Board of Directors of MSCC in conjunction with a new investment initiative led by him which will focus on making debt and equity investments in private U.S. companies that are generally smaller than those currently being pursued by us for investment. Mr. Reppert will remain involved in managing our wholly owned SBIC funds while certain regulatory approvals are sought. As a part of his retirement, the Board accelerated the vesting of all of the unvested shares of restricted stock previously granted to him under our 2008 Equity Incentive Plan.

S-42

---

Table of Contents**UNDERWRITING**

Under the terms and subject to the conditions contained in an underwriting agreement dated August 1, 2013, the underwriters named below, for whom Raymond James & Associates, Inc. and Goldman, Sachs & Co. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, the number of shares of common stock indicated below:

Underwriter	Number of Shares
Raymond James & Associates, Inc.	
Goldman, Sachs & Co.	
Robert W. Baird & Co. Incorporated	

**Total**

The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the shares of common stock offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are severally obligated to take and pay for all shares of common stock offered hereby (other than those covered by the underwriters' option to purchase additional shares described below) if any such shares are taken. The offering of the common stock by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part. We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

Our common stock is listed on the New York Stock Exchange under the symbol "MAIN."

**Option to Purchase Additional Shares**

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to an aggregate of \_\_\_\_\_ additional shares of common stock at the public offering price set forth on the cover page hereof, less the underwriting discount. To the extent such option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of such additional shares of common stock as the number set forth next to such underwriter's name in the preceding table bears to the total number of shares set forth next to the names of all underwriters in the preceding table.

**Lock-Up Agreements**

We, and certain of our executive officers and directors, have agreed, subject to certain exceptions, not to issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, transfer, grant any option to purchase, establish an open put equivalent position or otherwise dispose of or agree to dispose of directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock, for 30 days from the date of this prospectus supplement, subject to extension upon material announcements or earnings releases. The representatives, at any time and without notice, may release all or any portion of the common stock subject to the foregoing lock-up agreements.

**Underwriting Discounts**

The underwriters initially propose to offer the shares directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at a price that represents a concession not in excess of \$ \_\_\_\_\_ per share below the public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters.

Table of Contents

The following table provides information regarding the per share and total underwriting discount that we are to pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to additional shares from us.

	Per Share	Total without Exercise of Option to Purchase Additional Shares	Total with Full Exercise of Option to Purchase Additional Shares
Underwriting discount payable by us on shares sold to the public	\$	\$	\$

We will pay all expenses incident to the offering and sale of shares of our common stock by us in this offering. We estimate that the total expenses of the offering, excluding the underwriting discount will be approximately \$200,000.

A prospectus supplement in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares to underwriters and selling group members for the sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations. The representatives may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders.

**Price Stabilization, Short Positions and Penalty Bids**

In connection with this offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. An over-allotment involves syndicate sales of shares in excess of the number of shares to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of shares in the open market after the distribution has been completed in order to cover syndicate short positions.

Stabilizing transactions consist of some bids or purchases of shares of our common stock made for the purpose of preventing or slowing a decline in the market price of the shares while the offering is in progress.

In addition, the underwriters may impose penalty bids, under which they may reclaim the selling concession from a syndicate member when the shares of our common stock originally sold by that syndicate member are purchased in a stabilizing transaction or syndicate covering transaction to cover syndicate short positions.

Similar to other purchase transactions, these activities may have the effect of raising or maintaining the market price of the common stock or preventing or slowing a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. Except for the sale of shares of our common stock in this offering, the underwriters may carry out these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

Neither the underwriters nor we make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the shares. In addition, neither the underwriters nor we make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Table of Contents

**Selling Restrictions**

*European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") an offer of shares may not be made to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the several underwriters; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares of our common stock shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of our common stock to be offered so as to enable an investor to decide to purchase or subscribe for any shares of our common stock, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The sellers of shares of our common stock have not authorized and do not authorize the making of any offer of shares of our common stock through any financial intermediary, other than offers made by the underwriters with a view to underwriting the shares of our common stock as contemplated in this prospectus supplement and the accompanying prospectus. Accordingly, no purchaser of shares of our common stock, other than the underwriters, is authorized to make any further offer of shares of our common stock on behalf of the sellers or the underwriters.

*United Kingdom*

Each underwriter has represented and agreed that:

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

Table of Contents

***Japan***

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

***Hong Kong***

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

***Singapore***

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust will not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

**Conflicts of Interest**

Affiliates of Raymond James & Associates, Inc., underwriters in this offering, act as lenders and/or agents under our \$372.5 million Credit Facility. Certain of the net proceeds from the sale of our



Table of Contents

common stock, not including underwriting compensation, may be paid to such affiliates of Raymond James & Associates, Inc. in connection with the repayment of debt owed under our \$372.5 million Credit Facility. As a result, Raymond James & Associates, Inc. and/or its affiliates may receive more than 5% of the net proceeds of this offering, not including underwriting compensation.

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

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade 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 underwriters 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 hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. In addition, the underwriters and/or their affiliates may from time to time refer investment banking clients to us as potential portfolio investments. If we invest in those clients, we may utilize net proceeds from this offering to fund such investments, and the referring underwriter or its affiliate may receive placement fees from its client in connection with such financing, which placement fees may be paid out of the amount funded by us.

The addresses of the underwriters are: Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, Florida 33716; Goldman, Sachs & Co., 200 West Street, New York, New York 10282; and Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

Table of Contents

**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 underwriters by Bass, Berry & Sims PLC, Memphis, Tennessee.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The consolidated financial statements, Schedule 12-14 and the schedule of Senior Securities of Main Street Capital Corporation, included in the accompanying prospectus have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in giving said reports. Grant Thornton LLP's principal business address is 175 W. Jackson Blvd., 20th Floor, Chicago, Illinois, 60604.

**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](http://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](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

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

	<b>June 30, 2013</b>	<b>December 31, 2012</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Portfolio investments at fair value:		
Control investments (cost: \$235,029 and \$217,483 as of June 30, 2013 and December 31, 2012, respectively)	\$ 302,558	\$ 278,475
Affiliate investments (cost: \$187,622 and \$142,607 as of June 30, 2013 and December 31, 2012, respectively)	230,293	178,413
Non-Control/Non-Affiliate investments (cost: \$567,997 and \$456,975 as of June 30, 2013 and December 31, 2012, respectively)	581,244	467,543
Investment in affiliated Investment Manager (cost: \$2,668 as of December 31, 2012)		
<b>Total portfolio investments (cost: \$990,648 and \$819,733 as of June 30, 2013 and December 31, 2012, respectively)</b>	<b>1,114,095</b>	<b>924,431</b>
Marketable securities and idle funds investments (cost: \$22,502 and \$28,469 as of June 30, 2013 and December 31, 2012, respectively)	21,759	28,535
<b>Total investments (cost: \$1,013,150 and \$848,202 as of June 30, 2013 and December 31, 2012, respectively)</b>	<b>1,135,854</b>	<b>952,966</b>
Cash and cash equivalents	41,220	63,517
Interest receivable and other assets	12,168	14,580
Receivable for securities sold	31,213	
Deferred financing costs (net of accumulated amortization of \$3,430 and \$3,203 as of June 30, 2013 and December 31, 2012, respectively)	7,994	5,162
<b>Total assets</b>	<b>\$ 1,228,449</b>	<b>\$ 1,036,225</b>
<b>LIABILITIES</b>		
SBIC debentures (par: \$225,000 as of June 30, 2013 and December 31, 2012, par of \$100,000 is recorded at a fair value of \$87,123 and \$86,467 as of June 30, 2013 and December 31, 2012, respectively)	\$ 212,123	\$ 211,467
Credit facility	215,000	132,000
Notes payable	92,000	
Payable for securities purchased	26,605	20,661
Deferred tax liability, net	11,006	11,778
Accounts payable and other liabilities	5,782	4,527
Interest payable	5,626	3,562
Dividend payable	4,924	5,188
Payable to affiliated Investment Manager		4,066
<b>Total liabilities</b>	<b>573,066</b>	<b>393,249</b>
Commitments and contingencies (Note M)		
<b>NET ASSETS</b>		
Common stock, \$0.01 par value per share (150,000,000 shares authorized; 35,014,302 and 34,589,484 shares issued and outstanding as of June 30, 2013 and December 31, 2012, respectively)	350	346
Additional paid-in capital	553,011	544,136
Accumulated net investment income, net of cumulative dividends of \$159,506 and \$115,401 as of June 30, 2013 and December 31, 2012, respectively	26,879	35,869
Accumulated net realized gain from investments (accumulated net realized gain from investments of \$10,241 before cumulative dividends of \$28,993 as of June 30, 2013 and accumulated net realized gain from investments of \$9,838 before cumulative dividends of \$28,993 as of December 31, 2012)	(18,752)	(19,155)
Net unrealized appreciation, net of income taxes	93,895	81,780
<b>Total net assets</b>	<b>655,383</b>	<b>642,976</b>

Edgar Filing: Main Street Capital CORP - Form 497

Total liabilities and net assets	\$ 1,228,449	\$ 1,036,225
<b>NET ASSET VALUE PER SHARE</b>	<b>\$ 18.72</b>	<b>\$ 18.59</b>

S-49

---

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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>INVESTMENT INCOME:</b>				
Interest, fee and dividend income:				
Control investments	\$ 8,169	\$ 6,083	\$ 14,703	\$ 11,850
Affiliate investments	5,399	4,141	11,060	9,814
Non-Control/Non-Affiliate investments	13,862	10,101	27,000	18,248
Interest, fee and dividend income	27,430	20,325	52,763	39,912
Interest and dividends from marketable securities, idle funds and other	370	517	681	1,489
Total investment income	27,800	20,842	53,444	41,401
<b>EXPENSES:</b>				
Interest	(5,542)	(4,180)	(9,424)	(8,044)
Compensation	(2,574)		(2,574)	
General and administrative	(1,249)	(554)	(1,937)	(1,162)
Expenses reimbursed to affiliated Investment Manager		(2,702)	(3,189)	(5,359)
Share-based compensation	(602)	(580)	(1,205)	(1,161)
Total expenses	(9,967)	(8,016)	(18,329)	(15,726)
<b>NET INVESTMENT INCOME</b>	<b>17,833</b>	<b>12,826</b>	<b>35,115</b>	<b>25,675</b>
<b>NET REALIZED GAIN (LOSS) FROM INVESTMENTS:</b>				
Control investments		(96)		(2,061)
Affiliate investments		(3,732)		5,500
Non-Control/Non-Affiliate investments	483	174	140	337
Marketable securities and idle funds investments	322	325	263	1,033
Total net realized gain (loss) from investments	805	(3,329)	403	4,809
<b>NET REALIZED INCOME</b>	<b>18,638</b>	<b>9,497</b>	<b>35,518</b>	<b>30,484</b>
<b>NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):</b>				
Portfolio investments	6,337	17,515	16,415	22,023
Marketable securities and idle funds investments	(743)	(55)	(810)	(84)
SBIC debentures	555	(1,808)	(657)	(1,508)
Investment in affiliated Investment Manager				(51)
Total net change in unrealized appreciation	6,149	15,652	14,948	20,380
<b>INCOME TAXES:</b>				
Federal and state income, excise, and other taxes	(752)	(601)	(1,422)	(1,270)
Deferred taxes	(31)	(395)	(1,411)	(1,602)
Income tax provision	(783)	(996)	(2,833)	(2,872)
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>24,004</b>	<b>24,153</b>	<b>47,633</b>	<b>47,992</b>
Noncontrolling interest				(54)
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO COMMON STOCK</b>	<b>\$ 24,004</b>	<b>\$ 24,153</b>	<b>\$ 47,633</b>	<b>\$ 47,938</b>

Edgar Filing: Main Street Capital CORP - Form 497

<b>NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED</b>	\$	0.51	\$	0.47	\$	1.01	\$	0.94
<b>NET REALIZED INCOME PER SHARE BASIC AND DILUTED</b>	\$	0.54	\$	0.35	\$	1.02	\$	1.12
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO COMMON STOCK PER SHARE BASIC AND DILUTED</b>	\$	0.69	\$	0.88	\$	1.37	\$	1.77
<b>DIVIDENDS PAID PER SHARE:</b>								
Regular monthly dividends	\$	0.47	\$	0.42	\$	0.92	\$	0.83
Supplemental dividends						0.35		
Total	\$	0.47	\$	0.42	\$	1.27	\$	0.83
<b>WEIGHTED AVERAGE SHARES OUTSTANDING BASIC AND DILUTED</b>		34,803,729		27,365,758		34,751,905		27,118,421

The accompanying notes are an integral part of these financial statements

S-50

Table of Contents

## MAIN STREET CAPITAL CORPORATION

## Consolidated Statements of Changes in Net Assets

(in thousands, except shares)

(Unaudited)

	Common Stock			Accumulated	Net	Accumulated	Net	Total Net	Total Net	
	Number of	Par	Additional	Net	Realized	Investment	Unrealized	Asset	Noncontrolling	Noncontrolling
	Shares	Value	Paid-In	Income,	Gain	From	Appreciation	Value	Interest	Interest
			Capital	Net of	From	Investments,	from			
				Dividends	Net of	Net of	Investments,			
					Dividends	Dividends	from			
							Investments,			
							Net of			
							Income			
							Taxes			
<b>Balances at December 31, 2011</b>	26,714,384	\$ 267	\$ 360,164	\$ 12,531	\$ (20,445)	\$ 53,194	\$ 405,711	\$ 5,477	\$ 411,188	
Public offering of common stock, net of offering costs	4,312,500	43	92,913				92,956		92,956	
MSC II noncontrolling interest acquisition	229,634	2	5,328				5,330	(5,417)	(87)	
Adjustment to investment in Investment Manager related to MSC II noncontrolling interest acquisition			(1,616)				(1,616)		(1,616)	
Share-based compensation			1,161				1,161		1,161	
Purchase of vested stock for employee payroll tax withholding	(7,858)		(199)				(199)		(199)	
Dividend reinvestment	200,961	2	4,712				4,714		4,714	
Issuance of restricted stock	139,033	1	(1)							
Distributions to noncontrolling interest									(114)	(114)
Dividends to stockholders				(9,068)	(13,523)		(22,591)			(22,591)
Net increase resulting from operations				25,675	4,809	17,508	47,992			47,992
Noncontrolling interest							(54)	(54)	54	
<b>Balances at June 30, 2012</b>	31,588,654	\$ 315	\$ 462,462	\$ 29,138	\$ (29,159)	\$ 70,648	\$ 533,404		\$ 533,404	
<b>Balances at December 31, 2012</b>	34,589,484	\$ 346	\$ 544,136	\$ 35,869	\$ (19,155)	\$ 81,780	\$ 642,976		\$ 642,976	
Share-based compensation			1,205				1,205		1,205	
Purchase of vested stock for employee payroll tax withholding	(19,460)		(523)				(523)		(523)	
Dividend reinvestment	173,926	2	5,580				5,582		5,582	
Issuance of restricted stock	252,227	2	(2)							
Consolidation of Investment Manager			2,037				2,037		2,037	
Issuances of common stock	18,125		578				578		578	
Dividends to stockholders				(44,105)			(44,105)		(44,105)	
Net increase resulting from operations				35,115	403	12,115	47,633			47,633
<b>Balances at June 30, 2013</b>	35,014,302	\$ 350	\$ 553,011	\$ 26,879	\$ (18,752)	\$ 93,895	\$ 655,383		\$ 655,383	

The accompanying notes are an integral part of these financial statements

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

	<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net increase in net assets resulting from operations	\$ 47,633	\$ 47,992
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Investments in portfolio companies	(353,620)	(261,019)
Proceeds from sales and repayments of debt investments	178,750	131,852
Proceeds from sale of equity investments in portfolio companies		26,547
Investments in marketable securities and idle funds investments	(52,503)	(7,596)
Proceeds from marketable securities and idle funds investments	42,469	27,212
Net change in unrealized appreciation	(14,948)	(20,380)
Net realized (gain) loss from investments	(403)	(4,809)
Accretion of unearned income	(5,079)	(6,405)
Payment-in-kind interest	(2,368)	(1,529)
Cumulative dividends	(467)	(133)
Share-based compensation expense	1,205	1,161
Amortization of deferred financing costs	538	467
Deferred taxes	1,411	1,622
Changes in other assets and liabilities:		
Interest receivable and other assets	2,913	(346)
Interest payable	2,064	(100)
Payable to affiliated Investment Manager	(3,960)	(2,071)
Accounts payable and other liabilities	(330)	553
Deferred fees and other	1,500	623
Net cash provided by (used in) operating activities	(155,195)	(66,359)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from public offering of common stock, net of offering costs		92,956
Proceeds from public offering of 6.125% Notes	92,000	
Dividends paid to stockholders	(38,787)	(17,528)
Proceeds from credit facility	250,000	114,000
Repayments on credit facility	(167,000)	(133,000)
Payment of deferred loan costs and SBIC debenture fees	(3,370)	(292)
Other	55	(451)
Net cash provided by (used in) financing activities	132,898	55,685
Net increase (decrease) in cash and cash equivalents	(22,297)	(10,674)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>63,517</b>	<b>42,650</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 41,220</b>	<b>\$ 31,976</b>
<b>Supplemental cash flow disclosures:</b>		
Interest Paid	\$ 6,827	\$ 7,677
Taxes paid	\$ 4,466	\$ 473
Non-cash financing activities:		
Shares issued pursuant to the DRIP	\$ 5,580	\$ 4,714



Edgar Filing: Main Street Capital CORP - Form 497

The accompanying notes are an integral part of these financial statements

S-52

---

Table of Contents

**MAIN STREET CAPITAL CORPORATION**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**

**June 30, 2013**

(in thousands)  
(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<b>Control Investments(5)</b>					
<b>Bond-Coat, Inc.</b>	Casing and Tubing Coating Services	12% Secured Debt (Maturity December 28, 2017)	14,750	14,565	14,565
		Common Stock (Fully diluted 43.4%)		6,350	7,150
				20,915	21,715
<b>Café Brazil, LLC</b>	Casual Restaurant Group	Member Units (Fully diluted 69.0%)(8)		1,742	6,770
<b>California Healthcare Medical Billing, Inc.</b>	Outsourced Billing and Revenue Cycle Management	12% Secured Debt (Maturity October 17, 2015)	8,103	7,942	8,094
		Warrants (Fully diluted 21.3%)		1,193	3,380
		Common Stock (Fully diluted 9.8%)		1,177	1,560
				10,312	13,034
<b>CBT Nuggets, LLC</b>	Produces and Sells IT Training Certification Videos	Member Units (Fully diluted 41.6%)(8)		1,300	9,650
<b>Ceres Management, LLC (Lamb's Tire &amp; Automotive)</b>	Aftermarket Automotive Services Chain	14% Secured Debt (Maturity May 31, 2018)	4,000	4,000	4,000
		Class B Member Units (12% cumulative)(8)		3,100	3,100
		Member Units (Fully diluted 100.0%)		5,273	510
		9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity October 1, 2025)	1,041	1,041	1,041
		Member Units (Lamb's Real Estate Investment I, LLC) (Fully diluted 100%)		625	730
				14,039	9,381
<b>Condit Exhibits, LLC</b>	Tradeshow Exhibits / Custom Displays	13% Current / 5% PIK Secured Debt (Maturity July 1, 2013)	4,661	4,661	4,661
		Warrants (Fully diluted 47.9%)		320	1,400
				4,981	6,061
<b>Gulf Manufacturing, LLC</b>	Manufacturer of Specialty Fabricated Industrial Piping Products	9% PIK Secured Debt (Ashland Capital IX, LLC) (Maturity June 30, 2017)	919	919	919
		Member Units (Fully diluted 34.2%)(8)		2,980	12,660

Edgar Filing: Main Street Capital CORP - Form 497

			3,899	13,579
<b>Harrison Hydra-Gen, Ltd.</b>	Manufacturer of Hydraulic Generators			
		9% Secured Debt (Maturity June 4, 2015)	4,896	4,591
		Preferred Stock (8% cumulative)(8)		1,124
		Common Stock (Fully diluted 34.5%)(8)		718
			6,433	7,360
<b>Hawthorne Customs and Dispatch Services, LLC</b>	Facilitator of Import Logistics, Brokerage, and Warehousing			
		Member Units (Fully diluted 47.6%)(8)		589
		Member Units (Wallisville Real Estate, LLC) (Fully diluted 59.1%)(8)		1,215
			1,804	2,330
<b>Hydratec, Inc.</b>	Designer and Installer of Micro-Irrigation Systems			
		Prime Plus 1%, Current Coupon 9%, Secured Debt (Maturity October 31, 2013)(9)	375	375
		Common Stock (Fully diluted 94.2%)(8)		7,095
			7,470	13,725

S-53

Table of Contents

## MAIN STREET CAPITAL CORPORATION

## CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013

(in thousands)  
(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<b>Control Investments(5)</b>					
<b>Impact Telecom, Inc.</b>	Telecommunications Services	LIBOR Plus 4.50%, Current Coupon 6.50%, Secured Debt (Maturity May 31, 2018)	2,500	2,493	2,493
		13% Secured Debt (Maturity May 31, 2018)	22,500	14,233	14,233
		Warrants (Fully diluted 40.0%)		8,000	8,000
				24,726	24,726
<b>Indianapolis Aviation Partners, LLC</b>	Fixed Base Operator	15% Secured Debt (Maturity September 15, 2014)	3,850	3,734	3,850
		Warrants (Fully diluted 30.1%)		1,129	1,940
				4,863	5,790
<b>Jensen Jewelers of Idaho, LLC</b>	Retail Jewelry Store	Prime Plus 2%, Current Coupon 5.25%, Secured Debt (Maturity November 14, 2013)(9)	1,597	1,597	1,597
		13% Current / 6% PIK Secured Debt (Maturity November 14, 2013)	1,657	1,657	1,657
		Member Units (Fully diluted 60.8%)(8)		811	2,770
				4,065	6,024
<b>Lighting Unlimited, LLC</b>	Commercial and Residential Lighting Products and Design Services	8% Secured Debt (Maturity August 22, 2014)	1,784	1,784	1,784
		Preferred Stock (non-voting)		476	162
		Warrants (Fully diluted 7.1%)		54	
		Common Stock (Fully diluted 70.0%)(8)		100	
			2,414	1,946	
<b>Marine Shelters Holdings, LLC (LoneStar Marine Shelters)</b>	Fabricator of Marine and Industrial Shelters	12% Secured Debt (Maturity December 28, 2017)	10,250	10,060	10,060
		Preferred Stock (Fully diluted 26.7%)		3,750	3,750
				13,810	13,810
<b>Mid-Columbia Lumber Products, LLC</b>	Manufacturer of Finger- Jointed Lumber Products	10% Secured Debt (Maturity December 18, 2017)	1,750	1,750	1,750
		12% Secured Debt (Maturity December 18, 2017)	3,900	3,900	3,900

Edgar Filing: Main Street Capital CORP - Form 497

		9.5% Secured Debt (Mid Columbia Real Estate, LLC) (Maturity May 13, 2025)	994	994	994
		Warrants (Fully diluted 9.2%)		90	800
		Member Units (Fully diluted 42.9%)		1,042	3,850
		Member Units (Mid Columbia Real Estate, LLC) (Fully diluted 50.0%)(8)		250	270
				8,026	11,564
<b>NAPCO Precast, LLC</b>	<b>Precast Concrete Manufacturing</b>				
		Prime Plus 2%, Current Coupon 9%, Secured Debt (Maturity February 1, 2016)(9)	2,923	2,886	2,886
		18% Secured Debt (Maturity February 1, 2016)	4,468	4,408	4,408
		Member Units (Fully diluted 44.0%)		2,975	4,790
				10,269	12,084
<b>NRI Clinical Research, LLC</b>	<b>Clinical Research Center</b>				
		14% Secured Debt (Maturity September 8, 2016)	4,595	4,395	4,395
		Warrants (Fully diluted 12.5%)(8)		252	480
		Member Units (Fully diluted 24.8%)(8)		500	960
				5,147	5,835
<b>NRP Jones, LLC</b>	<b>Manufacturer of Hoses, Fittings and Assemblies</b>				
		12% Secured Debt (Maturity December 22, 2016)	12,100	11,288	12,100
		Warrants (Fully diluted 12.2%)		817	1,250
		Member Units (Fully diluted 43.2%)(8)		2,900	4,410
				15,005	17,760

Table of Contents

## MAIN STREET CAPITAL CORPORATION

## CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013

(in thousands)  
(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<b>Control Investments(5)</b>					
<b>OMi Holdings, Inc.</b>	Manufacturer of Overhead Cranes	Common Stock (Fully diluted 48.0%)		1,080	8,740
<b>Pegasus Research Group, LLC (Televerde)</b>	Telemarketing and Data Services	15% Secured Debt (Maturity January 6, 2016) Member Units (Fully diluted 43.7%)(8)	4,991	4,952 1,250	4,991 4,800
				6,202	9,791
<b>PPL RVs, Inc.</b>	Recreational Vehicle Dealer	11.1% Secured Debt (Maturity June 10, 2015) Common Stock (Fully diluted 51.1%)	8,310	8,265 2,150	8,310 6,080
				10,415	14,390
<b>Principle Environmental, LLC</b>	Noise Abatement Services	12% Secured Debt (Maturity February 1, 2016) 12% Current / 2% PIK Secured Debt (Maturity February 1, 2016) Warrants (Fully diluted 14.2%) Member Units (Fully diluted 22.6%)	3,506 3,931	2,987 3,878 1,200 1,863	3,506 3,925 3,860 6,150
				9,928	17,441
<b>River Aggregates, LLC</b>	Processor of Construction Aggregates	12% Secured Debt (Maturity March 30, 2016)(14) Warrants (Fully diluted 20.0%) Member Units (Fully diluted 40.0%) Member Units (RA Properties, LLC) (Fully diluted 50.0%)	3,860	3,662 202 550 269	2,250  269
				4,683	2,519
<b>The MPI Group, LLC</b>	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories	4.5% Current / 4.5% PIK Secured Debt (Maturity October 2, 2013) 6% Current / 6% PIK Secured Debt (Maturity October 2, 2013) Warrants (Fully diluted 52.3%)	1,079 5,639	1,079 5,621 1,096	1,079 5,451
				7,796	6,530
<b>Thermal and Mechanical Equipment, LLC</b>	Commercial and Industrial Engineering Services				

Edgar Filing: Main Street Capital CORP - Form 497

		Prime Plus 2%, Current Coupon 9%, Secured Debt (Maturity September 25, 2014)(9)	818	816	818
		13% Current / 5% PIK Secured Debt (Maturity September 25, 2014)	2,607	2,593	2,607
		Member Units (Fully diluted 52.6%)(8)		1,000	10,080
				4,409	13,505
<b>Uvalco Supply, LLC</b>	Farm and Ranch Supply Store	Member Units (Fully diluted 42.8%)(8)		1,113	3,230
<b>Van Gilder Insurance Corporation</b>	Insurance Brokerage	8% Current / 3% PIK Secured Debt (Maturity January 31, 2014)	878	878	878
		8% Current / 3% PIK Secured Debt (Maturity January 31, 2016)	1,187	1,177	1,177
		13% Current / 3% PIK Secured Debt (Maturity January 31, 2016)	6,243	5,518	5,518
		Warrants (Fully diluted 10.0%)		1,209	1,510
		Common Stock (Fully diluted 15.5%)		2,500	2,350
				11,282	11,433
<b>Vision Interests, Inc.</b>	Manufacturer / Installer of Commercial Signage	13% Secured Debt (Maturity December 23, 2016)	3,204	3,152	3,152
		Series A Preferred Stock (Fully diluted 50.9%)		3,000	2,000
		Common Stock (Fully diluted 19.1%)		3,706	60
				9,858	5,212
				S-55	

Table of Contents

## MAIN STREET CAPITAL CORPORATION

## CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013

(in thousands)  
(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<b>Control Investments(5)</b>					
Ziegler's NYPD, LLC	Casual Restaurant Group	Prime Plus 2%, Current Coupon 9%, Secured Debt (Maturity October 1, 2013)(9)	1,000	999	999
		13% Current / 5% PIK Secured Debt (Maturity October 1, 2013)	5,449	5,444	5,444
		Warrants (Fully diluted 46.6%)		600	180
				7,043	6,623
<b>Subtotal Control Investments (26.6% of total investments at fair value)</b>				235,029	302,558

S-56



Table of Contents

## MAIN STREET CAPITAL CORPORATION

## CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013

(in thousands)  
(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<b>Affiliate Investments(6)</b>					
<b>American Sensor Technologies, Inc.</b>	Manufacturer of Commercial / Industrial Sensors	Warrants (Fully diluted 19.6%)		50	5,600
<b>Bridge Capital Solutions Corporation</b>	Financial Services and Cash Flow Solutions	13% Secured Debt (Maturity April 17, 2017) Warrants (Fully diluted 7.5%)	5,000	4,776 200	4,776 390
				4,976	5,166
<b>Congruent Credit Opportunities Fund II, LP(12)(13)</b>	Investment Partnership	LP Interests (Fully diluted 19.8%)(8)		22,536	22,996
<b>Daseke, Inc.</b>	Specialty Transportation Provider	Common Stock (Fully diluted 12.6%)		3,213	10,260
<b>Dos Rios Partners(12)(13)</b>	Investment Partnership	LP Interests (Dos Rios Partners, LP) (Fully diluted 27.69%) LP Interests (Dos Rios Partners A, LP) (Fully diluted 9.14%)		1,105 220	1,105 220
				1,325	1,325
<b>East Teak Fine Hardwoods, Inc.</b>	Hardwood Products	Common Stock (Fully diluted 5.0%)(8)		480	380
<b>Freeport Financial SBIC Fund LP(12)(13)</b>	Investment Partnership	LP Interests (Fully diluted 9.9%)		297	297
<b>Gault Financial, LLC (RMB Capital, LLC)</b>	Purchases and Manages Liquidation of Distressed Assets	14% Secured Debt (Maturity November 21, 2016) Warrants (Fully diluted 22.5%)	12,165	11,692 400	11,692 240
				12,092	11,932
<b>Houston Plating and Coatings, LLC</b>	Plating and Industrial Coating Services	Member Units (Fully diluted 11.1%)(8)		635	8,660
<b>Indianhead Pipeline Services, LLC</b>	Pipeline Support Services	12% Secured Debt (Maturity February 6, 2017) Preferred Equity (8% cumulative)(8) Warrants (Fully diluted 10.6%) Member Units (Fully diluted 12.1%)(8)	8,275	7,802 1,750 459 1	8,271 1,750 1,990 2,280

Edgar Filing: Main Street Capital CORP - Form 497

			10,012	14,291
<b>Integrated Printing Solutions, LLC</b>	Specialty Card Printing			
		13% Secured Debt (Maturity September 23, 2016)	12,500	11,880
		Preferred Equity (Fully diluted 11.0%)		2,000
		Warrants (Fully diluted 8.0%)		600
				860
			14,480	14,740
<b>irth Solutions, LLC</b>	Damage Prevention Technology Information Services			
		Member Units (Fully diluted 12.8%)(8)		624
				2,990
<b>KBK Industries, LLC</b>	Specialty Manufacturer of Oilfield and Industrial Products			
		12.5% Secured Debt (Maturity September 28, 2017)	9,000	8,920
		Member Units (Fully diluted 17.9%)(8)		341
				5,680
			9,261	14,680
<b>Olympus Building Services, Inc.</b>	Custodial / Facilities Services			
		12% Secured Debt (Maturity March 27, 2014)	2,915	2,871
		12% Current / 3% PIK Secured Debt (Maturity March 27, 2014)	1,029	1,029
		Warrants (Fully diluted 22.5%)		470
				400
			4,370	4,300

S-57

Table of Contents

## MAIN STREET CAPITAL CORPORATION

## CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013

(in thousands)  
(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<b>Affiliate Investments(6)</b>					
<b>OnAsset Intelligence, Inc.</b>	Transportation Monitoring / Tracking Services	12% PIK Secured Debt (Maturity June 30, 2014)	1,800	1,128	1,128
		Preferred Stock (7% cumulative) (Fully diluted 3.9%)(8)		1,752	2,500
		Warrants (Fully diluted 11.9%)		1,573	1,293
				4,453	4,921
<b>OPI International Ltd.(13)</b>	Oil and Gas Construction Services	Common Equity (Fully diluted 11.5%)(8)		1,371	4,971
<b>PCI Holding Company, Inc.</b>	Manufacturer of Industrial Gas Generating Systems	12% Current / 4% PIK Secured Debt (Maturity December 18, 2017)	4,857	4,769	4,769
		Preferred Stock (20% cumulative) (Fully diluted 19.4%)(8)		1,669	1,669
				6,438	6,438
<b>Quality Lease and Rental Holdings, LLC</b>	Rigsite Accommodation Unit Rental and Related Services	12% Secured Debt (Maturity January 8, 2018)	37,350	36,822	36,822
		Preferred Member Units (Rocacia, LLC) (Fully diluted 20.0%)		2,500	2,500
				39,322	39,322
<b>Radial Drilling Services Inc.</b>	Oil and Gas Technology	12% Secured Debt (Maturity November 23, 2016)	4,200	3,553	3,553
		Warrants (Fully diluted 24.0%)		758	560
				4,311	4,113
<b>Samba Holdings, Inc.</b>	Intelligent Driver Record Monitoring Software and Services	12.5% Secured Debt (Maturity November 17, 2016)	11,481	11,335	11,481
		Common Stock (Fully diluted 19.4%)		1,707	3,930
				13,042	15,411

Edgar Filing: Main Street Capital CORP - Form 497

<b>Spectrio LLC</b>	Audio Messaging Services	8% Secured Debt (Maturity June 16, 2016)	280	280	280
		12% Secured Debt (Maturity June 16, 2016)	17,990	17,610	17,963
		Warrants (Fully diluted 9.8%)		887	3,700
				18,777	21,943
<b>SYNEO, LLC</b>	Manufacturer of Specialty Cutting Tools and Punches	12% Secured Debt (Maturity July 13, 2016)	4,300	4,228	4,228
		10% Secured Debt (Leadrock Properties, LLC) (Maturity May 4, 2026)	1,440	1,413	1,413
		Member Units (Fully diluted 11.1%)		1,036	1,036
				6,677	6,677
<b>Texas Reexcavation LC</b>	Hydro Excavation Services	12% Current / 3% PIK Secured Debt (Maturity December 31, 2017)	6,091	5,980	5,980
		Class A Member Units (Fully diluted 16.3%)		2,900	2,900
				8,880	8,880
<b>Subtotal Affiliate Investments (20.3% of total investments at fair value)</b>				187,622	230,293

S-58

Table of Contents

## MAIN STREET CAPITAL CORPORATION

## CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013

(in thousands)  
(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<b>Non-Control/Non-Affiliate Investments(7)</b>					
<b>AGS LLC(10)</b>	Developer, Manufacturer, and Operator of Gaming Machines	LIBOR Plus 10.00%, Current Coupon 11.50%, Secured Debt (Maturity August 23, 2016)(9)	10,000	9,837	9,837
<b>Ameritech College Operations, LLC</b>	For-Profit Nursing and Healthcare College	18% Secured Debt (Maturity March 9, 2017)	6,050	5,951	6,050
<b>AM General LLC(11)</b>	Specialty Vehicle Manufacturer	LIBOR Plus 9.00%, Current Coupon 10.25%, Secured Debt (Maturity March 22, 2018)(9)	3,000	2,913	3,008
<b>American Media, Inc.(11)</b>	Magazine Operator	11.50% Secured Bond (Maturity December 15, 2017)	2,000	1,862	1,939
<b>Ancestry.com Inc.(11)</b>	Genealogy Software Service	LIBOR Plus 5.75%, Current Coupon 7.00%, Secured Debt (Maturity December 27, 2018)(9)	3,644	3,508	3,651
<b>Anchor Hocking, LLC(11)</b>	Household Products Manufacturer	LIBOR Plus 6.25%, Current Coupon 7.50%, Secured Debt (Maturity May 21, 2020)(9)	7,000	6,931	7,064
<b>Apria Healthcare Group, Inc.(11)</b>	Home Healthcare Equipment	LIBOR Plus 5.50%, Current Coupon 6.75%, Secured Debt (Maturity April 5, 2020)(9)	5,500	5,446	5,515
<b>Artel, LLC(11)</b>	Land-Based and Commercial Satellite Provider	LIBOR Plus 6.00%, Current Coupon 7.25%, Secured Debt (Maturity November 27, 2017)(9)	4,875	4,831	4,851
<b>Atkins Nutritionals Holdings II, Inc.(11)</b>	Weight Management Food Products	LIBOR Plus 5.00%, Current Coupon 6.25%, Secured Debt (Maturity January 2, 2019)(9)	1,995	1,995	2,001
<b>Audio Visual Services Group, Inc.(11)</b>	Hotel & Venue Audio Visual Operator	LIBOR Plus 5.50%, Current Coupon 6.75%, Secured Debt (Maturity November 9, 2018)(9) LIBOR Plus 9.50%, Current Coupon 10.75%, Secured Debt (Maturity May 9, 2019)(9)	4,963 5,000	4,871 4,906	5,012 5,000

Edgar Filing: Main Street Capital CORP - Form 497

			9,777	10,012	
<b>B. J. Alan Company</b>	Retailer and Distributor of Consumer Fireworks	14% Current / 2.5% PIK Secured Debt (Maturity June 22, 2017)	11,093	11,008	11,008
<b>BBTS Borrower LP(11)</b>	Oil & Gas Exploration and Midstream Services	LIBOR Plus 6.50%, Current Coupon 7.75%, Secured Debt (Maturity June 4, 2019) (9)	7,000	6,931	6,974
<b>Blackboard, Inc.(11)</b>	Education Software Provider	LIBOR Plus 4.75%, Current Coupon 6.25%, Secured Debt (Maturity October 4, 2018)(9)	1,355	1,355	1,371
		LIBOR Plus 10.00%, Current Coupon 11.50%, Secured Debt (Maturity April 4, 2019)(9)	2,000	1,859	2,040
				3,214	3,411
<b>Brand Connections, LLC</b>	Venue-Based Marketing and Media	12% Secured Debt (Maturity April 30, 2015)	7,463	7,351	7,463

S-59

Table of Contents

## MAIN STREET CAPITAL CORPORATION

## CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

June 30, 2013

(in thousands)  
(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<b>Non-Control/Non-Affiliate Investments(7)</b>					
<b>Brasa Holdings Inc.(11)</b>	Upscale Full Service Restaurants	LIBOR Plus 6.25%, Current Coupon 7.50%, Secured Debt (Maturity July 18, 2019)(9)	3,483	3,395	3,526
		LIBOR Plus 9.50%, Current Coupon 11.00%, Secured Debt (Maturity January 19, 2020)(9)	6,000	5,934	6,120
				9,329	9,646
<b>Calloway Laboratories, Inc.(10)</b>	Health Care Testing Facilities	10.00% Current / 2.00% PIK Secured Debt (Maturity September 30, 2014)	6,020	5,939	5,575
		Warrants (Fully diluted 1.5%)		17	17
				5,956	5,592
<b>CDC Software Corporation(11)</b>	Enterprise Application Software	LIBOR Plus 6.00%, Current Coupon 7.50%, Secured Debt (Maturity August 6, 2018)(9)	4,218	4,181	4,223
<b>Cedar Bay Generation Company LP(11)</b>	Coal-Fired Cogeneration Plant	LIBOR Plus 5.00%, Current Coupon 6.25%, Secured Debt (Maturity April 23, 2020)(9)	8,523	8,440	8,544
<b>Charlotte Russe, Inc(11)</b>	Fast-Fashion Retailer to Young Women	LIBOR Plus 5.50%, Current Coupon 6.75%, Secured Debt (Maturity May 22, 2019)(9)	5,000	4,951	4,975
<b>CHI Overhead Doors, Inc.(11)</b>	Manufacturer of Overhead Garage Doors	LIBOR Plus 4.25%, Current Coupon 5.75%, Secured Debt (Maturity March 18, 2019)(9)	2,404	2,368	2,410
		LIBOR Plus 9.50%, Current Coupon 11.00%, Secured Debt (Maturity September 18, 2019)(9)	2,500	2,460	2,525
				4,828	4,935
<b>Collective Brands Finance, Inc.(11)</b>	Specialty Footwear Retailer	LIBOR Plus 6.00%, Current Coupon 7.25%, Secured Debt (Maturity September 20, 2019)(9)	2,494	2,494	2,531
<b>Compact Power Equipment Centers Inc.</b>	Equipment / Tool Rental	6% Current / 6% PIK Secured Debt (Maturity October 1, 2017)	3,800	3,782	3,782
				960	1,749

Edgar Filing: Main Street Capital CORP - Form 497

Series A Stock (8% cumulative) (Fully diluted 4.2%)(8)

			4,742	5,531
<b>Confie Seguros Holding II Co.(11)</b>	Insurance Brokerage Firm			
		LIBOR Plus 5.25%, Current Coupon 6.50%, Secured Debt (Maturity November 9, 2018)(9)	4,923	4,856
<b>CGSC of Delaware Holdings Corp.(11)</b>	Insurance Brokerage Firm			
		LIBOR Plus 7.00%, Current Coupon 8.25%, Secured Debt (Maturity October 16, 2020)(9)	2,000	1,970
<b>Connolly Holdings Inc.(11)</b>	Audit Recovery Software			
		LIBOR Plus 5.25%, Current Coupon 6.50%, Secured Debt (Maturity July 15, 2018)(9)	2,395	2,375
		LIBOR Plus 9.25%, Current Coupon 10.50%, Secured Debt (Maturity January 15, 2019)(9)	2,000	1,964
			4,339	4,442
<b>Creative Circle, LLC(11)</b>	Professional Staffing Firm			
		LIBOR Plus 6.00%, Current Coupon 7.25%, Secured Debt (Maturity September 28, 2017)(9)	8,933	8,852