Main Street Capital CORP
Form 497
November 24, 2015

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

PROSPECTUS SUPPLEMENT
(to Prospectus dated July 16, 2015)

Up to 1,000,000 Shares
Common Stock

We have entered into separate equity distribution agreements, each dated November 24, 2015, with Goldman, Sachs & Co., Raymond James & Associates, Inc. and Robert W. Baird & Co. Incorporated, each a "Sales Agent" and, collectively, the "Sales Agents," relating to the shares of common stock offered by this prospectus supplement and the accompanying prospectus. The equity distribution agreements provide that we may offer and sell up to 1,000,000 shares of our common stock from time to time through the Sales Agents. Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market," as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the New York Stock Exchange ("NYSE") or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices. See "Plan of Distribution." As of the date of this prospectus supplement, we have not sold any shares of our common stock under the equity distribution agreements.

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

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

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

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

Our common stock is listed on the NYSE under the symbol "MAIN." On November 23, 2015, the last reported sale price of our common stock on the NYSE was $31.44 per share, and the net asset value per share of our common stock on September 30, 2015 (the last date prior to the date of this prospectus supplement on which we determined our net asset value per share) was $21.79.

Under the terms of the equity distribution agreements, the Sales Agents will receive a commission from us equal to up to 1.0% of the gross sales price of any shares of our common stock sold through the Sales Agents under the equity distribution agreements. The Sales Agents are not required to sell any specific number or dollar amount of common stock, but will use their commercially reasonable efforts consistent with their sales and trading practices to sell the shares of our common stock offered by this prospectus supplement and the accompanying prospectus. We may also sell shares of our common stock to a Sales Agent, as principal for its own respective account, at a price agreed upon at the time of sale. If we sell shares to a Sales Agent as principal, we will enter into a separate terms agreement with the applicable Sales Agent, setting forth the terms of such transaction, and we will describe the agreement in a separate prospectus supplement. See "Plan of Distribution" beginning on page S-45 of this prospectus supplement.

Investing in our common stock involves a high degree of risk, and should be considered highly speculative. See "Risk Factors" beginning on page 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, 8th Floor, Houston, Texas 77056 or by telephone at (713) 350-6000 or on our website at *www.mainstcapital.com*. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus. The SEC also maintains a website at *www.sec.gov* that contains such information.

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

GOLDMAN, SACHS & CO. **RAYMOND JAMES** **BAIRD**

The date of this prospectus supplement is November 24, 2015

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ABOUT THE PROSPECTUS

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

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

Forward-Looking Statements

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

PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. To understand the terms of the common stock offered hereby, you should read the entire prospectus supplement and the accompanying prospectus carefully. Together, these documents describe the specific terms of the shares we are offering. You should carefully read the sections titled "Selected Financial Data," "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.

Organization

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

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

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

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

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

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

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

The following diagram depicts Main Street's organizational structure:

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Each of the Taxable Subsidiaries is directly or indirectly wholly owned by MSCC.

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Accounted for as a portfolio investment at fair value, as opposed to a consolidated subsidiary.

Overview

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity and equity related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. Our LMM companies generally have annual revenues between $10 million and $150 million, and our LMM portfolio investments generally range in size from $5 million to $50 million. Our Middle Market investments are made in businesses that are generally larger in size than our LMM portfolio companies, with annual revenues typically between $150 million and $1.5 billion, and our Middle Market investments generally range in size from $3 million to $15 million. Our private loan ("Private Loan") portfolio investments are primarily debt securities which have been originated through strategic relationships with other investment funds on a collaborative basis. Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio.

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

Our external asset management business is conducted through our External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed. We have entered into an agreement to provide the External Investment Manager with asset management service support in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, we provide management and other services to the External Investment Manager, as well as access to

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our employees, infrastructure, business relationships, management expertise and capital raising capabilities. In the first quarter of 2014, we began charging the External Investment Manager for these services. Our total expenses for the three months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $1.1 million and $0.6 million, respectively. Our total expenses for the nine months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $3.1 million and $1.3 million, respectively. The total contribution of the External Investment Manager to our net investment income consists of the combination of the expenses charged to the External Investment Manager and dividend income from the External Investment Manager. For the three months ended September 30, 2015 and 2014, the total contribution to net investment income was $1.8 million and $0.7 million, respectively. For the nine months ended September 30, 2015 and 2014, the total contribution to net investment income was $4.7 million and $1.5 million, respectively.

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

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

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

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

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

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

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2015, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. Weighted-average annual effective yield is higher than what an investor in shares of our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor.

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

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	As of December 31, 2014		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	66	86	31
Fair value	$ 733.2	$ 542.7	$ 213.0
Cost	$ 599.4	$ 561.8	$ 224.0
% of portfolio at cost debt	71.5%	99.8%	95.6%
% of portfolio at cost equity	28.5%	0.2%	4.4%
% of debt investments at cost secured by first priority lien	89.6%	85.1%	87.8%
Weighted-average annual effective yield(b)	13.2%	7.8%	10.1%
Average EBITDA(c)	$ 5.0	$ 77.2	$ 18.1

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

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2014, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. Weighted-average annual effective yield is higher than what an investor in shares of our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor.

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

As of September 30, 2015, we had Other Portfolio investments in seven companies, collectively totaling approximately $56.9 million in fair value and approximately $61.2 million in cost basis and which comprised approximately 3.0% of our Investment Portfolio (as defined in "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Basis of Presentation" in this prospectus supplement) at fair value. As of December 31, 2014, we had Other Portfolio investments in six companies, collectively totaling approximately $58.9 million in fair value and approximately $56.2 million in cost basis and which comprised approximately 3.8% of our Investment Portfolio at fair value.

As previously discussed, the External Investment Manager is a wholly owned subsidiary that is treated as a portfolio investment. As of September 30, 2015, there was no cost basis in this investment and the investment had a fair value of $32.3 million, which comprised 1.7% of our Investment Portfolio at fair value. As of December 31, 2014, there was no cost basis in this investment and the investment had a fair value of $15.6 million, which comprised 1.0% of our Investment Portfolio at fair value.

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

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

Because we are internally managed, we do not pay any external investment advisory fees, but instead incur the operating costs associated with employing investment and portfolio management professionals ourselves. We believe that our internally managed structure provides us with a beneficial operating expense structure when compared to other publicly traded and privately held investment firms which are externally managed, and our internally managed structure allows us the opportunity to leverage our non-interest operating expenses as we grow our Investment Portfolio. For the three months ended September 30, 2015 and 2014, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.3% and 1.4%, respectively, on an annualized basis. For the nine months ended September 30, 2015 and 2014, the ratio of our total operating expenses, excluding interest expense as a percentage of our quarterly average total assets was 1.4% and 1.5%, respectively, on an annualized basis and 1.4% for the year ended December 31, 2014.

The total investment return on our shares of common stock for the nine months ended September 30, 2015 and 2014 was (6.74%) and (1.06%), respectively. Total investment return is based on the purchase of our stock at the current market price on the first day and a sale at the current market price on the last day of each period reported and assumes reinvestment of dividends at prices obtained by our dividend reinvestment plan during the period. The return does not reflect any sales load that may be paid by an investor.

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

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$5.5 million and $1.7 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser.

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

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

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

Business Strategies

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

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

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

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

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

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

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

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

Recent Developments

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

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

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

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

In November 2015, our Board of Directors promoted certain senior executive officers to the following additional roles at Main Street: Dwayne L. Hyzak as President, Curtis L. Hartman as Vice Chairman, and David L. Magdol as Vice Chairman, effective immediately. Mr. Hyzak has served as our Chief Operating Officer and Senior Managing Director since November 2014; Mr. Hartman has served as our Chief Credit Officer and Senior Managing Director since 2011; and Mr. Magdol has served as our Chief Investment Officer and Senior Managing Director since 2011. In addition, Messrs. Hyzak, Hartman and Magdol also serve as members of our investment committee and have served in various executive roles at Main Street and its predecessor funds since the early 2000's. Messrs. Hyzak, Hartman and Magdol will retain their former titles in addition to the new roles and will also continue to serve as members of our investment committee. Mr. Foster, who was previously our President, will retain the title of Chief Executive Officer and the ongoing responsibilities as the principal executive officer at Main Street along with remaining Chairman of the Board.

In November 2015, our Board of Directors approved and adopted the Main Street Capital Corporation Deferred Compensation Plan (the "Plan"). The Plan will be effective on January 1, 2016 and at such time will replace the existing Main Street Capital Corporation Deferred Compensation Plan for Non-Employee Directors. Under the Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation, subject to certain limitations. MSCC may also make discretionary employer contributions to the Plan. Individuals participating in the Plan receive distributions of their respective balances based on predetermined payout schedules or other events, as defined by the Plan and are also able to direct investments made on their behalf among investment alternatives permitted from time to time under the Plan, including phantom MSCC stock units.

In November 2015, we amended our credit facility (the "Credit Facility") to, among other things, (i) reduce the interest rate on borrowings to the applicable LIBOR rate plus 1.875% (or the applicable base rate plus 0.875%) so long as we maintain an investment grade rating and satisfy certain agreed upon excess collateral and leverage requirements, (ii) extend the final maturity by one year to September 2020, with the facility available on a fully revolving basis for the entire term, and (iii) significantly increase the amount of unsecured debt we are permitted to incur, providing us additional financial flexibility in our capital structure. The amended Credit Facility includes the participation of fourteen banks with total commitments of $555.0 million and an accordion feature that allows for an increase in total commitments of up to $750.0 million from new and existing lenders on the same terms and conditions as the existing commitments. In addition to the extended maturity, we continue to maintain two, one-year extension options under the amended Credit Facility which could extend the final maturity of the facility for up to two additional years.

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The Offering

Common stock offered by us	Up to 1,000,000 shares of our common stock.
Manner of offering	"At the market offering" that may be made from time to time through Goldman, Sachs & Co., Raymond James & Associates, Inc. and Robert W. Baird & Co. Incorporated, each a "Sales Agent" and, collectively, "Sales Agents," using commercially reasonable efforts. See "Plan of Distribution."
Use of proceeds	If we sell 1,000,000 shares of our common stock at a price of $31.44 per share (the last reported sale price of our common stock on November 23, 2015), we anticipate that our net proceeds, after deducting the sales agent commissions and estimated expenses payable by us will be approximately $30.9 million. We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our Credit Facility. However, through re-borrowing of the initial repayments under our Credit Facility, we intend to use the net proceeds from this offering to make investments in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus, to make investments in marketable securities and idle funds investments, which may include investments in secured intermediate term bank debt, rated debt securities and other income producing investments, to pay our operating expenses and other cash obligations, and for general corporate purposes.

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	On November 23, 2015, we had approximately $331.0 million outstanding under our Credit Facility. After the November 2015 amendment, our Credit Facility matures in September 2020, unless extended, and bears interest, at our election, on a per annum basis equal to (A)(i) the applicable LIBOR rate plus 1.875% or (ii) the applicable base rate plus 0.875% so long as we maintain an investment grade rating and satisfy certain agreed upon excess collateral and leverage requirements, (B) 0.125% higher in each case so long as we maintain an investment grade rating but not the agreed upon excess collateral and/or leverage requirements, and (C) 0.375% higher in each case so long as we do not maintain an investment grade rating. Amounts repaid under our Credit Facility will remain available for future borrowings. See "Use of Proceeds" in this prospectus supplement for more information.
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. When we make distributions, we are required to determine the extent to which such distributions are paid out of current or accumulated earnings, recognized capital gains or capital. To the extent there is a return of capital (a distribution of the stockholders' invested capital), investors will be required to reduce their basis in our stock for federal tax purposes. In the future, our distributions may include a return of capital.

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Taxation	MSCC has elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. Accordingly, we generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders as dividends. To maintain our qualification as a RIC for U.S. federal income tax purposes, we must meet specified source-of-income and asset diversification requirements and distribute annually at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such income. Any such carryover taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income. See "Material U.S. Federal Income Tax Considerations" in the accompanying prospectus.
Risk factors	See "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.
New York Stock Exchange symbol	"MAIN"

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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.

Stockholder Transaction Expenses:	
Sales load (as a percentage of offering price)	1.00%(1)
Offering expenses (as a percentage of offering price)	0.80%(2)
Dividend reinvestment plan expenses	%(3)
Total stockholder transaction expenses (as a percentage of offering price)	1.80%
Annual Expenses (as a percentage of net assets attributable to common stock):	
Operating expenses	2.58%(4)
Interest payments on borrowed funds	3.10%(5)
Income tax expense	0.58%(6)
Acquired fund fees and expenses	0.45%(7)
Total annual expenses	6.71%

(1) Represents the maximum agent commission with respect to the shares of our common stock sold by us in this offering. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus.

(2) The percentage reflects estimated offering expenses payable by us of approximately $250,000 for the estimated duration of this offering.

(3) The expenses of administering our dividend reinvestment plan are included in operating expenses.

(4) Operating expenses in this table represent the estimated expenses of MSCC and its consolidated subsidiaries, including the Internal 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 tax provision (benefit) on the net unrealized appreciation (depreciation) from portfolio investments held in Taxable Subsidiaries and (b) excise, state and other taxes. Deferred taxes are non-cash in nature and may vary significantly from period to period. We are required to include deferred taxes in calculating our annual expenses even though deferred taxes are not currently payable or receivable. Due to the variable nature of deferred tax expense, which can be a large portion of the income tax expense, and the difficulty in providing an estimate for future periods, this income tax expense estimate is based upon the actual amount of income tax expense for the year ended December 31, 2014.

(7) Acquired fund fees and expenses represent the estimated indirect expense incurred due to investments in other investment companies and private funds.

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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 up to 1.0% (the commission to be paid by us with respect to common stock sold by us in this offering).

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$ 85	$ 214	$ 339	$ 634

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.

USE OF PROCEEDS

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market" as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in this paragraph depending on, among other things, the market price of our common stock at the time of any such sale. As a result, the actual net proceeds we receive may be more or less than the amount of net proceeds estimated in this prospectus supplement. Assuming the sale of all 1,000,000 shares of common stock offered under this prospectus supplement and the accompanying prospectus at a price of $31.44 per share (the last reported sales price of our common stock on November 23, 2015), we estimate that the net proceeds of this offering will be approximately $30.9 million after deducting the estimated sales commission payable to the Sales Agent and our estimated offering expenses.

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

On November 23, 2015, we had approximately $331.0 million outstanding under our Credit Facility. After the November 2015 amendment, our Credit Facility matures in September 2020, unless extended, and bears interest, at our election, on a per annum basis equal to (A)(i) the applicable LIBOR rate plus 1.875% or (ii) the applicable base rate plus 0.875% so long as we maintain an investment grade rating and satisfy certain agreed upon excess collateral and leverage requirements, (B) 0.125% higher in each case so long as we maintain an investment grade rating but not the agreed upon excess collateral and/or leverage requirements, and (C) 0.375% higher in each case so long as we do not maintain an investment grade rating. Amounts repaid under our Credit Facility will remain available for future borrowings.

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

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CAPITALIZATION

The equity distribution agreements provide that we may offer and sell up to 1,000,000 shares of our common stock from time to time through our Sales Agents for the offer and sale of such common stock. The table below assumes that we will sell all 1,000,000 shares of our common stock at a price of $31.44 per share (the last reported sales price of our common stock at November 23, 2015) but there is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in the table below. In addition, the price per share of any such sale may be greater or less than $31.44, depending on the market price of our common stock at the time of any such sale.

The following table sets forth our capitalization:

- on an actual basis as of September 30, 2015; and
- on an as adjusted basis giving effect to the assumed sale of 1,000,000 shares of our common stock at a price of $31.44 per share (the last reported sales price of our common stock on November 23, 2015) less commissions and 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.

	As of September 30, 2015	
	Actual	As-adjusted for this Offering
	(Unaudited) (in thousands, except shares)	
Cash and cash equivalents	$ 35,295	$ 35,295
Marketable securities and idle funds investments (cost: $6,641)	4,583	4,583
Total cash and cash equivalents, marketable securities and idle funds investments	$ 39,878	$ 39,878
SBIC debentures (par: $225,000; par of $75,200 is recorded at a fair value of $73,804)	$ 223,604	$ 223,604
Credit facility(1)	346,000	315,124
4.50% Notes	175,000	175,000
6.125% Notes	90,740	90,740
Net asset value:		
Common stock, $0.01 par value per share (150,000,000 shares authorized; 50,079,178 and 51,079,178 shares issued and outstanding, actual and as adjusted for this offering, respectively)	500	510
Additional paid-in capital	998,123	1,028,989
Accumulated net investment income, net of cumulative dividends of $382,083	13,927	13,927
Accumulated net realized gain from investments (accumulated net realized gain from investments of $31,284 before cumulative dividends of $62,945)	(31,661)	(31,661)
Net unrealized appreciation, net of income taxes	110,092	110,092
Total net asset value	1,090,981	1,121,857
Total capitalization	$ 1,926,325	$ 1,926,325

(1) As of November 23, 2015, we had approximately $331.0 million outstanding under our Credit Facility outstanding. This table has not been adjusted to reflect the changes in our outstanding borrowings under the Credit Facility subsequent to September 30, 2015.

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SELECTED FINANCIAL DATA

The selected financial and other data below reflects the consolidated financial condition and the consolidated statement of operations of MSCC and its subsidiaries as of and for the years ended December 31, 2014, 2013, 2012, 2011and 2010 and as of September 30, 2015 and for the nine months ended September 30, 2015 and 2014. The selected financial data as of and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010 have been derived from consolidated financial statements that have been audited by Grant Thornton LLP, an independent registered public accounting firm. The selected financial data as of September 30, 2015, and for the nine months ended September 30, 2015 and 2014, have been derived from unaudited financial data but, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the financial condition and operating results for such interim periods. Interim results as of and for the nine months ended September 30, 2015 and 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. You should read this selected financial and other data in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and the financial statements and related notes thereto in the accompanying prospectus and "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" in this prospectus supplement.

	Nine Months Ended September 30,		Years Ended December 31,				
	2015	**2014**	**2014**	**2013**	**2012**	**2011**	**2010**
	(Unaudited)		(dollars in thousands)				
Statement of operations data:							
Investment income:							
Total interest, fee and dividend income	$ 120,250	$ 101,447	$ 139,939	$ 115,158	$ 88,858	$ 65,045	$ 35,645
Interest from idle funds and other	846	557	824	1,339	1,662	1,195	863
Total investment income	121,096	102,004	140,763	116,497	90,520	66,240	36,508
Expenses:							
Interest	(23,755)	(16,713)	(23,589)	(20,238)	(15,631)	(13,518)	(9,058)
Compensation	(11,055)	(9,115)	(12,337)	(8,560)			
General and administrative	(6,271)	(5,279)	(7,134)	(4,877)	(2,330)	(2,483)	(1,437)
Share-based compensation	(4,592)	(3,034)	(4,215)	(4,210)	(2,565)	(2,047)	(1,489)
Expenses reimbursed to Internal Investment Manager				(3,189)	(10,669)	(8,915)	(5,263)
Expenses charged to the External Investment Manager	3,133	1,343	2,048				
Total expenses	(42,540)	(32,798)	(45,227)	(41,074)	(31,195)	(26,963)	(17,247)
Net investment income	78,556	69,206	95,536	75,423	59,325	39,277	19,261
Total net realized gain (loss) from investments	(9,037)	10,789	23,206	7,277	16,479	2,639	(2,880)
Total net realized loss from SBIC debentures				(4,775)			
Total net change in unrealized appreciation (depreciation) from investments	21,195	17,938	(776)	14,503	44,464	34,989	13,046
Total net change in unrealized appreciation (depreciation) from SBIC debentures and investment in the Internal Investment Manager	(823)	(10,778)	(10,931)	4,392	(5,004)	(6,511)	6,593
Income tax benefit (provision)	7,004	(8,401)	(6,287)	35	(10,820)	(6,288)	(941)
Bargain purchase gain							4,891
Net increase in net assets resulting from operations	96,895	78,754	100,748	96,855	104,444	64,106	39,970
Noncontrolling interest					(54)	(1,139)	(1,226)
Net increase in net assets resulting from operations attributable to common stock	$ 96,895	$ 78,754	$ 100,748	$ 96,855	$ 104,390	$ 62,967	$ 38,744
Net investment income per share basic and diluted	$ 1.61	$ 1.61	$ 2.20	$ 2.06	$ 2.01	$ 1.69	$ 1.16
	$ 1.99	$ 1.83	$ 2.31	$ 2.65	$ 3.53	$ 2.76	$ 2.38

Net increase in net assets resulting from operations attributable to common stock per share basic and diluted							
Weighted average shares outstanding basic and diluted	48,681,260	43,027,105	43,522,397	36,617,850	29,540,114	22,850,299	16,292,846

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	As of September 30, 2015	As of December 31, 2014	2013	2012	2011	2010
	(Unaudited)	(dollars in thousands)				
Balance sheet data:						
Assets:						
Total portfolio investments at fair value	$ 1,867,434	$ 1,563,330	$ 1,286,188	$ 924,431	$ 658,093	$ 407,987
Marketable securities and idle funds investments	4,583	9,067	13,301	28,535	26,242	9,577
Cash and cash equivalents	35,295	60,432	34,701	63,517	42,650	22,334
Deferred tax asset, net						1,958
Interest receivable and other assets	35,276	46,406	16,054	14,580	6,539	4,524
Deferred financing costs, net of accumulated amortization	12,779	14,550	9,931	5,162	4,168	2,544
Total assets	$ 1,955,367	$ 1,693,785	$ 1,360,175	$ 1,036,225	$ 737,692	$ 448,924
Liabilities and net assets:						
Credit facility	$ 346,000	$ 218,000	$ 237,000	$ 132,000	$ 107,000	$ 39,000
SBIC debentures at fair value(1)	223,604	222,781	187,050	211,467	201,887	155,558
4.50% Notes	175,000	175,000				
6.125% Notes	90,740	90,823	90,882			
Payable for securities purchased	5,453	14,773	27,088	20,661		
Deferred tax liability, net	663	9,214	5,940	11,778	3,776	
Dividend payable	9,014	7,663	6,577	5,188	2,856	
Accounts payable and other liabilities	8,917	10,701	10,549	8,593	7,001	1,188
Interest payable	4,995	4,848	2,556	3,562	3,984	3,195
Total liabilities	864,386	753,803	567,642	393,249	326,504	198,941
Total net asset value	1,090,981	939,982	792,533	642,976	405,711	245,535
Noncontrolling interest					5,477	4,448
Total liabilities and net assets	$ 1,955,367	$ 1,693,785	$ 1,360,175	$ 1,036,225	$ 737,692	$ 448,924
Other data:						
Weighted average effective yield on LMM debt investments(2)	12.3%	13.2%	14.7%	14.3%	14.8%	14.5%
Number of LMM portfolio companies	71	66	62	56	54	44
Weighted average effective yield on Middle Market debt investments(2)	8.0%	7.8%	7.8%	8.0%	9.5%	10.5%
Number of Middle Market portfolio companies	86	86	92	79	57	32
Weighted average effective yield on Private Loan debt investments(2)	9.5%	10.1%	11.3%	14.8%		
Number of Private Loan portfolio companies	41	31	15	9		
Expense ratios (as percentage of average net assets):						
Total expenses, including income tax expense	3.4%(4)	5.8%	5.8%	8.2%(3)	9.8%(3)	8.8%(3)
Operating expenses	4.0%(4)	5.1%	5.8%	6.1%(3)	8.0%(3)	8.3%(3)
Operating expenses, excluding interest expense	1.8%(4)	2.4%	3.0%	3.0%(3)	4.0%(3)	4.0%(3)

(1) SBIC debentures for September 30, 2015 and December 31, 2014, 2013, 2012, 2011, 2010 are $225,000, $225,000, $200,200, $225,000, $220,000 and $180,000 at par, respectively, with par of $75,200 for September 30, 2015, December 31, 2014 and 2013, $100,000 for December 31, 2012, and $95,000 for December 31, 2011 and 2010 recorded at fair value of $73,804, $72,981, $62,050, $86,467, 76,887 and $70,558, as of September 30, 2015 and December 31, 2014, 2013, 2012, 2011, 2010, respectively.

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

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

(4) Not annualized.

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

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

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

ORGANIZATION

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

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

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

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

MSCC has certain direct and indirect wholly owned subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of the Taxable Subsidiaries is to permit

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

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

OVERVIEW

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity and equity related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. Our LMM companies generally have annual revenues between $10 million and $150 million, and our LMM portfolio investments generally range in size from $5 million to $50 million. Our Middle Market investments are made in businesses that are generally larger in size than our LMM portfolio companies, with annual revenues typically between $150 million and $1.5 billion, and our Middle Market investments generally range in size from $3 million to $15 million. Our private loan ("Private Loan") portfolio investments are primarily debt securities which have been originated through strategic relationships with other investment funds on a collaborative basis. Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio.

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

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

We seek to fill the financing gap for LMM businesses, which, historically, have had more limited access to financing from commercial banks and other traditional sources. The underserved nature of the LMM creates the opportunity for us to meet the financing needs of LMM companies while also

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negotiating favorable transaction terms and equity participations. Our ability to invest across a company's capital structure, from secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing options, or a "one stop" financing solution. Providing customized, "one stop" financing solutions is important to LMM portfolio companies. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. Our LMM portfolio debt investments are generally secured by a first lien on the assets of the portfolio company and typically have a term of between five and seven years from the original investment date. We believe that our LMM investment strategy has limited correlation to the broader debt and equity markets.

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

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

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

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

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

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of September 30, 2015, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. Weighted-average annual effective yield is higher than what an investor in shares

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of our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor.

(c)

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

	As of December 31, 2014		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	66	86	31
Fair value	$ 733.2	$ 542.7	$ 213.0
Cost	$ 599.4	$ 561.8	$ 224.0
% of portfolio at cost debt	71.5%	99.8%	95.6%
% of portfolio at cost equity	28.5%	0.2%	4.4%
% of debt investments at cost secured by first priority lien	89.6%	85.1%	87.8%
Weighted-average annual effective yield(b)	13.2%	7.8%	10.1%
Average EBITDA(c)	$ 5.0	$ 77.2	$ 18.1

(a)

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

(b)

The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2014, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. Weighted-average annual effective yield is higher than what an investor in shares of our common stock will realize on its investment because it does not reflect our expenses or any sales load paid by an investor.

(c)

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

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

As previously discussed, the External Investment Manager is a wholly owned subsidiary that is treated as a portfolio investment. As of September 30, 2015, there was no cost basis in this investment and the investment had a fair value of $32.3 million, which comprised 1.7% of our Investment Portfolio

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at fair value. As of December 31, 2014, there was no cost basis in this investment and the investment had a fair value of $15.6 million, which comprised 1.0% of our Investment Portfolio at fair value.

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

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

Because we are internally managed, we do not pay any external investment advisory fees, but instead incur the operating costs associated with employing investment and portfolio management professionals ourselves. We believe that our internally managed structure provides us with a beneficial operating expense structure when compared to other publicly traded and privately held investment firms which are externally managed, and our internally managed structure allows us the opportunity to leverage our non-interest operating expenses as we grow our Investment Portfolio. For the three months ended September 30, 2015 and 2014, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.3% and 1.4%, respectively, on an annualized basis. For the nine months ended September 30, 2015 and 2014, the ratio of our total operating expenses, excluding interest expense as a percentage of our quarterly average total assets was 1.4% and 1.5%, respectively, on an annualized basis and 1.4% for the year ended December 31, 2014.

The total investment return on our shares of common stock for the nine months ended September 30, 2015 and 2014 was (6.74%) and (1.06%), respectively. Total investment return is based on the purchase of our stock at the current market price on the first day and a sale at the current market price on the last day of each period reported and assumes reinvestment of dividends at prices obtained by our dividend reinvestment plan during the period. The return does not reflect any sales load that may be paid by an investor.

During May 2012, we entered into an investment sub-advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income Fund, Inc. ("HMS Income"), a non-publicly traded BDC whose registration statement on Form N-2 was declared effective by the SEC in June 2012, to provide certain investment advisory services to HMS Adviser. In December 2013, after obtaining required no-action relief from the SEC to allow us to own a registered investment adviser, we assigned the sub-advisory agreement to the External Investment Manager since the fees received from such arrangement could otherwise have negative consequences on MSCC's ability to meet the source-of-income requirement necessary for us to maintain our RIC tax treatment. Under the investment sub-advisory agreement, the External Investment Manager is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. Based upon several fee waiver agreements with HMS Income and HMS Adviser, the External Investment Manager did not begin accruing the base management fee and incentive fees, if

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any, until January 1, 2014. Beginning January 1, 2015, the External Investment Manager conditionally agreed to waive a limited amount of the base management fee and incentive fees otherwise earned during the year ended December 31, 2015. During the three months ended September 30, 2015 and 2014, the External Investment Manager earned $2.1 million and $0.8 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser. During the nine months ended September 30, 2015 and 2014, the External Investment Manager earned $5.5 million and $1.7 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser.

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

CRITICAL ACCOUNTING POLICIES

Basis of Presentation

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). For each of the periods presented herein, our consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of our investments in LMM portfolio companies, investments in Middle Market portfolio companies, Private Loan portfolio investments, Other Portfolio investments, and the investment in the External Investment Manager, but excludes all "Marketable securities and idle funds investments". "Marketable securities and idle funds investments" are classified as financial instruments and are reported separately on our consolidated balance sheets and consolidated schedules of investments due to the nature of such investments. Our results of operations for the three and nine months ended September 30, 2015 and 2014, cash flows for the nine months ended September 30, 2015 and 2014, and financial position as of September 30, 2015 and December 31, 2014, are presented on a consolidated basis. The effects of all intercompany transactions between us and our consolidated subsidiaries have been eliminated in consolidation. Certain reclassifications have been made to prior period balances to conform to the current presentation, including reclassifying the expenses charged to the External Investment Manager.

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

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

Investment Portfolio Valuation

The most significant determination inherent in the preparation of our consolidated financial statements is the valuation of our Investment Portfolio and the related amounts of unrealized appreciation and depreciation. As of September 30, 2015 and December 31, 2014, our Investment Portfolio valued at fair value represented approximately 96% and 92% of our total assets, respectively. We are required to report our investments at fair value. We follow the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. ASC 820 requires us to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact.

Our portfolio strategy calls for us to invest primarily in illiquid debt and equity securities issued by private, LMM companies and more liquid debt securities issued by Middle Market companies that are generally larger in size than the LMM companies. We categorize some of our investments in LMM companies and Middle Market companies as Private Loan investments which are investments, generally in debt instruments, that we originate on a collaborative basis with other investment funds, and are often referred to in the debt markets as "club deals." Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio. Our portfolio also includes Other Portfolio investments which primarily consist of investments that are not consistent with the typical profiles for our LMM portfolio investments, Middle Market portfolio investments or Private Loan portfolio investments, including investments which may be managed by third parties. Our portfolio investments may be subject to restrictions on resale.

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

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

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

Under the Waterfall valuation method, we estimate the enterprise value of a portfolio company using a combination of market and income approaches or other appropriate valuation methods, such as considering recent transactions in the equity securities of the portfolio company or third-party valuations of the portfolio company, and then perform a waterfall calculation by using the enterprise value over the portfolio company's securities in order of their preference relative to one another. The enterprise value is the fair value at which an enterprise could be sold in a transaction between two willing parties, other than through a forced or liquidation sale. Typically, private companies are bought and sold based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value. There is no single methodology for estimating enterprise value. For any one portfolio company, enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In estimating the enterprise value of a portfolio company, we analyze various factors including the portfolio company's historical and projected financial results. The operating results of a portfolio company may include unaudited, projected, budgeted or pro forma financial information and may require adjustments for non-recurring items or to normalize the operating results that may require significant judgment in our determination. In addition, projecting future financial results requires significant judgment regarding future growth assumptions. In evaluating the operating results, we also analyze the impact of exposure to litigation, loss of customers or other contingencies. After determining the appropriate enterprise value, we allocate the enterprise value to investments in order of the legal priority of the various components of the portfolio company's capital structure. In applying the Waterfall valuation method, we assume the loans are paid off at the principal amount in a change in control transaction and are not assumed by the buyer, which we believe is consistent with our past transaction history and standard industry practices.

Under the Yield-to-Maturity valuation method, we use the income approach to determine the fair value of debt securities, based on projections of the discounted future free cash flows that the debt

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

Under the NAV valuation method, for an investment in an investment fund that does not have a readily determinable fair value, we measure the fair value of the investment predominately based on the NAV of the investment fund as of the measurement date. However, in determining the fair value of the investment, we may consider whether adjustments to the NAV are necessary in certain circumstances, based on the analysis of any restrictions on redemption of our investment as of the measurement date, recent actual sales or redemptions of interests in the investment fund, and expected future cash flows available to equity holders, including the rate of return on those cash flows compared to an implied market return on equity required by market participants, or other uncertainties surrounding our ability to realize the full NAV of our interests in the investment fund.

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

For valuation purposes, all of our Middle Market portfolio investments are non-control investments. To the extent sufficient observable inputs are available to determine fair value, we use observable inputs to determine the fair value of these investments through obtaining third-party quotes or other independent pricing. For Middle Market portfolio investments for which we have determined that third-party quotes or other independent pricing are not available or appropriate, we generally estimate the fair value based on the assumptions that we believe hypothetical market participants would use to value such Middle Market debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method and such Middle Market equity investments in a current hypothetical sale using the Waterfall valuation method. We do not generally consult with any financial advisory services firms in connection with determining the fair value of our Middle Market debt investments.

For valuation purposes, all of our Private Loan portfolio investments are non-control investments. For Private Loan portfolio investments for which we have determined that third-party quotes or other independent pricing are not available or appropriate, we generally estimate the fair value based on the assumptions that we believe hypothetical market participants would use to value such Private Loan debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method and such Private Loan equity investments in a current hypothetical sale using the Waterfall valuation method. The nationally recognized independent financial advisory services firm analyzes and provides observations and recommendations regarding our determinations of the fair value of our Private Loan portfolio company investments.

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

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

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

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Our Board of Directors has the final responsibility for overseeing, reviewing and approving, in good faith, our determination of the fair value for our Investment Portfolio and our valuation procedures, consistent with 1940 Act requirements. We believe our Investment Portfolio as of September 30, 2015 and December 31, 2014 approximates fair value as of those dates based on the markets in which we operate and other conditions in existence on those reporting dates.

Revenue Recognition

Interest and Dividend Income

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

Fee Income

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

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

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

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Share-Based Compensation

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

Income Taxes

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

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

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

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

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

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INVESTMENT PORTFOLIO COMPOSITION

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

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

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

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

Our external asset management business is conducted through our External Investment Manager. We have entered into an agreement to provide the External Investment Manager with asset management service support in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, we provide management and other services to the External Investment Manager, as well as access to our employees, infrastructure, business relationships, management expertise and capital raising capabilities. In the first quarter of 2014, we began charging the External Investment Manager for these services. Our total expenses for the three months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $1.1 million and $0.6 million, respectively. Our total expenses for the nine months ended September 30, 2015 and 2014 are net of expenses charged to the External Investment Manager of $3.1 million and $1.3 million, respectively. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed.

The following tables summarize the composition of our total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments as of September 30, 2015

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and December 31, 2014 (this information excludes the Other Portfolio investments and the External Investment Manager).

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

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

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

PORTFOLIO ASSET QUALITY

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

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

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

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

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

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

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

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

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

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

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

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

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DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

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

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

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

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

Investment Income

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

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accelerated prepayment and repricing activity and other one-time fees for certain Investment Portfolio debt investments and a decrease of $0.4 million related to unusual dividend income activity during the period when compared to the same period in 2014.

Expenses

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

Distributable Net Investment Income

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

Net Investment Income

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

Net Increase in Net Assets Resulting from Operations

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

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The net realized loss of $1.3 million for the three months ended September 30, 2015 was primarily the result of the net realized losses on the restructure of a Private Loan investment of $6.0 million and on the exits of Marketable securities and idle funds investments of $1.1 million, partially offset by the net realized gain on the exit of a LMM investment of $6.0 million.

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

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

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

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

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

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

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

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

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

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

Investment Income

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

Expenses

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

Distributable Net Investment Income

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

Net Investment Income

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

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations during the nine months ended September 30, 2015 was $96.9 million, or $1.99 per share, compared with $78.8 million, or $1.83 per share, during the nine months ended September 30, 2014. This increase from the prior year period was primarily the result of (i) a $9.4 million increase in net investment income as discussed above and (ii) a $13.2 million increase in net change in unrealized appreciation to net unrealized appreciation of $20.4 million for the nine months ended September 30, 2015 and (iii) a $15.4 million change in the income tax benefit/provision from the prior year period to an income tax benefit of $7.0 million for the nine months ended September 30, 2015, with these changes partially offset by a $19.8 million change in

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the net realized gain/loss from investments from a net realized gain of $10.8 million during the nine months ended September 30, 2014 to a net realized loss of $9.0 million for the nine months ended September 30, 2015. The net realized loss of $9.0 million for the nine months ended September 30, 2015 was primarily the result of the net realized losses on the restructure of two Middle Market investments of $9.1 million and of a Private Loan investment of $6.0 million, the exit of Private Loan investment of $4.7 million and exits of several Marketable securities and idle funds investments of $1.1 million, partially offset by the net realized gains on two exits of LMM investments totaling $9.3 million and from an Other Portfolio investment of $2.5 million.

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

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

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

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

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

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

Liquidity and Capital Resources

Cash Flows

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

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

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

Capital Resources

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

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

Borrowings under the Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable LIBOR rate (0.20% as of September 30, 2015) plus 2.00%, as long as we maintain an investment grade rating (or 2.25% if we do not maintain an investment grade rating) or (ii) the applicable base rate (Prime Rate of 3.25% as of September 30, 2015) plus 1.00%, as long as we maintain an investment grade rating (or 1.25% if we do not maintain an investment grade rating). We pay unused commitment fees of 0.25% per annum on the unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership or assets of the Funds and the External Investment Manager. The Credit Facility contains certain affirmative and negative covenants, including: (i) maintaining a minimum availability of at least 10% of the borrowing base, (ii) maintaining an interest coverage ratio of at least 2.0 to 1.0, (iii) maintaining an asset coverage ratio of at least 1.5 to 1.0, and (iv) maintaining a minimum tangible net worth. The Credit Facility is provided on a revolving basis through its final maturity date in September 2019, and contains two, one-year extension options which could extend the final maturity by up to two years, subject to certain conditions, including lender approval. As of September 30, 2015, we had $346.0 million in borrowings outstanding under the Credit Facility, the interest rate on the Credit Facility was 2.2% and we were in compliance with all financial covenants of the Credit Facility. During the three months ended September 30, 2015, the average interest rate on the Credit Facility was 2.2%.

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Due to each of the Funds' status as a licensed SBIC, we have the ability to issue, through the Funds, debentures guaranteed by the SBA at favorable interest rates. Under the regulations applicable to SBIC funds, an SBIC can have outstanding debentures guaranteed by the SBA subject to a regulatory leverage limit, up to a regulatory maximum amount of debentures of $225.0 million. Debentures guaranteed by the SBA have fixed interest rates that equal prevailing 10-year Treasury Note rates plus a market spread and have a maturity of ten years with interest payable semi-annually. The principal amount of the debentures is not required to be paid before maturity, but may be pre-paid at any time with no prepayment penalty. On September 30, 2015, through our two wholly owned SBICs, we had $225.0 million of outstanding SBIC debentures guaranteed by the SBA, which bear a weighted average annual fixed interest rate of approximately 4.2%, paid semi-annually, and mature ten years from issuance. The first maturity related to our SBIC debentures does not occur until 2017, and the remaining weighted average duration is approximately 5.8 years as of September 30, 2015.

In April 2013, we issued $92.0 million, including the underwriters' full exercise of their over-allotment option, in aggregate principal amount of the 6.125% Notes. The 6.125% Notes are unsecured obligations and rank pari passu with our current and future senior unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 6.125% Notes; effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under our Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, the indebtedness of the Funds. The 6.125% Notes mature on April 1, 2023, and may be redeemed in whole or in part at any time or from time to time at our option on or after April 1, 2018. We may from time to time repurchase 6.125% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2015, the outstanding balance of the 6.125% Notes was $90.7 million.

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

In November 2014, we issued $175.0 million in aggregate principal amount of the 4.50% Notes at an issue price of 99.53%. The 4.50% Notes are unsecured obligations and rank pari passu with our current and future senior unsecured indebtedness; senior to any of our future indebtedness that expressly provides it is subordinated to the 4.50% Notes; effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under our Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes mature on December 1, 2019, and may be redeemed in whole or in part at any time at our option subject to certain make whole provisions. The 4.50% Notes bear interest at a rate of 4.50% per year payable semi-annually on June 1 and December 1 of each year, beginning June 1, 2015. We may from time to time repurchase 4.50% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of September 30, 2015, the outstanding balance of the 4.50% Notes was $175.0 million.

The indenture governing the 4.50% Notes (the "4.50% Notes Indenture") contains certain covenants, including covenants requiring our compliance with (regardless of whether we are subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act, as well as covenants requiring us to provide financial information to the holders of the 4.50%

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

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

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

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

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

If our common stock trades below our net asset value per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board of Directors makes certain determinations. We did not seek stockholder authorization to sell shares of our common stock below the then current net asset value per share of our common stock at our 2015 annual meeting of stockholders because our common stock price per share had been trading significantly above the current net asset value per share of our common stock. We would therefore need future approval from our stockholders to issue shares below the then current net asset value per share.

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

Although we have been able to secure access to additional liquidity, including recent public equity and debt offerings, our $597.5 million Credit Facility, and the available leverage through the SBIC program, there is no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

Recently Issued or Adopted Accounting Standards

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* ASU 2014-9 supersedes the revenue recognition requirements under ASC Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the ASC. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Under the new guidance, an entity is required to perform the following five steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The new guidance will significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. Additionally, the guidance requires improved disclosures as to the nature, amount, timing and uncertainty of revenue that is recognized. The FASB tentatively decided to defer the effective date of the new revenue standard for public entities under U.S. GAAP for one year. If finalized, the new guidance will be effective for the annual reporting period beginning after December 15, 2017, including interim periods within that reporting period. Early adoption would be permitted for annual reporting periods beginning after December 15, 2016. We are currently evaluating the impact the adoption of this new accounting standard will have on our financial statements.

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

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

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

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Inflation

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

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. At September 30, 2015, we had a total of $140.8 million in outstanding commitments comprised of (i) 25 investments with commitments to fund revolving loans that had not been fully drawn or term loans with additional commitments not yet funded and (ii) eight investments with capital commitments that had not been fully called.

Contractual Obligations

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

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

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

Related Party Transactions

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

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

PLAN OF DISTRIBUTION

We have entered into separate equity distribution agreements, each dated November 24, 2015, with each of Goldman, Sachs & Co., Raymond James & Associates, Inc. and Robert W. Baird & Co. Incorporated, under which each will act as our sales agent (each, a "Sales Agent" and, collectively, the "Sales Agents") in connection with the offer and sale of shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Upon written instructions from us, a Sales Agent will use its commercially reasonable efforts consistent with its sales and trading practices to sell, as our sales agent, our common stock under the terms and subject to the conditions set forth in the respective equity distribution agreement. We will instruct each Sales Agent as to the amount of common stock to be sold by it. We may instruct the Sales Agent not to sell common stock if the sales cannot be effected at or above the price designated by us in any instruction. We or the Sales Agent may suspend the offering of shares of common stock upon proper notice and subject to other conditions.

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

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

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

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

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

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

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

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indemnification and contribution to the Sales Agents with respect to certain civil liabilities, including liabilities under the Securities Act.

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

Conflicts of Interest

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

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

In the ordinary course of their various business activities, the Sales Agents and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The Sales Agents and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. In addition, the Sales Agents and/or their affiliates may from time to time refer investment banking clients to us as potential portfolio investments. If we invest in those clients, we may utilize net proceeds from this offering to fund such investments, and the referring Sales Agent or its affiliate may receive placement fees from its client in connection with such financing, which placement fees may be paid out of the amount funded by us.

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

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LEGAL MATTERS

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audited consolidated financial statements, financial highlights, Schedule 12 14 and the schedule of Senior Securities of Main Street Capital Corporation, included in this prospectus have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, as stated in their reports appearing herein. Grant Thornton LLP's principal business address is 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*. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: *publicinfo@sec.gov*, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

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INTERIM FINANCIAL STATEMENTS

MAIN STREET CAPITAL CORPORATION

Consolidated Balance Sheets

(in thousands, except shares and per share amounts)

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

Accumulated net investment income, net of cumulative dividends of $382,083 and $293,789 as of September 30, 2015 and December 31, 2014, respectively		13,927		23,665
Accumulated net realized gain from investments (accumulated net realized gain from investments of $31,284 before cumulative dividends of $62,945 as of September 30, 2015 and accumulated net realized gain from investments of $40,321 before cumulative dividends of $60,777 as of December 31, 2014)		(31,661)		(20,456)
Net unrealized appreciation, net of income taxes		110,092		82,716
Total net assets		1,090,981		939,982
Total liabilities and net assets	$	1,955,367	$	1,693,785
NET ASSET VALUE PER SHARE	$	21.79	$	20.85

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Operations

(in thousands, except shares and per share amounts)

(Unaudited)

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

NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED	$	0.56	$	0.55	$	1.61	$	1.61
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE BASIC AND DILUTED	$	0.41	$	0.48	$	1.99	$	1.83
DIVIDENDS PAID PER SHARE:								
Regular monthly dividends	$	0.525	$	0.495	$	1.560	$	1.485
Supplemental dividends						0.275		0.275
Total dividends	$	0.525	$	0.495	$	1.835	$	1.760
WEIGHTED AVERAGE SHARES OUTSTANDING BASIC AND DILUTED		50,036,776		44,910,756		48,681,260		43,027,105

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Changes in Net Assets

(in thousands, except shares)

(Unaudited)

	Common Stock Number of Shares	Common Stock Par Value	Additional Paid-In Capital	Accumulated Net Investment Income, Net of Dividends	Accumulated Net Realized Gain From Investments, Net of Dividends	Net Unrealized Appreciation from Investments, Net of Income Taxes	Total Net Asset Value
Balances at December 31, 2013	39,852,604	$ 398	$ 694,981	$ 22,778	$ (26,334)	$ 100,710	$ 792,533
Public offering of common stock, net of offering costs	4,600,000	46	139,651				139,697
Share-based compensation			3,034				3,034
Purchase of vested stock for employee payroll tax withholding	(46,507)		(1,481)				(1,481)
Dividend reinvestment	333,657	3	10,842				10,845
Amortization of directors' deferred compensation			229				229
Issuance of restricted stock	241,578	2	(2)				
Tax benefit related to vesting of restricted shares			542				542
Forfeited shares of terminated employees	(36,138)						
Dividends to stockholders				(63,098)	(13,549)		(76,647)
Net increase (loss) resulting from operations				69,206	10,789	(1,241)	78,754
Balances at September 30, 2014	44,945,194	$ 449	$ 847,796	$ 28,886	$ (29,094)	$ 99,469	$ 947,506
Balances at December 31, 2014	45,079,150	$ 451	$ 853,606	$ 23,665	$ (20,456)	$ 82,716	$ 939,982
Public offering of common stock, net of offering costs	4,370,000	44	127,720				127,764
Share-based compensation			4,592				4,592
Purchase of vested stock for employee payroll tax withholding	(54,840)	(1)	(1,739)				(1,740)
Dividend reinvestment	444,957	4	13,654				13,658
Amortization of directors' deferred compensation			292				292
Issuance of restricted stock	240,074	2	(2)				
Forfeited shares of terminated employees	(163)						
Dividends to stockholders				(88,294)	(2,168)		(90,462)
Net increase (loss) resulting from operations				78,556	(9,037)	27,376	96,895
Balances at September 30, 2015	50,079,178	$ 500	$ 998,123	$ 13,927	$ (31,661)	$ 110,092	$ 1,090,981

The accompanying notes are an integral part of these financial statements

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

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

Supplemental cash flow disclosures:				
Interest paid	$	21,708	$	15,701
Taxes paid	$	2,504	$	3,656
Non-cash financing activities:				
Shares issued pursuant to the DRIP	$	13,658	$	10,845

The accompanying notes are an integral part of these financial statements

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments

September 30, 2015

(in thousands)

(Unaudited)

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

CMS Minerals LLC	Oil & Gas Exploration & Production			
		Preferred Member Units (458 units)(8)	3,246	7,193

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

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

Hawthorne Customs and Dispatch Services, LLC	Facilitator of Import Logistics, Brokerage, and Warehousing			
		Member Units (500 units)(8)	589	580
		Member Units (Wallisville Real Estate, LLC) (588,210 units)(8)	1,215	2,220
			1,804	2,800

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

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

4,980	8,955

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

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

Logistics and Distribution Services Provider for Large Volume Mailers				
	12% Secured Debt (Maturity August 15, 2019)	9,448	9,273	9,448
	Common Stock (5,873 shares)(8)		2,720	6,580
			11,993	16,028

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

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

Principle Environmental, LLC	Noise Abatement Service Provider				
		12% Secured Debt (Maturity April 30, 2017)	4,060	3,979	4,060
		12% Current / 2% PIK Secured Debt (Maturity April 30, 2017)	3,294	3,288	3,294
		Preferred Member Units (19,631 units)(8)		4,663	9,560
		Warrants (1,036 equivalent units)		1,200	530
				13,130	17,444

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

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

Warrants (1,424 equivalent units)	1,096	
Member Units (MPI Real Estate Holdings, LLC) (100% Fully diluted)(8)	2,300	2,230
	8,817	6,130

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

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

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

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

Congruent Credit Opportunities Funds(12)(13)	Investment Partnership			
		LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)(8)	7,644	4,228
		LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)	12,099	12,222
			19,743	16,450

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

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

	8% Secured Debt (Maturity October 18, 2018)			
	12% Secured Debt (Maturity October 18, 2018)	9,000	8,924	8,924
	Common Stock (7,711,517 shares)		3,958	4,460
			12,900	13,402

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Guerdon Modular Holdings, Inc.	Multi-Family and Commercial Modular Construction Company				
		11% Secured Debt (Maturity August 13, 2019)	10,400	10,273	10,273
		Common Stock (170,577 shares)		2,983	2,590
				13,256	12,863
Houston Plating and Coatings, LLC	Provider of Plating and Industrial Coating Services				
		Member Units (248,082 units)(8)		996	10,820
Indianhead Pipeline Services, LLC	Provider of Pipeline Support Services				
		12% Secured Debt (Maturity February 6, 2017)	6,225	6,046	6,046
		Preferred Member Units (33,819 units; 8% cumulative)		2,302	2,302
		Warrants (31,928 equivalent units)		459	
		Member Units (14,732 units)		1	
				8,808	8,348
KBK Industries, LLC	Manufacturer of Specialty Oilfield and Industrial Products				
		12.5% Secured Debt (Maturity September 28, 2017)	6,200	6,170	6,200
		Member Units (250 units)(8)		341	4,090
				6,511	10,290
L.F. Manufacturing Holdings, LLC(10)	Manufacturer of Fiberglass Products				
		Member Units (2,000,000 units)(8)		2,019	1,790
MPS Denver, LLC	Specialty Card Printing				
		Member Units (13,800 units)		1,130	1,130
OnAsset Intelligence, Inc.	Provider of Transportation Monitoring / Tracking Products and Services				
		12% PIK Secured Debt (Maturity December 31, 2015)	3,887	3,887	3,887
		Preferred Stock (912 shares; 7% cumulative)(8)		1,981	1,380
		Warrants (5,333 equivalent shares)		1,919	

				7,787	5,267
OPI International Ltd.(13)	Provider of Man Camp and Industrial Storage Services				
		10% Unsecured Debt (Maturity April 8, 2018)	244	244	244
		Common Stock (20,766,317 shares)		1,371	3,200
				1,615	3,444

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule Of Investments (Continued)

September 30, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
PCI Holding Company, Inc.	Manufacturer of Industrial Gas Generating Systems				
		Preferred Stock (1,500,000 shares; 20% cumulative)(8)		2,625	4,750
Radial Drilling Services Inc.	Oil and Gas Lateral Drilling Technology Provider				
		12% Secured Debt (Maturity November 22, 2016)	4,200	3,936	2,000
		Warrants (316 equivalent shares)		758	
				4,694	2,000
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	Provider of Rigsite Accommodation Unit Rentals and Related Services				
		12% Secured Debt (Maturity January 8, 2018)(14)(18)	30,785	30,281	250
		Preferred Member Units (250 units)		2,500	
				32,781	250
Samba Holdings, Inc.	Provider of Intelligent Driver Record Monitoring Software and Services				
		12.5% Secured Debt (Maturity November 17, 2016)	25,665	25,522	25,665
		Common Stock (170,963 shares)		2,087	20,410
				27,609	46,075
Tin Roof Acquisition Company	Casual Restaurant Group				
		12% Secured Debt (Maturity November 13, 2018)	14,100	13,898	13,898
		Class C Preferred Stock (Fully diluted 10.0%; 10% cumulative)(8)		2,415	2,415
				16,313	16,313