

Main Street Capital CORP
Form 10-Q
May 08, 2015

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

OR

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

For the transition period from: _____ **to**
Commission File Number: 001-33723

Main Street Capital Corporation

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

41-2230745
(I.R.S. Employer
Identification No.)

**1300 Post Oak Boulevard, Suite 800
Houston, TX**

(Address of principal executive offices)

77056
(Zip Code)

(713) 350-6000

(Registrant's telephone number including area code)

n/a

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

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the issuer's common stock as of May 7, 2015 was 49,845,284.

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

	March 31, 2015	December 31, 2014
	(Unaudited)	
ASSETS		
Portfolio investments at fair value:		
Control investments (cost: \$349,766 and \$342,847 as of March 31, 2015 and December 31, 2014, respectively)	\$ 489,328	\$ 469,846
Affiliate investments (cost: \$267,123 and \$266,243 as of March 31, 2015 and December 31, 2014, respectively)	279,986	278,675
Non-Control/Non-Affiliate investments (cost: \$983,942 and \$832,312 as of March 31, 2015 and December 31, 2014, respectively)	968,009	814,809
Total portfolio investments (cost: \$1,600,831 and \$1,441,402 as of March 31, 2015 and December 31, 2014, respectively)	1,737,323	1,563,330
Marketable securities and idle funds investments (cost: \$11,235 and \$10,604 as of March 31, 2015 and December 31, 2014, respectively)	9,948	9,067
Total investments (cost: \$1,612,066 and \$1,452,006 as of March 31, 2015 and December 31, 2014, respectively)	1,747,271	1,572,397
Cash and cash equivalents	22,015	60,432
Interest receivable and other assets	25,009	23,273
Receivable for securities sold	22,749	23,133
Deferred financing costs (net of accumulated amortization of \$8,449 and \$6,462 as of March 31, 2015 and December 31, 2014, respectively)	13,925	14,550
Total assets	\$ 1,830,969	\$ 1,693,785
LIABILITIES		
Credit facility	\$ 164,000	\$ 218,000
SBIC debentures (par: \$225,000 as of March 31, 2015 and December 31, 2014, par of \$75,200 is recorded at a fair value of \$73,674 and \$72,981 as of March 31, 2015 and December 31, 2014, respectively)	223,474	222,781
4.50% Notes	175,000	175,000
6.125% Notes	90,810	90,823
Payable for securities purchased	67,270	14,773
Deferred tax liability, net	8,546	9,214
Dividend payable	8,674	7,663
Accounts payable and other liabilities	3,693	10,701
Interest payable	5,609	4,848
Total liabilities	747,076	753,803
Commitments and contingencies (Note M)		
NET ASSETS		
Common stock, \$0.01 par value per share (150,000,000 shares authorized; 49,564,361 and 45,079,150 shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively)	496	451
Additional paid-in capital	986,069	853,606
Accumulated net investment income, net of cumulative dividends of \$317,810 and \$293,789 as of March 31, 2015 and December 31, 2014, respectively	23,135	23,665
Accumulated net realized gain from investments (accumulated net realized gain from investments of \$38,201 before cumulative dividends of \$62,897 as of March 31, 2015 and accumulated net realized gain from investments of \$40,321 before cumulative dividends of \$60,777 as of December 31, 2014)	(22,576)	(20,456)

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Net unrealized appreciation, net of income taxes	96,769	82,716
Total net assets	1,083,893	939,982
Total liabilities and net assets	\$ 1,830,969	\$ 1,693,785
NET ASSET VALUE PER SHARE	\$ 21.87	\$ 20.85

The accompanying notes are an integral part of these financial statements

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

	Three Months Ended March 31,	
	2015	2014
INVESTMENT INCOME:		
Interest, fee and dividend income:		
Control investments	\$ 11,335	\$ 9,296
Affiliate investments	6,049	5,640
Non-Control/Non-Affiliate investments	19,421	15,633
Interest, fee and dividend income	36,805	30,569
Interest, fee and dividend income from marketable securities and idle funds	374	207
Total investment income	37,179	30,776
EXPENSES:		
Interest	(7,796)	(5,286)
Compensation	(3,494)	(2,351)
General and administrative	(1,962)	(1,838)
Share-based compensation	(1,263)	(853)
Expenses charged to the External Investment Manager	827	291
Total expenses	(13,688)	(10,037)
NET INVESTMENT INCOME	23,491	20,739
NET REALIZED GAIN (LOSS):		
Non-Control/Non-Affiliate investments	(2,008)	1,433
Marketable securities and idle funds investments	(112)	10
Total net realized gain (loss)	(2,120)	1,443
NET REALIZED INCOME	21,371	22,182
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):		
Portfolio investments	14,204	6,857
Marketable securities and idle funds investments	251	1,049
SBIC debentures	(693)	(1,189)
Total net change in unrealized appreciation	13,762	6,717
INCOME TAXES:		
Federal and state income, excise and other taxes	(376)	(667)
Deferred taxes	667	(998)
Income tax benefit (provision)	291	(1,665)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 35,424	\$ 27,234
NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED	\$ 0.51	\$ 0.52

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NET REALIZED INCOME PER SHARE BASIC AND DILUTED	\$	0.46	\$	0.56
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE BASIC AND DILUTED	\$	0.77	\$	0.68
DIVIDENDS PAID PER SHARE:				
Regular monthly dividends	\$	0.510	\$	0.500
Supplemental dividends				
Total dividends	\$	0.510	\$	0.500
WEIGHTED AVERAGE SHARES OUTSTANDING BASIC AND DILUTED		46,080,204		39,898,573

The accompanying notes are an integral part of these financial statements

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

(in thousands, except shares)

(Unaudited)

	Common Stock			Accumulated Net Investment Income, Net of Dividends	Accumulated Net Realized Gain From Investments, Net of Dividends	Net Unrealized Appreciation from Investments, Net of Income Taxes	Total Net Asset Value
	Number of Shares	Par Value	Additional Paid-In Capital				
Balances at December 31, 2013	39,852,604	\$ 398	\$ 694,981	\$ 22,778	\$ (26,334)	\$ 100,710	\$ 792,533
Share-based compensation			853				853
Purchase of vested stock for employee payroll tax withholding	(1,181)		(40)				(40)
Dividend reinvestment	93,328	1	3,225				3,226
Amortization of directors' deferred compensation			68				68
Issuance of restricted stock	397						
Tax benefit related to vesting of restricted shares			290				290
Dividends to stockholders				(19,757)			(19,757)
Net increase resulting from operations				20,739	1,443	5,052	27,234
Balances at March 31, 2014	39,945,148	\$ 399	\$ 699,377	\$ 23,760	\$ (24,891)	\$ 105,762	\$ 804,407
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			1,263				1,263
Purchase of vested stock for employee payroll tax withholding	(1,802)		(53)				(53)
Dividend reinvestment	116,330	1	3,464				3,465
Amortization of directors' deferred compensation			69				69
Issuance of restricted stock	683						
Dividends to stockholders				(24,021)			(24,021)
Net increase (loss) resulting from operations				23,491	(2,120)	14,053	35,424
Balances at March 31, 2015	49,564,361	\$ 496	\$ 986,069	\$ 23,135	\$ (22,576)	\$ 96,769	\$ 1,083,893

The accompanying notes are an integral part of these financial statements

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

	Three Months Ended March 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	\$ 35,424	\$ 27,234
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Investments in portfolio companies	(256,046)	(146,896)
Proceeds from sales and repayments of debt investments in portfolio companies	143,122	119,069
Proceeds from sales and return of capital of equity investments in portfolio companies	5,952	393
Investments in marketable securities and idle funds investments	(2,047)	(2,105)
Proceeds from sales and repayments of marketable securities and idle funds investments	1,304	5,207
Net change in unrealized appreciation	(13,762)	(6,717)
Net realized (gain) loss	2,120	(1,443)
Accretion of unearned income	(2,018)	(2,611)
Payment-in-kind interest	(806)	(1,655)
Cumulative dividends	(376)	(369)
Share-based compensation expense	1,263	853
Amortization of deferred financing costs	629	380
Deferred taxes	(291)	998
Changes in other assets and liabilities:		
Interest receivable and other assets	(746)	(2,557)
Interest payable	761	(390)
Accounts payable and other liabilities	(7,729)	(6,258)
Deferred fees and other	627	133
Net cash used in operating activities	(92,619)	(16,734)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering of common stock, net of offering costs	127,764	
Dividends paid	(19,545)	(16,516)
Proceeds from issuance of SBIC debentures		24,800
Proceeds from credit facility	156,000	46,000
Repayments on credit facility	(210,000)	(47,000)
Payment of deferred loan costs and SBIC debenture fees	(4)	(849)
Other	(13)	(40)
Net cash provided by financing activities	54,202	6,395
Net decrease in cash and cash equivalents	(38,417)	(10,339)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	60,432	34,701
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 22,015	\$ 24,362

Supplemental cash flow disclosures:

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Interest paid	\$	6,406	\$	5,296
Taxes paid	\$	1,934	\$	2,657
Non-cash financing activities:				
Shares issued pursuant to the DRIP	\$	3,465	\$	3,226

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<u>Control Investments(5)</u>					
ASC Interests, LLC	Recreational and Educational Shooting Facility	11% Secured Debt (Maturity July 31, 2018)	2,925	2,882	2,925
		Member Units (1,500 units)(8)		1,500	2,140
				4,382	5,065
Bond-Coat, Inc.	Casing and Tubing Coating Services	12% Secured Debt (Maturity December 28, 2017)	11,596	11,498	11,596
		Common Stock (57,508 shares)		6,350	10,210
				17,848	21,806
Café Brazil, LLC	Casual Restaurant Group	Member Units (1,233 units)(8)		1,742	6,980
California Healthcare Medical Billing, Inc.	Outsourced Billing and Revenue Cycle Management	9% Secured Debt (Maturity October 17, 2016)	8,612	8,495	8,612
		Warrants (466,947 equivalent shares)		1,193	3,480
		Common Stock (207,789 shares)		1,177	1,460
				10,865	13,552
CBT Nuggets, LLC	Produces and Sells IT Training Certification Videos	Member Units (416 units)(8)		1,300	29,950
Ceres Management, LLC (Lamb's Tire & Automotive)	Aftermarket Automotive Services Chain	14% Secured Debt (Maturity May 31, 2018)	3,827	3,827	3,827
		Class B Member Units (12% cumulative)(8)		4,170	4,170
		Member Units (5,460 units)		5,273	2,630
		9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity October 1, 2025)	955	955	955
		Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)		625	1,240

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			14,850	12,822
CMS Minerals LLC	Oil & Gas Exploration & Production	Preferred Member Units (458,461 units)(8)	3,725	3,725
		5		

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 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	11,108	11,108
		Preferred Member Units (6,453 units)		6,030	6,030
				17,138	17,138
Garreco, LLC	Manufacturer and Supplier of Dental Products	14% Secured Debt (Maturity January 12, 2018)	5,400	5,325	5,325
		Member Units (1,200 units)(8)		1,200	1,470
				6,525	6,795
GRT Rubber Technologies LLC	Engineered Rubber Product Manufacturer	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity December 19, 2019)(9)	16,750	16,591	16,591
		Member Units (5,879 units)(8)		13,065	13,065
				29,656	29,656
Gulf Manufacturing, LLC	Manufacturer of Specialty Fabricated Industrial Piping Products	9% PIK Secured Debt (Ashland Capital IX, LLC) (Maturity June 30, 2017)	744	744	744
		Member Units (438 units)(8)		2,980	16,540
				3,724	17,284
Harrison Hydra-Gen, Ltd.	Manufacturer of Hydraulic Generators	12% Secured Debt (Maturity June 4, 2015)	5,010	4,974	5,010
		Preferred Stock (8% cumulative)(8)		1,286	1,286
		Common Stock (107,456 shares)		718	2,020
				6,978	8,316
Hawthorne Customs and Dispatch Services, LLC	Facilitator of Import Logistics, Brokerage, and Warehousing				

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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

Hydratec, Inc.	Designer and Installer of Micro-Irrigation Systems		
	Common Stock (7,095 shares)(8)	7,095	13,720

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
IDX Broker, LLC	Provider of Marketing and CRM Tools for the Real Estate Industry	LIBOR Plus 6.50% (Floor 1.50%), Current Coupon 8.00%, Secured Debt (Maturity November 18, 2018)(9)	125	125	125
		12.5% Secured Debt (Maturity November 18, 2018)	11,350	11,267	11,350
		Member Units (5,400 units)		5,606	6,027
				16,998	17,502
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	15,698	15,698
		Warrants (5,516,667 equivalent shares)		8,000	4,160
				25,268	21,428
Indianapolis Aviation Partners, LLC	Fixed Base Operator	15% Secured Debt (Maturity January 15, 2016)	3,100	3,100	3,100
		Warrants (1,046 equivalent units)		1,129	2,540
				4,229	5,640
Jensen Jewelers of Idaho, LLC	Retail Jewelry Store	Prime Plus 6.75% (Floor 2.00%), Current Coupon 10.00%, Secured Debt (Maturity November 14, 2016)(9)	4,505	4,452	4,505
		Member Units (627 units)(8)		811	3,580
				5,263	8,085
Lighting Unlimited, LLC	Commercial and Residential Lighting Products and Design Services	8% Secured Debt (Maturity August 22, 2015)	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

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Marine Shelters Holdings, LLC (LoneStar Marine Shelters)	Fabricator of Marine and Industrial Shelters	12% Secured Debt (Maturity December 28, 2017) Preferred Member Units (2,669 units)	10,250	10,122 3,750	10,122 3,750
				13,872	13,872

Table of Contents**MAIN STREET CAPITAL CORPORATION****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****March 31, 2015****(in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
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	7,550
		9.5% Secured Debt (Mid Columbia Real Estate, LLC) (Maturity May 13, 2025)	915	915	915
		Member Units (Mid Columbia Real Estate, LLC) (250 units)(8)		250	550
					8,059
MSC Adviser I, LLC(16)	Third Party Investment Advisory Services	Member Units (Fully diluted 100.0%)(8)			24,840
Mystic Logistics, Inc	Logistics and Distribution Services Provider for Large Volume Mailers	12% Secured Debt (Maturity August 15, 2019)	10,000	9,799	10,000
		Common Stock (5,873 shares)		2,720	6,160
				12,519	16,160
NAPCO Precast, LLC	Precast Concrete Manufacturing	Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity September 1, 2015)(9)	625	619	625
		Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity February 1, 2016)(9)	2,923	2,917	2,923
		18% Secured Debt (Maturity February 1, 2016)	4,468	4,446	4,468
		Member Units (2,955 units)(8)		2,975	7,820
			10,957	15,836	
NRI Clinical Research, LLC	Clinical Research Service Provider	14% Secured Debt (Maturity September 8, 2017)	4,771	4,676	4,676
		Warrants (251,723 equivalent units)		252	160
		Member Units (671,233 units)		671	722

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			5,599	5,558
NRP Jones, LLC	Manufacturer of Hoses, Fittings and Assemblies			
		12% Secured Debt (Maturity December 22, 2016)	13,400	12,933
		Warrants (14,331 equivalent units)		817
		Member Units (50,877 units)(8)		2,900
			16,650	16,473

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
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 June 10, 2015) Common Stock (1,962 shares)	9,960	9,954 2,150	9,960 8,430
				12,104	18,390
Principle Environmental, LLC	Noise Abatement Service Provider	12% Secured Debt (Maturity April 30, 2017) 12% Current / 2% PIK Secured Debt (Maturity April 30, 2017) Preferred Member Units (19,631 units) Warrants (1,036 equivalent units)	4,060 3,261	3,866 3,247 4,663 1,200	4,060 3,261 9,560 530
				12,976	17,411
River Aggregates, LLC	Processor of Construction Aggregates	Zero Coupon Secured Debt (Maturity June 30, 2018) 12% Secured Debt (Maturity June 30, 2018) Member Units (1,150 units)(8) Member Units (RA Properties, LLC) (1,500 units)	750 500	509 500 1,150 369	509 500 3,190 430
				2,528	4,629
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) Member Units (4,526 units)	8,500	8,421 5,015	8,421 5,015
				13,436	13,436

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Southern RV, LLC

Recreational Vehicle
Dealer

13% Secured Debt (Maturity August 8, 2018)	11,400	11,273	11,400
Member Units (1,680 units)(8)		1,680	5,810
13% Secured Debt (Southern RV Real Estate, LLC) (Maturity August 8, 2018)	3,250	3,214	3,250
Member Units (Southern RV Real Estate, LLC) (480 units)		480	540
		16,647	21,000

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
The MPI Group, LLC	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories	9% Secured Debt (Maturity October 2, 2018)	2,724	2,724	2,724
		Series A Preferred Units (2,500 units; 10% Cumulative)		2,500	980
		Warrants (1,424 equivalent units)		1,096	
		Member Units (MPI Real Estate Holdings, LLC) (100% Fully diluted)(8)		2,300	2,230
					8,620
Travis Acquisition LLC	Manufacturer of Aluminum Trailers	12% Secured Debt (Maturity August 30, 2018)	4,578	4,510	4,578
		Member Units (7,282 units)		7,100	13,650
				11,610	18,228
Uvalco Supply, LLC	Farm and Ranch Supply Store	9% Secured Debt (Maturity January 1, 2019)	1,659	1,659	1,659
		Member Units (1,006 units)(8)		1,113	3,350
				2,772	5,009
Vision Interests, Inc.	Manufacturer / Installer of Commercial Signage	13% Secured Debt (Maturity December 23, 2016)	3,204	3,174	3,174
		Series A Preferred Stock (3,000,000 shares)		3,000	3,550
		Common Stock (1,126,242 shares)		3,706	210
				9,880	6,934
Ziegler's NYPD, LLC	Casual Restaurant Group	Prime Plus 2.00% (Floor 7.00%), Current Coupon 9.00%, Secured Debt (Maturity October 1, 2018)(9)	1,500	1,491	1,491
		9% Current / 9% PIK Secured Debt (Maturity October 1, 2018)	5,509	5,509	4,880
		Warrants (587 equivalent units)		600	
		Member units (480 units)		75	
				7,675	6,371

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Subtotal Control Investments (28.0% of total investments at fair value)	349,766	489,328
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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 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)	11,760	11,376	11,376
		Warrants (42 equivalent units)		259	259
		Member Units (186 units)		1,200	1,200
				12,835	12,835
Boss Industries, LLC	Manufacturer and Distributor of Air Compressors, Auxiliary Power Units, Gas Booster Systems and Vapor Recovery Systems	Preferred Member Units (2,242 units)(8)		2,000	2,000
Bridge Capital Solutions Corporation	Financial Services and Cash Flow Solutions Provider	13% Secured Debt (Maturity April 18, 2017)	6,000	5,852	5,852
		Warrants (19 equivalent shares)		200	860
				6,052	6,712
Brightwood Capital Fund III, LP(12)(13)	Investment Partnership	LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 2.3%)(8)		4,524	4,524
CAI Software LLC	Provider of Specialized Enterprise Resource Planning Software	12% Secured Debt (Maturity October 10, 2019)	5,400	5,350	5,350
		Member Units (65,356 units)		654	654
				6,004	6,004
Condit Exhibits, LLC	Tradeshow Exhibits / Custom Displays Provider	Member Units (3,936 units)(8)		100	610

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Congruent Credit Opportunities Funds(12)(13)

Investment Partnership

LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)(8)	17,169	16,879
LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8)	9,450	9,450
	26,619	26,329

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 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)	20,853	20,548	20,853
		Common Stock (19,467 shares)		5,213	17,460
				25,761	38,313
Dos Rios Partners(12)(13)	Investment Partnership	LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)(8)		2,325	2,325
		LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)(8)		738	738
				3,063	3,063
East Teak Fine Hardwoods, Inc.	Distributor of Hardwood Products	Common Stock (5,000 shares)(8)		480	860
East West Copolymer & Rubber, LLC	Manufacturer of Synthetic Rubbers	12% Secured Debt (Maturity October 17, 2019)	9,600	9,442	9,442
		Warrants (1,823,278 equivalent units)		50	50
				9,492	9,492
Freeport Financial SBIC Fund LP(12)(13)	Investment Partnership	LP Interests (Fully diluted 9.9%)(8)		5,140	5,140
Gault Financial, LLC (RMB Capital, LLC)	Purchases and Manages Liquidation of Distressed Assets	10% Secured Debt (Maturity November 21, 2016)	13,046	12,784	10,818
		Warrants (29,025 equivalent units)		400	
				13,184	10,818
Glowpoint, Inc.	Provider of Cloud Managed Video Collaboration Services	8% Secured Debt (Maturity October 18, 2018)	400	396	396
		12% Secured Debt (Maturity October 18, 2018)	9,000	8,914	8,914

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		Common Stock (7,711,517 shares)	3,958	6,830
			13,268	16,140
Guerdon Modular Holdings, Inc.	Multi-Family and Commercial Modular Construction Company	11% Secured Debt (Maturity August 13, 2019)	11,200	11,051
		Common Stock (170,577 shares)		2,400
			13,451	13,451

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Houston Plating and Coatings, LLC	Provider of Plating and Industrial Coating Services	Member Units (248,082 units)(8)		996	11,470
Indianhead Pipeline Services, LLC	Provider of Pipeline Support Services	12% Secured Debt (Maturity February 6, 2017)	6,675	6,432	6,432
		Preferred Member Units (28,905 units; 8% cumulative)(8)		2,013	2,013
		Warrants (38,193 equivalent units)		459	
		Member Units (14,732 units)		1	
				8,905	8,445
irth Solutions, LLC	Provider of Damage Prevention Information Technology Services	Member Units (128 units)(8)		624	4,010
KBK Industries, LLC	Specialty Manufacturer of Oilfield and Industrial Products	12.5% Secured Debt (Maturity September 28, 2017)	7,950	7,904	7,950
		Member Units (250 units)(8)		341	4,880
				8,245	12,830
L.F. Manufacturing Holdings, LLC(10)	Manufacturer of Fiberglass Products	Member Units (2,000,000 units)(8)		2,019	2,374
MPS Denver, LLC	Specialty Card Printing	Member Units (13,800 units)		1,130	1,130
OnAsset Intelligence, Inc.	Provider of Transportation Monitoring / Tracking Products and Services	12% PIK Secured Debt (Maturity May 31, 2015)	3,658	3,658	3,658
		Preferred Stock (912 shares; 7% cumulative)(8)		1,981	2,734
		Warrants (5,333 equivalent shares)		1,919	
				7,558	6,392
OPI International Ltd.(13)					

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Provider of Man Camp
and Industrial Storage
Services

Common Stock (20,766,317 shares) 1,371 3,200

PCI Holding Company, Inc.

Manufacturer of
Industrial Gas
Generating Systems

Preferred Stock (1,500,000 shares; 20%
cumulative)(8) 2,374 4,970

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Quality Lease and Rental Holdings, LLC	Provider of Rigsite Accommodation Unit Rentals and Related Services	8% Secured Debt (Maturity October 1, 2014)(14)(18)	157	157	157
		8% Secured Debt (Maturity June 15, 2015)(14)(18)	150	150	150
		12% Secured Debt (Maturity January 8, 2018)(14)(18)	36,577	36,073	11,000
		Preferred Member Units (Rocacia, LLC) (250 units)		2,500	
				38,880	11,307
Radial Drilling Services Inc.	Oil and Gas Technology Provider	12% Secured Debt (Maturity November 22, 2016)	4,200	3,838	2,870
		Warrants (316 equivalent shares)		758	
				4,596	2,870
Samba Holdings, Inc.	Provider of Intelligent Driver Record Monitoring Software and Services	12.5% Secured Debt (Maturity November 17, 2016)	26,304	26,102	26,304
		Common Stock (170,963 shares)		2,087	8,130
				28,189	34,434
SYNEO, LLC	Manufacturer of Automation Machines, Specialty Cutting Tools and Punches	12% Secured Debt (Maturity July 13, 2016)	2,700	2,678	2,678
		10% Secured Debt (Leadrock Properties, LLC) (Maturity May 4, 2026)	1,440	1,415	1,415
				4,093	4,093
Tin Roof Acquisition Company	Casual Restaurant Group	12% Secured Debt (Maturity November 30, 2018)	14,100	13,873	13,873
				2,297	2,297

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Class C Preferred Stock (Fully diluted
10.0%; 10% cumulative)(8)

16,170 16,170

Subtotal Affiliate Investments (16.0% of total investments at fair value)

267,123 279,986

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
<u>Non-Control/Non-Affiliate Investments(7)</u>					
Allflex Holdings III Inc.(11)	Manufacturer of Livestock Identification Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity July 19, 2021)(9)	10,150	10,079	10,188
AM General LLC(11)	Specialty Vehicle Manufacturer	LIBOR Plus 9.00% (Floor 1.25%), Current Coupon 10.25%, Secured Debt (Maturity March 22, 2018)(9)	2,256	2,211	2,087
AM3 Pinnacle Corporation(10)	Provider of Comprehensive Internet, TV and Voice Services for Multi-Dwelling Unit Properties	10% Secured Debt (Maturity October 22, 2018) Common Stock (60,240 shares)	21,002	20,870 2,000	20,870 20,870
AmeriTech College, LLC	For-Profit Nursing and Healthcare College	10% Secured Debt (Maturity November 30, 2019) 10% Secured Debt (Maturity January 31, 2020)	685 4,235	685 4,235	685 3,700
				4,920	4,385
AMF Bowling Centers, Inc.(11)	Bowling Alley Operator	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity September 18, 2021)(9)	7,971	7,855	7,938
Anchor Hocking, LLC(11)	Household Products Manufacturer	LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75% / 1.75% PIK, Current Coupon Plus PIK 9.50%, Secured Debt (Maturity May 21, 2020)(9)	10,964	10,892	5,852
AP Gaming I, LLC(10)	Developer, Manufacturer, and Operator of Gaming				

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Machines

LIBOR Plus 8.25% (Floor 1.00%),
Current Coupon 9.25%, Secured Debt
(Maturity December 20, 2020)(9)

6,913

6,733

6,910

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Applied Products, Inc.(10)	Adhesives Distributor	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity September 30, 2019)(9)	6,161	6,098	6,098
Aptean, Inc.(11)	Enterprise Application Software Provider	LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity February 26, 2020)(9)	7,688	7,619	7,553
Arcus Hunting LLC(10)	Deer Lures, Attractants and Scent Elimination Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity November 13, 2019)(9)	9,094	8,964	8,964
Artel, LLC(11)	Land-Based and Commercial Satellite Provider	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity November 27, 2017)(9)	7,988	7,844	7,668
ATS Workholding, Inc.(10)	Manufacturer of Machine Cutting Tools and Accessories	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity March 10, 2019)(9)	6,563	6,513	6,513
Beers Enterprises, Inc.(10)	Provider of Broadcast Video Transport Services	Prime Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity March 19, 2019)(9)	6,484	6,434	6,484
Berry Aviation, Inc.(10)	Charter Airline Services	12.00% Current / 1.75% PIK Secured Debt (Maturity January 20, 2020) Common Stock (553 shares)	6,000	5,942 400	5,942 400
Bioventus LLC(10)	Production of Orthopedic Healing Products	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.00%, Secured Debt (Maturity April 10, 2020)(9)	5,000	4,907	5,000

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Blackbrush Oil and Gas LP(11)	Oil & Gas Exploration	LIBOR Plus 6.50%, (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity July 30, 2021)(9)	4,000	3,972	3,250
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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Blackhawk Specialty Tools LLC(11)	Oilfield Equipment & Services	LIBOR Plus 5.25% (Floor 1.25%), Current Coupon 6.50%, Secured Debt (Maturity August 1, 2019)(9)	6,141	6,109	5,972
Blue Bird Body Company(11)	School Bus Manufacturer	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity June 26, 2020)(9)	11,356	11,204	11,370
Bluestem Brands, Inc.(11)	Multi-Channel Retailer of General Merchandise	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity November 6, 2020)(9)	7,500	7,229	7,523
Brainworks Software, LLC(10)	Advertising Sales and Production and Newspaper Circulation Software	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity July 22, 2019)(9)	6,447	6,370	6,370
Brasa Holdings Inc.(11)	Upscale Full Service Restaurants	LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00%, Secured Debt (Maturity January 20, 2020)(9)	2,143	2,130	2,148
Brundage-Bone Concrete Pumping, Inc.(11)	Construction Services Provider	10.375% Secured Debt (Maturity September 1, 2021)	2,500	2,500	2,588
Calloway Laboratories, Inc.(10)	Health Care Testing Facilities	12% PIK Secured Debt (Maturity September 30, 2015)(14) Warrants (125,000 equivalent shares)	7,287	7,238 17	2,948
				7,255	2,948
Cengage Learning Acquisitions, Inc.(11)	Provider of Educational Print and Digital Services	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity March 31, 2020)(9)	9,965	9,878	10,019

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**CGSC of Delaware Holdings
Corp.(11)(13)**

Insurance Brokerage
Firm

LIBOR Plus 7.00% (Floor 1.25%),
Current Coupon 8.25%, Secured Debt
(Maturity October 16, 2020)(9)

2,000

1,976

1,740

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Charlotte Russe, Inc(11)	Fast-Fashion Retailer to Young Women	LIBOR Plus 5.50% (Floor 1.25%), Current Coupon 6.75%, Secured Debt (Maturity May 22, 2019)(9)	8,925	8,803	8,742
CHI Overhead Doors, Inc.(11)	Manufacturer of Overhead Garage Doors	LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00%, Secured Debt (Maturity September 18, 2019)(9)	2,500	2,469	2,503
CJ Holding Co.(11)	Oil & Gas Equipment & Services	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity March 24, 2020)(9)	2,000	1,720	1,793
Clarius ASIG, LLC(10)	Prints & Advertising Film Financing	12% PIK Secured Debt (Maturity September 14, 2014)(17)	2,805	2,758	2,805
Clarius BIGS, LLC(10)	Prints & Advertising Film Financing	12% PIK Secured Debt (Maturity January 5, 2015)(14)(17)	4,400	4,321	1,848
Compact Power Equipment, Inc.	Equipment / Tool Rental	12% Secured Debt (Maturity October 1, 2017) Series A Preferred Stock (4,298,435 shares)(8)	4,100	4,086 1,079	4,100 2,930
				5,165	7,030
Compuware Corporation(11)	Provider of Software and Supporting Services	LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 6.25%, Secured Debt (Maturity December 15, 2019)(9)	15,000	14,593	14,681
Covenant Surgical Partners, Inc.(11)	Ambulatory Surgical Centers	8.75% Secured Debt (Maturity August 1, 2019)	2,000	2,000	2,010
CRGT Inc.(11)	Provider of Custom Software Development		11,925	11,678	11,716

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		LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity December 19, 2020)(9)			
CST Industries Inc.(11)	Storage Tank Manufacturer	LIBOR Plus 6.25% (Floor 1.50%), Current Coupon 7.75%, Secured Debt (Maturity May 22, 2017)(9)	6,954	6,902	6,884

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Darr Equipment LP(10)	Heavy Equipment Dealer	11.75% Current / 2% PIK Secured Debt (Maturity April 15, 2020)	20,393	19,799	19,799
		Warrants (915,734 equivalent units)		474	474
				20,273	20,273
Digital River, Inc.(11)	Provider of Outsourced e-Commerce	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity February 12, 2021)(9)	12,000	11,813	11,910
Digity Media LLC(11)	Radio Station Operator	LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity February 8, 2019)(9)	7,359	7,292	7,304
Drilling Info, Inc.	Information Services for the Oil and Gas Industry	Common Stock (3,788,865 shares)		1,335	9,920
ECP-PF Holdings Group, Inc.(10)	Fitness Club Operator	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity November 26, 2019)(9)	5,625	5,572	5,572
EnCap Energy Fund Investments(12)(13)	Investment Partnership	LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		3,595	3,256
		LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.1%)(8)		2,110	1,874
		LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)		2,323	2,146
		LP Interests (EnCap Flatrock Midstream Fund X, L.P.) (Fully diluted 0.3%)		478	478
		LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)		5,193	5,491
		LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)		258	258
				13,957	13,503
Energy and Exploration Partners, LLC(11)	Oil & Gas Exploration & Production	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 7.75%, Secured Debt (Maturity January 22, 2019)(9)	9,461	9,075	7,872

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)	Technology-based Performance Support Solutions	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity April 28, 2022)(9)	7,000	6,824	6,619
Extreme Reach, Inc.(11)	Integrated TV and Video Advertising Platform	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 6.75%, Secured Debt (Maturity February 7, 2020)(9)	12,511	12,497	12,636
FC Operating, LLC(10)	Christian Specialty Retail Stores	LIBOR Plus 10.75% (Floor 1.25%), Current Coupon 12.00%, Secured Debt (Maturity November 14, 2017)(9)(14)(18)	5,400	5,335	3,223
Flavors Holdings Inc.(11)	Global Provider of Flavoring and Sweetening Products and Solutions	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 6.75%, Secured Debt (Maturity April 3, 2020)(9)	11,786	11,395	11,448
Fram Group Holdings, Inc.(11)	Manufacturer of Automotive Maintenance Products	LIBOR Plus 5.00% (Floor 1.50%), Current Coupon 6.50%, Secured Debt (Maturity July 29, 2017)(9) LIBOR Plus 9.00% (Floor 1.50%), Current Coupon 10.50%, Secured Debt (Maturity January 29, 2018)(9)	5,745 700	5,739 698	5,743 685
				6,437	6,428
GI KBS Merger Sub LLC(11)	Outsourced Janitorial Services to Retail/Grocery Customers	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity October 29, 2021)(9) LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity April 29, 2022)(9)	2,993 800	2,985 785	2,985 800

3,770

3,785

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Grace Hill, LLC(10)	Online Training Tools for the Multi-Family Housing Industry	Prime Plus 5.25% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity August 15, 2019)(9)	9,522	9,417	9,522
Great Circle Family Foods, LLC(10)	Quick Service Restaurant Franchise	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity October 28, 2019)(9)	8,000	7,921	7,921
Grupo Hima San Pablo, Inc.(11)	Tertiary Care Hospitals	LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity January 31, 2018)(9) 13.75% Secured Debt (Maturity July 31, 2018)	4,900 2,000	4,838 1,929	4,758 1,926
				6,767	6,684
GST Autoleather, Inc.(11)	Automotive Leather Manufacturer	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity July 10, 2020)(9)	9,950	9,861	9,850
Guitar Center, Inc.(11)	Musical Instruments Retailer	6.5% Secured Debt (Maturity April 15, 2019)	9,000	8,541	7,852
Halcon Resources Corporation(11)(13)	Oil & Gas Exploration & Production	9.75% Unsecured Debt (Maturity July 15, 2020)	6,925	6,349	4,882
Hostway Corporation(11)	Managed Services and Hosting Provider	LIBOR Plus 4.75% (Floor 1.25%), Current Coupon 6.00%, Secured Debt (Maturity December 13, 2019)(9) LIBOR Plus 8.75% (Floor 1.25%), Current Coupon 10.00%, Secured Debt (Maturity December 11, 2020)(9)	11,750 5,000	11,656 4,921	11,632 4,950
				16,577	16,582
Hunter Defense Technologies, Inc.(11)					

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Provider of Military and
Commercial Shelters and
Systems

LIBOR Plus 5.50% (Floor 1.00%),
Current Coupon 6.50%, Secured Debt
(Maturity August 5, 2019)(9)

9,875

9,787

9,900

Table of Contents**MAIN STREET CAPITAL CORPORATION****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****March 31, 2015****(in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
ICON Health & Fitness, Inc.(11)	Producer of Fitness Products	11.875% Secured Debt (Maturity October 15, 2016)	6,956	6,866	6,869
iEnergizer Limited(11)(13)	Provider of Business Outsourcing Solutions	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity May 1, 2019)(9)	9,735	9,621	9,005
Infinity Acquisition Finance Corp.(11)	Application Software for Capital Markets	7.25% Unsecured Debt (Maturity August 1, 2022)	4,000	4,000	3,740
Indivior Finance LLC(11)	Specialty Pharmaceutical Company Treating Opioid Dependence	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity December 19, 2019)(9)	7,406	6,968	7,036
Inn of the Mountain Gods Resort and Casino(11)	Hotel & Casino Owner & Operator	9.25% Secured Debt (Maturity November 30, 2020)	3,851	3,692	3,591
Insurance Technologies, LLC(10)	Illustration and Sales-automation platforms	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity December 1, 2019)(9)	5,000	4,946	4,946
iQor US Inc.(11)	Business Process Outsourcing Services Provider	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity April 1, 2021)(9)	9,962	9,771	9,489
Jackson Hewitt Tax Service Inc.(11)	Tax Preparation Service Provider	LIBOR Plus 8.50% (Floor 1.50%), Current Coupon 10.00%, Secured Debt (Maturity October 16, 2017)(9)	4,107	4,012	4,107
Joerns Healthcare, LLC(11)	Manufacturer and Distributor of Health Care Equipment &				

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Supplies

LIBOR Plus 5.00% (Floor 1.00%),
Current Coupon 6.00%, Secured Debt
(Maturity May 9, 2020)(9)
22

11,915

11,799

11,821

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
John Deere Landscapes LLC(10)	Distributor of Landscaping Supplies	LIBOR Plus 4.00% (Floor 1.00%), Current Coupon 5.00%, Secured Debt (Maturity December 23, 2019)(9)	8,552	8,189	8,189
Kadmon Pharmaceuticals, LLC(10)	Biopharmaceutical Company with a Hepatology Focus	9.75% Secured Debt (Maturity December 17, 2016)	5,000	5,000	5,000
Keypoint Government Solutions, Inc.(11)	Provider of Pre-Employment Screening Services	LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity November 13, 2017)(9)	7,007	6,955	6,972
Lansing Trade Group LLC(11)	Commodity Merchandiser	9.25% Unsecured Debt (Maturity February 15, 2019)	6,000	6,000	5,955
Larchmont Resources, LLC(11)	Oil & Gas Exploration & Production	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity August 7, 2019)(9)	6,878	6,827	6,281
LKCM Distribution Holdings, L.P.	Distributor of Industrial Process Equipment	12% Current / 2.5% PIK Secured Debt (Maturity December 23, 2018)	16,417	16,285	16,417
LKCM Headwater Investments I, L.P.(12)(13)	Investment Partnership	LP Interests (Fully diluted 2.3%)(8)		2,250	6,117
MAH Merger Corporation(11)	Sports-Themed Casual Dining Chain	LIBOR Plus 4.50% (Floor 1.25%), Current Coupon 5.75%, Secured Debt (Maturity July 19, 2019)(9)	4,802	4,763	4,814
MediMedia USA, Inc.(11)	Provider of Healthcare Media and Marketing	LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.00%, Secured Debt (Maturity November 20, 2018)(9)	5,272	5,201	5,233

Table of Contents**MAIN STREET CAPITAL CORPORATION****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****March 31, 2015****(in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Messenger, LLC(10)	Supplier of Specialty Stationery and Related Products to the Funeral Industry	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity December 5, 2019)(9)	13,097	12,982	12,982
Milk Specialties Company(11)	Processor of Nutrition Products	LIBOR Plus 7.00% (Floor 1.25%), Current Coupon 8.25%, Secured Debt (Maturity November 9, 2018)(9)	7,180	7,145	7,234
Minute Key, Inc.	Operator of Automated Key Duplication Kiosks	10% Current / 2% PIK Secured Debt (Maturity September 19, 2019)	4,844	4,800	4,800
Miramax Film NY, LLC(11)	Motion Picture Producer and Distributor	Class B Units (12% cumulative)(8)		815	815
Modern VideoFilm, Inc.(10)	Post-Production Film Studio	LIBOR Plus 3.50% (Floor 1.50%), Current Coupon 5.00% / 8.50% PIK, Current Coupon Plus PIK 13.50%, Secured Debt (Maturity September 25, 2017)(9)(14) Warrants (1,833 equivalent shares)	6,302	6,125 151	2,035
				6,276	2,035
Mood Media Corporation(11)(13)	Provider of Electronic Equipment	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity May 1, 2019)(9)	13,410	13,268	13,326
MP Assets Corporation(11)	Manufacturer of Battery Components	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity December 19, 2019)(9)	4,350	4,314	4,344
New Media Holdings II LLC(11)(13)	Local Newspaper Operator	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity June 4, 2020)(9)	14,888	14,623	14,757

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Nice-Pak Products, Inc.(11)	Pre-Moistened Wipes Manufacturer	LIBOR Plus 6.00% (Floor 1.50%), Current Coupon 7.50%, Secured Debt (Maturity June 18, 2015)(9)	12,541	12,529	12,352
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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
North American Lifting Holdings, Inc.(11)	Construction & Farm Machinery & Heavy Trucks	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity November 27, 2020)(9)	997	917	968
North Atlantic Trading Company, Inc.(11)	Marketer/Distributor of Tobacco Products	LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity January 13, 2020)(9)	10,719	10,632	10,605
Novitex Intermediate, LLC(11)	Provider of Document Management Services	LIBOR Plus 6.25% (Floor 1.25%), Current Coupon 7.50%, Secured Debt (Maturity July 7, 2020)(9)	5,970	5,916	5,686
Ospemifene Royalty Sub LLC (QuatRx)(10)	Estrogen-Deficiency Drug Manufacturer and Distributor	11.5% Secured Debt (Maturity November 15, 2026)	5,205	5,205	5,205
Panolam Industries International, Inc.(11)	Decorative Laminate Manufacturer	LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity August 23, 2017)(9)	9,896	9,833	9,846
Paris Presents Incorporated(11)(13)	Branded Cosmetic and Bath Accessories	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity December 31, 2021)(9)	2,000	1,961	2,000
Parq Holdings Limited Partnership(11)(13)	Hotel & Casino Operator	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity December 17, 2020)(9)	6,226	6,082	6,263
Permian Holdings, Inc.(11)	Storage Tank Manufacturer	10.5% Secured Debt (Maturity January 15, 2018)	2,755	2,733	1,515
Pernix Therapeutics Holdings, Inc.(10)(13)	Pharmaceutical Royalty Anti-Migraine				

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12% Secured Debt (Maturity August 1, 2020)	4,000	4,000	4,000
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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
PeroxyChem LLC(11)	Chemical Manufacturer	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity February 28, 2020)(9)	8,910	8,758	8,943
Philadelphia Energy Solutions Refining and Marketing LLC(11)	Oil & Gas Refiner	LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity April 4, 2018)(9)	2,940	2,912	2,820
Pike Corporation(11)	Construction and Maintenance Services for Electric Transmission and Distribution Infrastructure	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity June 22, 2022)(9)	15,000	14,636	14,925
Polyconcept Financial B.V.(11)	Promotional Products to Corporations and Consumers	LIBOR Plus 4.75% (Floor 1.25%), Current Coupon 6.00%, Secured Debt (Maturity June 28, 2019)(9)	4,314	4,301	4,303
Primesight Limited(10)(13)	Outdoor Advertising Operator	10% Secured Debt (Maturity October 22, 2016)	8,663	8,608	7,724
PT Network, LLC(10)	Provider of Outpatient Physical Therapy and Sports Medicine Services	LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity November 1, 2018)(9)	11,916	11,806	11,806
QBS Parent, Inc.(11)	Provider of Software and Services to the Oil & Gas Industry	LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 5.75%, Secured Debt (Maturity August 7, 2021)(9)	9,975	9,883	9,800
RCHP, Inc.(11)	Regional Non-Urban Hospital Owner/Operator	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.50%, Secured Debt (Maturity October 23, 2019)(9)	4,000	3,947	4,055

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Recorded Books Inc.(11)

Audiobook and Digital
Content Publisher

LIBOR Plus 4.25% (Floor 1.00%),
Current Coupon 5.25%, Secured Debt
(Maturity January 31, 2020)(9)

11,875

11,775

11,786

26

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Relativity Media, LLC(10)	Full-Scale Film and Television Production and Distribution	10% Secured Debt (Maturity May 30, 2015)	5,787	5,781	5,801
		15% PIK Secured Debt (Maturity May 30, 2015)	7,691	7,665	7,730
		Class A Units (260,194 units)		292	1,149
				13,738	14,680
Renaissance Learning, Inc.(11)	Technology-based K-12 Learning Solutions	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity April 11, 2022)(9)	3,000	2,973	2,925
RGL Reservoir Operations Inc.(11)(13)	Oil & Gas Equipment and Services	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity August 13, 2021)(9)	3,980	3,870	3,017
RLJ Entertainment, Inc.(10)	Movie and TV Programming Licensee and Distributor	LIBOR Plus 8.75% (Floor 0.25%), Current Coupon 9.00%, Secured Debt (Maturity September 11, 2019)(9)	11,299	11,245	11,245
SAExploration, Inc.(10)(13)	Geophysical Services Provider	Common Stock (6,472 shares)(8)		65	27
Sage Automotive Interiors, Inc(11)	Automotive Textiles Manufacturer	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity October 8, 2021)(9)	3,000	2,972	3,000
Sagittarius Restaurants LLC (d/b/a Del Taco)(11)	Mexican/American QSR Restaurant Chain	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity October 1, 2018)(9)	4,591	4,573	4,576
SCE Partners, LLC(10)	Hotel & Casino Operator	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity August 14, 2019)(9)	7,481	7,423	7,519

Table of Contents**MAIN STREET CAPITAL CORPORATION****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****March 31, 2015****(in thousands)****(Unaudited)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Sotera Defense Solutions, Inc.(11)	Defense Industry Intelligence Services	LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 9.00%, Secured Debt (Maturity April 21, 2017)(9)	10,946	10,568	9,742
Stardust Finance Holdings, Inc.(11)	Manufacturer of Diversified Building Products	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity March 13, 2022)(9)	12,500	12,315	12,500
Subsea Global Solutions, LLC(10)	Underwater Maintenance and Repair Services	LIBOR Plus 6.00% (Floor 1.50%), Current Coupon 7.50%, Secured Debt (Maturity March 17, 2020)(9)	4,571	4,512	4,512
Symphony Teleca Services, Inc.(11)	Outsourced Product Development	LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 5.75%, Secured Debt (Maturity August 7, 2019)(9)	14,000	13,876	13,930
Synagro Infrastructure Company, Inc(11)	Waste Management Services	LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 6.25%, Secured Debt (Maturity August 22, 2020)(9)	4,714	4,638	4,572
Targus Group International(11)	Distributor of Protective Cases for Mobile Devices	LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00% / 1.00% PIK, Current Coupon Plus PIK 12.00%, Secured Debt (Maturity May 24, 2016)(9)	4,236	4,245	3,431
TeleGuam Holdings, LLC(11)	Cable and Telecom Services Provider	LIBOR Plus 4.00% (Floor 1.25%), Current Coupon 5.25%, Secured Debt (Maturity December 10, 2018)(9) LIBOR Plus 7.50% (Floor 1.25%), Current Coupon 8.75%, Secured Debt (Maturity June 10, 2019)(9)	6,813 2,500	6,796 2,481	6,796 2,500
Templar Energy LLC(11)				9,277	9,296

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Oil & Gas Exploration &
Production

LIBOR Plus 7.50% (Floor 1.00%),
Current Coupon 8.50%, Secured Debt
(Maturity November 25, 2020)(9)

5,000

4,947

3,424

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
The Tennis Channel, Inc.(10)	Television-Based Sports Broadcasting	Warrants (114,316 equivalent shares)		235	301
The Topps Company, Inc.(11)	Trading Cards & Confectionary	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity October 2, 2018)(9)	1,975	1,961	1,953
Therakos, Inc.(11)	Immune System Disease Treatment	LIBOR Plus 5.75% (Floor 1.25%), Current Coupon 7.00%, Secured Debt (Maturity December 27, 2017)(9)	6,278	6,193	6,247
TOMS Shoes, LLC(11)	Global Designer, Distributor, and Retailer of Casual Footwear	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity October 30, 2020)(9)	5,000	4,527	4,644
Travel Leaders Group, LLC(11)	Travel Agency Network Provider	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity December 5, 2018)(9)	12,281	12,151	12,312
UniTek Global Services, Inc.(11)	Provider of Outsourced Infrastructure Services	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity January 13, 2019)(9) LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity January 13, 2019)(9) 15% PIK Unsecured Debt (Maturity July 13, 2019) Common Stock (705,054 shares)	1,513 2,826 574	1,513 2,826 574 4,935	1,513 2,826 574 4,935
				9,848	9,848
Universal Fiber Systems, LLC(10)	Manufacturer of Synthetic Fibers	LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity January 31, 2019)(9)	5,062	5,052	5,011

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**Universal Wellhead Services
Holdings, LLC(10)**

Provider of Wellhead
Equipment, Designs, and
Personnel to the Oil &
Gas Industry

Class A Units (4,000,000 units)(8)

4,000

4,000

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
US Joiner Holding Company(11)	Marine Interior Design and Installation	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity April 16, 2020)(9)	7,425	7,393	7,407
Vantage Oncology, LLC(11)	Outpatient Radiation Oncology Treatment Centers	9.5% Secured Debt (Maturity June 5, 2017)	11,050	10,898	10,664
Virtex Enterprises, LP(10)	Specialty, Full-Service Provider of Complex Electronic Manufacturing Services	12% Secured Debt (Maturity December 27, 2018) Preferred Class A Units (14 units; 5% cumulative)(8) Warrants (11 equivalent units)	1,667	1,488 333 186	1,489 333 186
				2,007	2,008
Vision Solutions, Inc.(11)	Provider of Information Availability Software	LIBOR Plus 4.50% (Floor 1.50%), Current Coupon 6.00%, Secured Debt (Maturity July 23, 2016)(9) LIBOR Plus 8.00% (Floor 1.50%), Current Coupon 9.50%, Secured Debt (Maturity July 23, 2017)(9)	3,413 5,000	3,405 4,959	3,405 5,012
				8,364	8,417
Volusion, LLC	Provider of Online Software-as-a-Service eCommerce Solutions	10.5% Secured Debt (Maturity January 26, 2020) Warrants (950,618 equivalent units) Preferred Member Units (4,876,670 units)	17,500	16,024 1,400 14,000	16,025 1,400 14,000
				31,424	31,425
Western Dental Services, Inc.(11)	Dental Care Services	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity November 1, 2018)(9)	5,395	5,391	4,965

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Wilton Brands LLC(11)	Specialty Housewares Retailer	LIBOR Plus 6.25% (Floor 1.25%), Current Coupon 7.50%, Secured Debt (Maturity August 30, 2018)(9)	1,725	1,703	1,657
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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Worley Claims Services, LLC(10)	Insurance Adjustment Management and Services Provider	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity October 31, 2020)(9)	6,484	6,423	6,517
Zilliant Incorporated	Price Optimization and Margin Management Solutions	Preferred Stock (186,777 shares) Warrants (952,500 equivalent shares)		154 1,071 1,225	211 1,071 1,282
Subtotal Non-Control/Non-Affiliate Investments (55.4% of total investments at fair value)				983,942	968,009
Total Portfolio Investments, March 31, 2015				1,600,831	1,737,323

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

March 31, 2015

(in thousands)

(Unaudited)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Marketable Securities and Idle Funds Investments					
Other Marketable Securities and Idle Funds Investments(13)(15)	Investments in Marketable Securities and Diversified, Registered Bond Funds			11,235	9,948
Subtotal Marketable Securities and Idle Funds Investments (0.6% of total investments at fair value)				11,235	9,948
Total Investments, March 31, 2015				\$ 1,612,066	\$ 1,747,271

- (1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. All of the Company's investments, unless otherwise noted, are encumbered either as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (2) Debt investments are income producing, unless otherwise noted. Equity and warrants are non-income producing, unless otherwise noted.
- (3) See Note C for summary geographic location of portfolio companies.
- (4) Principal is net of prepayments. Cost is net of prepayments and accumulated unearned income.
- (5) Control investments are defined by the Investment Company Act of 1940, as amended ("1940 Act") as investments in which more than 25% of the voting securities are owned or where the ability to nominate greater than 50% of the board representation is maintained.
- (6) Affiliate investments are defined by the 1940 Act as investments in which between 5% and 25% of the voting securities are owned and the investments are not classified as Control investments.
- (7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.
- (8) Income producing through dividends or distributions.
- (9) Index based floating interest rate is subject to contractual minimum interest rate.
- (10)

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Private Loan portfolio investment. See Note B for a summary of Private Loan portfolio investments.

- (11) Middle Market portfolio investment. See Note B for a summary of Middle Market portfolio investments.
- (12) Other Portfolio investment. See Note B for a summary of Other Portfolio investments.
- (13) Investment is not a qualifying asset as defined under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets.
- (14) Non-accrual and non-income producing investment.
- (15) Marketable securities and idle fund investments.
- (16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (17) Maturity date is under on-going negotiations with the portfolio company and other lenders, if applicable.
- (18) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investments in this portfolio company will not be finally determined until such process is complete. As noted in footnote (14), our debt investments in this portfolio company are on non-accrual status.

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MAIN STREET CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS

December 31, 2014

(in thousands)

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

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Datacom, LLC

Technology and
Telecommunications
Provider

10.5% Secured Debt (Maturity May 31,
2019)

11,205

11,103

11,103

Preferred Member Units (6,453 units)

6,030

6,030

17,133

17,133

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

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

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Provider of Marketing
and CRM Tools for the
Real Estate Industry

LIBOR Plus 6.50% (Floor 1.50%), Current Coupon 8.00%, Secured Debt (Maturity November 18, 2018)(9)	125	125	125
12.5% Secured Debt (Maturity November 18, 2018)	10,571	10,483	10,571
Member Units (5,029 units)		5,029	5,450
		15,637	16,146

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

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

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12% Secured Debt (Maturity December 18, 2017) Member Units (2,829 units)(8)	3,900	3,900	3,900
9.5% Secured Debt (Mid Columbia Real Estate, LLC) (Maturity May 13, 2025) Member Units (Mid Columbia Real Estate, LLC) (250 units)(8)	927	927	927
		250	550
		8,071	17,307

Table of Contents**MAIN STREET CAPITAL CORPORATION****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****December 31, 2014****(in thousands)**

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

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	Member Units (460 units)(8)		1,290	5,860
PPL RVs, Inc.	Recreational Vehicle Dealer			
	11.1% Secured Debt (Maturity June 10, 2015)	7,860	7,848	7,860
	Common Stock (1,961 shares)		2,150	8,160
			9,998	16,020

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

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

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Warrants (1,424 equivalent units)	1,096	
Member Units (MPI Real Estate Holdings, LLC) (100% Fully diluted)(8)	2,300	2,300
	8,620	6,004

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

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

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Affiliate Investments(6)					
AFG Capital Group, LLC	Provider of Rent-to-Own Financing Solutions and Services	11% Secured Debt (Maturity November 7, 2019)	6,800	6,465	6,465
		Warrants (42 equivalent units)		259	259
		Member Units (186 units)		1,200	1,200
				7,924	7,924
Boss Industries, LLC	Manufacturer and Distributor of Air Compressors, Auxiliary Power Units, Gas Booster Systems and Vapor Recovery Systems	Preferred Member Units (2,242 units)		2,000	2,000
Bridge Capital Solutions Corporation	Financial Services and Cash Flow Solutions Provider	13% Secured Debt (Maturity April 18, 2017)	6,000	5,837	5,837
		Warrants (19 equivalent shares)		200	710
				6,037	6,547
Brightwood Capital Fund III, LP(12)(13)	Investment Partnership	LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 9.1%)(8)		8,448	8,448
CAI Software LLC	Provider of Specialized Enterprise Resource Planning Software	12% Secured Debt (Maturity October 10, 2019)	5,400	5,348	5,348
		Member Units (65,356 units)		654	654
				6,002	6,002
Condit Exhibits, LLC	Tradeshow Exhibits / Custom Displays Provider	Member Units (3,936 units)(8)		100	610
Congruent Credit Opportunities Funds(12)(13)	Investment Partnership	LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted		18,575	18,378

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19.8%)(8)		
LP Interests (Congruent Credit		
Opportunities Fund III, LP) (Fully diluted		
17.4%)(8)	7,734	7,734
	26,309	26,112

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Daseke, Inc.	Specialty Transportation Provider	12% Current / 2.5% PIK Secured Debt (Maturity July 31, 2018)	20,723	20,403	20,723
		Common Stock (19,467 shares)		5,213	13,780
				25,616	34,503
Dos Rios Partners(12)(13)	Investment Partnership	LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)(8)		2,325	2,325
		LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)(8)		738	738
				3,063	3,063
East Teak Fine Hardwoods, Inc.	Distributor of Hardwood Products	Common Stock (5,000 shares)(8)		480	860
East West Copolymer & Rubber, LLC	Manufacturer of Synthetic Rubbers	12% Secured Debt (Maturity October 17, 2019)	9,600	9,436	9,436
		Warrants (1,823,278 equivalent units)		50	50
				9,486	9,486
Freeport Financial SBIC Fund LP(12)(13)	Investment Partnership	LP Interests (Fully diluted 9.9%)(8)		4,677	4,677
Gault Financial, LLC (RMB Capital, LLC)	Purchases and Manages Liquidation of Distressed Assets	10% Secured Debt (Maturity November 21, 2016)	13,046	12,749	10,782
		Warrants (29,025 equivalent units)		400	
				13,149	10,782
Glowpoint, Inc.	Provider of Cloud Managed Video Collaboration Services	8% Secured Debt (Maturity October 18, 2018)	400	396	396
		12% Secured Debt (Maturity October 18, 2018)	9,000	8,909	8,909
		Common Stock (7,711,517 shares)		3,958	8,480
				13,263	17,785

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Guerdon Modular Holdings, Inc.	Multi-Family and Commercial Modular Construction Company	11% Secured Debt (Maturity August 13, 2019)	11,200	11,044	11,044
		Common Stock (213,221 shares)		2,400	2,400
				13,444	13,444

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Houston Plating and Coatings, LLC	Provider of Plating and Industrial Coating Services	Member Units (248,082 units)(8)		996	11,470
Indianhead Pipeline Services, LLC	Provider of Pipeline Support Services	12% Secured Debt (Maturity February 6, 2017) Preferred Member Units (28,905 units; 8% cumulative)(8) Warrants (38,193 equivalent units) Member Units (14,732 units)	6,900	6,625 1,960 459 1	6,625 1,960 8,585
irth Solutions, LLC	Provider of Damage Prevention Information Technology Services	Member Units (128 units)(8)		624	3,960
KBK Industries, LLC	Specialty Manufacturer of Oilfield and Industrial Products	12.5% Secured Debt (Maturity September 28, 2017) Member Units (250 units)(8)	8,250	8,198 341	8,250 6,120 14,370
L.F. Manufacturing Holdings, LLC(10)	Manufacturer of Fiberglass Products	Member Units (2,000,000 units)(8)		2,019	2,374
MPS Denver, LLC	Specialty Card Printing	Member Units (13,800 units)		1,130	1,130
OnAsset Intelligence, Inc.	Provider of Transportation Monitoring / Tracking Products and Services	12% PIK Secured Debt (Maturity March 31, 2015) Preferred Stock (912 shares; 7% cumulative)(8) Warrants (5,333 equivalent shares)	3,553	3,553 1,947 1,919	3,553 2,700 6,253
OPI International Ltd.(13)	Provider of Man Camp and Industrial Storage Services				

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Common Stock (20,766,317 shares) 1,371 4,971

PCI Holding Company, Inc.

Manufacturer of
Industrial Gas
Generating Systems

Preferred Stock (1,500,000 shares; 20%
cumulative)(8) 2,259 4,430

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

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

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Subtotal Affiliate Investments (17.7% of total investments at fair value)	266,243	278,675
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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

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

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
AP Gaming I, LLC(10)	Developer, Manufacturer, and Operator of Gaming Machines	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity December 20, 2020)(9)	6,930	6,744	6,930
Applied Products, Inc.(10)	Adhesives Distributor	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity September 30, 2019)(9)	6,236	6,170	6,170
Aptean, Inc.(11)	Enterprise Application Software Provider	LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity February 26, 2020)(9)	7,667	7,642	7,450
Artel, LLC(11)	Land-Based and Commercial Satellite Provider	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity November 27, 2017)(9)	4,594	4,549	4,548
ATS Workholding, Inc.(10)	Manufacturer of Machine Cutting Tools and Accessories	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity March 10, 2019)(9)	6,558	6,506	6,506
Beers Enterprises, Inc.(10)	Provider of Broadcast Video Transport Services	Prime Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity March 19, 2019)(9)	6,263	6,210	6,210
Bioventus LLC(10)	Production of Orthopedic Healing Products	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.00%, Secured Debt (Maturity April 10, 2020)(9)	5,000	4,903	4,987
Blackbrush Oil and Gas LP(11)	Oil & Gas Exploration	LIBOR Plus 6.50%, (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity July 30, 2021)(9)	4,000	3,971	3,320
Blackhawk Specialty Tools LLC(11)	Oilfield Equipment & Services		6,224	6,189	6,131

LIBOR Plus 5.25% (Floor 1.25%),
Current Coupon 6.50%, Secured Debt
(Maturity August 1, 2019)(9)

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Blue Bird Body Company(11)	School Bus Manufacturer	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity June 26, 2020)(9)	11,500	11,339	11,443
Bluestem Brands, Inc.(11)	Multi-Channel Retailer of General Merchandise	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity November 6, 2020)(9)	7,500	7,213	7,237
Brainworks Software, LLC(10)	Advertising Sales and Production and Newspaper Circulation Software	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity July 22, 2019)(9)	6,263	6,182	6,182
Brasa Holdings Inc.(11)	Upscale Full Service Restaurants	LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00%, Secured Debt (Maturity January 20, 2020)(9)	2,143	2,128	2,121
Brundage-Bone Concrete Pumping, Inc.(11)	Construction Services Provider	10.375% Secured Debt (Maturity September 1, 2021)	2,500	2,500	2,556
Calloway Laboratories, Inc.(10)	Health Care Testing Facilities	12% PIK Secured Debt (Maturity September 30, 2015)(14) Warrants (125,000 equivalent shares)	7,225	7,176 17	2,878
				7,193	2,878
Cedar Bay Generation Company LP(11)	Coal-Fired Cogeneration Plant	LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity April 23, 2020)(9)	2,476	2,457	2,458
Cengage Learning Acquisitions, Inc.(11)	Provider of Educational Print and Digital Services	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity March 31, 2020)(9)	4,000	3,990	3,975
CGSC of Delaware Holdings Corp.(11)(13)	Insurance Brokerage Firm				

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LIBOR Plus 7.00% (Floor 1.25%), Current Coupon 8.25%, Secured Debt (Maturity October 16, 2020)(9)	2,000	1,975	1,780
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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Charlotte Russe, Inc(11)	Fast-Fashion Retailer to Young Women	LIBOR Plus 5.50% (Floor 1.25%), Current Coupon 6.75%, Secured Debt (Maturity May 22, 2019)(9)	4,938	4,900	4,822
CHI Overhead Doors, Inc.(11)	Manufacturer of Overhead Garage Doors	LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00%, Secured Debt (Maturity September 18, 2019)(9)	2,500	2,467	2,475
Clarius ASIG, LLC(10)	Prints & Advertising Film Financing	12% PIK Secured Debt (Maturity September 14, 2014)(17)	2,723	2,663	2,723
Clarius BIGS, LLC(10)	Prints & Advertising Film Financing	12% PIK Secured Debt (Maturity January 5, 2015)(14)	4,400	4,285	1,848
Compact Power Equipment, Inc.	Equipment / Tool Rental	12% Secured Debt (Maturity October 1, 2017) Series A Preferred Stock (4,298,435 shares; 8% cumulative)(8)	4,100	4,085 1,079	4,100 2,401
				5,164	6,501
Covenant Surgical Partners, Inc.(11)	Ambulatory Surgical Centers	8.75% Secured Debt (Maturity August 1, 2019)	2,000	2,000	2,020
CRGT Inc.(11)	Provider of Custom Software Development	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity December 19, 2020)(9)	10,000	9,800	9,850
CST Industries Inc.(11)	Storage Tank Manufacturer	LIBOR Plus 6.25% (Floor 1.50%), Current Coupon 7.75%, Secured Debt (Maturity May 22, 2017)(9)	7,109	7,050	7,037
Darr Equipment LP(10)	Heavy Equipment Dealer	11.75% Current / 2% PIK Secured Debt (Maturity April 15, 2020) Warrants (915,734 equivalent units)	20,291	19,676 474	19,676 474

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			20,150	20,150
Digity Media LLC(11)	Radio Station Operator	LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity February 10, 2019)(9)	7,406	7,335
				7,387

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Drilling Info, Inc.	Information Services for the Oil and Gas Industry	Common Stock (3,788,865 shares)		1,335	9,920
ECP-PF Holdings Group, Inc.(10)	Fitness Club Operator	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.00%, Secured Debt (Maturity November 26, 2019)(9)	5,625	5,570	5,570
EnCap Energy Fund Investments(12)(13)	Investment Partnership	LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		3,430	3,240
		LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.4%)(8)		1,561	1,325
		LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)		1,654	1,477
		LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 1.0%)(8)		4,586	4,567
		LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.8%)(8)		184	184
				11,415	10,793
Energy and Exploration Partners, LLC(11)	Oil & Gas Exploration & Production	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 7.75%, Secured Debt (Maturity January 22, 2019)(9)	9,461	9,054	6,788
e-Rewards, Inc.(11)	Provider of Digital Data Collection	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity October 29, 2018)(9)	12,687	12,518	12,560
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)	Technology-based Performance Support Solutions	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.25%, Secured Debt (Maturity April 28, 2022)(9)	3,000	2,979	2,845
FC Operating, LLC(10)	Christian Specialty Retail Stores	LIBOR Plus 10.75% (Floor 1.25%), Current Coupon 12.00%, Secured Debt (Maturity November 14, 2017)(9)	5,400	5,330	4,132

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
FishNet Security, Inc.(11)	Information Technology Value-Added Reseller	LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity November 30, 2017)(9)	7,840	7,791	7,840
Flavors Holdings Inc.(11)	Global Provider of Flavoring and Sweetening Products and Solutions	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 6.75%, Secured Debt (Maturity April 30, 2020)(9)	4,938	4,746	4,728
Fram Group Holdings, Inc.(11)	Manufacturer of Automotive Maintenance Products	LIBOR Plus 5.00% (Floor 1.50%), Current Coupon 6.50%, Secured Debt (Maturity July 29, 2017)(9) LIBOR Plus 9.00% (Floor 1.50%), Current Coupon 10.50%, Secured Debt (Maturity January 29, 2018)(9)	5,935 700	5,928 698	5,907 684
				6,626	6,591
GI KBS Merger Sub LLC(11)	Outsourced Janitorial Services to Retail/Grocery Customers	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity April 29, 2022)(9)	800	784	796
Grace Hill, LLC(10)	Online Training Tools for the Multi-Family Housing Industry	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity August 15, 2019)(9)	9,546	9,436	9,436
Grupo Hima San Pablo, Inc.(11)	Tertiary Care Hospitals	LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity January 31, 2018)(9) 13.75% Secured Debt (Maturity July 31, 2018)	4,913 2,000	4,846 1,925	4,775 1,920
				6,771	6,695
GST Autoleather, Inc.(11)	Automotive Leather Manufacturer	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity July 10, 2020)(9)	9,975	9,882	9,825

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Guitar Center, Inc.(11)	Musical Instruments Retailer	6.5% Secured Debt (Maturity April 15, 2019)	7,000	6,817	6,020
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Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Halcon Resources Corporation(11)(13)	Oil & Gas Exploration & Production	9.75% Unsecured Debt (Maturity July 15, 2020)	6,925	6,335	5,194
Hostway Corporation(11)	Managed Services and Hosting Provider	LIBOR Plus 4.75% (Floor 1.25%), Current Coupon 6.00%, Secured Debt (Maturity December 13, 2019)(9)	9,750	9,671	9,652
		LIBOR Plus 8.75% (Floor 1.25%), Current Coupon 10.00%, Secured Debt (Maturity December 11, 2020)(9)	5,000	4,917	4,950
				14,588	14,602
Hunter Defense Technologies, Inc.(11)	Provider of Military and Commercial Shelters and Systems	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity August 5, 2019)(9)	9,875	9,783	9,752
ICON Health & Fitness, Inc.(11)	Producer of Fitness Products	11.875% Secured Debt (Maturity October 15, 2016)	4,385	4,323	4,122
iEnergizer Limited(11)(13)	Provider of Business Outsourcing Solutions	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity May 1, 2019)(9)	10,029	9,905	9,277
Infinity Acquisition Finance Corp.(11)	Application Software for Capital Markets	7.25% Unsecured Debt (Maturity August 1, 2022)	4,000	4,000	3,620
Inn of the Mountain Gods Resort and Casino(11)	Hotel & Casino Owner & Operator	9.25% Secured Debt (Maturity November 30, 2020)	3,851	3,687	3,697
iQor US Inc.(11)	Business Process Outsourcing Services Provider	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity April 1, 2021)(9)	9,987	9,789	9,288
Jackson Hewitt Tax Service Inc.(11)	Tax Preparation Service Provider				

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LIBOR Plus 8.50% (Floor 1.50%), Current Coupon 10.00%, Secured Debt (Maturity October 16, 2017)(9)	4,509	4,396	4,509
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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Joerns Healthcare, LLC(11)	Manufacturer and Distributor of Health Care Equipment & Supplies	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity May 9, 2020)(9)	9,950	9,853	9,838
John Deere Landscapes LLC(10)	Distributor of Landscaping Supplies	LIBOR Plus 4.00% (Floor 1.00%), Current Coupon 5.00%, Secured Debt (Maturity December 23, 2019)(9)	8,573	8,193	8,193
Keypoint Government Solutions, Inc.(11)	Provider of Pre-Employment Screening Services	LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity November 13, 2017)(9)	4,726	4,668	4,702
Lansing Trade Group LLC(11)	Commodity Merchandiser	9.25% Unsecured Debt (Maturity February 15, 2019)	6,000	6,000	5,610
Larchmont Resources, LLC(11)	Oil & Gas Exploration & Production	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity August 7, 2019)(9)	6,895	6,842	6,636
LKCM Distribution Holdings, L.P.	Distributor of Industrial Process Equipment	12% Current / 2.5% PIK Secured Debt (Maturity December 23, 2018)	16,417	16,278	16,417
LKCM Headwater Investments I, L.P.(12)(13)	Investment Partnership	LP Interests (Fully diluted 2.3%)(8)		2,250	5,764
MAH Merger Corporation(11)	Sports-Themed Casual Dining Chain	LIBOR Plus 4.50% (Floor 1.25%), Current Coupon 5.75%, Secured Debt (Maturity July 19, 2019)(9)	7,258	7,198	7,276
MediMedia USA, Inc.(11)	Provider of Healthcare Media and Marketing	LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.00%, Secured Debt (Maturity November 20, 2018)(9)	5,411	5,292	5,289

Table of Contents**MAIN STREET CAPITAL CORPORATION****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****December 31, 2014****(in thousands)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Messenger, LLC(10)	Supplier of Specialty Stationary and Related Products to the Funeral Industry	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity December 5, 2019)(9)	13,639	13,518	13,518
Milk Specialties Company(11)	Processor of Nutrition Products	LIBOR Plus 6.25% (Floor 1.25%), Current Coupon 7.50%, Secured Debt (Maturity November 9, 2018)(9)	7,847	7,806	7,670
Minute Key, Inc.	Operator of Automated Key Duplication Kiosks	10% Current / 2% PIK Secured Debt (Maturity September 19, 2019)	4,023	3,985	3,985
Miramax Film NY, LLC(11)	Motion Picture Producer and Distributor	Class B Units (12% cumulative)(8)		792	792
Modern VideoFilm, Inc.(10)	Post-Production Film Studio	LIBOR Plus 3.50% (Floor 1.50%), Current Coupon 5.00% / 8.50% PIK, Current Coupon Plus PIK 13.50%, Secured Debt (Maturity September 25, 2017)(9)(14) Warrants (1,375 equivalent shares)	6,302	6,119 151	1,954 1
				6,270	1,955
Mood Media Corporation(11)(13)	Provider of Electronic Equipment	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity May 1, 2019)(9)	12,193	12,053	11,964
MP Assets Corporation(11)	Manufacturer of Battery Components	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity December 19, 2019)(9)	4,416	4,378	4,394
New Media Holdings II LLC(11)(13)	Local Newspaper Operator	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity June 4, 2020)(9)	14,925	14,649	14,776
Nice-Pak Products, Inc.(11)	Pre-Moistened Wipes Manufacturer				

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LIBOR Plus 6.00% (Floor 1.50%), Current Coupon 7.50%, Secured Debt (Maturity June 18, 2015)(9)	12,541	12,518	12,478
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Table of Contents**MAIN STREET CAPITAL CORPORATION****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****December 31, 2014****(in thousands)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
North Atlantic Trading Company, Inc.(11)	Marketer/Distributor of Tobacco Products	LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity January 13, 2020)(9)	7,426	7,361	7,305
Novitex Intermediate, LLC(11)	Provider of Document Management Services	LIBOR Plus 6.25% (Floor 1.25%), Current Coupon 7.50%, Secured Debt (Maturity July 7, 2020)(9)	5,985	5,929	5,746
Ospemifene Royalty Sub LLC (QuatRx)(10)	Estrogen-Deficiency Drug Manufacturer and Distributor	11.5% Secured Debt (Maturity November 15, 2026)	5,205	5,205	5,205
Panolam Industries International, Inc.(11)	Decorative Laminate Manufacturer	LIBOR Plus 6.50% (Floor 1.25%), Current Coupon 7.75%, Secured Debt (Maturity August 23, 2017)(9)	6,994	6,949	6,889
Parq Holdings Limited Partnership(11)(13)	Hotel & Casino Operator	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity December 17, 2020)(9)	6,226	6,078	6,108
Permian Holdings, Inc.(11)	Storage Tank Manufacturer	10.5% Secured Debt (Maturity January 15, 2018)	2,755	2,728	2,066
Pernix Therapeutics Holdings, Inc.(10)(13)	Pharmaceutical Royalty Anti-Migraine	12% Secured Debt (Maturity August 1, 2020)	4,000	4,000	4,000
PeroxyChem LLC(11)	Chemical Manufacturer	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.50%, Secured Debt (Maturity February 28, 2020)(9)	8,933	8,774	8,843
Philadelphia Energy Solutions Refining and Marketing LLC(11)	Oil & Gas Refiner	LIBOR Plus 5.00% (Floor 1.25%), Current Coupon 6.25%, Secured Debt (Maturity April 4, 2018)(9)	2,948	2,917	2,785

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Pike Corporation(11)	Construction and Maintenance Services for Electric Transmission and Distribution Infrastructure	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.50%, Secured Debt (Maturity June 22, 2022)(9)	15,000	14,628	14,825
Polyconcept Financial B.V.(11)	Promotional Products to Corporations and Consumers	LIBOR Plus 4.75% (Floor 1.25%), Current Coupon 6.00%, Secured Debt (Maturity June 28, 2019)(9)	4,325	4,311	4,309
Primesight Limited(10)(13)	Outdoor Advertising Operator	10% Secured Debt (Maturity October 22, 2016)	8,869	8,806	8,284
Printpack Holdings, Inc.(11)	Manufacturer of Flexible and Rigid Packaging	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity May 29, 2020)(9)	5,468	5,417	5,450
PT Network, LLC(10)	Provider of Outpatient Physical Therapy and Sports Medicine Services	LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity November 1, 2018)(9)	11,946	11,828	11,828
QBS Parent, Inc.(11)	Provider of Software and Services to the Oil & Gas Industry	LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 5.75%, Secured Debt (Maturity August 7, 2021)(9)	10,000	9,905	9,825
RCHP, Inc.(11)	Regional Non-Urban Hospital Owner/Operator	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.50%, Secured Debt (Maturity October 23, 2019)(9)	4,000	3,945	3,990
Recorded Books Inc.(11)	Audiobook and Digital Content Publisher	LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity January 31, 2020)(9)	12,031	11,925	11,941

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Relativity Media, LLC(10)	Full-Scale Film and Television Production and Distribution	10% Secured Debt (Maturity May 30, 2015)	5,787	5,772	5,801
		15% PIK Secured Debt (Maturity May 30, 2015)	7,410	7,347	7,558
		Class A Units (260,194 units)		292	1,086
				13,411	14,445
Renaissance Learning, Inc.(11)	Technology-based K-12 Learning Solutions	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.00%, Secured Debt (Maturity April 11, 2022)(9)	3,000	2,972	2,880
RGL Reservoir Operations Inc.(11)(13)	Oil & Gas Equipment and Services	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.00%, Secured Debt (Maturity August 13, 2021)(9)	3,990	3,876	3,219
RLJ Entertainment, Inc.(10)	Movie and TV Programming Licensee and Distributor	LIBOR Plus 8.75% (Floor 0.25%), Current Coupon 9.00%, Secured Debt (Maturity September 11, 2019)(9)	11,399	11,318	11,318
SAExploration, Inc.(10)(13)	Geophysical Services Provider	Common Stock (6,472 shares)(8)		65	27
Sage Automotive Interiors, Inc(11)	Automotive Textiles Manufacturer	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity October 8, 2021)(9)	3,000	2,971	2,985
Sagittarius Restaurants LLC (d/b/a Del Taco)(11)	Mexican/American QSR Restaurant Chain	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity October 1, 2018)(9)	4,591	4,572	4,562
SCE Partners, LLC(10)	Hotel & Casino Operator	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity August 14, 2019)(9)	7,481	7,421	7,519
Sotera Defense Solutions, Inc.(11)	Defense Industry Intelligence Services				

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LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 9.00%, Secured Debt (Maturity April 21, 2017)(9)	10,984	10,564	10,160
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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
Symphony Teleca Services, Inc.(11)	Outsourced Product Development	LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 5.75%, Secured Debt (Maturity August 7, 2019)(9)	14,000	13,870	13,930
Synagro Infrastructure Company, Inc(11)	Waste Management Services	LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 6.25%, Secured Debt (Maturity August 22, 2020)(9)	6,913	6,798	6,822
Targus Group International(11)	Distributor of Protective Cases for Mobile Devices	LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00% / 1.00% PIK, Current Coupon Plus PIK 12.00%, Secured Debt (Maturity May 24, 2016)(9)	4,288	4,299	3,495
TeleGuam Holdings, LLC(11)	Cable and Telecom Services Provider	LIBOR Plus 4.00% (Floor 1.25%), Current Coupon 5.25%, Secured Debt (Maturity December 10, 2018)(9) LIBOR Plus 7.50% (Floor 1.25%), Current Coupon 8.75%, Secured Debt (Maturity June 10, 2019)(9)	6,830 2,500	6,813 2,480	6,796 2,512
				9,293	9,308
Templar Energy LLC(11)	Oil & Gas Exploration & Production	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity November 25, 2020)(9)	5,000	4,945	3,615
The Tennis Channel, Inc.(10)	Television-Based Sports Broadcasting	Warrants (114,316 equivalent shares)		235	301
The Topps Company, Inc.(11)	Trading Cards & Confectionary	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.25%, Secured Debt (Maturity October 2, 2018)(9)	1,980	1,964	1,930
Therakos, Inc.(11)	Immune System Disease Treatment	LIBOR Plus 5.75% (Floor 1.25%), Current Coupon 7.00%, Secured Debt (Maturity December 27, 2017)(9)	6,278	6,178	6,255

Table of Contents**MAIN STREET CAPITAL CORPORATION****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****December 31, 2014****(in thousands)**

Portfolio Company(1)	Business Description	Type of Investment(2)(3)	Principal(4)	Cost(4)	Fair Value
TOMS Shoes, LLC(11)	Global Designer, Distributor, and Retailer of Casual Footwear	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.50%, Secured Debt (Maturity October 30, 2020)(9)	5,000	4,511	4,625
Travel Leaders Group, LLC(11)	Travel Agency Network Provider	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity December 5, 2018)(9)	12,445	12,305	12,445
UniTek Global Services, Inc.(11)	Provider of Outsourced Infrastructure Services	LIBOR Plus 9.50% (Floor 1.50%), Current Coupon 11.00% / 4.00% PIK, Current Coupon Plus PIK 15.00%, Secured Debt (Maturity April 15, 2018)(9)(14)	10,776	10,173	7,942
		5% Current / 2.25% PIK Secured Debt (Maturity August 13, 2019)(14)	640	640	640
		Warrants (267,302 equivalent shares)		449	
				11,262	8,582
Universal Fiber Systems, LLC(10)	Manufacturer of Synthetic Fibers	LIBOR Plus 4.25% (Floor 1.00%), Current Coupon 5.25%, Secured Debt (Maturity January 31, 2019)(9)	5,094	5,084	5,082
Universal Wellhead Services Holdings, LLC(10)	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry	Class A Units (4,000,000 units)		4,000	4,000
US Joiner Holding Company(11)	Marine Interior Design and Installation	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.00%, Secured Debt (Maturity April 16, 2020)(9)	7,444	7,410	7,332
Vantage Oncology, LLC(11)	Outpatient Radiation Oncology Treatment Centers	9.5% Secured Debt (Maturity June 5, 2017)	7,000	7,000	6,790

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

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

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MAIN STREET CAPITAL CORPORATION

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

December 31, 2014

(in thousands)

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

- (1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. All of the Company's investments, unless otherwise noted, are encumbered either as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (2) Debt investments are income producing, unless otherwise noted. Equity and warrants are non-income producing, unless otherwise noted.
- (3) See Note C for summary geographic location of portfolio companies.
- (4) Principal is net of prepayments. Cost is net of prepayments and accumulated unearned income.
- (5) Control investments are defined by the Investment Company Act of 1940, as amended ("1940 Act") as investments in which more than 25% of the voting securities are owned or where the ability to nominate greater than 50% of the board representation is maintained.
- (6) Affiliate investments are defined by the 1940 Act as investments in which between 5% and 25% of the voting securities are owned and the investments are not classified as Control investments.
- (7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.
- (8) Income producing through dividends or distributions.
- (9) Index based floating interest rate is subject to contractual minimum interest rate.
- (10)

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Private Loan portfolio investment. See Note B for a summary of Private Loan portfolio investments.

- (11) Middle Market portfolio investment. See Note B for a summary of Middle Market portfolio investments.
- (12) Other Portfolio investment. See Note B for a summary of Other Portfolio investments.
- (13) Investment is not a qualifying asset as defined under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets.
- (14) Non-accrual and non-income producing investment.
- (15) Marketable securities and idle fund investments.
- (16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (17) Maturity date is under on-going negotiations with the portfolio company and other lenders, if applicable.
- (18) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investments in this portfolio company will not be finally determined until such process is complete. As noted in footnote (14), our debt investments in this portfolio company are on non-accrual status.

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MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements

(Unaudited)

NOTE A ORGANIZATION AND BASIS OF PRESENTATION

1. Organization

Main Street Capital Corporation ("MSCC") is a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies and debt capital to middle market ("Middle Market") companies. The portfolio investments of MSCC and its consolidated subsidiaries are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. MSCC seeks to partner with entrepreneurs, business owners and management teams and generally 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, but not limited to, 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 or their portfolio companies, it is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements.

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

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

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MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

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

2. Basis of Presentation

Main Street's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). For each of the periods presented herein, Main Street's consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of Main Street's investments in LMM portfolio companies, investments in Middle Market portfolio companies, Private Loan portfolio investments, Other Portfolio investments, and the investment in the External Investment Manager, but excludes all "Marketable securities and idle funds investments" (see Note C Fair Value Hierarchy for Investments and Debentures Portfolio Composition Portfolio Investment Composition for additional discussion of Main Street's Investment Portfolio and definitions for the terms LMM, Middle Market, Private Loan and Other Portfolio). "Marketable securities and idle funds investments" are classified as financial instruments and are reported separately on Main Street's consolidated balance sheets and consolidated schedules of investments due to the nature of such investments (see Note B.11.). Main Street's results of operations for the three months ended March 31, 2015 and 2014, cash flows for the three months ended March 31, 2015 and 2014, and financial position as of March 31, 2015 and December 31, 2014, are presented on a consolidated basis. The effects of all intercompany transactions between Main Street and its consolidated subsidiaries have been eliminated in consolidation. Certain reclassifications have been made to prior period balances to conform to the current presentation, including reclassifying the expenses charged to the External Investment Manager.

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

Under regulations pursuant to Article 6 of Regulation S-X applicable to BDCs and Accounting Standards Codification ("Codification" or "ASC") 946, *Financial Services Investment Companies* ("ASC 946"), Main Street is precluded from consolidating other entities in which Main Street has equity investments, including those in which it has a controlling interest, unless the other entity is another investment company. An exception to this general principle in ASC 946 occurs if Main Street holds a controlling interest in an operating company that provides all or substantially all of its services directly to Main Street or to its portfolio companies. According, as noted above, MSCC's consolidated financial statements include the financial position and operating results for the Funds and the Taxable

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MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

Subsidiaries. MSCC's consolidated financial statements also include the financial position and operating results for MSCC's wholly owned operating subsidiary, Main Street Capital Partners, LLC, ("MSCP"), as the wholly owned subsidiary provides all of its services directly or indirectly to Main Street or its portfolio companies. Main Street has determined that all of its portfolio investments do not qualify for this exception, including the investment in the External Investment Manager. Therefore, Main Street's Investment Portfolio is carried on the consolidated balance sheet at fair value, as discussed further in Note B, with any adjustments to fair value recognized as "Net Change in Unrealized Appreciation (Depreciation)" on the consolidated statements of operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss)."

Portfolio Investment Classification

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

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Valuation of the Investment Portfolio

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

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

LMM investments and Other Portfolio investments generally have no established trading market while Middle Market securities generally have established markets that are not active. Private Loan

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MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

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

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

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

Under the Waterfall valuation method, Main Street estimates the enterprise value of a portfolio company using a combination of market and income approaches or other appropriate valuation methods, such as considering recent transactions in the equity securities of the portfolio company or third-party valuations of the portfolio company, and then performs a waterfall calculation by using the enterprise value over the portfolio company's securities in order of their preference relative to one another. The enterprise value is the fair value at which an enterprise could be sold in a transaction between two willing parties, other than through a forced or liquidation sale. Typically, private companies are bought and sold based on multiples of earnings before interest, taxes, depreciation and amortization ("EBITDA"), cash flows, net income, revenues, or in limited cases, book value. There is no single methodology for estimating enterprise value. For any one portfolio company, enterprise value is generally described as a range of values from which a single estimate of enterprise value is derived. In estimating the enterprise value of a portfolio company, Main Street analyzes various factors including the portfolio company's historical and projected financial results. The operating results of a

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MAIN STREET CAPITAL CORPORATION

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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 its determination. In addition, projecting future financial results requires significant judgment regarding future growth assumptions. In evaluating the operating results, Main Street also analyzes the impact of exposure to litigation, loss of customers or other contingencies. After determining the appropriate enterprise value, Main Street allocates the enterprise value to investments in order of the legal priority of the various components of the portfolio company's capital structure. In applying the Waterfall valuation method, Main Street assumes the loans are paid off at the principal amount in a change in control transaction and are not assumed by the buyer, which Main Street believes is consistent with its past transaction history and standard industry practices.

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

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

Pursuant to its internal valuation process and the requirements under the 1940 Act, Main Street performs valuation procedures on each of its portfolio investments quarterly. In addition to its internal valuation process, in arriving at estimates of fair value for its investments in its LMM portfolio companies, Main Street, among other things, consults with a nationally recognized independent financial advisory services firm. The nationally recognized independent financial advisory services firm is generally consulted relative to Main Street's investments in each LMM portfolio company at least once every calendar year, and for Main Street's investments in new LMM portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain instances, Main Street

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may determine that it is not cost-effective, and as a result is not in its stockholders' best interest, to consult with the nationally recognized independent financial advisory services firm on its investments in one or more LMM portfolio companies. Such instances include, but are not limited to, situations where the fair value of Main Street's investment in a LMM portfolio company is determined to be insignificant relative to the total Investment Portfolio. Main Street consulted with its independent financial advisory services firm in arriving at Main Street's determination of fair value on its investments in a total of 15 LMM portfolio companies for the three months ended March 31, 2015, representing approximately 23% of the total LMM portfolio at fair value as of March 31, 2015, and on a total of 17 LMM portfolio companies for the three months ended March 31, 2014, representing approximately 29% of the total LMM portfolio at fair value as of March 31, 2014. Excluding investments in new LMM portfolio companies which have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment as of March 31, 2015 and 2014, as applicable, and investments in the LMM portfolio companies that were not reviewed because their equity is publicly traded, the percentage of the LMM portfolio reviewed by the independent financial advisory services firm for the three months ended March 31, 2015 and 2014 was 27% and 32% of the total LMM portfolio at fair value as of March 31, 2015 and 2014, respectively.

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

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

For valuation purposes, all of Main Street's Other Portfolio investments are non-control investments. Main Street's Other Portfolio investments comprised approximately 3.4% and 3.8%, respectively, of Main Street's Investment Portfolio at fair value as of March 31, 2015 and December 31, 2014. Similar to the LMM investment portfolio, market quotations for Other Portfolio equity investments are generally not readily available. For its Other Portfolio equity investments, Main Street generally determines the fair value of its investments using the NAV valuation method. For Other Portfolio debt investments, Main Street generally determines the fair value of these investments through obtaining third-party quotes or other independent pricing to the extent that these inputs are available and appropriate to determine fair value. For Other Portfolio debt investments for which it has determined that third-party quotes or other independent pricing are not available or appropriate, Main Street generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value such Other Portfolio debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method.

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

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

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

The Board of Directors of Main Street has the final responsibility for overseeing, reviewing and approving, in good faith, Main Street's determination of the fair value for its Investment Portfolio, as well as its valuation procedures, consistent with 1940 Act requirements. Main Street believes its Investment Portfolio as of March 31, 2015 and December 31, 2014 approximates fair value as of those dates based on the markets in which Main Street operates and other conditions in existence on those reporting dates.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from these estimates under different conditions or assumptions. Additionally, as explained in Note B.1., the financial statements include investments in the Investment Portfolio whose values have been estimated by Main Street with the oversight, review and approval by Main Street's Board of Directors in the absence of readily ascertainable market values. Because of the inherent uncertainty of the Investment Portfolio valuations, those estimated values may differ significantly from the values that would have been determined had a readily available market for the investments existed, and it is reasonably possible that the differences could be material.

3. Cash and Cash Equivalents

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

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At March 31, 2015, cash balances totaling \$19.7 million exceeded FDIC insurance protection levels, subjecting the Company to risk related to the uninsured balance. All of the Company's cash deposits are held at large, established, high credit quality financial institutions and management believes that the risk of loss associated with any uninsured balances is remote.

4. Marketable Securities and Idle Funds Investments

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

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

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

Main Street holds certain debt and preferred equity instruments in its Investment Portfolio that contain payment-in-kind ("PIK") interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed in Note B.9. below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the PIK interest and cumulative dividends in cash. Main Street stops accruing PIK interest and cumulative dividends and writes off any accrued and uncollected interest and dividends in arrears when it determines that such PIK interest and dividends in arrears are no longer collectible. For the three months ended March 31, 2015 and 2014, (i) approximately 2.2% and 5.4%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.0% and 1.2%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash.

As of March 31, 2015, Main Street's total Investment Portfolio had five investments with positive fair value on non-accrual status, which comprised approximately 1.2% of its fair value and 3.9% of its cost, and no fully impaired investments. As of December 31, 2014, Main Street's total Investment

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

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, and no fully impaired investments.

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

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

	Three Months Ended	
	March 31,	
	2015	2014
	(dollars in thousands)	
Interest, fee and dividend income:		
Interest income	\$ 30,067	\$ 25,734
Dividend income	5,136	4,044
Fee income	1,602	791
Total interest, fee and dividend income	\$ 36,805	\$ 30,569

6. Deferred Financing Costs

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

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

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

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

In connection with its portfolio debt investments, Main Street sometimes receives nominal cost warrants ("nominal cost equity") that are valued as part of the negotiation process with the particular portfolio company. When Main Street receives nominal cost equity, Main Street allocates its cost basis in its investment between its debt security and its nominal cost equity at the time of origination based on amounts negotiated with the particular portfolio company. The allocated amounts are based upon the fair value of the nominal cost equity, which is then used to determine the allocation of cost to the

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debt security. Any discount recorded on a debt investment resulting from this allocation is reflected as unearned income, which is netted against the applicable debt investment, and accreted into interest income based on the effective interest method over the life of the debt investment. The actual collection of this interest is deferred until the time of debt principal repayment.

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

To maintain RIC tax treatment (as discussed below in Note B.9.), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the interest income. For the three months ended March 31, 2015 and 2014, approximately 2.8% and 4.0%, respectively, of Main Street's total investment income was attributable to interest income for the accretion of discounts associated with debt investments, net of any premium reduction.

8. Share-Based Compensation

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

9. Income Taxes

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

The Taxable Subsidiaries hold certain portfolio investments for Main Street. The Taxable Subsidiaries permit Main Street to hold equity investments in portfolio companies which are "pass-through" entities for tax purposes and to continue to comply with the "source-income" requirements contained in the RIC tax provisions of the Code. The Taxable Subsidiaries are consolidated with Main Street for U.S. GAAP financial reporting purposes, and the portfolio investments held by the Taxable Subsidiaries are included in Main Street's consolidated financial statements as portfolio investments and recorded at fair value. The Taxable Subsidiaries are not consolidated with MSCC for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities, as a result of

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their ownership of certain portfolio investments. The taxable income, or loss, of the Taxable Subsidiaries may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in Main Street's consolidated financial statements.

As previously discussed (see above in Note A.2.), MSCC's wholly owned subsidiary MSCP is included in Main Street's consolidated financial statements for financing reporting purposes. For tax purposes, MSCP has elected to be treated as a taxable entity, and therefore is not consolidated with MSCC for income tax purposes and is taxed at normal corporate tax rates based on its taxable income and, as a result of its activities, may generate income tax expense or benefit. The taxable income, or loss, of MSCP may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. This income tax expense, or benefit, if any, and the related tax assets and liabilities, are reflected in Main Street's consolidated financial statements.

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

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

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

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

11. Fair Value of Financial Instruments

Fair value estimates are made at discrete points in time based on relevant information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Main Street believes that the carrying amounts of its financial instruments, consisting of cash and cash equivalents, receivables, payables and other liabilities approximate the fair values of such items due to the short term nature of these instruments. Marketable securities and idle funds investments may include investments in certificates of deposit, U.S. government agency securities, independently rated debt investments, diversified bond funds and publicly traded debt and equity investments and the fair value determination for these investments under the provisions of ASC 820 generally consists of Level 1 and 2 observable inputs, similar in nature to those discussed further in Note C.

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

12. Earnings per Share

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

13. Recently Issued or Adopted Accounting Standards

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

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which changes the presentation of debt issuance costs in financial statements. ASU 2015-03 requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. It is effective for annual reporting periods beginning after December 15, 2016. Early adoption is permitted.

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The new guidance will be applied retrospectively to each prior period presented. The impact of the adoption of this new accounting standard on Main Street's consolidated financial statements is currently being evaluated.

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

NOTE C FAIR VALUE HIERARCHY FOR INVESTMENTS AND DEBENTURES PORTFOLIO COMPOSITION

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

Fair Value Hierarchy

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

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

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

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

Quoted prices for similar assets in active markets (for example, investments in restricted stock);

Quoted prices for identical or similar assets in non-active markets (for example, investments in thinly traded public companies);

Pricing models whose inputs are observable for substantially the full term of the investment (for example, market interest rate indices); and

Pricing models whose inputs are derived principally from, or corroborated by, observable market data through correlation or other means for substantially the full term of the investment.

Level 3 Investments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (for example, investments in illiquid securities issued by private companies). These inputs reflect

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management's own assumptions about the assumptions a market participant would use in pricing the investment.

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

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

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

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

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

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

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investments. As a result, all of Main Street's Marketable securities and idle funds investments were categorized as Level 1 as of March 31, 2015 and December 31, 2014.

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

Financial information obtained from each portfolio company, including unaudited statements of operations and balance sheets for the most recent period available as compared to budgeted numbers;

Current and projected financial condition of the portfolio company;

Current and projected ability of the portfolio company to service its debt obligations;

Type and amount of collateral, if any, underlying the investment;

Current financial ratios (e.g., fixed charge coverage ratio, interest coverage ratio and net debt/EBITDA ratio) applicable to the investment;

Current liquidity of the investment and related financial ratios (e.g., current ratio and quick ratio);

Pending debt or capital restructuring of the portfolio company;

Projected operating results of the portfolio company;

Current information regarding any offers to purchase the investment;

Current ability of the portfolio company to raise any additional financing as needed;

Changes in the economic environment which may have a material impact on the operating results of the portfolio company;

Internal occurrences that may have an impact (both positive and negative) on the operating performance of the portfolio company;

Qualitative assessment of key management;

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Contractual rights, obligations or restrictions associated with the investment; and

Other factors deemed relevant.

The significant unobservable inputs used in the fair value measurement of Main Street's LMM equity securities, which are generally valued through an average of the discounted cash flow technique and the market comparable/enterprise value technique (unless one of these approaches is determined to not be appropriate), are (i) EBITDA multiples and (ii) the weighted-average cost of capital ("WACC"). Significant increases (decreases) in EBITDA multiple inputs in isolation would result in a significantly higher (lower) fair value measurement. On the contrary, significant increases (decreases) in WACC inputs in isolation would result in a significantly lower (higher) fair value measurement. The significant unobservable inputs used in the fair value measurement of Main Street's LMM, Middle Market, Private Loan and Other Portfolio debt securities are (i) risk adjusted discount rates used in the Yield-to-Maturity valuation technique (described in Note B.1. Valuation of the Investment Portfolio) and (ii) the percentage of expected principal recovery. Significant increases (decreases) in any of these discount rates in isolation would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in any of these expected principal recovery percentages in isolation

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would result in a significantly higher (lower) fair value measurement. However, due to the nature of certain investments, fair value measurements may be based on other criteria, such as third-party appraisals of collateral and fair values as determined by independent third parties, which are not presented in the tables below.

The following table provides a summary of the significant unobservable inputs used to fair value Main Street's Level 3 portfolio investments as of March 31, 2015:

Type of Investment	Fair Value as of March 31, 2015 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)
Equity investments	\$ 446,984	Discounted cash flow	Weighted average cost of capital	11.5% - 23.7%	14.2%
		Market comparable / Enterprise Value	EBITDA multiple(1)	4.0x - 7.3x(2)	6.3x
Debt investments	\$ 607,731	Discounted cash flow	Risk adjusted discount factor	8.0% - 15.5%(2)	11.9%
			Expected principal recovery percentage	42.0% - 100.0%	99.5%
Debt investments	\$ 675,778	Market approach	Third party quote	53.4 - 103.5	
Total Level 3 investments	\$ 1,730,493				

- (1) EBITDA may include proforma adjustments and/or other addbacks based on specific circumstances related to each investment.
- (2) Range excludes outliers that are greater than one standard deviation from the mean. Including these outliers, the range for EBITDA multiple is 4.0x - 17.5x and the range for risk adjusted discount factor is 6.0% - 25.3%.
- (3) Does not include investments for which the valuation technique does not include the use of the applicable fair value input.

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

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

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Debt investments	\$	589,677	Market approach	Third party quote	60.1 - 102.3
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Total Level 3 investments	\$	1,554,850
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- (1) EBITDA may include proforma adjustments and/or other addbacks based on specific circumstances related to each investment.
- (2) Range excludes outliers that are greater than one standard deviation from the mean. Including these outliers, the range for EBITDA multiple is 4.0x - 17.5x and the range for risk adjusted discount factor is 6.0% - 32.0%.
- (3) Does not include investments for which the valuation technique does not include the use of the applicable fair value input.

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The following table provides a summary of changes in fair value of Main Street's Level 3 portfolio investments for the three months ended March 31, 2015 (amounts in thousands). Net unrealized appreciation (depreciation) is included in the Net change in unrealized appreciation (depreciation) portfolio investments on the consolidated statements of operations.

Type of Investment	Fair Value as of December 31, 2014	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of March 31, 2015
Debt	1,147,281		(145,175)	283,801	3,796	(1,512)	(4,682)	1,283,509
Equity	391,933		(5,950)	24,030	354	15,347	4,435	430,149
Equity Warrant	15,636		(449)	1,400	449	(201)		16,835
	1,554,850		(151,574)	309,231	4,599	13,634	(247)	1,730,493

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

The following table provides a summary of changes in fair value of Main Street's Level 3 portfolio investments for the three months ended March 31, 2014 (amounts in thousands). All transfers that occurred between fair value hierarchy levels during the three months ended March 31, 2014 were transfers out of Level 2 into Level 3. Net unrealized appreciation (depreciation) is included in the Net change in unrealized appreciation (depreciation) portfolio investments on the consolidated statements of operations.

Type of Investment	Fair Value as of December 31, 2013	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of March 31, 2014
Debt	897,568	55,102	(103,179)	128,183	184	(2,459)	17	975,416
Equity	270,764		(393)	3,972	4	11,098		285,445
Equity Warrant	36,558			297		(1,776)	(17)	35,062
	1,204,890	55,102	(103,572)	132,452	188	6,863		1,295,923

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

As of March 31, 2015 and December 31, 2014, the fair value determination for the SBIC debentures recorded at fair value primarily consisted of unobservable inputs. As a result, the SBIC debentures which are recorded at fair value were categorized as Level 3. Main Street determines the fair value of these instruments primarily using a Yield-to-Maturity approach that analyzes the discounted cash flows of interest and principal for each SBIC debenture recorded at fair value based on estimated market interest rates for debt instruments of similar structure,

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terms, and maturity. Main Street's estimate of the expected repayment date of principal for each SBIC debenture recorded at fair value is the legal maturity date of the instrument.

The significant unobservable inputs used in the fair value measurement of Main Street's SBIC debentures recorded at fair value are the estimated market interest rates used to fair value each debenture using the yield valuation technique described above. Significant increases (decreases) in the Yield-to-Maturity valuation inputs in isolation would result in a significantly lower (higher) fair value measurement.

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The following table provides a summary of the significant unobservable inputs used to fair value Main Street's Level 3 SBIC debentures as of March 31, 2015 (amounts in thousands):

Type of Instrument	Fair Value as of March 31, 2015	Valuation Technique	Significant Unobservable Inputs	Range	Weighted Average
SBIC debentures	\$ 73,674	Discounted cash flow	Estimated market interest rates	4.6% - 5.7%	5.1%

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

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

The following table provides a summary of changes for the Level 3 SBIC debentures recorded at fair value for the three months ended March 31, 2015 (amounts in thousands):

Type of Instrument	Fair Value as of December 31, 2014	Repayments	New SBIC Debentures	Net Unrealized (Appreciation) Depreciation	Fair Value as of March 31, 2015
SBIC debentures at fair value	\$ 72,981	\$	\$	\$ 693	\$ 73,674

The following table provides a summary of changes for the Level 3 SBIC debentures recorded at fair value for the three months ended March 31, 2014 (amounts in thousands):

Type of Instrument	Fair Value as of December 31, 2013	Repayments	New SBIC Debentures	Net Unrealized (Appreciation) Depreciation	Fair Value as of March 31, 2014
SBIC Debentures at fair value	\$ 62,050	\$	\$	\$ 1,189	\$ 63,239

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At March 31, 2015 and December 31, 2014, Main Street's investments and SBIC debentures at fair value were categorized as follows in the fair value hierarchy for ASC 820 purposes:

At March 31, 2015	Fair Value	Fair Value Measurements (in thousands)		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
LMM portfolio investments	\$ 778,300	\$	\$ 6,830	\$ 771,470
Middle Market portfolio investments	627,762			627,762
Private Loan portfolio investments	247,742			247,742
Other Portfolio investments	58,679			58,679
External Investment Manager	24,840			24,840
Total portfolio investments	1,737,323		6,830	1,730,493
Marketable securities and idle funds investments	9,948	9,948		
Total investments	\$ 1,747,271	\$ 9,948	\$ 6,830	\$ 1,730,493
SBIC debentures at fair value	\$ 73,674	\$	\$	\$ 73,674

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

SBIC debentures at fair value	\$	72,981	\$	\$	72,981
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Investment Portfolio Composition

Main Street's lower middle market ("LMM") portfolio investments primarily consist of secured debt, equity warrants and direct equity investments in privately held, LMM companies based in the United States. Main Street's LMM portfolio companies generally have annual revenues between \$10 million and \$150 million, and its LMM investments generally range in size from \$5 million to \$50 million. The LMM debt investments are typically secured by either a first or second priority lien on

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

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

Main Street's Private Loan ("Private Loan") portfolio investments primarily consist of investments in interest-bearing debt securities in companies that are consistent with the size of companies in its LMM portfolio or its Middle Market portfolio, but are investments which have been originated through strategic relationships with other investment funds on a collaborative basis. Main Street's Private Loan portfolio debt investments are generally secured by either a first or second priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date.

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

Main Street's external asset management business is conducted through its External Investment Manager. Main Street has entered into an agreement to provide the External Investment Manager with asset management service support in connection with its asset management business generally, and specifically for its relationship with HMS Income Fund, Inc. ("HMS Income"). Through this agreement, Main Street provides management and other services to the External Investment Manager, as well as access to Main Street's employees, infrastructure, business relationships, management expertise and capital raising capabilities. In the first quarter of 2014, Main Street began charging the External Investment Manager the cost for these services. Main Street's total expenses for the three months ended March 31, 2015 and 2014 are net of expenses of \$0.8 million and \$0.3 million, respectively, charged to the External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed.

Investment income, consisting of interest, dividends and fees, can fluctuate dramatically due to various factors, including the level of new investment activity, repayments of debt investments or sales of equity interests. Investment income in any given year could also be highly concentrated among several portfolio companies. For the three months ended March 31, 2015 and 2014, Main Street did not record investment income from any single portfolio company in excess of 10% of total investment income.

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

	As of March 31, 2015		
	LMM(a)	Middle Market	Private Loan
	(dollars in millions)		
Number of portfolio companies	68	89	37
Fair value	\$ 778.3	\$ 627.8	\$ 247.7
Cost	\$ 640.7	\$ 642.8	\$ 261.8
% of total investments at cost debt	70.3%	99.1%	96.1%
% of total investments at cost equity	29.7%	0.9%	3.9%
% of debt investments at cost secured by first priority lien	89.8%	85.2%	87.2%
Weighted-average annual effective yield(b)	13.1%	7.9%	9.9%
Average EBITDA(c)	\$ 5.4	\$ 95.8	\$ 12.1

- (a) At March 31, 2015, Main Street had equity ownership in approximately 94% of its LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 36%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of March 31, 2015, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status.
- (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 three 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.

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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 total investments at cost debt	71.5%	99.8%	95.6%
% of total investments 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) As of December 31, 2014, Main Street had equity ownership in approximately 95% of its LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 35%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2014, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status.
- (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 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.

As of March 31, 2015, Main Street had Other Portfolio investments in six companies, collectively totaling approximately \$58.7 million in fair value and approximately \$55.6 million in cost basis and which comprised approximately 3.4% of Main Street's Investment Portfolio at fair value. As of December 31, 2014, Main Street had Other Portfolio investments in six companies, collectively totaling approximately \$58.9 million in fair value and approximately \$56.2 million in cost basis and which comprised approximately 3.8% of Main Street's Investment Portfolio at fair value.

As discussed further in Note A.1., Main Street holds an investment in the External Investment Manager, a wholly owned subsidiary that is treated as a portfolio investment. As of March 31, 2015, there was no cost basis in this investment and the investment had a fair value of \$24.8 million, which comprised 1.4% of Main Street's Investment Portfolio at fair value. As of December 31, 2014, there was no cost basis in this investment and the investment had a fair value of \$15.6 million, which comprised 1.0% of Main Street's Investment Portfolio at fair value.

The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, as of March 31, 2015 and

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

Cost:	March 31, 2015	December 31, 2014
First lien debt	75.6%	75.7%
Equity	11.9%	11.6%
Second lien debt	10.0%	10.0%
Equity warrants	1.4%	1.5%
Other	1.1%	1.2%
	100.0%	100.0%

Fair Value:	March 31, 2015	December 31, 2014
First lien debt	67.4%	66.9%
Equity	21.4%	21.9%
Second lien debt	9.3%	9.2%
Equity warrants	1.0%	1.0%
Other	0.9%	1.0%
	100.0%	100.0%

The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments by geographic region of the United States and other countries at cost and fair value as a percentage of the total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments, as of March 31, 2015 and December 31, 2014 (this information excludes the Other Portfolio investments and the External Investment Manager). The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

Cost:	March 31, 2015	December 31, 2014
Southwest	31.6%	29.6%
Northeast	21.1%	19.9%
West	16.9%	18.7%
Southeast	14.2%	15.4%
Midwest	13.7%	13.5%
Canada	0.6%	0.7%
Other Non-United States	1.9%	2.2%
	100.0%	100.0%

Fair Value:	March 31, 2015	December 31, 2014
Southwest	35.7%	33.7%

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Northeast	19.8%	18.3%
West	18.0%	20.4%
Midwest	12.7%	12.7%
Southeast	11.5%	12.4%
Canada	0.6%	0.6%
Other Non-United States	1.7%	1.9%
	100.0%	100.0%

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

Main Street's LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments are in companies conducting business in a variety of industries. The following tables summarize the composition of Main Street's total combined LMM portfolio investments, Middle Market portfolio investments and Private Loan portfolio investments by industry at cost and fair value as of March 31, 2015 and December 31, 2014 (this information excludes the Other Portfolio investments and the External Investment Manager).

Cost:	March 31, 2015	December 31, 2014
Media	7.5%	8.3%
Energy Equipment & Services	7.4%	8.3%
IT Services	6.7%	5.9%
Machinery	6.0%	6.5%
Hotels, Restaurants & Leisure	5.6%	5.6%
Software	5.5%	5.4%
Specialty Retail	4.8%	4.7%
Construction & Engineering	4.7%	5.3%
Health Care Providers & Services	4.6%	4.9%
Internet Software & Services	3.7%	1.9%
Diversified Telecommunication Services	3.6%	4.0%
Diversified Consumer Services	3.2%	2.9%
Electronic Equipment, Instruments & Components	2.4%	3.0%
Oil, Gas & Consumable Fuels	2.4%	2.5%
Pharmaceuticals	2.4%	1.8%
Food Products	2.2%	1.8%
Auto Components	2.0%	2.3%
Building Products	2.0%	1.1%
Health Care Equipment & Supplies	1.9%	2.1%
Road & Rail	1.7%	1.8%
Aerospace & Defense	1.3%	1.2%
Textiles, Apparel & Luxury Goods	1.2%	1.3%
Chemicals	1.2%	1.3%
Diversified Financial Services	1.2%	1.0%
Air Freight & Logistics	1.2%	0.9%
Leisure Equipment & Products	1.2%	0.5%
Trading Companies & Distributors	1.1%	1.2%
Professional Services	1.1%	1.1%
Commercial Services & Supplies	1.0%	1.0%
Distributors	0.9%	1.0%
Other(1)	8.3%	9.4%
	100.0%	100.0%

(1)

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

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Fair Value:	March 31, 2015	December 31, 2014
Machinery	7.4%	8.1%
Media	6.8%	7.7%
Energy Equipment & Services	6.5%	7.9%
IT Services	6.2%	5.4%
Software	5.7%	5.5%
Hotels, Restaurants & Leisure	5.6%	5.6%
Construction & Engineering	5.1%	5.5%
Specialty Retail	5.0%	4.9%
Diversified Consumer Services	4.7%	4.4%
Health Care Providers & Services	4.2%	4.4%
Internet Software & Services	4.0%	2.3%
Diversified Telecommunication Services	3.3%	3.8%
Auto Components	2.3%	2.5%
Road & Rail	2.3%	2.3%
Pharmaceuticals	2.3%	1.7%
Food Products	2.1%	1.6%
Electronic Equipment, Instruments & Components	2.0%	2.5%
Oil, Gas & Consumable Fuels	2.0%	1.9%
Health Care Equipment & Supplies	1.8%	1.9%
Building Products	1.7%	0.9%
Air Freight & Logistics	1.4%	0.8%
Aerospace & Defense	1.2%	1.1%
Diversified Financial Services	1.2%	1.0%
Textiles, Apparel & Luxury Goods	1.1%	1.2%
Chemicals	1.1%	1.2%
Leisure Equipment & Products	1.1%	0.4%
Trading Companies & Distributors	1.0%	1.1%
Commercial Services & Supplies	1.0%	1.0%
Professional Services	1.0%	1.0%
Paper & Forest Products	0.9%	1.2%
Distributors	0.9%	1.0%
Other(1)	7.1%	8.2%
	100.0%	100.0%

(1)

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

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

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MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

NOTE D EXTERNAL INVESTMENT MANAGER

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

During May 2012, Main Street entered into an investment sub-advisory agreement with HMS Adviser, LP ("HMS Adviser"), which is the investment advisor to HMS Income Fund, Inc. ("HMS Income"), a non-publicly traded BDC whose registration statement on Form N-2 was declared effective by the SEC in June 2012, to provide certain investment advisory services to HMS Adviser. In December 2013, after obtaining required no-action relief from the SEC to allow it to own a registered investment adviser, Main Street assigned the sub-advisory agreement to the External Investment Manager since the fees received from such arrangement could otherwise have negative consequences on MSCC's ability to meet the source-of-income requirement necessary for it to maintain its RIC tax treatment. Under the investment sub-advisory agreement, the External Investment Manager is entitled to 50% of the base management fee and the incentive fees earned by HMS Adviser under its advisory agreement with HMS Income. Based upon several fee waiver agreements with HMS Income and HMS Adviser, the External Investment Manager did not begin accruing the base management fee and incentive fees, if any, until January 1, 2014. Beginning January 1, 2015, the External Investment Manager conditionally agreed to waive a limited amount of the base management fee and incentive fees otherwise earned during the year ended December 31, 2015. During the three months ended March 31, 2015 and 2014, the External Investment Manager earned \$1.4 million and \$0.3 million, respectively, of management fees (net of fees waived, if any) under the sub-advisory agreement with HMS Adviser.

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

The External Investment Manager has elected, for tax purposes, to be treated as a taxable entity, is not consolidated with Main Street for income tax purposes and is taxed at normal corporate tax rates based on its taxable income and, as a result of its activities, may generate income tax expense or benefit. The External Investment Manager has elected to be treated as a taxable entity to enable it to receive fee income and to allow MSCC to continue to comply with the "source-income" requirements contained in the RIC tax provisions of the Code. The taxable income, or loss, of the External Investment Manager may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. The External Investment Manager provides for any income tax expense, or benefit, and any tax assets or liabilities in its separate financial statements.

Main Street provides services to the External Investment Manager and charges the expenses necessary to perform these services to the External Investment Manager generally based on a combination of the direct time spent, new investment origination activity and assets under management, depending on the nature of the expense. For the three months ended March 31, 2015 and 2014, Main

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

Street charged \$0.8 million and \$0.3 million of total expenses, respectively, to the External Investment Manager.

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

	As of March 31, 2015	As of December 31, 2014
	(in thousands)	
Cash	\$ 293	\$ 130
Accounts receivable HMS Income	1,433	1,120
Total assets	\$ 1,726	\$ 1,250
Accounts Payable to MSCC and subsidiaries	\$ 827	\$ 699
Dividend Payable to MSCC	399	253
Taxes Payable	500	298
Equity		
Total liabilities and equity	\$ 1,726	\$ 1,250

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
	(in thousands)	
Management fee income	\$ 1,428	\$ 291
Expenses allocated from MSCC or its subsidiaries:		
Salaries, share-based compensation and other personnel costs	(567)	(248)
Other G&A expenses	(260)	(43)
Total allocated expenses	(827)	(291)
Pre-tax income	601	
Tax expense	(202)	
Net income	\$ 399	\$

NOTE E SBIC DEBENTURES

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SBIC debentures payable were \$225.0 million at both March 31, 2015 and December 31, 2014, respectively. SBIC debentures provide for interest to be paid semi-annually, with principal due at the applicable 10-year maturity date of each debenture. The weighted-average annual interest rate on the SBIC debentures was 4.2% as of both March 31, 2015 and December 31, 2014, respectively. The first principal maturity due under the existing SBIC debentures is in 2017, and the remaining weighted-average duration as of March 31, 2015 was approximately 6.3 years. For the three months ended March 31, 2015 and 2014, Main Street recognized interest expense attributable to the SBIC debentures of \$2.5 million and \$2.0 million, respectively. Main Street has incurred upfront leverage and other miscellaneous fees of approximately 3.4% of the debenture principal amount. In accordance with SBA regulations, the Funds are precluded from incurring additional non-SBIC debt without the prior approval of the SBA. The Funds are subject to annual compliance examinations by the SBA. There have been no historical findings resulting from these examinations.

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MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

As of March 31, 2015, the recorded value of the SBIC debentures was \$223.5 million which consisted of (i) \$73.7 million recorded at fair value, or \$1.5 million less than the \$75.2 million face value of the SBIC debentures held in MSC II, and (ii) \$149.8 million reported at face value and held in MSMF. As of March 31, 2015, if Main Street had adopted the fair value option under ASC 825 for all of its SBIC debentures, Main Street estimates the fair value of its SBIC debentures would be approximately \$209.4 million, or \$15.6 million less than the \$225.0 million face value of the SBIC debentures.

NOTE F CREDIT FACILITY

Main Street maintains the Credit Facility to provide additional liquidity to support its investment and operational activities. The Credit Facility includes total commitments of \$572.5 million from a diversified group of fifteen lenders and matures in September 2019. The Credit Facility also contains an accordion feature which allows Main Street to increase the total commitments under the facility up to \$650.0 million from new and existing lenders on the same terms and conditions as the existing commitments.

Borrowings under the Credit Facility bear interest, subject to Main Street's election, on a per annum basis equal to (i) the applicable LIBOR rate (0.17% as of March 31, 2015) plus 2.00%, as long as Main Street maintains an investment grade rating (or 2.25% if Main Street does not maintain an investment grade rating) or (ii) the applicable base rate (Prime Rate of 3.25% as of March 31, 2015) plus 1.00%, as long as Main Street maintains an investment grade rating (or 1.25% if Main Street does not maintain an investment grade rating). Main Street pays unused commitment fees of 0.25% per annum on the unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership and assets of the Funds and the External Investment Manager. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining a minimum availability of at least 10% of the borrowing base, (ii) maintaining an interest coverage ratio of at least 2.0 to 1.0, (iii) maintaining an asset coverage ratio 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.

At March 31, 2015, Main Street had \$164.0 million in borrowings outstanding under the Credit Facility. Main Street recognized interest expense related to the Credit Facility, including unused commitment fees and amortization of deferred loan costs, of \$1.7 million and \$1.8 million for the three months ended March 31, 2015 and 2014, respectively. As of March 31, 2015, the interest rate on the Credit Facility was 2.2%, and Main Street was in compliance with all financial covenants of the Credit Facility.

NOTE G NOTES

6.125% Notes

In April 2013, Main Street issued \$92.0 million, including the underwriters full exercise of their option to purchase additional principal amounts to cover over-allotments, in aggregate principal amount of 6.125% Notes due 2023 (the "6.125% Notes"). The 6.125% Notes are unsecured obligations and rank pari passu with Main Street's current and future unsecured indebtedness; senior to any of its future indebtedness that expressly provides it is subordinated to the 6.125% Notes; effectively

Table of Contents**MAIN STREET CAPITAL CORPORATION****Notes to Consolidated Financial Statements (Continued)****(Unaudited)**

subordinated to all of its existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under its Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, including without limitation, the indebtedness of the Funds. The 6.125% Notes mature on April 1, 2023, and may be redeemed in whole or in part at any time or from time to time at Main Street's option on or after April 1, 2018. The 6.125% Notes bear interest at a rate of 6.125% per year payable quarterly on January 1, April 1, July 1 and October 1 of each year. The total net proceeds to Main Street from the 6.125% Notes, after underwriting discounts and estimated offering expenses payable by Main Street, were approximately \$89.0 million. Main Street has listed the 6.125% Notes on the New York Stock Exchange under the trading symbol "MSCA". Main Street may from time to time repurchase the 6.125% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of March 31, 2015, the outstanding balance of the 6.125% Notes was \$90.8 million. Main Street recognized interest expense related to the 6.125% Notes, including amortization of deferred loan costs, of \$1.5 million for each of the three months ended March 31, 2015 and 2014, respectively.

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

4.50% Notes

In November 2014, Main Street issued \$175.0 million in aggregate principal amount of 4.50% unsecured notes due 2019 (the "4.50% Notes") at an issue price of 99.53%. The 4.50% Notes are unsecured obligations and rank pari passu with Main Street's current and future unsecured indebtedness; senior to any of its future indebtedness that expressly provides it is subordinated to the 4.50% Notes; effectively subordinated to all of its existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, including borrowings under its Credit Facility; and structurally subordinated to all existing and future indebtedness and other obligations of any of its subsidiaries, including without limitation, the indebtedness of the Funds. The 4.50% Notes mature on December 1, 2019, and may be redeemed in whole or in part at any time at Main Street's option subject to certain make whole provisions. The 4.50% Notes bear interest at a rate of 4.50% per year payable semi-annually on June 1 and December 1 of each year. The total net proceeds from the 4.50% Notes, resulting from the issue price and after underwriting discounts and estimated offering expenses payable by us, were approximately \$171.2 million. Main Street may from time to time repurchase the 4.50% Notes in accordance with the 1940 Act and the rules promulgated thereunder. As of March 31, 2015, the outstanding balance of the 4.50% Notes was \$175.0 million. Main Street recognized interest expense related to the 4.50% Notes, including amortization of deferred loan costs, of \$2.1 million for the three months ended March 31, 2015.

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

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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.

NOTE H FINANCIAL HIGHLIGHTS

	Three Months Ended	
	March 31,	
	2015	2014
Per Share Data:		
NAV at the beginning of the period	\$ 20.85	\$ 19.89
Net investment income(1)	0.51	0.52
Net realized gain (loss)(1)(2)	(0.05)	0.04
Net change in unrealized appreciation (depreciation)(1)(2)	0.30	0.17
Income tax provision(1)(2)	0.01	(0.05)
Net increase in net assets resulting from operations(1)	0.77	0.68
Dividends paid to stockholders from net investment income	(0.51)	(0.50)
Dividends paid to stockholders from realized gains/losses		
Total dividends paid	(0.51)	(0.50)
Accretive effect of public stock offerings (issuing shares above NAV per share)	0.71	
Accretive effect of DRIP issuance (issuing shares above NAV per share)	0.02	0.03
Other(3)	0.03	0.04
NAV at the end of the period	\$ 21.87	\$ 20.14