

Main Street Capital CORP
Form 10-Q
November 02, 2018

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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 September 30, 2018

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, 8th Floor
Houston, TX
(Address of principal executive offices)

77056
(Zip Code)

(713) 350-6000

(Registrant's telephone number including area code)

n/a

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

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

The number of shares outstanding of the issuer's common stock as of November 1, 2018 was 60,993,821.

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

	September 30, 2018	December 31, 2017
	(Unaudited)	
ASSETS		
Investments at fair value:		
Control investments (cost: \$717,220 and \$530,034 as of September 30, 2018 and December 31, 2017, respectively)	\$ 967,128	\$ 750,706
Affiliate investments (cost: \$389,450 and \$367,317 as of September 30, 2018 and December 31, 2017, respectively)	373,444	338,854
Non-Control/Non-Affiliate investments (cost: \$1,105,048 and \$1,107,447 as of September 30, 2018 and December 31, 2017, respectively)	1,086,301	1,081,745
Total investments (cost: \$2,211,718 and \$2,004,798 as of September 30, 2018 and December 31, 2017, respectively)	2,426,873	2,171,305
Cash and cash equivalents	50,303	51,528
Interest receivable and other assets	37,339	36,343
Receivable for securities sold	5,363	2,382
Deferred financing costs (net of accumulated amortization of \$6,329 and \$5,600 as of September 30, 2018 and December 31, 2017, respectively)	4,585	3,837
Total assets	\$ 2,524,463	\$ 2,265,395
LIABILITIES		
Credit facility	\$ 250,000	\$ 64,000
SBIC debentures (par: \$345,800 and \$295,800 as of September 30, 2018 and December 31, 2017, respectively)	337,931	288,483
4.50% Notes due 2022 (par: \$185,000 as of both September 30, 2018 and December 31, 2017)	182,471	182,015
4.50% Notes due 2019 (par: \$175,000 as of both September 30, 2018 and December 31, 2017)	174,157	173,616
6.125% Notes (par: \$90,655 as of December 31, 2017)		89,057
Accounts payable and other liabilities	19,252	20,168
Payable for securities purchased	22,425	40,716
Interest payable	6,731	5,273
Dividend payable	11,889	11,146
Deferred tax liability, net	14,165	10,553
Total liabilities	1,019,021	885,027
Commitments and contingencies (Note M)		
NET ASSETS		
Common stock, \$0.01 par value per share (150,000,000 shares authorized; 60,962,505 and 58,660,680 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	610	586
Additional paid-in capital	1,396,256	1,310,780
Accumulated net investment income, net of cumulative dividends of \$770,516 and \$662,563 as of September 30, 2018 and December 31, 2017, respectively	13,155	7,921
Accumulated net realized gain from investments (accumulated net realized gain from investments of \$65,808 before cumulative dividends of \$135,871 as of September 30, 2018 and accumulated net realized gain from investments of \$64,576 before cumulative dividends of \$124,690 as of December 31, 2017)	(70,063)	(60,114)
Net unrealized appreciation, net of income taxes	165,484	121,195
Total net assets	1,505,442	1,380,368
Total liabilities and net assets	\$ 2,524,463	\$ 2,265,395

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NET ASSET VALUE PER SHARE	\$	24.69	\$	23.53
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The accompanying notes are an integral part of these consolidated financial statements

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Statements of Operations**

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

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
INVESTMENT INCOME:				
Interest, fee and dividend income:				
Control investments	\$ 18,926	\$ 15,145	\$ 64,756	\$ 42,720
Affiliate investments	9,643	10,134	27,230	29,601
Non-Control/Non-Affiliate investments	29,694	26,507	82,089	77,623
Total investment income	58,263	51,786	174,075	149,944
EXPENSES:				
Interest	(10,884)	(9,420)	(31,982)	(26,820)
Compensation	(5,798)	(4,777)	(16,962)	(13,762)
General and administrative	(2,951)	(2,748)	(9,023)	(8,748)
Share-based compensation	(2,147)	(2,476)	(6,883)	(7,542)
Expenses allocated to the External Investment Manager	1,592	1,664	5,336	4,816
Total expenses	(20,188)	(17,757)	(59,514)	(52,056)
NET INVESTMENT INCOME	38,075	34,029	114,561	97,888
NET REALIZED GAIN (LOSS):				
Control investments		(2,848)	4,681	259
Affiliate investments	1,898	(9,896)	1,898	12,920
Non-Control/Non-Affiliate investments	7,340	2,038	(3,825)	14,663
Realized loss on extinguishment of debt			(2,896)	(5,217)
Total net realized gain (loss)	9,238	(10,706)	(142)	22,625
NET UNREALIZED APPRECIATION (DEPRECIATION):				
Control investments	30,285	14,171	33,357	31,217
Affiliate investments	3,135	8,783	16,997	(18,013)
Non-Control/Non-Affiliate investments	(8,159)	(6,586)	(3,264)	(17,562)
SBIC debentures	(53)	(221)	1,296	5,408
Total net unrealized appreciation	25,208	16,147	48,386	1,050
INCOME TAXES:				
Federal and state income, excise and other taxes	(759)	(799)	(793)	(2,489)
Deferred taxes	(3,022)	(3,772)	(3,304)	(9,894)
Income tax provision	(3,781)	(4,571)	(4,097)	(12,383)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 68,740	\$ 34,899	\$ 158,708	\$ 109,180

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NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED	\$	0.63	\$	0.60	\$	1.91	\$	1.74
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NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE BASIC AND DILUTED	\$	1.13	\$	0.61	\$	2.65	\$	1.94
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DIVIDENDS PAID PER SHARE:

Regular monthly dividends	\$	0.570	\$	0.555	\$	1.710	\$	1.665
Supplemental dividends						0.275		0.275

Total dividends	\$	0.570	\$	0.555	\$	1.985	\$	1.940
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WEIGHTED AVERAGE SHARES OUTSTANDING BASIC AND DILUTED	60,807,096	57,109,104	59,836,527	56,140,953
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The accompanying notes are an integral part of these consolidated financial statements

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

(dollars in thousands, except shares)

(Unaudited)

	Common Stock			Accumulated	Accumulated	Net	Total Net
	Number of	Par	Additional	Net	Realized	Unrealized	Asset Value
	Shares	Value	Paid-In	Investment	Gain From	Appreciation	
			Capital	Income, Net	Net of	from	
				of Dividends	Dividends	Investments,	
						Net of	
						Income	
						Taxes	
Balances at December 31, 2016	54,354,857	\$ 543	\$ 1,143,883	\$ 19,033	\$ (58,887)	\$ 96,909	\$ 1,201,481
Public offering of common stock, net of offering costs	3,119,581	31	118,087				118,118
Share-based compensation			7,542				7,542
Purchase of vested stock for employee payroll tax withholding	(113,371)	(1)	(4,350)				(4,351)
Investment through issuance of unregistered shares	11,464		442				442
Dividend reinvestment	158,301	2	6,085				6,087
Amortization of directors' deferred compensation			488				488
Issuance of restricted stock, net of forfeited shares	225,361	2	(2)				
Dividends to stockholders				(82,605)	(26,716)		(109,321)
Net increase (decrease) resulting from operations				92,671	27,842	(11,333)	109,180
Balances at September 30, 2017	57,756,193	\$ 577	\$ 1,272,175	\$ 29,099	\$ (57,761)	\$ 85,576	\$ 1,329,666
Balances at December 31, 2017	58,660,680	\$ 586	\$ 1,310,780	\$ 7,921	\$ (60,114)	\$ 121,195	\$ 1,380,368
Public offering of common stock, net of offering costs	1,907,519	19	72,318				72,337
Share-based compensation			6,883				6,883
Purchase of vested stock for employee payroll tax withholding	(109,693)	(1)	(4,076)				(4,077)
Dividend reinvestment	253,125	3	9,720				9,723
Amortization of directors' deferred compensation			634				634
Issuance of restricted stock, net of forfeited shares	250,874	3	(3)				
Dividends to stockholders				(107,953)	(11,181)		(119,134)
Net increase resulting from operations				113,187	1,232	44,289	158,708
Balances at September 30, 2018	60,962,505	\$ 610	\$ 1,396,256	\$ 13,155	\$ (70,063)	\$ 165,484	\$ 1,505,442

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

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

	Nine Months Ended September 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	\$ 158,708	\$ 109,180
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Investments in portfolio companies	(766,483)	(743,695)
Proceeds from sales and repayments of debt investments in portfolio companies	480,738	527,562
Proceeds from sales and return of capital of equity investments in portfolio companies	71,010	80,078
Net unrealized appreciation	(48,386)	(1,050)
Net realized (gain) loss	142	(22,625)
Accretion of unearned income	(11,253)	(12,403)
Payment-in-kind interest	(1,760)	(4,122)
Cumulative dividends	(1,735)	(2,711)
Share-based compensation expense	6,883	7,542
Amortization of deferred financing costs	2,482	2,022
Deferred tax provision	3,304	9,894
Changes in other assets and liabilities:		
Interest receivable and other assets	(1,170)	(2,848)
Interest payable	1,458	(494)
Accounts payable and other liabilities	(282)	640
Deferred fees and other	2,969	2,050
Net cash used in operating activities	(103,375)	(50,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering of common stock, net of offering costs	72,337	118,118
Dividends paid	(108,668)	(102,347)
Proceeds from issuance of SBIC debentures	54,000	60,000
Repayments of SBIC debentures	(4,000)	(25,200)
Redemption of 6.125% Notes	(90,655)	
Proceeds from credit facility	516,000	394,000
Repayments on credit facility	(330,000)	(382,000)
Payment of deferred issuance costs and SBIC debenture fees	(2,787)	(1,576)
Purchases of vested stock for employee payroll tax withholding	(4,077)	(4,351)
Net cash provided by financing activities	102,150	56,644
Net increase (decrease) in cash and cash equivalents	(1,225)	5,664
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	51,528	24,480
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 50,303	\$ 30,144

Supplemental cash flow disclosures:

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Interest paid	\$	27,948	\$	25,200
Taxes paid	\$	4,725	\$	3,162
Non-cash financing activities:				
Shares issued pursuant to the DRIP	\$	9,723	\$	6,087

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

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****September 30, 2018****(dollars in thousands)****(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
<u>Control Investments(5)</u>						
Access Media Holdings, LLC(10)	July 22, 2015	Private Cable Operator	10% PIK Secured Debt (Maturity July 22, 2020)(14)(19) Preferred Member Units (9,279,000 units)(27) Member Units (45 units)	\$ 23,828	\$ 23,828 9,173 1	\$ 15,120 (487)
					33,002	14,633
ASC Interests, LLC	August 1, 2013	Recreational and Educational Shooting Facility	11% Secured Debt (Maturity July 31, 2020) Member Units (1,500 units)	1,650	1,617 1,500	1,617 1,370
					3,117	2,987
ATS Workholding, LLC(10)	March 10, 2014	Manufacturer of Machine Cutting Tools and Accessories	5% Secured Debt (Maturity November 16, 2021) Preferred Member Units (3,725,862 units)	4,772	4,374 3,726	4,374 3,726
					8,100	8,100
Bond-Coat, Inc.	December 28, 2012	Casing and Tubing Coating Services	12% Secured Debt (Maturity December 28, 2020) Common Stock (57,508 shares)	11,596	11,343 6,350	11,596 9,370
					17,693	20,966
Brewer Crane Holdings, LLC	January 9, 2018	Provider of Crane Rental and Operating Services	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.10%, Secured Debt	9,672	9,586	9,586

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			(Maturity January 9, 2023)(9) Preferred Member Units (2,950 units)(8)	4,280	4,280
				13,866	13,866
Café Brazil, LLC	April 20, 2004	Casual Restaurant Group	Member Units (1,233 units)(8)	1,742	4,780
California Splendor Holdings LLC	March 30, 2018	Processor of Frozen Fruits	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.38%, Secured Debt (Maturity March 30, 2023)(9)	14,991	14,818
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.38%, Secured Debt (Maturity March 30, 2023)(9)	28,000	27,744
			Preferred Member Units (6,157 units)(8)	10,775	10,775
				53,337	53,337
CBT Nuggets, LLC	June 1, 2006	Produces and Sells IT Training Certification Videos	Member Units (416 units)(8)	1,300	62,090

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Chamberlin Holding LLC	February 26, 2018	Roofing and Waterproofing Specialty Contractor	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.38%, Secured Debt (Maturity February 26, 2023)(9)	21,600	21,405	21,405
			Member Units (4,347 units)(8)		11,440	17,790
					32,845	39,195
Charps, LLC	February 3, 2017	Pipeline Maintenance and Construction	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.10%, Secured Debt (Maturity February 3, 2022)(9)	1,600	1,587	1,587
			12% Secured Debt (Maturity February 3, 2022)	15,900	15,783	15,783
			Preferred Member Units (1,600 units)		400	1,050
					17,770	18,420
Clad-Rex Steel, LLC	December 20, 2016	Specialty Manufacturer of Vinyl-Clad Metal	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 11.60%, Secured Debt (Maturity December 20, 2021)(9)	12,480	12,392	12,480
			Member Units (717 units)(8)		7,280	10,380
			10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity December 20, 2036)	1,167	1,156	1,167
			Member Units (Clad-Rex Steel RE Investor, LLC) (800 units)		210	280
					21,038	24,307
CMS Minerals Investments	January 30, 2015	Oil & Gas Exploration & Production	Member Units (CMS Minerals II, LLC) (100 units)(8)		2,891	2,591

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Copper Trail Fund Investments(12)(13)

July 17, 2017 Investment Partnership

LP Interests (CTMH, LP) (Fully diluted 38.8%)	872	872
LP Interests (Copper Trail Energy Fund I, LP) (Fully diluted 30.1%)(8)	3,270	3,499
	4,142	4,371

Datacom, LLC

May 30, 2014 Technology and Telecommunications Provider

8% Secured Debt (Maturity May 30, 2019)(14)	1,800	1,800	1,690
10.50% PIK Secured Debt (Maturity May 30, 2019)(14)(19)	12,511	12,479	10,560
Class A Preferred Member Units		1,294	
Class B Preferred Member Units (6,453 units)		6,030	
		21,603	12,250

Digital Products Holdings LLC

April 1, 2018 Designer and Distributor of Consumer Electronics

LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.13%, Secured Debt (Maturity April 1, 2023)(9)	26,070	25,828	25,828
Preferred Member Units (3,451 shares)(8)		8,466	8,466
		34,294	34,294

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Direct Marketing Solutions, Inc.	February 13, 2018	Provider of Omni-Channel Direct Marketing Services	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.13%, Secured Debt (Maturity February 13, 2023)(9)	18,252	18,073	18,073
			Preferred Stock (8,400 shares)		8,400	11,780
					26,473	29,853
Gamber-Johnson Holdings, LLC	June 24, 2016	Manufacturer of Ruggedized Computer Mounting Systems	LIBOR Plus 8.00% (Floor 2.00%), Current Coupon 10.10%, Secured Debt (Maturity June 24, 2021)(9)	22,526	22,378	22,526
			Member Units (8,619 units)(8)		14,844	40,120
					37,222	62,646
Garreco, LLC	July 15, 2013	Manufacturer and Supplier of Dental Products	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.00%, Secured Debt (Maturity March 31, 2020)(9)	5,362	5,335	5,335
			Member Units (1,200 units)		1,200	1,940
					6,535	7,275
GRT Rubber Technologies LLC	December 19, 2014	Manufacturer of Engineered Rubber Products	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.10%, Secured Debt (Maturity December 19, 2019)(9)	10,101	10,071	10,101
			Member Units (5,879 units)(8)		13,065	32,040
					23,136	42,141

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Guerdon Modular Holdings, Inc.	August 13, 2014	Multi-Family and Commercial Modular Construction Company	13% Secured Debt (Maturity March 1, 2019)	12,588	12,548	11,978
			Preferred Stock (404,998 shares)		1,140	
			Common Stock (212,033 shares)		2,983	
			Warrants (6,208,877 equivalent shares; Expiration April 25, 2028; Strike price \$0.01 per unit)			
					16,671	11,978
Gulf Manufacturing, LLC	August 31, 2007	Manufacturer of Specialty Fabricated Industrial Piping Products	Member Units (438 units)(8)		2,980	11,690
Gulf Publishing Holdings, LLC	April 29, 2016	Energy Industry Focused Media and Publishing	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 11.60%, Secured Debt (Maturity September 30, 2020)(9)	160	160	160
			12.5% Secured Debt (Maturity April 29, 2021)	12,666	12,588	12,588
			Member Units (3,681 units)		3,681	4,570
					16,429	17,318
Harborside Holdings, LLC	March 20, 2017	Real Estate Holding Company	Member units (100 units)		6,306	9,500

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Harris Preston Fund Investments(12)(13)	October 1, 2017	Investment Partnership	LP Interests (2717 MH, L.P.) (Fully diluted 49.3%)		1,040	1,133
Harrison Hydra-Gen, Ltd.	June 4, 2010	Manufacturer of Hydraulic Generators	Common Stock (107,456 shares)(8)		718	7,570
HW Temps LLC	July 2, 2015	Temporary Staffing Solutions	LIBOR Plus 13.00% (Floor 1.00%), Current Coupon 15.10%, Secured Debt (Maturity July 2, 2020)(9) Preferred Member Units (3,200 units)(8)	9,976	9,932 3,942	9,932 3,942
					13,874	13,874
IDX Broker, LLC	November 15, 2013	Provider of Marketing and CRM Tools for the Real Estate Industry	11.5% Secured Debt (Maturity November 15, 2020) Preferred Member Units (5,607 units)(8)	14,500	14,401 5,952	14,500 12,470
					20,353	26,970
Jensen Jewelers of Idaho, LLC	November 14, 2006	Retail Jewelry Store	Prime Plus 6.75% (Floor 2.00%), Current Coupon 11.75%, Secured Debt (Maturity November 14, 2019)(9) Member Units (627 units)(8)	3,505	3,482 811	3,505 5,090
					4,293	8,595
KBK Industries, LLC	January 23, 2006	Manufacturer of Specialty Oilfield and Industrial Products				

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			Member Units (325 units)(8)	783	7,100
Lamb Ventures, LLC	May 30, 2008	Aftermarket Automotive Services Chain			
		11% Secured Debt (Maturity July 1, 2022)	8,339	8,303	8,339
		Preferred Equity (non-voting)		400	400
		Member Units (742 units)		5,273	6,730
		9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity March 31, 2027)	432	428	432
		Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)		625	630
				15,029	16,531
Market Force Information, LLC	July 28, 2017	Provider of Customer Experience Management Services			
		LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.32%, Secured Debt (Maturity July 28, 2022)(9)	400	400	400
		LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.32%, Secured Debt (Maturity July 28, 2022)(9)	22,800	22,615	22,615
		Member Units (657,113 units)		14,700	14,250
				37,715	37,265

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
MH Corbin Holding LLC	August 31, 2015	Manufacturer and Distributor of Traffic Safety Products	10% Current / 3% PIK Secured Debt (Maturity August 31, 2020)(19)	12,147	11,999	11,999
			Preferred Member Units (4,000 shares)		6,000	4,500
					17,999	16,499
Mid-Columbia Lumber Products, LLC	December 18, 2006	Manufacturer of Finger-Jointed Lumber Products	10% Secured Debt (Maturity January 15, 2020)	1,750	1,745	1,745
			12% Secured Debt (Maturity January 15, 2020)	3,900	3,875	3,875
			Member Units (7,874 units)		3,001	3,860
			9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity May 13, 2025)	757	757	757
					790	1,470
					10,168	11,707
MSC Adviser I, LLC(16)	November 22, 2013	Third Party Investment Advisory Services	Member Units (Fully diluted 100.0%)(8)			70,148
Mystic Logistics Holdings, LLC	August 18, 2014	Logistics and Distribution Services Provider for Large Volume Mailers	12% Secured Debt (Maturity August 15, 2019)	7,536	7,496	7,496
			Common Stock (5,873 shares)		2,720	710
					10,216	8,206
NAPCO Precast, LLC	January 31, 2008	Precast Concrete Manufacturing				

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			LIBOR Plus 8.50%, Current Coupon 10.82%, Secured Debt (Maturity May 31, 2019) Member Units (2,955 units)(8)	11,475	11,457 2,975	11,475 13,280
					14,432	24,755
NexRev LLC	February 28, 2018	Provider of Energy Efficiency Products & Services				
			10% Secured Debt (Maturity February 28, 2023) Preferred Member Units (86,400,000 units)(8)	17,440	17,281 6,880	17,281 7,890
					24,161	25,171
NRI Clinical Research, LLC	September 8, 2011	Clinical Research Service Provider				
			14% Secured Debt (Maturity June 8, 2022) Warrants (251,723 equivalent units; Expiration June 8, 2027; Strike price \$0.01 per unit) Member Units (1,454,167 units)	6,900	6,748 252 765	6,900 500 2,500
					7,765	9,900

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
NRP Jones, LLC	December 22, 2011	Manufacturer of Hoses, Fittings and Assemblies	12% Secured Debt (Maturity March 20, 2023)	6,376	6,376	6,376
			Member Units (65,962 units)(8)		3,717	5,370
					10,093	11,746
NuStep, LLC	January 31, 2017	Designer, Manufacturer and Distributor of Fitness Equipment	12% Secured Debt (Maturity January 31, 2022)	20,600	20,448	20,448
			Preferred Member Units (406 units)		10,200	10,200
					30,648	30,648
OMi Holdings, Inc.	April 1, 2008	Manufacturer of Overhead Cranes	Common Stock (1,500 shares)(8)		1,080	15,480
Pegasus Research Group, LLC	January 6, 2011	Provider of Telemarketing and Data Services	Member Units (460 units) LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity October 31, 2022)(9)(24)		1,290	8,250
PPL RVs, Inc.	June 10, 2010	Recreational Vehicle Dealer	LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 9.34%, Secured Debt (Maturity November 15, 2021)(9)	15,100	14,999	15,100
			Common Stock (1,962 shares)(8)		2,150	11,780
					17,149	26,880

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Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)	February 1, 2011	Noise Abatement Service Provider				
			13% Secured Debt (Maturity April 30, 2020)	7,477	7,384	7,477
			Preferred Member Units (19,631 units)(8)		4,600	13,090
			Warrants (1,018 equivalent units; Expiration January 31, 2021; Strike price \$0.01 per unit)		1,200	780
					13,184	21,347
Quality Lease Service, LLC	June 8, 2015	Provider of Rigsite Accommodation Unit Rentals and Related Services				
			Zero Coupon Secured Debt (Maturity June 8, 2021)	7,341	7,341	6,450
			Member Units (1,000 units)		3,968	4,370
					11,309	10,820
River Aggregates, LLC	March 30, 2011	Processor of Construction Aggregates				
			Zero Coupon Secured Debt (Maturity June 30, 2018)(17)	750	750	722
			Member Units (1,150 units)		1,150	4,610
			Member Units (RA Properties, LLC) (1,500 units)		369	2,730
					2,269	8,062

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Tedder Industries, LLC	August 31, 2018	Manufacturer of Firearm Holsters and Accessories	12% Secured Debt (Maturity August 31, 2023)	16,400	16,240	16,240
			Preferred Member Units (440 units)		7,476	7,476
					23,716	23,716
The MPI Group, LLC	October 2, 2007	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories	9% Secured Debt (Maturity October 2, 2018)	2,924	2,924	1,110
			Series A Preferred Units (2,500 units)		2,500	
			Warrants (1,424 equivalent units; Expiration July 1, 2024; Strike price \$0.01 per unit)		1,096	
			Member Units (MPI Real Estate Holdings, LLC) (100 units)(8)		2,300	2,480
					8,820	3,590
Vision Interests, Inc.	June 5, 2007	Manufacturer / Installer of Commercial Signage	13% Secured Debt (Maturity December 23, 2018)	2,314	2,311	2,311
			Series A Preferred Stock (3,000,000 shares)		3,000	3,740
			Common Stock (1,126,242 shares)		3,706	280
					9,017	6,331
Ziegler's NYPD, LLC	October 1, 2008	Casual Restaurant Group	6.5% Secured Debt (Maturity October 1, 2019)	1,000	998	1,000
			12% Secured Debt (Maturity October 1, 2019)	425	425	425
			14% Secured Debt (Maturity October 1, 2019)	2,750	2,750	2,750

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Warrants (587 equivalent units; Expiration October 1, 2019; Strike price \$0.01 per unit)	600	
Preferred Member Units (10,072 units)	2,834	2,071
	7,607	6,246
Subtotal Control Investments (64.2% of net assets at fair value)	\$ 717,220	\$ 967,128

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
<u>Affiliate Investments(6)</u>						
AFG Capital Group, LLC	November 7, 2014	Provider of Rent-to-Own Financing Solutions and Services	Warrants (42 equivalent units; Expiration November 7, 2024; Strike price \$0.01 per unit) Preferred Member Units (186 units)(8)		\$ 259 1,200 1,459	\$ 940 3,940 4,880
Barfly Ventures, LLC(10)	August 31, 2015	Casual Restaurant Group	12% Secured Debt (Maturity August 31, 2020) Options (2 equivalent units) Warrant (1 equivalent unit; Expiration August 31, 2025; Strike price \$1.00 per unit)	9,817	9,669 397 473 10,539	9,808 730 410 10,948
BBB Tank Services, LLC	April 8, 2016	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.10%, Secured Debt (Maturity April 8, 2018)(9)(17) 17% Secured Debt (Maturity April 8, 2021) Member Units (800,000 units)	650 4,000	633 3,898 800 5,331	633 3,898 470 5,001
Boccella Precast Products LLC	June 30, 2017	Manufacturer of Precast Hollow Core Concrete	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.34%, Secured Debt	16,284	16,143	16,284

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			(Maturity June 30, 2022)(9) Member Units (2,160,000 units)(8)		2,160	4,960
					18,303	21,244
Boss Industries, LLC	July 1, 2014	Manufacturer and Distributor of Air, Power and Other Industrial Equipment	Preferred Member Units (2,242 units)(8)		2,203	5,830
Bridge Capital Solutions Corporation	April 18, 2012	Financial Services and Cash Flow Solutions Provider	13% Secured Debt (Maturity July 25, 2021) Warrants (82 equivalent shares; Expiration July 25, 2026; Strike price \$0.01 per share)	7,500	6,130	6,130
			13% Secured Debt (Mercury Service Group, LLC) (Maturity July 25, 2021) Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)	1,000	994	1,000
					1,000	1,000
					10,256	12,150

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Buca C, LLC	June 30, 2015	Casual Restaurant Group	LIBOR Plus 9.25% (Floor 1.00%), Current Coupon 11.36%, Secured Debt (Maturity June 30, 2020)(9) Preferred Member Units (6 units; 6% cumulative)(8)(19)	19,404	19,327 4,365 23,692	19,327 4,365 23,692
CAI Software LLC	October 10, 2014	Provider of Specialized Enterprise Resource Planning Software	12% Secured Debt (Maturity October 10, 2019) Member Units (65,356 units)(8)	3,283	3,272 654 3,926	3,283 2,620 5,903
Chandler Signs Holdings, LLC(10)	January 4, 2016	Sign Manufacturer	12% Current / 1% PIK Secured Deb (Maturity July 4, 2021)(19) Class A Units (1,500,000 units)	4,534	4,508 1,500 6,008	4,534 2,260 6,794
Charlotte Russe, Inc(11)	May 28, 2013	Fast-Fashion Retailer to Young Women	8.50% Secured Debt (Maturity February 2, 2023) Common Stock (19,041 shares)	7,952	7,952 3,141 11,093	7,065 3,141 10,206
Condit Exhibits, LLC	July 1, 2008	Tradeshow Exhibits / Custom Displays Provider	Member Units (3,936 units)(8)		100	1,950

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Congruent Credit Opportunities Funds(12)(13)	January 24, 2012	Investment Partnership	LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)	5,210	855
			LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8)	20,428	21,181
				25,638	22,036
Dos Rios Partners(12)(13)	April 25, 2013	Investment Partnership	LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)	5,846	7,256
			LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)	1,856	2,304
				7,702	9,560
East Teak Fine Hardwoods, Inc.	April 13, 2006	Distributor of Hardwood Products	Common Stock (6,250 shares)(8)	480	560
EIG Fund Investments(12)(13)	November 6, 2015	Investment Partnership	LP Interests (EIG Global Private Debt Fund A, L.P.) (Fully diluted 11.1%)(8)	489	441
Freeport Financial Funds(12)(13)	June 13, 2013	Investment Partnership	LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.3%)(8)	5,974	5,861
			LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.0%)(8)	8,558	8,383
				14,532	14,244

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Gault Financial, LLC (RMB Capital, LLC)	November 21, 2011	Purchases and Manages Collection of Healthcare and other Business Receivables	8% Secured Debt (Maturity January 1, 2019) Warrants (29,032 equivalent units; Expiration February 9, 2022; Strike price \$0.01 per unit)	12,033	12,033 400 12,433	11,310 11,310
Harris Preston Fund Investments(12)(13)	August 9, 2017	Investment Partnership	LP Interests (HPEP 3, L.P.) (Fully diluted 8.2%)		1,733	1,733
Hawk Ridge Systems, LLC(13)	December 2, 2016	Value-Added Reseller of Engineering Design and Manufacturing Solutions	10.5% Secured Debt (Maturity December 2, 2021) Preferred Member Units (226 units)(8) Preferred Member Units (HRS Services, ULC) (226 units)	14,300	14,194 2,850 150 17,194	14,300 7,010 370 21,680
Houston Plating and Coatings, LLC	January 8, 2003	Provider of Plating and Industrial Coating Services	8% Unsecured Convertible Debt (Maturity May 1, 2022) Member Units (318,462 units)(8)	3,000	3,000 2,236 5,236	3,480 7,490 10,970
I-45 SLF LLC(12)(13)	October 20, 2015	Investment Partnership	Member Units (Fully diluted 20.0%; 24.4% profits)		16,200	16,622

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interest)(8)

L.F. Manufacturing Holdings, LLC(10)	December 23, 2013	Manufacturer of Fiberglass Products	Member Units (2,179,001 units)		2,019	2,060
Meisler Operating LLC	June 7, 2017	Provider of Short-term Trailer and Container Rental	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.84%, Secured Debt (Maturity June 7, 2022)(9)	20,480	20,302	20,302
			Member Units (Milton Meisler Holdings LLC) (48,555 units)		4,855	5,571
					25,157	25,873
OnAsset Intelligence, Inc.	April 18, 2011	Provider of Transportation Monitoring / Tracking Products and Services	12% PIK Secured Debt (Maturity June 30, 2021)(19)	5,572	5,572	5,572
			10% PIK Unsecured Debt (Maturity June 30, 2021)(19)	51	51	51
			Preferred Stock (912 shares)		1,981	
			Warrants (5,333 equivalent shares; Expiration April 18, 2021; Strike price \$0.01 per share)		1,919	
					9,523	5,623

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
OPI International Ltd.(13)	November 30, 2010	Provider of Man Camp and Industrial Storage Services	Common Stock (20,766,317 shares)		1,371	
PCI Holding Company, Inc.	December 18, 2012	Manufacturer of Industrial Gas Generating Systems	12% Current / 3% PIK Secured Debt (Maturity March 31, 2019)(19)	12,153	12,130	12,130
			Preferred Stock (1,740,000 shares) (non-voting)		1,740	3,180
			Preferred Stock (1,500,000 shares)		3,927	
					17,797	15,310
Rocacea, LLC (Quality Lease and Rental Holdings, LLC)	January 8, 2013	Provider of Rigsite Accommodation Unit Rentals and Related Services	12% Secured Debt (Maturity January 8, 2018)(14)(15)	30,785	30,281	250
			Preferred Member Units (250 units)		2,500	
					32,781	250
Salado Acquisition, LLC(10)	June 27, 2016	Limestone and Sandstone Dimension Cut Stone Mining Quarries	Class A Preferred Units (2,000,000 units)(8)		2,000	1,360
SI East, LLC	August 31, 2018	Rigid Industrial Packaging Manufacturing	10.25% Current, Secured Debt (Maturity August 31, 2023)	35,250	34,869	34,869
			Preferred Member Units (157 units)		6,000	6,000
					40,869	40,869

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Slick Innovations, LLC	September 13, 2018	Text Message Marketing Platform	14% Current, Secured Debt (Maturity September 13, 2023)	7,200	6,950	6,950
			Member Units (70,000 units)		700	700
			Warrants (18,084 equivalent units; Expiration September 13, 2028; Strike price \$0.01 per unit)		181	181
					7,831	7,831
UniTek Global Services, Inc.(11)	April 15, 2011	Provider of Outsourced Infrastructure Services	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.89%, Secured Debt (Maturity August 20, 2024)(9)	2,500	2,476	2,476
			Preferred Stock (1,731,044 shares; 19% cumulative)(8)(19)		1,772	1,772
			Preferred Stock (2,596,567 shares; 19% cumulative)(8)(19)		3,290	3,290
			Preferred Stock (4,935,377 shares; 13.5% cumulative)(8)(19)		8,140	8,140
			Common Stock (1,075,992 shares)			3,290
					15,678	18,968

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Universal Wellhead Services Holdings, LLC(10)	October 30, 2014	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry	Preferred Member Units (UWS Investments, LLC) (716,949 units; 14% cumulative)(8)(19)		777	920
			Member Units (UWS Investments, LLC) (4,000,000 units)		4,000	2,211
					4,777	3,131
Volusion, LLC	January 26, 2015	Provider of Online Software-as-a-Service eCommerce Solutions	11.5% Secured Debt (Maturity January 26, 2020)	19,272	18,227	18,227
			8% Unsecured Convertible Debt (Maturity November 16, 2023)	297	297	297
			Preferred Member Units (4,876,670 units)		14,000	14,000
			Warrants (1,831,355 equivalent units; Expiration January 26, 2025; Strike price \$0.01 per unit)		2,576	1,891
					35,100	34,415
Subtotal Affiliate Investments (24.8% of net assets at fair value)					\$ 389,450	\$ 373,444

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
<u>Non-Control/Non-Affiliate Investments(7)</u>						
AAC Holdings, Inc.(11)	June 30, 2017	Substance Abuse Treatment Service Provider	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.09%, Secured Debt (Maturity June 30, 2023)(9)	\$ 14,594	\$ 14,326	\$ 14,813
Adams Publishing Group, LLC(10)	November 19, 2015	Local Newspaper Operator	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.84%, Secured Debt (Maturity July 3, 2023)(9)	8,321	8,160	8,160
			Prime Plus 4.00% (Floor 1.00%), Current Coupon 9.00%, Secured Debt (Maturity July 3, 2023)(9)	2,950	2,855	2,855
					11,015	11,015
ADS Tactical, Inc.(10)	March 7, 2017	Value-Added Logistics and Supply Chain Provider to the Defense Industry	LIBOR Plus 6.25% (Floor 0.75%), Current Coupon 8.49%, Secured Debt (Maturity July 26, 2023)(9)	16,458	16,296	16,296
Aethon United BR LP(10)	September 8, 2017	Oil & Gas Exploration & Production	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.88%, Secured Debt (Maturity September 8, 2023)(9)	4,063	4,009	4,009
Allen Media, LLC.(11)	September 18, 2018	Operator of Cable Television Networks	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.81%, Secured Debt (Maturity August 30, 2023)(9)	17,143	16,647	16,800

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Allflex Holdings III Inc.(11)	July 18, 2013	Manufacturer of Livestock Identification Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.35%, Secured Debt (Maturity July 19, 2021)(9)	13,120	13,072	13,198
American Nuts, LLC(10)	April 10, 2018	Roaster, Mixer and Packager of Bulk Nuts and Seeds	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.34%, Secured Debt (Maturity October 10, 2018)(9)	422	414	414
			LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.34%, Secured Debt (Maturity April 10, 2023)(9)	11,222	11,019	11,019
					11,433	11,433
American Scaffold Holdings, Inc.(10)	June 14, 2016	Marine Scaffolding Service Provider	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.89%, Secured Debt (Maturity March 31, 2022)(9)	6,750	6,681	6,716

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
American Teleconferencing Services, Ltd.(11)	May 19, 2016	Provider of Audio Conferencing and Video Collaboration Solutions	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.84%, Secured Debt (Maturity December 8, 2021)(9)	15,158	14,633	14,674
Apex Linen Service, Inc.	October 30, 2015	Industrial Launderers	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.10%, Secured Debt (Maturity October 30, 2022)(9)	2,400	2,400	2,400
			16% Secured Debt (Maturity October 30, 2022)	14,416	14,355	14,355
					16,755	16,755
APTIM Corp.(11)	August 17, 2018	Engineering, Construction & Procurement	7.75% Secured Debt (Maturity June 15, 2025)	6,952	6,148	5,979
Arcus Hunting LLC(10)	January 6, 2015	Manufacturer of Bowhunting and Archery Products and Accessories	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.34%, Secured Debt (Maturity November 13, 2019)(9)	17,117	17,059	17,117
Arise Holdings, Inc.(10)	March 12, 2018	Tech-Enabled Business Process Outsourcing	Preferred Stock (1,000,000 shares)		1,000	1,264
ASC Ortho Management Company, LLC(10)	August 31, 2018	Provider of Orthopedic Services	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.81%, Secured Debt (Maturity August 31, 2023)(9)	4,660	4,553	4,553

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			13.25% PIK Secured Debt (Maturity December 1, 2023)(19)	1,571	1,533	1,533
					6,086	6,086
ATI Investment Sub, Inc.(11)	July 11, 2016	Manufacturer of Solar Tracking Systems				
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.49%, Secured Debt (Maturity June 22, 2021)(9)	5,624	5,544	5,556
ATX Networks Corp.(11)(13)(21)	June 30, 2015	Provider of Radio Frequency Management Equipment				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.39% / 1.00% PIK, Current Coupon Plus PIK 9.39%, Secured Debt (Maturity June 11, 2021)(9)(19)	14,235	13,921	13,523
Berry Aviation, Inc.(10)	July 6, 2018	Charter Airline Services				
			10.50% Current / 1.5% PIK, Secured Debt (Maturity January 6, 2024)(19)	4,468	4,425	4,425
			Preferred Member Units (Berry Acquisition, LLC) (1,548,387 units; 8% cumulative)(8)(19)		1,578	1,578
					6,003	6,003

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
BigName Commerce, LLC(10)	May 11, 2017	Provider of Envelopes and Complimentary Stationery Products	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.59%, Secured Debt (Maturity May 11, 2022)(9)	2,493	2,470	2,470
Binswanger Enterprises, LLC(10)	March 10, 2017	Glass Repair and Installation Service Provider	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.32%, Secured Debt (Maturity March 9, 2022)(9) Member Units (1,050,000 units)	14,465	14,252 1,050	14,465 1,330
					15,302	15,795
Bluestem Brands, Inc.(11)	December 19, 2013	Multi-Channel Retailer of General Merchandise	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.74%, Secured Debt (Maturity November 6, 2020)(9)	11,563	11,435	7,718
Brainworks Software, LLC(10)	August 12, 2014	Advertising Sales and Newspaper Circulation Software	Prime Plus 9.25% (Floor 3.25%), Current Coupon 14.50%, Secured Debt (Maturity July 22, 2019)(9)	6,733	6,718	6,585
Brightwood Capital Fund Investments(12)(13)	July 21, 2014	Investment Partnership	LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 1.6%)(8) LP Interests (Brightwood Capital Fund IV, LP) (Fully diluted 0.6%)(8)		12,000 1,500	10,551 1,563
					13,500	12,114

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Brundage-Bone Concrete Pumping, Inc.(11)	August 18, 2014	Construction Services Provider	10.375% Secured Debt (Maturity September 1, 2023)	3,000	2,988	3,187
BW NHC Holdco Inc.(11)	May 30, 2018	Full-Continuum Provider of Home Health Services	LIBOR Plus 5.00%, Current Coupon 7.16%, Secured Debt (Maturity May 15, 2025)	7,500	7,392	7,373
Cadence Aerospace LLC(10)	November 14, 2017	Aerostructure Manufacturing	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.82%, Secured Debt (Maturity November 14, 2023)(9)	19,568	19,391	19,528
California Pizza Kitchen, Inc.(11)	August 29, 2016	Casual Restaurant Group	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.39%, Secured Debt (Maturity August 23, 2022)(9)	12,805	12,770	12,484

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Central Security Group, Inc.(11)	December 4, 2017	Security Alarm Monitoring Service Provider	LIBOR Plus 5.63% (Floor 1.00%), Current Coupon 7.87%, Secured Debt (Maturity October 6, 2021)(9)	7,920	7,903	7,970
Cenveo Corporation(11)	September 4, 2015	Provider of Digital Marketing Agency Services	Libor Plus 9.00% (Floor 1.00%), Current Coupon 11.12%, Secured Debt (Maturity June 7, 2023)(9) Common Stock (177,130 shares)	6,370	6,118 5,309 11,427	6,243 5,535 11,778
Clarius BIGS, LLC(10)	September 23, 2014	Prints & Advertising Film Financing	15% PIK Secured Debt (Maturity January 5, 2015)(14)(17)	2,924	2,924	82
Clickbooth.com, LLC(10)	December 5, 2017	Provider of Digital Advertising Performance Marketing Solutions	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.84%, Secured Debt (Maturity December 5, 2022)(9)	2,944	2,892	2,892
Construction Supply Investments, LLC(10)	December 29, 2016	Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity June 30, 2023)(9)	10,583	10,535	10,556

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		Member Units (42,207 units)		4,221	4,290
				14,756	14,846
CTVSH, PLLC(10)	August 3, 2017	Emergency Care and Specialty Service Animal Hospital	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.32%, Secured Debt (Maturity August 3, 2022)(9)	11,400	11,307
				11,307	11,307
Darr Equipment LP(10)	April 15, 2014	Heavy Equipment Dealer	11.5% Current / 1% PIK Secured Debt (Maturity June 22, 2023)(19) Warrants (915,734 equivalent units; Expiration December 23, 2023; Strike price \$1.50 per unit)	7,284	7,284
				474	10
				7,758	7,294
Digital River, Inc.(11)	February 24, 2015	Provider of Outsourced e-Commerce Solutions and Services	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.59%, Secured Debt (Maturity February 12, 2021)(9)	10,146	10,067
				10,146	10,146

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
DTE Enterprises, LLC(10)	April 13, 2018	Industrial Powertrain Repair and Services	LIBOR Plus 7.50% (Floor 1.50%), Current Coupon 9.84%, Secured Debt (Maturity April 13, 2023)(9)	13,242	12,985	12,985
			Class AA Preferred Member Units (non-voting)		724	724
			Class A Preferred Member Units (776,316 units)(8)		776	776
					14,485	14,485
Dynamic Communities, LLC(10)	July 17, 2018	Developer of Business Events and Online Community Groups	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.39%, Secured Debt (Maturity July 17, 2023)(9)	5,600	5,490	5,490
Elite SEM INC.(10)	August 31, 2018	Provider of Digital Marketing Agency Services	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.82%, Secured Debt (Maturity February 1, 2022)(9)(23)	6,875	6,741	6,741
EnCap Energy Fund Investments(12)(13)	December 28, 2010	Investment Partnership	LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)		3,573	1,809
			LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.4%)(8)		2,072	1,122
			LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)		4,394	3,459
			LP Interests (EnCap Energy Capital Fund X, L.P.) (Fully diluted 0.1%)(8)		7,488	7,551
			LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)		5,881	4,400

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			LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)(8)	5,311	5,012
				28,719	23,353
EPIC Y-Grade Services, LP(11)	June 22, 2018	NGL Transportation & Storage	LIBOR Plus 5.50%, Current Coupon 7.74%, Secured Debt (Maturity June 13, 2024)	17,500	17,163
					17,084
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)	May 5, 2014	Technology-based Performance Support Solutions	LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 10.49%, Secured Debt (Maturity April 28, 2022)(9)	6,999	6,895
					5,944
Extreme Reach, Inc.(11)	March 31, 2015	Integrated TV and Video Advertising Platform	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity February 7, 2020)(9)	17,237	17,226
					17,285

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Felix Investments Holdings II(10)	August 9, 2017	Oil & Gas Exploration & Production	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.84%, Secured Debt (Maturity August 9, 2022)(9)	3,333	3,276	3,276
Flavors Holdings Inc.(11)	October 15, 2014	Global Provider of Flavoring and Sweetening Products	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.14%, Secured Debt (Maturity April 3, 2020)(9)	12,345	12,045	11,759
GI KBS Merger Sub LLC(11)	November 10, 2014	Outsourced Janitorial Services to Retail/Grocery Customers	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.32%, Secured Debt (Maturity October 29, 2021)(9) LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.84%, Secured Debt (Maturity April 29, 2022)(9)	9,218 3,915	9,157 3,789	9,253 3,969
					12,946	13,222
GoWireless Holdings, Inc.(11)	December 31, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.74%, Secured Debt (Maturity December 22, 2024)(9)	17,550	17,388	17,199
Grupo Hima San Pablo, Inc.(11)	March 7, 2013	Tertiary Care Hospitals	LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 9.34%, Secured Debt (Maturity October 15, 2018)(9) 13.75% Secured Debt (Maturity October 15, 2018)	4,750 2,055	4,750 2,040	3,745 226

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				6,790	3,971	
Hojeij Branded Foods, LLC(10)	July 28, 2015	Multi-Airport, Multi-Concept Restaurant Operator	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.35%, Secured Debt (Maturity July 20, 2022)(9)	12,382	12,280	12,382
Hoover Group, Inc.(10)(13)	October 21, 2016	Provider of Storage Tanks and Related Products to the Energy and Petrochemical Markets	LIBOR Plus 6.00%, Current Coupon 8.31%, Secured Debt (Maturity January 28, 2020)	5,388	4,838	5,289
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 9.56%, Secured Debt (Maturity January 28, 2021)(9)	8,395	8,033	8,311
					12,871	13,600
Hostway Corporation(11)	December 27, 2013	Managed Services and Hosting Provider	LIBOR Plus 5.25% (Floor 1.25%), Current Coupon 7.59% / 0.50% PIK, Current Coupon Plus PIK 8.09%, Secured Debt (Maturity December 13, 2019)(9)(19)	30,695	30,151	30,004

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Hunter Defense Technologies, Inc.(10)	March 29, 2018	Provider of Military and Commercial Shelters and Systems	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.39%, Secured Debt (Maturity March 29, 2023)(9)	29,584	29,042	29,288
Hydrofarm Holdings LLC(10)	May 18, 2017	Wholesaler of Horticultural Products	LIBOR Plus 10.00%, Current Coupon 3.62% / 8.45% PIK, Current Coupon Plus PIK 12.07% Secured Debt (Maturity May 12, 2022)(19)	7,078	6,976	6,334
iEnergizer Limited(11)(13)(21)	May 8, 2013	Provider of Business Outsourcing Solutions	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 8.25%, Secured Debt (Maturity May 1, 2019)(9)	15,081	14,985	15,100
Implus Footcare, LLC(10)	June 1, 2017	Provider of Footwear and Related Accessories	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 9.14%, Secured Debt (Maturity April 30, 2021)(9)	18,870	18,664	18,791
Industrial Services Acquisition, LLC(10)	June 17, 2016	Industrial Cleaning Services	6% Current / 7% PIK Unsecured Debt (Maturity December 17, 2022)(19)	4,799	4,733	4,586
			Preferred Member Units (Industrial Services Investments, LLC) (144 units; 10% cumulative)(8)(19)		92	92
			Member Units (Industrial Services Investments, LLC) (900 units)		900	210

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				5,725	4,888	
Inn of the Mountain Gods Resort and Casino(11)	October 30, 2013	Hotel & Casino Owner & Operator	9.25% Secured Debt (Maturity November 30, 2020)	7,832	7,438	7,539
Intermedia Holdings, Inc.(11)	August 3, 2018	Unified Communications as a Service	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.36%, Secured Debt (Maturity July 19, 2025)(9)	11,571	11,458	11,626
irth Solutions, LLC	December 29, 2010	Provider of Damage Prevention Information Technology Services	Member Units (27,893 units)		1,441	2,580
Isagenix International, LLC(11)	June 21, 2018	Direct Marketer of Health & Wellness Products	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 8.14%, Secured Debt (Maturity June 14, 2025)(9)	6,348	6,286	6,364
JAB Wireless, Inc.(10)	May 2, 2018	Fixed Wireless Broadband Provider	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.12%, Secured Debt (Maturity May 2, 2023)(9)	14,925	14,785	14,785

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Jacent Strategic Merchandising, LLC(10)	September 16, 2015	General Merchandise Distribution	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.82%, Secured Debt (Maturity September 16, 2020)(9)	10,779	10,739	10,779
Jackmont Hospitality, Inc.(10)	May 26, 2015	Franchisee of Casual Dining Restaurants	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.99%, Secured Debt (Maturity May 26, 2021)(9)	4,217	4,209	4,217
Jacuzzi Brands LLC(11)	June 30, 2017	Manufacturer of Bath and Spa Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.24%, Secured Debt (Maturity June 28, 2023)(9)	3,875	3,810	3,914
Joerns Healthcare, LLC(11)	April 3, 2013	Manufacturer and Distributor of Health Care Equipment & Supplies	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.31% Secured Debt (Maturity May 9, 2020)(9)	13,387	13,325	12,450
Larchmont Resources, LLC(11)	August 13, 2013	Oil & Gas Exploration & Production	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 11.32%, PIK Secured Debt (Maturity August 7, 2020)(9)(19) Member Units (Larchmont Intermediate Holdco, LLC) (2,828 units)	2,575	2,575	2,550
					353	778
					2,928	3,328
LKCM Headwater Investments I, L.P.(12)(13)	January 25, 2013	Investment Partnership	LP Interests (Fully diluted 2.3%)(8)		1,780	3,501

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Logix Acquisition Company, LLC(10)	June 24, 2016	Competitive Local Exchange Carrier	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 7.99%, Secured Debt (Maturity December 22, 2024)(9)	9,654	9,462	9,726
Looking Glass Investments, LLC(12)(13)	July 1, 2015	Specialty Consumer Finance	Member Units (2.5 units)		125	57
			Member Units (LGI Predictive Analytics LLC) (190,712 units)		61	45
					186	102
LSF9 Atlantis Holdings, LLC(11)	May 17, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.12%, Secured Debt (Maturity May 1, 2023)(9)	9,836	9,816	9,529
Lulu's Fashion Lounge, LLC(10)	August 31, 2017	Fast Fashion E-Commerce Retailer	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 9.24%, Secured Debt (Maturity August 28, 2022)(9)	12,614	12,294	12,866

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Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
MHVC Acquisition Corp.(11)	May 8, 2017	Provider of differentiated information solutions, systems engineering, and analytics	LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 7.64%, Secured Debt (Maturity April 29, 2024)(9)	11,475	11,440	11,432
NBG Acquisition Inc(11)	April 28, 2017	Wholesaler of Home Décor Products	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 8.09%, Secured Debt (Maturity April 26, 2024)(9)	4,319	4,260	4,362
New Era Technology, Inc.(10)	June 30, 2018	Managed Services and Hosting Provider	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.74%, Secured Debt (Maturity June 22, 2023)(9)	6,231	6,112	6,112
New Media Holdings II LLC(11)(13)	June 10, 2014	Local Newspaper Operator	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.49%, Secured Debt (Maturity July 14, 2022)(9)	19,864	19,524	20,044
NNE Partners, LLC(10)	March 2, 2017	Oil & Gas Exploration & Production	LIBOR Plus 8.00%, Current Coupon 10.32%, Secured Debt (Maturity March 2, 2022)	18,375	18,229	18,229
North American Lifting Holdings, Inc.(11)	February 26, 2015	Crane Service Provider	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.89%, Secured Debt (Maturity November 27, 2020)(9)	7,705	7,066	7,518
Novetta Solutions, LLC(11)	June 21, 2017	Provider of Advanced Analytics Solutions for Defense				

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		Agencies				
			LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.25%, Secured Debt (Maturity October 17, 2022)(9)	15,518	15,109	15,072
NTM Acquisition Corp.(11)	July 12, 2016	Provider of B2B Travel Information Content				
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.49%, Secured Debt (Maturity June 7, 2022)(9)	4,481	4,452	4,486
Ospemifene Royalty Sub LLC (QuatRx)(10)	July 8, 2013	Estrogen-Deficiency Drug Manufacturer and Distributor				
			11.5% Secured Debt (Maturity November 15, 2026)(14)	4,998	4,998	960
Permian Holdco 2, Inc.(11)	February 12, 2013	Storage Tank Manufacturer				
			14% PIK Unsecured Debt (Maturity October 15, 2021)(19)	382	382	382
			Preferred Stock (Permian Holdco 1, Inc.) (154,558 units)		799	920
					1,181	1,302
Pernix Therapeutics Holdings, Inc.(10)	August 18, 2014	Pharmaceutical Royalty				
			12% Secured Debt (Maturity August 1, 2020)	3,031	3,031	2,037

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Pier 1 Imports, Inc.(11)	February 20, 2018	Decorative Home Furnishings Retailer	LIBOR Plus 3.50% (Floor 1.00%), Current Coupon 5.89%, Secured Debt (Maturity April 30, 2021)(9)	9,761	9,121	8,004
Point.360(10)	July 8, 2015	Fully Integrated Provider of Digital Media Services	Warrants (65,463 equivalent shares; Expiration July 7, 2020; Strike price \$0.75 per share) Common Stock (163,658 shares)		69 273 342	5 5
PricewaterhouseCoopers Public Sector LLP(11)	May 24, 2018	Provider of Consulting Services to Governments	LIBOR Plus 7.50%, Current Coupon 9.74%, Secured Debt (Maturity May 1, 2026)	8,000	7,961	8,040
Prowler Acquisition Corp.(11)	February 11, 2014	Specialty Distributor to the Energy Sector	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.79%, Secured Debt (Maturity January 28, 2020)(9)	20,081	18,979	19,981
PT Network, LLC(10)	November 1, 2013	Provider of Outpatient Physical Therapy and Sports Medicine Services	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.84%, Secured Debt (Maturity November 30, 2021)(9)	8,732	8,732	8,732
Research Now Group, Inc. and Survey Sampling International, LLC(11)	December 31, 2017	Provider of Outsourced Online Surveying	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.74%, Secured Debt (Maturity December 20,	13,399	12,783	13,482

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			2024)(9)		
Resolute Industrial, LLC(10)	July 26, 2017	HVAC Equipment Rental and Remanufacturing	Member Units (601 units)	750	920
RGL Reservoir Operations Inc.(11)(13)(21)	August 25, 2014	Oil & Gas Equipment and Services	1% Current / 9% PIK Secured Debt (Maturity December 21, 2024)(19)	721	407
				360	
RM Bidder, LLC(10)	November 12, 2015	Scripted and Unscripted TV and Digital Programming Provider	Warrants (327,532 equivalent units; Expiration October 20, 2025; Strike price \$14.28 per unit)	425	
			Member Units (2,779 units)	46	17
				471	17
SAFETY Investment Holdings, LLC	April 29, 2016	Provider of Intelligent Driver Record Monitoring Software and Services	Member Units (2,000,000 units)	2,000	1,770

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Salient Partners L.P.(11)	June 25, 2015	Provider of Asset Management Services	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 7.99%, Secured Debt (Maturity June 9, 2021)(9)	7,500	7,464	7,464
SiTV, LLC(11)	September 26, 2017	Cable Networks Operator	10.375% Secured Debt (Maturity July 1, 2019)	10,429	7,146	6,049
SMART Modular Technologies, Inc.(10)(13)	August 18, 2017	Provider of Specialty Memory Solutions	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.60%, Secured Debt (Maturity August 9, 2022)(9)	19,000	18,777	19,095
Sorenson Communications, Inc.(11)	June 7, 2016	Manufacturer of Communication Products for Hearing Impaired	LIBOR Plus 5.75% (Floor 2.25%), Current Coupon 8.14%, Secured Debt (Maturity April 30, 2020)(9)	13,131	13,087	13,202
Staples Canada ULC(10)(13)(21)	September 14, 2017	Office Supplies Retailer	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.75%, Secured Debt (Maturity September 12, 2023)(9)(22)	19,468	19,133	18,154
Strike, LLC(11)	December 12, 2016	Pipeline Construction and Maintenance Services	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.59%, Secured Debt (Maturity November 30, 2022)(9)	9,125	8,911	9,262
Synagro Infrastructure Company, Inc(11)	August 29, 2013	Waste Management Services				

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			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.74%, Secured Debt (Maturity August 22, 2020)(9)	11,662	11,333	10,204
TE Holdings, LLC(11)	December 5, 2013	Oil & Gas Exploration & Production	Member Units (97,048 units)		970	102
Tectonic Holdings, LLC	May 15, 2017	Financial Services Organization	Member Units (200,000 units)(8)		2,000	2,370
TeleGuam Holdings, LLC(11)	June 26, 2013	Cable and Telecom Services Provider	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.74%, Secured Debt (Maturity April 12, 2024)(9)	7,750	7,615	7,808
TGP Holdings III LLC (11)	September 30, 2017	Outdoor Cooking & Accessories	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.89%, Secured Debt (Maturity September 25, 2025)(9)	5,500	5,431	5,466
The Pasha Group(11)	February 2, 2018	Diversified Logistics and Transportation Provided	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.70%, Secured Debt (Maturity January 26, 2023)(9)	11,328	11,020	11,491

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TMC Merger Sub Corp.(11)	December 22, 2016	Refractory & Maintenance Services Provider	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.50%, Secured Debt (Maturity October 31, 2022)(9)(24)	17,320	17,204	17,449
TOMS Shoes, LLC(11)	November 13, 2014	Global Designer, Distributor, and Retailer of Casual Footwear	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.81%, Secured Debt (Maturity October 30, 2020)(9)	4,838	4,637	3,855
Turning Point Brands, Inc.(10)(13)	February 17, 2017	Marketer/Distributor of Tobacco Products	LIBOR Plus 7.00%, Current Coupon 9.15%, Secured Debt (Maturity March 7, 2024)	8,500	8,421	8,670
TVG-I-E CMN ACQUISITION, LLC(10)	November 3, 2016	Organic Lead Generation for Online Postsecondary Schools	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 8.49%, Secured Debt (Maturity November 3, 2021)(9)	16,024	15,761	16,024
U.S. TelePacific Corp.(11)	September 14, 2016	Provider of Communications and Managed Services	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 7.39%, Secured Debt (Maturity May 2, 2023)(9)	18,491	18,337	18,237
VIP Cinema Holdings, Inc.(11)	March 9, 2017	Supplier of Luxury Seating to the Cinema Industry	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.25%, Secured Debt (Maturity March 1, 2023)(9)	7,400	7,371	7,451

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Vistar Media, Inc.(10)	February 17, 2017	Operator of Digital Out-of-Home Advertising Platform	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.39%, Secured Debt (Maturity February 16, 2022)(9)	3,263	3,034	3,088
			Warrants (70,207 equivalent shares; Expiration February 17, 2027; Strike price \$0.01 per share)		331	790
					3,365	3,878
Wireless Vision Holdings, LLC(10)	September 29, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 8.91% (Floor 1.00%), Current Coupon 10.99%, Secured Debt (Maturity September 29, 2022)(9)(28)	12,835	12,597	12,597
YS Garments, LLC(11)	August 22, 2018	Designer and Provider of Branded Activewear	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 8.17% Secured Debt (Maturity August 9, 2024)(9)	15,000	14,852	14,850

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****September 30, 2018****(dollars in thousands)****(unaudited)**

Portfolio Company(1)(20)	Investment Date(26)	Business Description	Type of Investment(2)(3)(25)	Principal(4)	Cost(4)	Fair Value(18)
Zilliant Incorporated	June 15, 2012	Price Optimization and Margin Management Solutions	Preferred Stock (186,777 shares)		154	260
			Warrants (952,500 equivalent shares; Expiration June 15, 2022; Strike price \$0.001 per share)		1,071	1,190
					1,225	1,450
Subtotal Non-Control/Non-Affiliate Investments (72.2% of net assets at fair value)					\$ 1,105,048	\$ 1,086,301
Total Portfolio Investments, September 30, 2018					\$ 2,211,718	\$ 2,426,873

- (1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See Note B for a description of Lower Middle Market portfolio investments. All of the Company's investments, unless otherwise noted, are encumbered either as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (2) Debt investments are income producing, unless otherwise noted. Equity and warrants are non-income producing, unless otherwise noted.
- (3) See Note C for a summary of geographic location of portfolio companies.
- (4) Principal is net of repayments. Cost is net of repayments and accumulated unearned income.
- (5) Control investments are defined by the Investment Company Act of 1940, as amended ("1940 Act") as investments in which more than 25% of the voting securities are owned or where the ability to nominate greater than 50% of the board representation is maintained.
- (6) Affiliate investments are defined by the 1940 Act as investments in which between 5% and 25% 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)

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Income producing through dividends or distributions.

- (9) Index based floating interest rate is subject to contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either LIBOR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each such loan, the Company has provided the weighted average annual stated interest rate in effect at September 30, 2018. As noted in this schedule, 67% of the loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.25%, with a weighted-average LIBOR floor of approximately 1.04%.
- (10) Private Loan portfolio investment. See Note B for a description of Private Loan portfolio investments.
- (11) Middle Market portfolio investment. See Note B for a description of Middle Market portfolio investments.
- (12) Other Portfolio investment. See Note B for a description of Other Portfolio investments.
- (13) Investment is not a qualifying asset as defined under Section 55 (a) of the 1940 Act. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets.
- (14) Non-accrual and non-income producing investment.
- (15) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investments in this portfolio company will not be finally determined until such process is complete. As noted in footnote(14), our debt investments in this portfolio company are on non-accrual status.
- (16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (17) Maturity date is under on-going negotiations with the portfolio company and other lenders, if applicable.
- (18) Investment fair value was determined using significant unobservable inputs, unless otherwise noted. See Note C for further discussion.
- (19) PIK interest income and cumulative dividend income represent income not paid currently in cash.
- (20) All portfolio company headquarters are based in the United States, unless otherwise noted.
- (21) Portfolio company headquarters are located outside of the United States.
- (22) In connection with the Company's debt investment in Staples Canada ULC to help mitigate any potential adverse change in foreign exchange rates during the term of the Company's investment, the Company entered into a forward foreign currency contract with Cadence Bank to lend \$23.6 million Canadian Dollars and receive \$18.0 million U.S. Dollars with a settlement date of September 12, 2019. The unrealized depreciation on the forward foreign currency contract is \$0.4 million as of September 30, 2018.
- (23) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of LIBOR plus 6.00% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

September 30, 2018

(dollars in thousands)

(unaudited)

- (24) The Company has entered into an intercreditor agreement that entitles the Company to the "first out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a lower interest rate than the contractual stated interest rate of LIBOR plus 6.64% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such lower rate.
- (25) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."
- (26) Investment date represents the date of initial investment in the portfolio company.
- (27) Investment has an unfunded commitment as of September 30, 2018 (see Note M). The fair value of the investment includes the impact of the fair value of any unfunded commitments
- (28) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of LIBOR plus 8.50% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
<u>Control Investments(5)</u>						
Access Media Holdings, LLC(10)	July 22, 2015	Private Cable Operator	5% Current / 5% PIK Secured Debt (Maturity July 22, 2020)(19) Preferred Member Units (8,248,500 units) Member Units (45 units)	\$ 23,828	\$ 23,828 8,142 1	\$ 17,150
					31,971	17,150
ASC Interests, LLC	August 1, 2013	Recreational and Educational Shooting Facility	11% Secured Debt (Maturity July 31, 2018) Member Units (1,500 units)	1,800	1,795 1,500	1,795 1,530
					3,295	3,325
ATS Workholding, LLC(10)	March 10, 2014	Manufacturer of Machine Cutting Tools and Accessories	5% Secured Debt (Maturity November 16, 2021) Preferred Member Units (3,725,862 units)	3,726	3,249 3,726	3,249 3,726
					6,975	6,975
Bond-Coat, Inc.	December 28, 2012	Casing and Tubing Coating Services	12% Secured Debt (Maturity December 28, 2017)(17) Common Stock (57,508 shares)	11,596	11,596 6,350	11,596 9,370
					17,946	20,966
Café Brazil, LLC	April 20, 2004	Casual Restaurant Group	Member Units (1,233 units)(8)		1,742	4,900
CBT Nuggets, LLC	June 1, 2006	Produces and Sells IT Training Certification				

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Videos			Member Units (416 units)(8)	1,300	89,560
Charps, LLC	February 3, 2017	Pipeline Maintenance and Construction	12% Secured Debt (Maturity February 3, 2022)	18,400	18,225
			Preferred Member Units (1,600 units)		400
					650
				18,625	18,875
Clad-Rex Steel, LLC	December 20, 2016	Specialty Manufacturer of Vinyl-Clad Metal	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.86%, Secured Debt (Maturity December 20, 2021)(9)	13,280	13,168
			Member Units (717 units)(8)		7,280
			10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity December 20, 2036)	1,183	1,171
			Member Units (Clad-Rex Steel RE Investor, LLC) (800 units)		210
				21,829	24,243
CMS Minerals Investments	January 30, 2015	Oil & Gas Exploration & Production	Member Units (CMS Minerals II, LLC) (100 units)(8)		3,440
					2,392
Copper Trail Energy Fund I, LP(12)(13)	July 17, 2017	Investment Partnership	LP Interests (Fully diluted 30.1%)		2,500
					2,500

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Datacom, LLC	May 30, 2014	Technology and Telecommunications Provider	8% Secured Debt (Maturity May 30, 2018)	1,575	1,575	1,575
			5.25% Current / 5.25% PIK Secured Debt (Maturity May 30, 2019)(19)	12,349	12,311	11,110
			Class A Preferred Member Units		1,181	730
			Class B Preferred Member Units (6,453 units)		6,030	
					21,097	13,415
Gamber-Johnson Holdings, LLC	June 24, 2016	Manufacturer of Ruggedized Computer Mounting Systems	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.36%, Secured Debt (Maturity June 24, 2021)(9)	23,400	23,213	23,400
			Member Units (8,619 units)(8)		14,844	23,370
					38,057	46,770
Garreco, LLC	July 15, 2013	Manufacturer and Supplier of Dental Products	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.34%, Secured Debt (Maturity March 31, 2020)(9)	5,483	5,443	5,443
			Member Units (1,200 units)		1,200	1,940
					6,643	7,383
GRT Rubber Technologies LLC	December 19, 2014	Manufacturer of Engineered Rubber Products	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.36%, Secured Debt (Maturity December 19, 2019)(9)	11,603	11,550	11,603
			Member Units (5,879 units)(8)		13,065	21,970
					24,615	33,573
Gulf Manufacturing, LLC						

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	August 31, 2007	Manufacturer of Specialty Fabricated Industrial Piping Products	Member Units (438 units)(8)	2,980	10,060
Gulf Publishing Holdings, LLC	April 29, 2016	Energy Industry Focused Media and Publishing	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.86%, Secured Debt (Maturity September 30, 2020)(9)	80	80
			12.5% Secured Debt (Maturity April 29, 2021)	12,800	12,703
			Member Units (3,681 units)	3,681	4,840
				16,464	17,623
Harborside Holdings, LLC	March 20, 2017	Real Estate Holding Company	Member units (100 units)	6,206	9,400
Harris Preston Fund Investments(12)(13)	October 1, 2017	Investment Partnership	LP Interests (2717 MH, L.P.) (Fully diluted 49.3%)	536	536
Harrison Hydra-Gen, Ltd.	June 4, 2010	Manufacturer of Hydraulic Generators	Common Stock (107,456 shares)	718	3,580

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
HW Temps LLC	July 2, 2015	Temporary Staffing Solutions	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.36%, Secured Debt (Maturity July 2, 2020)(9)	9,976	9,918	9,918
			Preferred Member Units (3,200 units)		3,942	3,940
					13,860	13,858
Hydratec, Inc.	November 1, 2007	Designer and Installer of Micro-Irrigation Systems	Common Stock (7,095 shares)(8)		7,095	15,000
IDX Broker, LLC	November 15, 2013	Provider of Marketing and CRM Tools for the Real Estate Industry	11.5% Secured Debt (Maturity November 15, 2020)	15,250	15,116	15,250
			Preferred Member Units (5,607 units)(8)		5,952	11,660
					21,068	26,910
Jensen Jewelers of Idaho, LLC	November 14, 2006	Retail Jewelry Store	Prime Plus 6.75% (Floor 2.00%), Current Coupon 11.00%, Secured Debt (Maturity November 14, 2019)(9)	3,955	3,917	3,955
			Member Units (627 units)(8)		811	5,100
					4,728	9,055
KBK Industries, LLC	January 23, 2006	Manufacturer of Specialty Oilfield and Industrial Products	10% Secured Debt (Maturity September 28, 2020)	375	372	375
			12.5% Secured Debt (Maturity September 28, 2020)	5,900	5,867	5,900
			Member Units (325 units)(8)		783	4,420
		7,022	10,695			

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Lamb Ventures, LLC	May 30, 2008	Aftermarket Automotive Services Chain	11% Secured Debt (Maturity July 1, 2022)	9,942	9,890	9,942
			Preferred Equity (non-voting) Member Units (742 units)(8)		400 5,273	400 6,790
			9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity March 31, 2027)	432	428	432
			Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)		625	520
					16,616	18,084
Marine Shelters Holdings, LLC	December 28, 2012	Fabricator of Marine and Industrial Shelters	12% PIK Secured Debt (Maturity December 28, 2017)(14)	3,131	3,078	
			Preferred Member Units (3,810 units)		5,352	
					8,430	
Market Force Information, LLC	July 28, 2017	Provider of Customer Experience Management Services	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.48%, Secured Debt (Maturity July 28, 2022)(9)	23,360	23,143	23,143
			Member Units (657,113 units)		14,700	14,700
					37,843	37,843

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
MH Corbin Holding LLC	August 31, 2015	Manufacturer and Distributor of Traffic Safety Products	13% Secured Debt (Maturity August 31, 2020)	12,600	12,526	12,526
			Preferred Member Units (4,000 shares)		6,000	6,000
					18,526	18,526
Mid-Columbia Lumber Products, LLC	December 18, 2006	Manufacturer of Finger-Jointed Lumber Products	10% Secured Debt (Maturity January 15, 2020)	1,398	1,390	1,390
			12% Secured Debt (Maturity January 15, 2020)	3,900	3,863	3,863
			Member Units (5,714 units)		2,405	1,575
			9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity May 13, 2025)	791	791	791
			Member Units (Mid-Columbia Real Estate, LLC) (500 units)(8)		790	1,290
			9,239	8,909		
MSC Adviser I, LLC(16)	November 22, 2013	Third Party Investment Advisory Services	Member Units (Fully diluted 100.0%)(8)			41,768
Mystic Logistics Holdings, LLC	August 18, 2014	Logistics and Distribution Services Provider for Large Volume Mailers	12% Secured Debt (Maturity August 15, 2019)	7,768	7,696	7,696
			Common Stock (5,873 shares)		2,720	6,820
				10,416	14,516	
NAPCO Precast, LLC	January 31, 2008	Precast Concrete Manufacturing	LIBOR Plus 8.50%, Current Coupon 9.98%, Secured Debt (Maturity May 31, 2019)	11,475	11,439	11,475

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			Member Units (2,955 units)(8)	2,975	11,670
				14,414	23,145
NRI Clinical Research, LLC	September 8, 2011	Clinical Research Service Provider	LIBOR Plus 6.50% (Floor 1.50%), Current Coupon 8.00%, Secured Debt (Maturity January 15, 2018)(9)	400	400
			14% Secured Debt (Maturity January 15, 2018)	3,865	3,865
			Warrants (251,723 equivalent units; Expiration September 8, 2021; Strike price \$0.01 per unit)		252
			Member Units (1,454,167 units)		765
				5,282	7,265
NRP Jones, LLC	December 22, 2011	Manufacturer of Hoses, Fittings and Assemblies	12% Secured Debt (Maturity March 20, 2023)	6,376	6,376
			Member Units (65,208 units)(8)		3,717
				10,093	9,626

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
NuStep, LLC	January 31, 2017	Designer, Manufacturer and Distributor of Fitness Equipment	12% Secured Debt (Maturity January 31, 2022) Preferred Member Units (406 units)	20,600	20,420 10,200 30,620	20,420 10,200 30,620
OMi Holdings, Inc.	April 1, 2008	Manufacturer of Overhead Cranes	Common Stock (1,500 shares)(8)		1,080	14,110
Pegasus Research Group, LLC	January 6, 2011	Provider of Telemarketing and Data Services	Member Units (460 units)(8)		1,290	10,310
PPL RVs, Inc.	June 10, 2010	Recreational Vehicle Dealer	LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 8.34%, Secured Debt (Maturity November 15, 2021)(9) Common Stock (1,962 shares)(8)	16,100	15,972 2,150 18,122	16,100 12,440 28,540
Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)	February 1, 2011	Noise Abatement Service Provider	13% Secured Debt (Maturity April 30, 2020) Preferred Member Units (19,631 units) Warrants (1,018 equivalent units; Expiration January 31, 2021; Strike price \$0.01 per unit)	7,477	7,347 4,600 1,200 13,147	7,477 11,490 650 19,617
Quality Lease Service, LLC	June 8, 2015	Provider of Rigsite Accommodation Unit Rentals and				

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		Related Services				
			Zero Coupon Secured Debt (Maturity June 8, 2020)	7,341	7,341	6,950
			Member Units (1,000 units)		2,868	4,938
					10,209	11,888
River Aggregates, LLC	March 30, 2011	Processor of Construction Aggregates				
			Zero Coupon Secured Debt (Maturity June 30, 2018)	750	707	707
			Member Units (1,150 units)		1,150	4,610
			Member Units (RA Properties, LLC) (1,500 units)		369	2,559
					2,226	7,876
SoftTouch Medical Holdings LLC	October 31, 2014	Provider of In-Home Pediatric Durable Medical Equipment				
			LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.36%, Secured Debt (Maturity October 31, 2019)(9)	7,140	7,110	7,140
			Member Units (4,450 units)(8)		4,930	10,089
					12,040	17,229

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
The MPI Group, LLC	October 2, 2007	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories	9% Secured Debt (Maturity October 2, 2018)	2,924	2,923	2,410
			Series A Preferred Units (2,500 units)		2,500	
			Warrants (1,424 equivalent units; Expiration July 1, 2024; Strike price \$0.01 per unit)		1,096	
			Member Units (MPI Real Estate Holdings, LLC) (100 units)(8)		2,300	2,389
					8,819	4,799
Uvalco Supply, LLC	January 2, 2008	Farm and Ranch Supply Store	9% Secured Debt (Maturity January 1, 2019)	348	348	348
			Member Units (1,867 units)(8)		3,579	3,880
					3,927	4,228
Vision Interests, Inc.	June 5, 2007	Manufacturer / Installer of Commercial Signage	13% Secured Debt (Maturity December 23, 2018)	2,814	2,797	2,797
			Series A Preferred Stock (3,000,000 shares)		3,000	3,000
			Common Stock (1,126,242 shares)		3,706	
					9,503	5,797
Ziegler's NYPD, LLC	October 1, 2008	Casual Restaurant Group	6.5% Secured Debt (Maturity October 1, 2019)	1,000	996	996
			12% Secured Debt (Maturity October 1, 2019)	300	300	300
			14% Secured Debt (Maturity October 1, 2019)	2,750	2,750	2,750
			Warrants (587 equivalent units; Expiration September 29, 2018; Strike price \$0.01 per unit)		600	
					2,834	3,220

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	Preferred Member Units (10,072 units)		
		7,480	7,266
Subtotal Control Investments (54.4% net assets at fair value)		\$ 530,034	\$ 750,706

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2017

(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
<u>Affiliate Investments(6)</u>						
AFG Capital Group, LLC	November 7, 2014	Provider of Rent-to-Own Financing Solutions and Services	Warrants (42 equivalent units; Expiration November 7, 2024; Strike price \$0.01 per unit)		\$ 259	\$ 860
			Preferred Member Units (186 units)(8)		1,200	3,590
					1,459	4,450
Barfly Ventures, LLC(10)	August 31, 2015	Casual Restaurant Group	12% Secured Debt (Maturity August 31, 2020)	8,715	8,572	8,715
			Options (2 equivalent units)		397	920
			Warrant (1 equivalent unit; Expiration August 31, 2025; Strike price \$1.00 per unit)		473	520
					9,442	10,155
BBB Tank Services, LLC	April 8, 2016	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.36%, Secured Debt (Maturity April 8, 2021)(9)	800	778	778
			15% Secured Debt (Maturity April 8, 2021)	4,000	3,876	3,876
			Member Units (800,000 units)		800	500
					5,454	5,154
Boccella Precast Products LLC	June 30, 2017	Manufacturer of Precast Hollow Core Concrete	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.34%, Secured Debt (Maturity June 30, 2022)(9)	16,400	16,230	16,400
					2,160	3,440

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			Member Units (2,160,000 units)		18,390	19,840
Boss Industries, LLC	July 1, 2014	Manufacturer and Distributor of Air, Power and Other Industrial Equipment				
			Preferred Member Units (2,242 units)(8)		2,080	3,930
Bridge Capital Solutions Corporation	April 18, 2012	Financial Services and Cash Flow Solutions Provider				
			13% Secured Debt (Maturity July 25, 2021) Warrants (63 equivalent shares; Expiration July 25, 2026; Strike price \$0.01 per share)	7,500	5,884	5,884
			13% Secured Debt (Mercury Service Group, LLC) (Maturity July 25, 2021) Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)		2,132	3,520
				1,000	992	1,000
					1,000	1,000
					10,008	11,404
Buca C, LLC	June 30, 2015	Casual Restaurant Group				
			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.63%, Secured Debt (Maturity June 30, 2020)(9) Preferred Member Units (6 units; 6% cumulative)(8)(19)	20,304	20,193	20,193
					4,177	4,172
					24,370	24,365

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
CAI Software LLC	October 10, 2014	Provider of Specialized Enterprise Resource Planning Software	12% Secured Debt (Maturity October 10, 2019)	4,083	4,060	4,083
			Member Units (65,356 units)(8)		654	3,230
					4,714	7,313
Chandler Signs Holdings, LLC(10)	January 4, 2016	Sign Manufacturer	12% Secured Debt (Maturity July 4, 2021)	4,500	4,468	4,500
			Class A Units (1,500,000 units)(8)		1,500	2,650
					5,968	7,150
Condit Exhibits, LLC	July 1, 2008	Tradeshow Exhibits / Custom Displays Provider	Member Units (3,936 units)(8)		100	1,950
Congruent Credit Opportunities Funds(12)(13)	January 24, 2012	Investment Partnership	LP Interests (Congruent Credit Opportunities Fund II, LP) (Fully diluted 19.8%)(8)		5,730	1,515
			LP Interests (Congruent Credit Opportunities Fund III, LP) (Fully diluted 17.4%)(8)		17,869	18,632
					23,599	20,147
Dos Rios Partners(12)(13)	April 25, 2013	Investment Partnership	LP Interests (Dos Rios Partners, LP) (Fully diluted 20.2%)(8)		5,996	7,165
			LP Interests (Dos Rios Partners A, LP) (Fully diluted 6.4%)(8)		1,904	1,889
					7,900	9,054
Dos Rios Stone Products LLC(10)	June 27, 2016	Limestone and Sandstone Dimension Cut				

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		Stone Mining Quarries			
			Class A Preferred Units (2,000,000 units)(8)	2,000	1,790
East Teak Fine Hardwoods, Inc.	April 13, 2006	Distributor of Hardwood Products			
			Common Stock (6,250 shares)(8)	480	630
EIG Fund Investments(12)(13)	November 6, 2015	Investment Partnership			
			LP Interests (EIG Global Private Debt Fund-A, L.P.) (Fully diluted 11.1%)(8)	1,103	1,055
Freeport Financial Funds(12)(13)	June 13, 2013	Investment Partnership			
			LP Interests (Freeport Financial SBIC Fund LP) (Fully diluted 9.3%)(8)	5,974	5,614
			LP Interests (Freeport First Lien Loan Fund III LP) (Fully diluted 6.0%)(8)	8,558	8,506
				14,532	14,120
Gault Financial, LLC (RMB Capital, LLC)	November 21, 2011	Purchases and Manages Collection of Healthcare and other Business Receivables			
			10.5% Secured Debt (Maturity January 1, 2019) Warrants (29,032 equivalent units; Expiration February 9, 2022; Strike price \$0.01 per unit)	12,483	12,483
				400	
				12,883	11,532

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Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Guerdon Modular Holdings, Inc.	August 13, 2014	Multi-Family and Commercial Modular Construction Company	13% Secured Debt (Maturity August 13, 2019)	10,708	10,632	10,632
			Preferred Stock (404,998 shares)		1,140	
			Common Stock (212,033 shares)		2,983	
					14,755	10,632
Harris Preston Fund Investments(12)(13)	October 1, 2017	Investment Partnership	LP Interests (HPEP 3, L.P.) (Fully diluted 9.9%)		943	943
Hawk Ridge Systems, LLC(13)	December 2, 2016	Value-Added Reseller of Engineering Design and Manufacturing Solutions	11% Secured Debt (Maturity December 2, 2021)	14,300	14,175	14,300
			Preferred Member Units (226 units)(8)		2,850	3,800
			Preferred Member Units (HRS Services, ULC) (226 units)(8)		150	200
					17,175	18,300
Houston Plating and Coatings, LLC	January 8, 2003	Provider of Plating and Industrial Coating Services	8% Unsecured Convertible Debt (Maturity May 1, 2022)	3,000	3,000	3,200
			Member Units (315,756 units)		2,179	6,140
					5,179	9,340
I-45 SLF LLC(12)(13)	October 20, 2015	Investment Partnership	Member Units (Fully diluted 20.0%; 24.4% profits interest)(8)		16,200	16,841
L.F. Manufacturing Holdings, LLC(10)	December 23, 2013	Manufacturer of Fiberglass Products				

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			Member Units (2,179,001 units)	2,019	2,000	
Meisler Operating LLC	June 7, 2017	Provider of Short-term Trailer and Container Rental	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.84%, Secured Debt (Maturity June 7, 2022)(9)	16,800	16,633	16,633
			Member Units (Milton Meisler Holdings LLC) (31,976 units)		3,200	3,390
					19,833	20,023
OnAsset Intelligence, Inc.	April 18, 2011	Provider of Transportation Monitoring / Tracking Products and Services	12% PIK Secured Debt (Maturity June 30, 2021)(19)	5,094	5,094	5,094
			10% PIK Unsecured Debt (Maturity June 30, 2021)(19)	48	48	48
			Preferred Stock (912 shares)		1,981	
			Warrants (5,333 equivalent shares; Expiration April 18, 2021; Strike price \$0.01 per share)		1,919	
					9,042	5,142
OPI International Ltd.(13)	November 30, 2010	Provider of Man Camp and Industrial Storage Services	Common Stock (20,766,317 shares)		1,371	

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Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
PCI Holding Company, Inc.	December 18, 2012	Manufacturer of Industrial Gas Generating Systems	12% Secured Debt (Maturity March 31, 2019)	12,650	12,593	12,593
			Preferred Stock (1,740,000 shares) (non-voting)		1,740	2,610
			Preferred Stock (1,500,000 shares; 20% cumulative)(8)(19)		3,927	890
					18,260	16,093
Rocacea, LLC (Quality Lease and Rental Holdings, LLC)	January 8, 2013	Provider of Rigsite Accommodation Unit Rentals and Related Services	12% Secured Debt (Maturity January 8, 2018)(14)(15)	30,785	30,281	250
			Preferred Member Units (250 units)		2,500	
					32,781	250
Tin Roof Acquisition Company	November 13, 2013	Casual Restaurant Group	12% Secured Debt (Maturity November 13, 2018)	12,783	12,722	12,722
			Class C Preferred Stock (Fully diluted 10.0%; 10% cumulative)(8)(19)		3,027	3,027
					15,749	15,749
UniTek Global Services, Inc.(11)	April 15, 2011	Provider of Outsourced Infrastructure Services	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.20%, Secured Debt (Maturity January 13, 2019)(9)	8,535	8,529	8,535
			LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.20% / 1.00% PIK, Current Coupon Plus PIK 10.20%, Secured Debt (Maturity January 13, 2019)(9)(19)	137	137	137
				865	865	865

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			15% PIK Unsecured Debt (Maturity July 13, 2019)(19)			
			Preferred Stock (2,596,567 shares; 19% cumulative)(8)(19)	2,858		2,850
			Preferred Stock (4,935,377 shares; 13.5% cumulative)(8)(19)	7,361		7,320
			Common Stock (1,075,992 shares)			2,490
				19,750		22,197
Universal Wellhead Services Holdings, LLC(10)	October 30, 2014	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry				
			Preferred Member Units (UWS Investments, LLC) (716,949 units)	717		830
			Member Units (UWS Investments, LLC) (4,000,000 units)	4,000		1,910
				4,717		2,740
Valley Healthcare Group, LLC	December 29, 2015	Provider of Durable Medical Equipment				
			LIBOR Plus 12.50% (Floor 0.50%), Current Coupon 13.86%, Secured Debt (Maturity December 29, 2020)(9)	11,766	11,685	11,685
			Preferred Member Units (Valley Healthcare Holding, LLC) (1,600 units)		1,600	1,600
				13,285		13,285

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2017

(dollars in thousands)

Portfolio Company(1)(20)	Investment			Principal(4)	Cost(4)	Fair Value(18)
	Date(28)	Business Description	Type of Investment(2)(3)(27)			
Volusion, LLC	January 26, 2015	Provider of Online Software-as-a-Service eCommerce Solutions	11.5% Secured Debt (Maturity January 26, 2020)	16,734	15,200	15,200
			Preferred Member Units (4,876,670 units)		14,000	14,000
			Warrants (1,831,355 equivalent units; Expiration January 26, 2025; Strike price \$0.01 per unit)		2,576	2,080
					31,776	31,280
Subtotal Affiliate Investments (24.5% net assets at fair value)					\$ 367,317	\$ 338,854

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
<u>Non-Control/Non-Affiliate Investments(7)</u>						
AAC Holdings, Inc.(11)	June 30, 2017	Substance Abuse Treatment Service Provider	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.13%, Secured Debt (Maturity June 30, 2023)(9)	\$ 11,751	\$ 11,475	\$ 11,810
Adams Publishing Group, LLC(10)	November 19, 2015	Local Newspaper Operator	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.69%, Secured Debt (Maturity November 3, 2020)(9)	10,341	10,116	10,147
ADS Tactical, Inc.(10)	March 7, 2017	Value-Added Logistics and Supply Chain Provider to the Defense Industry	LIBOR Plus 7.50% (Floor 0.75%), Current Coupon 9.19%, Secured Debt (Maturity December 31, 2022)(9)	13,014	12,767	12,833
Aethon United BR LP(10)	September 8, 2017	Oil & Gas Exploration & Production	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.15%, Secured Debt (Maturity September 8, 2023)(9)	3,438	3,388	3,388
Ahead, LLC(10)	November 13, 2015	IT Infrastructure Value Added Reseller	LIBOR Plus 6.50%, Current Coupon 8.20%, Secured Debt (Maturity November 2, 2020)	11,061	10,848	11,130
Allflex Holdings III Inc.(11)	July 18, 2013	Manufacturer of Livestock Identification Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.36%, Secured Debt (Maturity July 19, 2021)(9)	13,846	13,781	13,955

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American Scaffold Holdings, Inc.(10)	June 14, 2016	Marine Scaffolding Service Provider	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.19%, Secured Debt (Maturity March 31, 2022)(9)	7,031	6,947	6,996
American Teleconferencing Services, Ltd.(11)	May 19, 2016	Provider of Audio Conferencing and Video Collaboration Solutions	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.90%, Secured Debt (Maturity December 8, 2021)(9)	10,582	9,934	10,443
			LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 10.85%, Secured Debt (Maturity June 6, 2022)(9)	3,714	3,589	3,507
					13,523	13,950
Anchor Hocking, LLC(11)	April 2, 2012	Household Products Manufacturer	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.49%, Secured Debt (Maturity June 4, 2020)(9) Member Units (440,620 units)	2,254	2,211 4,928	2,248 3,745
					7,139	5,993

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2017

(dollars in thousands)

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Apex Linen Service, Inc.	October 30, 2015	Industrial Launderers	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.36%, Secured Debt (Maturity October 30, 2022)(9)	2,400	2,400	2,400
			16% Secured Debt (Maturity October 30, 2022)	14,416	14,347	14,347
					16,747	16,747
Arcus Hunting LLC.(10)	January 6, 2015	Manufacturer of Bowhunting and Archery Products and Accessories	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.34%, Secured Debt (Maturity November 13, 2019)(9)	15,391	15,294	15,391
ATI Investment Sub, Inc.(11)	July 11, 2016	Manufacturer of Solar Tracking Systems	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.82%, Secured Debt (Maturity June 22, 2021)(9)	7,364	7,215	7,346
ATX Networks Corp.(11)(13)(21)	June 30, 2015	Provider of Radio Frequency Management Equipment	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.33% / 1.00% PIK, Current Coupon Plus PIK 8.33%, Secured Debt (Maturity June 11, 2021)(9)(19)	9,567	9,454	9,507
Berry Aviation, Inc.(10)	July 6, 2018	Airline Charter Service Operator	13.75% Secured Debt (Maturity January 30, 2020)	5,627	5,598	5,627
			Common Stock (553 shares)		400	1,010
					5,998	6,637
BigName Commerce, LLC(10)	May 11, 2017	Provider of Envelopes and Complimentary Stationery Products				

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			LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.59%, Secured Debt (Maturity May 11, 2022)(9)	2,488	2,461	2,461
Binswanger Enterprises, LLC(10)	March 10, 2017	Glass Repair and Installation Service Provider	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.69%, Secured Debt (Maturity March 9, 2022)(9) Member Units (1,050,000 units)	15,325	15,060 1,050 16,110	15,192 1,000 16,192
Bluestem Brands, Inc.(11)	December 19, 2013	Multi-Channel Retailer of General Merchandise	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.07%, Secured Debt (Maturity November 6, 2020)(9)	12,127	11,955	8,540
Brainworks Software, LLC(10)	August 12, 2014	Advertising Sales and Newspaper Circulation Software	Prime Plus 9.25% (Floor 3.25%), Current Coupon 13.75%, Secured Debt (Maturity July 22, 2019)(9)	6,733	6,705	6,573

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Brightwood Capital Fund Investments(12)(13)	July 21, 2014	Investment Partnership	LP Interests (Brightwood Capital Fund III, LP) (Fully diluted 1.6%)(8)		12,000	10,328
			LP Interests (Brightwood Capital Fund IV, LP) (Fully diluted 0.8%)(8)		1,000	1,063
					13,000	11,391
Brundage-Bone Concrete Pumping, Inc.(11)	August 18, 2014	Construction Services Provider	10.375% Secured Debt (Maturity September 1, 2023)	3,000	2,987	3,180
Cadence Aerospace LLC(10)	November 14, 2017	Aerostructure Manufacturing	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.91%, Secured Debt (Maturity November 14, 2023)(9)	15,000	14,853	14,853
CapFusion, LLC(13)	March 25, 2016	Non-Bank Lender to Small Businesses	13% Secured Debt (Maturity March 25, 2021)(14)	6,705	5,645	1,871
California Pizza Kitchen, Inc.(11)	August 29, 2016	Casual Restaurant Group	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt (Maturity August 23, 2022)(9)	12,902	12,862	12,677
CDHA Management, LLC(10)	December 5, 2016	Dental Services	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.76%, Secured Debt (Maturity December 5, 2021)(9)	5,365	5,303	5,365
Central Security Group, Inc.(11)	December 4, 2017	Security Alarm Monitoring Service Provider	LIBOR Plus 5.63% (Floor 1.00%), Current Coupon 7.19%, Secured Debt (Maturity October 6, 2021)(9)	7,481	7,462	7,518

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Cenveo Corporation(11)	September 4, 2015	Provider of Commercial Printing, Envelopes, Labels, and Printed Office Products	6% Secured Debt (Maturity August 1, 2019)	19,130	17,126	13,582
Charlotte Russe, Inc(11)	May 28, 2013	Fast-Fashion Retailer to Young Women	LIBOR Plus 5.50% (Floor 1.25%), Current Coupon 6.89%, Secured Debt (Maturity May 22, 2019)(9)	19,041	16,473	7,807
Clarius BIGS, LLC(10)	September 23, 2014	Prints & Advertising Film Financing	15% PIK Secured Debt (Maturity January 5, 2015)(14)(17)	2,924	2,924	85
Clickbooth.com, LLC(10)	December 5, 2017	Provider of Digital Advertising Performance Marketing Solutions	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.01%, Secured Debt (Maturity December 5, 2022)(9)	3,000	2,941	2,941

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Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Construction Supply Investments, LLC(10)	December 29, 2016	Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt (Maturity June 30, 2023)(9) Member Units (28,000 units)	7,125	7,090 3,723	7,090 3,723
					10,813	10,813
CTVSH, PLLC(10)	August 3, 2017	Emergency Care and Specialty Service Animal Hospital	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.48%, Secured Debt (Maturity August 3, 2022)(9)	11,850	11,739	11,739
Darr Equipment LP(10)	April 15, 2014	Heavy Equipment Dealer	11.5% Current / 1% PIK Secured Debt (Maturity June 22, 2023)(19) Warrants (915,734 equivalent units; Expiration December 23, 2023; Strike price \$1.50 per unit)	7,229	7,229 474	7,229 10
					7,703	7,239
Digital River, Inc.(11)	February 24, 2015	Provider of Outsourced e-Commerce Solutions and Services	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.08%, Secured Debt (Maturity February 12, 2021)(9)	9,313	9,266	9,337
Drilling Info Holdings, Inc.	November 20, 2009	Information Services for the Oil and Gas Industry				

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			Common Stock (3,788,865 shares)(8)		8,610
EnCap Energy Fund Investments(12)(13)	December 28, 2010	Investment Partnership			
			LP Interests (EnCap Energy Capital Fund VIII, L.P.) (Fully diluted 0.1%)(8)	3,906	2,202
			LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.) (Fully diluted 0.4%)	2,227	1,549
			LP Interests (EnCap Energy Capital Fund IX, L.P.) (Fully diluted 0.1%)(8)	4,305	3,720
			LP Interests (EnCap Energy Capital Fund X, L.P.) (Fully diluted 0.1%)(8)	6,277	6,225
			LP Interests (EnCap Flatrock Midstream Fund II, L.P.) (Fully diluted 0.8%)(8)	6,138	6,116
			LP Interests (EnCap Flatrock Midstream Fund III, L.P.) (Fully diluted 0.2%)	3,458	3,828
				26,311	23,640
Evergreen Skills Lux S.á r.l. (d/b/a Skillsoft)(11)(13)	May 5, 2014	Technology-based Performance Support Solutions			
			LIBOR Plus 8.25% (Floor 1.00%), Current Coupon 9.82%, Secured Debt (Maturity April 28, 2022)(9)	6,999	6,878
					6,244

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Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Extreme Reach, Inc.(11)	March 31, 2015	Integrated TV and Video Advertising Platform	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.95%, Secured Debt (Maturity February 7, 2020)(9)	10,411	10,397	10,398
Felix Investments Holdings II(10)	August 9, 2017	Oil & Gas Exploration & Production	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 7.90%, Secured Debt (Maturity August 9, 2022)(9)	3,333	3,267	3,267
Flavors Holdings Inc.(11)	October 15, 2014	Global Provider of Flavoring and Sweetening Products	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 7.44%, Secured Debt (Maturity April 3, 2020)(9)	13,076	12,616	12,128
GI KBS Merger Sub LLC(11)	November 10, 2014	Outsourced Janitorial Services to Retail/Grocery Customers	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.48%, Secured Debt (Maturity October 29, 2021)(9)	6,807	6,733	6,833
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.88%, Secured Debt (Maturity April 29, 2022)(9)	3,915	3,769	3,793
					10,502	10,626
GoWireless Holdings, Inc.(11)	December 31, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.16%, Secured Debt (Maturity December 22, 2024)(9)	18,000	17,820	17,865
Grace Hill, LLC(10)	August 29, 2014	Online Training Tools for the Multi-Family Housing Industry				

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			Prime Plus 5.25% (Floor 1.00%), Current Coupon 9.75%, Secured Debt (Maturity August 15, 2019)(9)	1,215	1,208	1,215
			LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.58%, Secured Debt (Maturity August 15, 2019)(9)	11,407	11,356	11,407
					12,564	12,622
Great Circle Family Foods, LLC(10)	March 25, 2015	Quick Service Restaurant Franchise				
			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.34%, Secured Debt (Maturity October 28, 2019)(9)	7,219	7,187	7,219
Grupo Hima San Pablo, Inc.(11)	March 7, 2013	Tertiary Care Hospitals				
			LIBOR Plus 7.00% (Floor 1.50%), Current Coupon 8.50%, Secured Debt (Maturity January 31, 2018)(9)	4,750	4,748	3,541
			13.75% Secured Debt (Maturity July 31, 2018)	2,055	2,040	226
					6,788	3,767

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Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
GST Autoleather, Inc.(11)	July 21, 2014	Automotive Leather Manufacturer	PRIME Plus 6.50% (Floor 2.25%), Current Coupon 11.00%, Secured Debt (Maturity April 5, 2018)(9)	7,578	7,500	7,500
			PRIME Plus 6.50% (Floor 2.00%), Current Coupon 11.00%, Secured Debt (Maturity July 10, 2020)(9)	15,619	15,120	11,813
					22,620	19,313
Guitar Center, Inc.(11)	April 10, 2014	Musical Instruments Retailer	6.5% Secured Debt (Maturity April 15, 2019)	16,625	16,009	15,378
Hojeij Branded Foods, LLC(10)	July 28, 2015	Multi-Airport, Multi- Concept Restaurant Operator	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt (Maturity July 20, 2022)(9)	12,137	12,022	12,137
Hoover Group, Inc.(10)(13)	October 21, 2016	Provider of Storage Tanks and Related Products to the Energy and Petrochemical Markets	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.70%, Secured Debt (Maturity January 28, 2021)(9)	8,460	7,986	7,783
Hostway Corporation(11)	December 27, 2013	Managed Services and Hosting Provider	LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.44%, Secured Debt (Maturity December 13, 2019)(9)	20,150	19,796	19,621
			LIBOR Plus 6.75% (Floor 1.25%), Current Coupon 8.44%, Secured Debt (Maturity December 13,	12,406	11,575	11,692

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Hunter Defense Technologies, Inc.(11)	August 14, 2014	Provider of Military and Commercial Shelters and Systems	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.70%, Secured Debt (Maturity August 5, 2019)(9)	20,224	19,851	19,997
Hydrofarm Holdings LLC(10)	May 18, 2017	Wholesaler of Horticultural Products	LIBOR Plus 7.00%, Current Coupon 8.49%, Secured Debt (Maturity May 12, 2022)	6,708	6,588	6,699
iEnergizer Limited(11)(13)(21)	May 8, 2013	Provider of Business Outsourcing Solutions	LIBOR Plus 6.00% (Floor 1.25%), Current Coupon 7.57%, Secured Debt (Maturity May 1, 2019)(9)	11,005	10,764	10,977
Implus Footcare, LLC(10)	June 1, 2017	Provider of Footwear and Related Accessories	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.44%, Secured Debt (Maturity April 30, 2021)(9)	19,372	19,115	19,243

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Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Indivior Finance LLC(11)(13)	March 20, 2015	Specialty Pharmaceutical Company Treating Opioid Dependence	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 5.50%, Secured Debt (Maturity December 18, 2022)(9)	1,176	1,171	1,182
Industrial Services Acquisition, LLC(10)	June 17, 2016	Industrial Cleaning Services	11.25% Current / 0.75% PIK Unsecured Debt (Maturity December 17, 2022)(19) Member Units (Industrial Services Investments, LLC) (900,000 units)	4,553	4,478 900	4,553 810
					5,378	5,363
Inn of the Mountain Gods Resort and Casino(11)	October 30, 2013	Hotel & Casino Owner & Operator	9.25% Secured Debt (Maturity November 30, 2020)	6,249	5,994	5,687
iPayment, Inc.(11)	June 25, 2015	Provider of Merchant Acquisition	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.62%, Secured Debt (Maturity April 11, 2023)(9)	11,970	11,861	12,090
iQor US Inc.(11)	April 17, 2014	Business Process Outsourcing Services Provider	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.69%, Secured Debt (Maturity April 1, 2021)(9)	990	983	986
irth Solutions, LLC	December 29, 2010	Provider of Damage Prevention Information Technology Services	Member Units (27,893 units)		1,441	1,920

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Jacent Strategic Merchandising, LLC(10)	September 16, 2015	General Merchandise Distribution	LIBOR Plus 6.50% (Floor 1.00%), Current Coupon 8.01%, Secured Debt (Maturity September 16, 2020)(9)	11,110	11,054	11,110
Jackmont Hospitality, Inc.(10)	May 26, 2015	Franchisee of Casual Dining Restaurants	LIBOR Plus 6.75% (Floor 1.00%), Current Coupon 8.32%, Secured Debt (Maturity May 26, 2021)(9)	4,390	4,379	4,390
Jacuzzi Brands LLC(11)	June 30, 2017	Manufacturer of Bath and Spa Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.69%, Secured Debt (Maturity June 28, 2023)(9)	3,950	3,876	3,980
Joerns Healthcare, LLC(11)	April 3, 2013	Manufacturer and Distributor of Health Care Equipment & Supplies	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.48% Secured Debt (Maturity May 9, 2020)(9)	13,387	13,299	12,472

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Keypoint Government Solutions, Inc.(10)	April 17, 2017	Provider of Pre-Employment Screening Services	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.35%, Secured Debt (Maturity April 18, 2024)(9)	12,031	11,921	12,031
Larchmont Resources, LLC(11)	August 13, 2013	Oil & Gas Exploration & Production	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.53%, PIK Secured Debt (Maturity August 7, 2020)(9)(19) Member Units (Larchmont Intermediate Holdco, LLC) (2,828 units)	2,418	2,418 353 2,771	2,394 976 3,370
LKCM Headwater Investments I, L.P.(12)(13)	January 25, 2013	Investment Partnership	LP Interests (Fully diluted 2.3%)		2,500	4,234
Logix Acquisition Company, LLC(10)	June 24, 2016	Competitive Local Exchange Carrier	LIBOR Plus 5.75% (Floor 1.00%), Current Coupon 7.28%, Secured Debt (Maturity August 9, 2024)(9)	10,135	9,921	9,921
Looking Glass Investments, LLC(12)(13)	July 1, 2015	Specialty Consumer Finance	Member Units (2.5 units) Member Units (LGI Predictive Analytics LLC) (190,712 units)(8)		125 108 233	57 92 149
LSF9 Atlantis Holdings, LLC(11)	May 17, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.57%, Secured Debt (Maturity May 1, 2023)(9)	2,963	2,931	2,978

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Lulu's Fashion Lounge, LLC(10)	August 31, 2017	Fast Fashion E-Commerce Retailer	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.57%, Secured Debt (Maturity August 28, 2022)(9)	13,381	12,993	13,531
Messenger, LLC(10)	December 5, 2014	Supplier of Specialty Stationery and Related Products to the Funeral Industry	LIBOR Plus 7.25% (Floor 1.00%), Current Coupon 8.74%, Secured Debt (Maturity September 9, 2020)(9)	17,331	17,249	17,331
Minute Key, Inc.	September 19, 2014	Operator of Automated Key Duplication Kiosks	Warrants (1,437,409 equivalent shares; Expiration May 20, 2025; Strike price \$0.01 per share)		280	1,170
NBG Acquisition Inc(11)	April 28, 2017	Wholesaler of Home Décor Products	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.19%, Secured Debt (Maturity April 26, 2024)(9)	4,402	4,336	4,452

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
New Media Holdings II LLC(11)(13)	June 10, 2014	Local Newspaper Operator	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.82%, Secured Debt (Maturity July 14, 2022)(9)	17,715	17,342	17,864
NNE Partners, LLC(10)	March 2, 2017	Oil & Gas Exploration & Production	LIBOR Plus 8.00%, Current Coupon 9.49%, Secured Debt (Maturity March 2, 2022)	11,958	11,854	11,854
North American Lifting Holdings, Inc.(11)	February 26, 2015	Crane Service Provider	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.19%, Secured Debt (Maturity November 27, 2020)(9)	7,745	6,913	7,256
Novetta Solutions, LLC(11)	June 21, 2017	Provider of Advanced Analytics Solutions for Defense Agencies	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.70%, Secured Debt (Maturity October 17, 2022)(9)	14,636	14,189	14,239
NTM Acquisition Corp.(11)	July 12, 2016	Provider of B2B Travel Information Content	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.94%, Secured Debt (Maturity June 7, 2022)(9)	6,186	6,126	6,155
Ospemifene Royalty Sub LLC (QuatRx)(10)	July 8, 2013	Estrogen-Deficiency Drug Manufacturer and Distributor	11.5% Secured Debt (Maturity November 15, 2026)(14)	5,071	5,071	1,198
P.F. Chang's China Bistro, Inc.(11)	September 6, 2017	Casual Restaurant Group	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.51%, Secured Debt (Maturity September 1, 2022)(9)	4,988	4,846	4,715

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Paris Presents Incorporated(11)	February 5, 2015	Branded Cosmetic and Bath Accessories	LIBOR Plus 8.75% (Floor 1.00%), Current Coupon 10.32%, Secured Debt (Maturity December 31, 2021)(9)	4,500	4,471	4,477
Parq Holdings Limited Partnership(11)(13)(21)	December 22, 2014	Hotel & Casino Operator	LIBOR Plus 7.50% (Floor 1.00%), Current Coupon 9.19%, Secured Debt (Maturity December 17, 2020)(9)	7,481	7,399	7,528
Permian Holdco 2, Inc.(11)	February 12, 2013	Storage Tank Manufacturer	14% PIK Unsecured Debt (Maturity October 15, 2021)(19)	306	306	306
			Preferred Stock (Permian Holdco 1, Inc.) (154,558 units)		799	980
			Common Stock (Permian Holdco 1, Inc.) (154,558 units)			140
					1,105	1,426
Pernix Therapeutics Holdings, Inc.(10)	August 18, 2014	Pharmaceutical Royalty	12% Secured Debt (Maturity August 1, 2020)	3,129	3,129	1,971

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
Point.360(10)	July 8, 2015	Fully Integrated Provider of Digital Media Services	Warrants (65,463 equivalent shares; Expiration July 7, 2020; Strike price \$0.75 per share) Common Stock (163,658 shares)		69 273 342	11 11
PPC/SHIFT LLC(10)	December 22, 2016	Provider of Digital Solutions to Automotive Industry	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.69%, Secured Debt (Maturity December 22, 2021)(9)	6,869	6,748	6,869
Prowler Acquisition Corp.(11)	February 11, 2014	Specialty Distributor to the Energy Sector	LIBOR Plus 4.50% (Floor 1.00%), Current Coupon 6.19%, Secured Debt (Maturity January 28, 2020)(9)	12,830	11,332	12,253
PT Network, LLC(10)	November 1, 2013	Provider of Outpatient Physical Therapy and Sports Medicine Services	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.86%, Secured Debt (Maturity November 30, 2021)(9)	8,553	8,553	8,553
QBS Parent, Inc.(11)	August 12, 2014	Provider of Software and Services to the Oil & Gas Industry	LIBOR Plus 4.75% (Floor 1.00%), Current Coupon 6.13%, Secured Debt (Maturity August 7, 2021)(9)	14,272	14,114	14,165
Research Now Group, Inc. and Survey Sampling International, LLC(11)	December 31, 2017	Provider of Outsourced Online Surveying		13,500	12,826	12,826

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			LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.13%, Secured Debt (Maturity December 20, 2024)(9)			
Resolute Industrial, LLC(10)	July 26, 2017	HVAC Equipment Rental and Remanufacturing	LIBOR Plus 7.62% (Floor 1.00%), Current Coupon 8.95%, Secured Debt (Maturity July 26, 2022)(9)(25)	17,088	16,770	16,770
			Member Units (601 units)		750	750
					17,520	17,520
RGL Reservoir Operations Inc.(11)(13)(21)	August 25, 2014	Oil & Gas Equipment and Services	1% Current / 9% PIK Secured Debt (Maturity December 21, 2024)(19)	721	407	407
RM Bidder, LLC(10)	November 12, 2015	Scripted and Unscripted TV and Digital Programming Provider	Warrants (327,532 equivalent units; Expiration October 20, 2025; Strike price \$14.28 per unit)		425	
			Member Units (2,779 units)		46	20
					471	20

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
SAFETY Investment Holdings, LLC	April 29, 2016	Provider of Intelligent Driver Record Monitoring Software and Services	Member Units (2,000,000 units)		2,000	1,670
Salient Partners L.P.(11)	June 25, 2015	Provider of Asset Management Services	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 9.85%, Secured Debt (Maturity June 9, 2021)(9)	10,081	9,870	9,778
SiTV, LLC(11)	September 26, 2017	Cable Networks Operator	10.375% Secured Debt (Maturity July 1, 2019)	10,429	7,006	7,040
SMART Modular Technologies, Inc.(10)(13)	August 18, 2017	Provider of Specialty Memory Solutions	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.66%, Secured Debt (Maturity August 9, 2022)(9)	14,625	14,351	14,552
Sorenson Communications, Inc.(11)	June 7, 2016	Manufacturer of Communication Products for Hearing Impaired	LIBOR Plus 5.75% (Floor 2.25%), Current Coupon 8.00%, Secured Debt (Maturity April 30, 2020)(9)	13,234	13,170	13,341
Staples Canada ULC(10)(13)(21)	September 14, 2017	Office Supplies Retailer	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.43%, Secured Debt (Maturity September 12, 2023)(9)(22)	20,000	19,617	18,891
Strike, LLC(11)	December 12, 2016	Pipeline Construction and Maintenance Services	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.50%, Secured Debt	9,500	9,250	9,643

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			(Maturity November 30, 2022)(9) LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 9.45%, Secured Debt (Maturity May 30, 2019)(9)	2,500	2,479	2,513
					11,729	12,156
Subsea Global Solutions, LLC(10)	March 17, 2015	Underwater Maintenance and Repair Services	LIBOR Plus 6.00% (Floor 1.50%), Current Coupon 7.50%, Secured Debt (Maturity March 17, 2020)(9)	7,687	7,637	7,687
Synagro Infrastructure Company, Inc(11)	August 29, 2013	Waste Management Services	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 7.19%, Secured Debt (Maturity August 22, 2020)(9)	9,161	8,933	8,608
Tectonic Holdings, LLC	May 15, 2017	Financial Services Organization	Member Units (200,000 units)(8)		2,000	2,320
TE Holdings, LLC(11)	December 5, 2013	Oil & Gas Exploration & Production	Member Units (97,048 units)		970	158

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
TeleGuam Holdings, LLC(11)	June 26, 2013	Cable and Telecom Services Provider	LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.07%, Secured Debt (Maturity April 12, 2024)(9)	7,750	7,602	7,808
TGP Holdings III LLC (11)	September 30, 2017	Outdoor Cooking & Accessories	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.69%, Secured Debt (Maturity September 25, 2024)(9)	6,898	6,820	6,969
			LIBOR Plus 8.50% (Floor 1.00%), Current Coupon 10.19%, Secured Debt (Maturity September 25, 2025)(9)	5,000	4,927	5,075
					11,747	12,044
The Container Store, Inc.(11)	August 22, 2017	Operator of Stores Offering Storage and Organizational Products	LIBOR Plus 7.00% (Floor 1.00%), Current Coupon 8.69%, Secured Debt (Maturity August 15, 2021)(9)	9,938	9,660	9,652
TMC Merger Sub Corp.(11)	December 22, 2016	Refractory & Maintenance Services Provider	LIBOR Plus 6.25% (Floor 1.00%), Current Coupon 7.88%, Secured Debt (Maturity October 31, 2022)(9)(26)	17,653	17,516	17,741
TOMS Shoes, LLC(11)	November 13, 2014	Global Designer, Distributor, and Retailer of Casual Footwear	LIBOR Plus 5.50% (Floor 1.00%), Current Coupon 6.98%, Secured Debt (Maturity October 30, 2020)(9)	4,875	4,610	2,901
Turning Point Brands, Inc.(10)(13)	February 17, 2017	Marketer/Distributor of Tobacco Products		8,436	8,364	8,605

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			LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.61%, Secured Debt (Maturity May 17, 2022)(9)(25)			
TVG-I-E CMN ACQUISITION, LLC(10)	November 3, 2016	Organic Lead Generation for Online Postsecondary Schools	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.56%, Secured Debt (Maturity November 3, 2021)(9)	8,170	8,031	8,170
Tweddle Group, Inc.(11)	November 15, 2016	Provider of Technical Information Services to Automotive OEMs	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.38%, Secured Debt (Maturity October 21, 2022)(9)	6,114	6,011	6,023
U.S. TelePacific Corp.(11)	September 14, 2016	Provider of Communications and Managed Services	LIBOR Plus 5.00% (Floor 1.00%), Current Coupon 6.69%, Secured Debt (Maturity May 2, 2023)(9)	20,703	20,507	19,862

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****December 31, 2017****(dollars in thousands)**

Portfolio Company(1)(20)	Investment Date(28)	Business Description	Type of Investment(2)(3)(27)	Principal(4)	Cost(4)	Fair Value(18)
US Joiner Holding Company(11)	April 23, 2014	Marine Interior Design and Installation	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.70%, Secured Debt (Maturity April 16, 2020)(9)	13,465	13,366	13,398
VIP Cinema Holdings, Inc.(11)	March 9, 2017	Supplier of Luxury Seating to the Cinema Industry	LIBOR Plus 6.00% (Floor 1.00%), Current Coupon 7.70%, Secured Debt (Maturity March 1, 2023)(9)	7,700	7,666	7,777
Vistar Media, Inc.(10)	February 17, 2017	Operator of Digital Out-of-Home Advertising Platform	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.69%, Secured Debt (Maturity February 16, 2022)(9) Warrants (70,207 equivalent shares; Expiration February 17, 2027; Strike price \$0.01 per share)	3,319	3,048 331 3,379	3,102 499 3,601
Wellnext, LLC(10)	May 23, 2016	Manufacturer of Supplements and Vitamins	LIBOR Plus 10.10% (Floor 1.00%), Current Coupon 11.67%, Secured Debt (Maturity July 21, 2022)(9)(23)	9,930	9,857	9,930
Wireless Vision Holdings, LLC(10)	September 29, 2017	Provider of Wireless Telecommunications Carrier Services	LIBOR Plus 8.91% (Floor 1.00%), Current Coupon 10.27%, Secured Debt (Maturity September 29, 2022)(9)(24)	12,932	12,654	12,654
Wirepath LLC(11)	August 16, 2017	E-Commerce Provider into Connected Home				

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	Market			
		LIBOR Plus 5.25% (Floor 1.00%), Current Coupon 6.87%, Secured Debt (Maturity August 5, 2024)(9)	4,988	4,964
			5,055	
Zilliant Incorporated	June 15, 2012	Price Optimization and Margin Management Solutions		
		Preferred Stock (186,777 shares)	154	260
		Warrants (952,500 equivalent shares; Expiration June 15, 2022; Strike price \$0.001 per share)	1,071	1,189
			1,225	1,449
Subtotal Non-Control/Non-Affiliate Investments (78.4% of net assets at fair value)			\$ 1,107,447	\$ 1,081,745
Total Portfolio Investments, December 31, 2017			\$ 2,004,798	\$ 2,171,305

-
- (1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See Note B for a description of Lower Middle Market portfolio investments. All of the Company's investments, unless otherwise noted, are encumbered either as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
 - (2) Debt investments are income producing, unless otherwise noted. Equity and warrants are non-income producing, unless otherwise noted.
 - (3) See Note C for a summary of geographic location of portfolio companies.
 - (4) Principal is net of repayments. Cost is net of repayments and accumulated unearned income.
 - (5) Control investments are defined by the Investment Company Act of 1940, as amended ("1940 Act") as investments in which more than 25% of the voting securities are owned or where the ability to nominate greater than 50% of the board representation is maintained.
 - (6) Affiliate investments are defined by the 1940 Act as investments in which between 5% and 25% of the voting securities are owned and the investments are not classified as Control investments.

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MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2017

(dollars in thousands)

- (7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.
- (8) Income producing through dividends or distributions.
- (9) Index based floating interest rate is subject to contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to either LIBOR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each such loan, the Company has provided the weighted average annual stated interest rate in effect at December 31, 2017. As noted in this schedule, 67% of the loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.25%, with a weighted-average LIBOR floor of approximately 1.02%.
- (10) Private Loan portfolio investment. See Note B for a description of Private Loan portfolio investments.
- (11) Middle Market portfolio investment. See Note B for a description of Middle Market portfolio investments.
- (12) Other Portfolio investment. See Note B for a description of Other Portfolio investments.
- (13) Investment is not a qualifying asset as defined under Section 55 (a) of the 1940 Act. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets.
- (14) Non-accrual and non-income producing investment.
- (15) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investments in this portfolio company will not be finally determined until such process is complete. As noted in footnote(14), our debt investments in this portfolio company are on non-accrual status.
- (16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Agreement or in support of the SBA-guaranteed debentures issued by the Funds.
- (17) Maturity date is under on-going negotiations with the portfolio company and other lenders, if applicable.
- (18) Investment fair value was determined using significant unobservable inputs, unless otherwise noted. See Note C for further discussion.
- (19) PIK interest income and cumulative dividend income represent income not paid currently in cash.
- (20) All portfolio company headquarters are based in the United States, unless otherwise noted.
- (21) Portfolio company headquarters are located outside of the United States.
- (22) In connection with the Company's debt investment in Staples Canada ULC to help mitigate any potential adverse change in foreign exchange rates during the term of the Company's investment, the Company entered into a forward foreign currency contract with Cadence Bank to lend \$24.2 million

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Canadian Dollars and receive \$20.0 million U.S. Dollars with a settlement date of September 12, 2018. The unrealized appreciation on the forward foreign currency contract is \$0.7 million as of December 31, 2017. This unrealized appreciation is offset by the foreign currency translation depreciation on the investment.

- (23) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of LIBOR plus 7.50% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.
- (24) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the contractual stated interest rate of LIBOR plus 8.50% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such higher rate.
- (25) As part of the credit agreement with the portfolio company, the Company is entitled to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche receives priority over the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. The rate the Company receives per the Credit Agreement is the same as the rate reflected in the Consolidated Schedule of Investments above.
- (26) The Company has entered into an intercreditor agreement that entitles the Company to the "first out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a lower interest rate than the contractual stated interest rate of LIBOR plus 6.64% (Floor 1.00%) per the Credit Agreement and the Consolidated Schedule of Investments above reflects such lower rate.
- (27) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."
- (28) Investment date represents the date of initial investment in the portfolio company.

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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 a variety of industry sectors. MSCC seeks to partner with entrepreneurs, business owners and management teams and generally provides "one stop" financing alternatives within its LMM portfolio. MSCC and its consolidated subsidiaries invest primarily in secured debt investments, equity investments, warrants and other securities of LMM companies based in the United States and in secured debt investments of Middle Market companies generally headquartered in the United States.

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

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

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

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

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

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MAIN STREET CAPITAL CORPORATION

Notes to Consolidated Financial Statements (Continued)

(Unaudited)

2. Basis of Presentation

Main Street's consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The Company is an investment company following accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services Investment Companies* ("ASC 946"). For each of the periods presented herein, Main Street's consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries. The Investment Portfolio, as used herein, refers to all of Main Street's investments in LMM portfolio companies, investments in Middle Market portfolio companies, Private Loan portfolio investments, Other Portfolio investments and the investment in the External Investment Manager (see Note C Fair Value Hierarchy for Investments and Debentures Portfolio Composition Investment Portfolio Composition for additional discussion of Main Street's Investment Portfolio and definitions for the terms Private Loan and Other Portfolio). Main Street's results of operations for the three and nine months ended September 30, 2018 and 2017, cash flows for the nine months ended September 30, 2018 and 2017, and financial position as of September 30, 2018 and December 31, 2017, 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 with the current presentation.

The accompanying unaudited consolidated financial statements of Main Street are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and nine months ended September 30, 2018 and 2017 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, 2017. 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 ASC 946, Main Street is precluded from consolidating other entities in which Main Street has equity investments, including those in which it has a controlling interest, unless the other entity is another investment company. An exception to this general principle in ASC 946 occurs if Main Street holds a controlling interest in an operating company that provides all or substantially all of its services directly to Main Street or to its portfolio companies. Accordingly, as noted above, MSCC's consolidated financial statements include the financial position and operating results for the Funds and the Taxable Subsidiaries. Main Street has determined that all of its portfolio investments do not qualify for this exception, including the investment in the External Investment Manager. Therefore, Main Street's Investment Portfolio is carried on the consolidated balance sheet at fair value, as discussed further in Note B, with any adjustments to fair value recognized as "Net Unrealized Appreciation (Depreciation)" on the consolidated statements of operations until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss)."

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

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

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

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

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

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

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

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

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

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

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

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financial advisory services firm on its investments in one or more LMM portfolio companies. Such instances include, but are not limited to, situations where the fair value of Main Street's investment in a LMM portfolio company is determined to be insignificant relative to the total Investment Portfolio. Main Street consulted with and received an assurance certification from its independent financial advisory services firm in arriving at Main Street's determination of fair value on its investments in a total of 40 LMM portfolio companies for the nine months ended September 30, 2018, representing approximately 62% of the total LMM portfolio at fair value as of September 30, 2018, and on a total of 38 LMM portfolio companies for the nine months ended September 30, 2017, representing approximately 65% of the total LMM portfolio at fair value as of September 30, 2017. Excluding its investments in LMM portfolio companies which have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment as of September 30, 2018 and 2017, as applicable, and its LMM portfolio investments related to real estate for which a third-party appraisal is obtained on at least an annual basis, the percentage of the LMM portfolio reviewed and certified by its independent financial advisory services firm for the nine months ended September 30, 2018 and 2017 was 73% and 72% of the total LMM portfolio at fair value as of September 30, 2018 and 2017, respectively.

For valuation purposes, all of Main Street's Middle Market portfolio investments are non-control investments. To the extent sufficient observable inputs are available to determine fair value, Main Street uses observable inputs to determine the fair value of these investments through obtaining third-party quotes or other independent pricing. For Middle Market portfolio investments for which it has determined that third-party quotes or other independent pricing are not available or appropriate, Main Street generally estimates the fair value based on the assumptions that it believes hypothetical market participants would use to value such Middle Market debt investments in a current hypothetical sale using the Yield-to-Maturity valuation method and such Middle Market equity investments in a current hypothetical sale using the Waterfall valuation method. Because the vast majority of the Middle Market portfolio investments are typically valued using third-party quotes or other independent pricing services (including 92% and 95% of the Middle Market portfolio investments as of September 30, 2018 and December 31, 2017, respectively), Main Street does not generally consult with any financial advisory services firms in connection with determining the fair value of its Middle Market investments.

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

In addition to its internal valuation process, in arriving at estimates of fair value for its investments in its Private Loan portfolio companies, Main Street, among other things, consults with a nationally recognized independent financial advisory services firm. The nationally recognized independent financial advisory services firm analyzes and provides observations and recommendations and an assurance certification regarding the Company's determinations of the fair value of its Private Loan portfolio company investments. The nationally recognized independent financial advisory services firm is generally consulted relative to Main Street's investments in each Private Loan portfolio company at least once every calendar year, and for Main Street's investments in new Private Loan portfolio companies, at least once in the twelve-month period subsequent to the initial investment. In certain

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instances, Main Street may determine that it is not cost-effective, and as a result is not in its stockholders' best interest, to consult with the nationally recognized independent financial advisory services firm on its investments in one or more Private Loan portfolio companies. Such instances include, but are not limited to, situations where the fair value of Main Street's investment in a Private Loan portfolio company is determined to be insignificant relative to the total Investment Portfolio. Main Street consulted with and received an assurance certification from its independent financial advisory services firm in arriving at its determination of fair value on its investments in a total of 17 Private Loan portfolio companies for the nine months ended September 30, 2018, representing approximately 43% of the total Private Loan portfolio at fair value as of September 30, 2018, and on a total of 19 Private Loan portfolio companies for the nine months ended September 30, 2017, representing approximately 44% of the total Private Loan portfolio at fair value as of September 30, 2017. Excluding its investments in Private Loan portfolio companies which have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment as of September 30, 2018 and 2017, as applicable, and its investments in its Private Loan portfolio companies that were not reviewed because the investment is valued based upon third-party quotes or other independent pricing, the percentage of the Private Loan portfolio reviewed and certified by its independent financial advisory services firm for the nine months ended September 30, 2018 and 2017 was 67% and 74% of the total Private Loan portfolio at fair value as of September 30, 2018 and 2017, respectively.

For valuation purposes, all of Main Street's Other Portfolio investments are non-control investments. Main Street's Other Portfolio investments comprised 4.5% and 4.8% of Main Street's Investment Portfolio at fair value as of September 30, 2018 and December 31, 2017, respectively. Similar to the LMM investment portfolio, market quotations for Other Portfolio equity investments are generally not readily available. For its Other Portfolio equity investments, Main Street generally determines the fair value of these investments using the NAV valuation method. For its 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. For its Other Portfolio debt investments for which third-party quotes or other independent pricing are available and appropriate, Main Street 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 valuation purposes, Main Street's investment in the External Investment Manager is a control investment. Market quotations are not readily available for this investment, and as a result, Main Street determines the fair value of the External Investment Manager using the Waterfall valuation method under the market approach. In estimating the enterprise value, Main Street analyzes various factors, including the entity's historical and projected financial results, as well as its size, marketability and performance relative to the population of market comparables. This valuation approach estimates the value of the investment as if Main Street were to sell, or exit, the investment. In addition, Main Street considers its ability to control the capital structure of the company, as well as the timing of a potential exit, in connection with determining the fair value of the External Investment Manager.

Due to the inherent uncertainty in the valuation process, Main Street's determination of fair value for its Investment Portfolio may differ materially from the values that would have been determined had a ready market for the securities existed. In addition, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the

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gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. Main Street determines the fair value of each individual investment and records changes in fair value as unrealized appreciation or depreciation.

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

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 September 30, 2018 and December 31, 2017 approximates fair value as of those dates based on the markets in which Main Street operates and other conditions in existence on those reporting dates.

2. Use of Estimates

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

3. Cash and Cash Equivalents

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

At September 30, 2018, cash balances totaling \$46.3 million exceeded Federal Deposit Insurance Corporation insurance protection levels, subjecting the Company to risk related to the uninsured balance. All of the Company's cash deposits are held at large established high credit quality financial institutions and management believes that the risk of loss associated with any uninsured balances is remote.

4. Interest, Dividend and Fee Income

Main Street records interest and dividend income on the accrual basis to the extent amounts are expected to be collected. Dividend income is recorded as dividends are declared by the portfolio company or at the point an obligation exists for the portfolio company to make a distribution. In accordance with Main Street's valuation policies, Main Street evaluates accrued interest and dividend income periodically for collectability. When a loan or debt security becomes 90 days or more past due, and if Main Street otherwise does not expect the debtor to be able to service all of its debt or other

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obligations, Main Street will generally place the loan or debt security on non-accrual status and cease recognizing interest income on that loan or debt security until the borrower has demonstrated the ability and intent to pay contractual amounts due. If a loan or debt security's status significantly improves regarding the debtor's ability to service the debt or other obligations, or if a loan or debt security is sold or written off, Main Street removes it from non-accrual status.

As of September 30, 2018, Main Street's total Investment Portfolio had five investments on non-accrual status, which comprised approximately 1.2% of its fair value and 3.5% of its cost. As of December 31, 2017, Main Street's total Investment Portfolio had five investments on non-accrual status, which comprised approximately 0.2% of its fair value and 2.3% of its cost.

Main Street holds certain debt and preferred equity instruments in its Investment Portfolio that contain payment-in-kind ("PIK") interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed in Note B.9. below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the PIK interest and cumulative dividends in cash. Main Street stops accruing PIK interest and cumulative dividends and writes off any accrued and uncollected interest and dividends in arrears when it determines that such PIK interest and dividends in arrears are no longer collectible. For the three months ended September 30, 2018 and 2017, (i) approximately 1.4% and 1.9%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) approximately 1.1% and 1.8%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash. For the nine months ended September 30, 2018 and 2017, (i) approximately 1.0% and 2.7%, 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 1.8%, respectively, of Main Street's total investment income was attributable to cumulative dividend income not paid currently in cash.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
	(dollars in thousands)			
Interest, fee and dividend income:				
Interest income	\$ 46,351	\$ 39,814	\$ 130,229	\$ 117,340
Dividend income	8,510	10,088	36,021	25,198
Fee income	3,402	1,884	7,825	7,406
Total interest, fee and dividend income	\$ 58,263	\$ 51,786	\$ 174,075	\$ 149,944

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5. Deferred Financing Costs

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

6. Equity Offering Costs

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

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

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

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

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

To maintain RIC tax treatment (as discussed in Note B.9. below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though Main Street may not have collected the interest income. For the three months ended September 30, 2018 and 2017, approximately 3.1% and 3.8%, respectively, of Main Street's total investment income was attributable to interest income from the accretion of discounts associated with debt investments, net of any

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premium reduction. For the nine months ended September 30, 2018 and 2017, approximately 3.0% and 3.7%, respectively, of Main Street's total investment income was attributable to interest income from the accretion of discounts associated with debt investments, net of any premium reduction.

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 taxable income or capital gains that MSCC distributes to its stockholders. MSCC must generally distribute at least 90% of its "investment company taxable income" (which is generally its net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses) and 90% of its tax-exempt income to maintain its RIC status (pass-through tax treatment for amounts distributed). As part of maintaining RIC status, undistributed taxable income (subject to a 4% non-deductible U.S. federal excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared on or prior to the later of (i) the filing of the U.S. federal income tax return for the applicable fiscal year or (ii) the fifteenth day of the ninth month following the close of the year in which such taxable income was generated.

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

The External Investment Manager is an indirect wholly owned subsidiary of MSCC owned through a Taxable Subsidiary and is a disregarded entity for tax purposes. The External Investment Manager has entered into a tax sharing agreement with its Taxable Subsidiary owner. Since the External Investment Manager is accounted for as a portfolio investment of MSCC and is not included as a consolidated subsidiary of MSCC in MSCC's consolidated financial statements, and as a result of the tax sharing

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agreement with its Taxable Subsidiary owner, for its stand-alone financial reporting purposes the External Investment Manager is treated as if it is taxed at normal corporate tax rates based on its taxable income and, as a result of its activities, may generate income tax expense or benefit. The income tax expense, or benefit, if any, and the related tax assets and liabilities, of the External Investment Manager are reflected in the External Investment Manager's separate financial statements.

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

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

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

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

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

11. Fair Value of Financial Instruments

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

As part of Main Street's acquisition of the majority of the equity interests of MSC II in January 2010 (the "MSC II Acquisition"), Main Street elected the fair value option under ASC 825, *Financial Instruments* ("ASC 825"), relating to accounting for debt obligations at their fair value, for the MSC II SBIC debentures acquired as part of the acquisition accounting related to the MSC II Acquisition and values those obligations as discussed further in Note C. In order to provide for a more consistent basis

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of presentation, Main Street has continued to elect the fair value option for SBIC debentures issued by MSC II subsequent to the MSC II Acquisition. When the fair value option is elected for a given SBIC debenture, the deferred loan costs associated with the debenture are fully expensed in the current period to "Net Unrealized Appreciation (Depreciation) SBIC debentures" as part of the fair value adjustment. Interest incurred in connection with SBIC debentures which are valued at fair value is included in interest expense.

12. Earnings per Share

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

13. Recently Issued or Adopted Accounting Standards

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

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In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to recognize on the balance sheet a right-of-use asset, representing its right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The guidance is effective for annual periods beginning after December 15, 2018, and interim periods therein. Early application is permitted. While Main Street continues to assess the effect of adoption, Main Street currently believes the most significant change relates to the recognition of a new right-of-use asset and lease liability on its consolidated balance sheet for its office space operating lease. Main Street currently has one operating lease for office space and does not expect a significant change in the leasing activity between now and adoption. See further discussion of the operating lease obligation in Note M.

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

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*, which is intended to improve fair value and defined benefit disclosure requirements by removing disclosures that are not cost-beneficial, clarifying disclosures' specific requirements, and adding relevant disclosure requirements. The amendments take effect for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. Main Street is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements and related disclosures.

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

NOTE C FAIR VALUE HIERARCHY FOR INVESTMENTS AND DEBENTURES PORTFOLIO COMPOSITION

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

Fair Value Hierarchy

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

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

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

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

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

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

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

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

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

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 September 30, 2018 and December 31, 2017, all of Main Street's LMM portfolio investments consisted of illiquid securities issued by privately held companies. As a result, the fair value determination for all of Main Street's LMM portfolio investments primarily consisted of unobservable inputs. As a result, all of Main Street's LMM portfolio investments were categorized as Level 3 as of September 30, 2018 and December 31, 2017.

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As of September 30, 2018 and December 31, 2017, 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 September 30, 2018 and December 31, 2017.

As of September 30, 2018 and December 31, 2017, 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 September 30, 2018 and December 31, 2017.

As of September 30, 2018 and December 31, 2017, Main Street's Other Portfolio investments consisted of illiquid securities issued by privately held companies. The fair value determination for these investments primarily consisted of unobservable inputs. As a result, all of Main Street's Other Portfolio investments were categorized as Level 3 as of September 30, 2018 and December 31, 2017.

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;

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

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

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

Qualitative assessment of key management;

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

Other factors deemed relevant.

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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 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 tables provide a summary of the significant unobservable inputs used to fair value Main Street's Level 3 portfolio investments as of September 30, 2018 and December 31, 2017:

Type of Investment	Fair Value as of September 30, 2018 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Weighted		
				Range(3)	Average(3)	Median(3)
Equity investments	\$ 747,195	Discounted cash flow Market comparable / Enterprise Value	WACC	10.0% - 23.3%	13.7%	14.2%
			EBITDA multiple(1)	4.7x - 8.3x(2)	6.9x	6.0x
Debt investments	\$ 1,038,326	Discounted cash flow	Risk adjusted discount factor	7.4% - 16.5%(2)	11.8%	11.6%
			Expected principal recovery percentage	2.8% - 100.0%	99.7%	100.0%
Debt investments	\$ 641,352	Market approach	Third-party quote	11.0 - 106.3		
Total Level 3 investments	\$ 2,426,873					

- (1) EBITDA may include proforma adjustments and/or other addbacks based on specific circumstances related to each investment.
- (2) Range excludes outliers that are greater than one standard deviation from the mean. Including these outliers, the range for EBITDA multiple is 3.9x - 15.0x and the range for risk adjusted discount factor is 4.9% - 35.0%.
- (3) Does not include investments for which the valuation technique does not include the use of the applicable fair value input.

Type of Investment	Fair Value as of December 31, 2017 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Weighted		
				Range(3)	Average(3)	Median(3)

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Equity investments	\$ 653,008	Discounted cash flow	WACC	11.1% - 23.2%	13.7%	14.0%
		Market comparable / Enterprise Value	EBITDA multiple(1)	4.3x - 8.5x(2)	7.3x	6.0x
Debt investments	\$ 858,816	Discounted cash flow	Risk adjusted discount factor	6.7% - 16.1%(2)	11.2%	11.0%
			Expected principal recovery percentage	2.9% - 100.0%	99.8%	100.0%
Debt investments	\$ 659,481	Market approach	Third-party quote	11.0 - 106.0		
Total Level 3 investments	\$ 2,171,305					

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

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- (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 4.3% - 30.0%.
- (3) Does not include investments for which the valuation technique does not include the use of the applicable fair value input.

The following tables provide a summary of changes in fair value of Main Street's Level 3 portfolio investments for the nine month periods ended September 30, 2018 and 2017 (amounts in thousands):

Type of Investment	Fair Value as of December 31, 2017	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net			Fair Value as of September 30, 2018
					Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	
Debt	\$ 1,518,297	\$	\$ (512,532)	\$ 656,376	\$ 33,724	\$ (7,737)	\$ (8,450)	\$ 1,679,678
Equity	641,493		(40,920)	92,855	(34,943)	69,034	8,450	735,969
Equity Warrant	11,515		(280)	181	(1,120)			