UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2022
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	**41-2230745**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1300 Post Oak Boulevard, 8th Floor Houston, TX	**77056**
(Address of principal executive offices)	(Zip Code)

(713) 350-6000
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	MAIN	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 ☐

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 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.

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of June 30, 2022, was $2,711.4 million based upon the last sale price for the registrant's common stock on that date.

The number of shares outstanding of the issuer's common stock as of February 23, 2023 was 79,549,888.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrants' definitive Proxy Statement for its 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission, are incorporated by reference in this Annual Report on Form 10-K in response to Part III.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements regarding the plans and objectives of management for future operations and which relate to future events or our future performance or financial condition. Any such forward-looking statements may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and we cannot assure you that the projections included in these forward-looking statements will come to pass. Our actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors, including, without limitation, the factors discussed in Item 1A entitled "Risk Factors" in Part I of this Annual Report on Form 10-K and elsewhere in this Annual Report on Form 10-K and in other filings we may make with the Securities and Exchange Commission ("SEC") from time to time. Other factors that could cause actual results to differ materially include changes in the economy and future changes in laws or regulations and conditions in our operating areas.

We have based the forward-looking statements included in this Annual Report on Form 10-K on information available to us on the date of this Annual Report on Form 10-K, and we assume no obligation to update any such forward-looking statements, unless we are required to do so by applicable law. However, you are advised to refer to any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including subsequent annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

PART I

Item 1. *Business*

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 investment strategy. 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"). 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.

MSCC wholly owns several investment funds, including Main Street Mezzanine Fund, LP ("MSMF") and Main Street Capital III, LP ("MSC III" and, together with MSMF, the "Funds"), and each of their general partners. The Funds are each licensed as a Small Business Investment Company ("SBIC") by the United States Small Business Administration ("SBA").

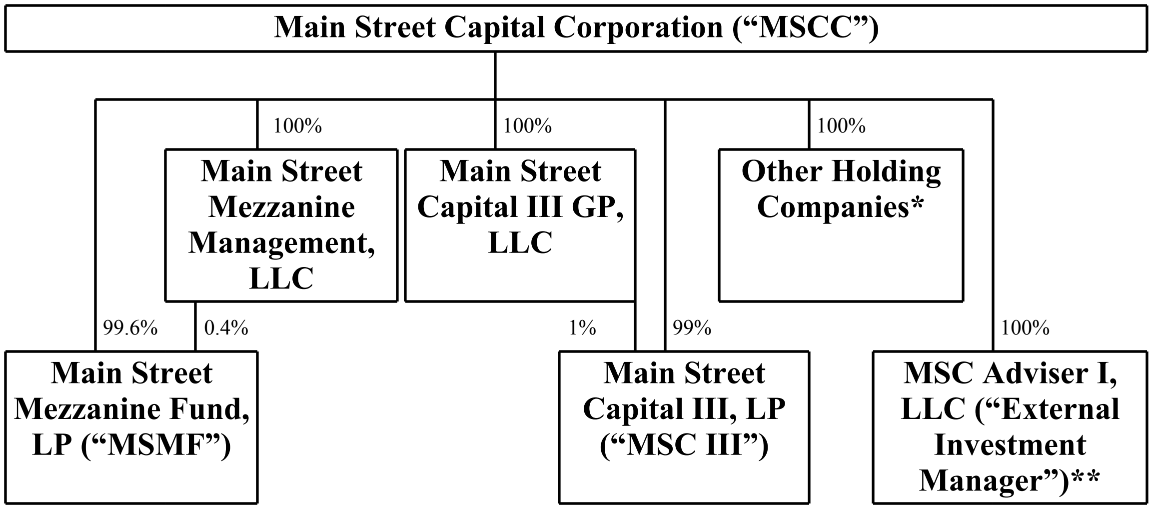
MSC Adviser I, LLC (the "External Investment Manager") was formed in November 2013 as a wholly-owned subsidiary of MSCC to provide investment management and other services to parties other than MSCC and its subsidiaries ("External Parties") and receives fee income for such services. MSCC has been granted 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 does 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. MSCC also has certain direct and indirect wholly-owned subsidiaries formed for financing purposes (the "Structured Subsidiaries").

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, the Taxable Subsidiaries and the Structured Subsidiaries.

The following diagram depicts our organizational structure:



* Other Holding Companies includes the Taxable Subsidiaries, the Structured Subsidiaries and other entities formed for operational purposes. Each of these companies is directly or indirectly wholly-owned by MSCC.

** The External Investment Manager is accounted for as a portfolio investment at fair value, as opposed to a consolidated subsidiary, and is indirectly wholly-owned by MSCC.

CORPORATE INFORMATION

Our principal executive offices are located at 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056. We maintain a website on the Internet at www.mainstcapital.com. We make available free of charge on our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. Information contained on our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider that information to be part of this Annual Report on Form 10-K. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports and other public filings are also available free of charge on the EDGAR Database on the SEC’s website at www.sec.gov.

OVERVIEW OF OUR BUSINESS

Our principal investment objective is to maximize our portfolio’s total return by generating current income from our debt investments and current income and capital appreciation from our equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. We seek to achieve our investment objective through our LMM, Private Loan (as defined below) and Middle Market investment strategies. Our LMM investment strategy involves investments in companies that generally have annual revenues between $10 million and $150 million, and our LMM portfolio investments generally range in size from $5 million to $75 million. Our private loan (“Private Loan”) investment strategy involves investments in companies that are consistent with the size of the companies in our LMM and Middle Market investment strategies, and our Private Loan investments generally range in size from $10 million to $75 million. Our Middle Market investment strategy involves investments in companies that are generally larger in size than our LMM companies, with annual revenues typically between $150 million and $1.5 billion, and our Middle Market investments generally range in size from $3 million to $25 million.

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

Private Loan investments consist generally of loans that either (i) primarily have originated directly by us or (ii) to a lesser extent, through strategic relationships with other investment funds on a collaborative basis that are often referred to in the debt markets as “club deals” because of the small lender group size. In both cases, our Private Loan Investments are typically made to a company to support the acquisition of the company by a private equity sponsor. Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio. Our Private Loan portfolio debt investments are generally secured by a first priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date. We may also invest alongside the sponsor in the equity securities of our Private Loan portfolio companies.

Our Middle Market portfolio investments primarily consist of direct investments in or secondary purchases of interest-bearing syndicated loans or debt securities in privately held companies based in the United States that are generally larger in size than the companies included in our LMM portfolio. Our Middle Market portfolio debt investments are generally secured by a first priority lien on the assets of the portfolio company and typically have an expected duration of between three and seven years from the original investment date.

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

Subject to changes in our cash and overall liquidity, our Investment Portfolio (as defined below) may also include short-term portfolio investments that are atypical of our LMM, Private Loan and Middle Market portfolio investments in that they are intended to be a short-term deployment of capital. These assets are typically expected to be liquidated in one year or less and are not expected to be a significant portion of the overall Investment Portfolio.

Our external asset management business is conducted through the External Investment Manager. The External Investment Manager earns management fees based on the assets of the funds under management and may earn incentive fees, or a carried interest, based on the performance of the funds managed.

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

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

Because we are internally managed, we do not pay any external investment advisory fees, but instead directly incur the operating costs associated with employing investment and portfolio management professionals. We believe that our internally managed structure provides us with a better alignment of interests between our management team and our employees and our shareholders and a beneficial operating expense structure when compared to other publicly traded and privately held investment firms which are externally managed, and our internally managed structure allows us the opportunity to leverage our non-interest operating expenses as we grow our Investment Portfolio (as defined below) and our External Investment Manager’s asset management business (as defined below). For the years ended December 31, 2022 and 2021, the ratio of our total operating expenses, excluding interest expense, as a percentage of our quarterly average total assets was 1.4% and 1.5%, respectively. The ratio of our total operating expenses, including interest expense, as a percentage of our quarterly average total assets was 3.3% and 3.4%, respectively, for the years ended December 31, 2022 and 2021. For further information on our expense ratio refer to Note F to the consolidated financial statements included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

Through the External Investment Manager, we serve as the sole investment adviser and administrator to MSC Income Fund, Inc. ("MSC Income") pursuant to an Investment Advisory and Administrative Services Agreement entered into between the External Investment Manager and MSC Income (the "Advisory Agreement"). Under the Advisory Agreement, the External Investment Manager earns a 1.75% annual base management fee and a 20% incentive fee on MSC Income's pre-investment fee net investment income above a specified hurdle rate in exchange for providing advisory services to MSC Income.

Additionally, the External Investment Manager has entered into an Investment Management Agreement with MS Private Loan Fund I, LP, a private investment fund with a strategy to co-invest with Main Street in Private Loan portfolio investments (the "Private Loan Fund"), pursuant to which the External Investment Manager provides investment advisory and management services to the Private Loan Fund in exchange for an asset-based fee and certain incentive fees. The External Investment Manager may also advise other clients, including funds and separately managed accounts, pursuant to advisory and services agreements with such clients in exchange for asset-based and incentive fees.

The External Investment Manager earns management fees based on the assets of the funds and accounts under management and may earn incentive fees, or a carried interest, based on the performance of the funds and accounts managed. The total contribution of the External Investment Manager to our net investment income consists of the combination of the expenses allocated to the External Investment Manager and the dividend income earned from the External Investment Manager. For the years ended December 31, 2022, 2021 and 2020, the total contribution of the External Investment Manager to our net investment income was $22.3 million, $16.5 million and $9.9 million, respectively. During the year ended December 31, 2022, the External Investment Manager earned $21.8 million in base management fees, and $2.5 million in incentive fees and $0.6 million in administrative service fees compared to $17.7 million of base management fees and $0.6 million in incentive fees in 2021 and $10.7 million of base management fees and no incentive fees in 2020 for the investment advisory services provided to MSC Income, the Private Loan Fund and other clients.

We have entered into an agreement with the External Investment Manager to share employees in connection with its asset management business generally, and specifically for its relationship with MSC Income and its other clients. Through this agreement, we share employees with the External Investment Manager, including their related infrastructure, business relationships, management expertise and capital raising capabilities, and we allocate the related expenses to the External Investment Manager pursuant to the sharing agreement. Our total expenses for the years ended December 31, 2022, 2021 and 2020 are net of expenses allocated to the External Investment Manager of $13.0 million, $10.3 million and $7.4 million, respectively.

We have received an exemptive order from the SEC permitting co-investments among us, MSC Income and other funds and clients advised by the External Investment Manager in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act. We have made co-investments with, and in the future intend to continue to make co-investments with MSC Income, the Private Loan Fund and other clients advised by the External Investment Manager, in accordance with the conditions of the order. The order requires, among other things, that we and the External Investment Manager consider whether each such investment opportunity is appropriate for us and the External Investment Manager's advised clients, as applicable, and if it is appropriate, to propose an allocation of the investment opportunity between such parties. Because the External Investment Manager may receive performance-based fee compensation from funds and clients advised by the External Investment Manager, this may provide the Company and the External Investment Manager an incentive to allocate opportunities to other participating funds and clients instead of us. However, both we and the External Investment Manager have policies and procedures in place to manage this conflict, including oversight by the independent members of our Board of Directors. In addition to the co-investment program described above, we also co-invest in syndicated deals and other transactions where price is the only negotiated point by us and our affiliates.

BUSINESS STRATEGIES

Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and current income and capital appreciation from our equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. We have adopted the following business strategies to achieve our investment objective:

- *Deliver Customized Financing Solutions in the Lower Middle Market.* We offer LMM portfolio companies customized debt and equity financing solutions that are tailored to the facts and circumstances of each situation. We believe our ability to provide a broad range of customized financing solutions to LMM companies sets us apart from other capital providers that focus on providing a limited number of financing solutions. Our ability to invest across a company's capital structure, from senior secured loans to subordinated debt to equity securities, allows us to offer LMM portfolio companies a comprehensive suite of financing options, or a "one-stop" financing solution.

- *Focus on Established Companies.* We generally invest in companies with established market positions, experienced management teams and proven revenue streams. We believe that those companies generally possess better risk-adjusted return profiles than newer companies that are building their management teams or are in the early stages of building a revenue base. We also believe that established companies in our targeted size range also generally provide opportunities for capital appreciation.

- *Leverage the Skills and Experience of our Investment Team.* Our investment team has significant experience in lending to and investing in LMM and Middle Market companies. The members of our investment team have broad investment backgrounds, with prior experience at private investment funds, investment banks and other financial services companies and currently include seven certified public accountants and two Chartered Financial Analyst® charter holders. The expertise of our investment team in analyzing, valuing, structuring, negotiating and closing transactions should provide us with competitive advantages by allowing us to consider customized financing solutions and non-traditional or complex structures for our portfolio companies. Also, the reputation of our investment team has and should continue to enable us to generate additional revenue in the form of management and incentive fees in connection with us providing advisory services to other investment funds.

- *Invest Across Multiple Companies, Industries, Regions and End Markets.* We seek to maintain a portfolio of investments that is appropriately balanced among various companies, industries, geographic regions and end markets. This portfolio balance is intended to mitigate the potential effects of negative economic events for particular companies, regions, industries and end markets.

- *Capitalize on Strong Transaction Sourcing Network.* Our investment team seeks to leverage its extensive network of referral sources for portfolio company investments. We have developed a reputation in our marketplace as a responsive, efficient and reliable source of financing, which has created a growing stream of proprietary deal flow for us.

- *Grow our Asset Management Business.* Our asset management business provides us with a recurring source of income, additional income diversification from sources of income directly tied to invested capital and the opportunity for greater stockholder returns through the utilization of our existing investment expertise, strong historical track record and favorable reputation. We seek to grow our asset management business within our internally managed BDC structure in order to increase the value of this unique benefit to our stakeholders. We expect such growth to come organically through the expansion of the investment capital that we manage for third parties and the potential extension of our asset management business to new investment strategies, and potentially through mergers and acquisition activities.

- *Benefit from Lower, Fixed, Long-Term Cost of Capital.* The SBIC licenses held by the Funds have allowed them to issue SBA-guaranteed debentures. SBA-guaranteed debentures carry long-term fixed interest rates that are generally lower than interest rates on comparable bank loans and other debt. Because lower-cost SBA leverage is, and will continue to be, a significant part of our capital base through the Funds, our relative cost of debt capital should be lower than many of our competitors. In addition, the SBIC leverage that we receive through the Funds represents a stable, long-term component of our capital structure with proper matching of duration and cost compared to our LMM portfolio investments. We also maintain investment grade ratings from both Standard & Poor's Ratings Services and Fitch Ratings, which provide us the opportunity and flexibility to obtain additional, attractive long-term financing options to supplement our capital structure, including the unsecured notes with fixed interest rates we issued in 2019, 2020, 2021, 2022 and 2023.

INVESTMENT CRITERIA

Our investment team has identified the following investment criteria that it believes are important in evaluating prospective portfolio companies. Our investment team uses these criteria in evaluating investment opportunities. However, not all of these criteria have been, or will be, met in connection with each of our investments:

- *Proven Management Team with Meaningful Equity Stake.* We look for operationally-oriented management with direct industry experience and a successful track record. In addition, we expect the management team of each LMM portfolio company to have meaningful equity ownership in the portfolio company to better align our respective economic interests. We believe management teams with these attributes are more likely to manage the companies in a manner that both protects our debt investment and enhances the value of our equity investment.

- *Established Companies with Positive Cash Flow.* We seek to invest in established companies with sound historical financial performance. We typically focus on LMM companies that have historically generated earnings before interest, taxes, depreciation and amortization ("EBITDA") of $3 million to $20 million and commensurate levels of free cash flow. We also pursue investments in debt securities of Middle Market companies that are generally established companies with sound historical financial performance that are generally larger in size than LMM companies. We generally do not invest in start-up companies or companies with speculative business plans.

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

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

INVESTMENT PORTFOLIO

The "Investment Portfolio", as used herein, refers to all of our investments in LMM companies (including both our LMM and Private Loan portfolio investments) and investments in Middle Market companies (including both our Private Loan and Middle Market portfolio investments), Other Portfolio investments and our investment in the External Investment Manager. Our LMM portfolio investments primarily consist of secured debt, direct equity investments and equity warrants in privately held, LMM companies based in the United States. Our Private Loan portfolio investments primarily consist of investments in interest-bearing debt securities in companies that are consistent with the size of the companies in our LMM portfolio and Middle Market portfolio and are originated either (i) directly by us or (ii) to a lesser extent, through strategic relationships with other investment funds on a collaborative basis that are often referred to in the debt markets as "club deals" because of the small lender group size. In both cases, our Private Loan investments are typically made to a company to support the acquisition of the company by a private equity sponsor. Our Middle Market portfolio investments primarily consist of direct investments in or secondary purchases of interest-bearing debt securities in privately held companies based in the United States that are generally larger in size than the companies included in our LMM portfolio. Our Other Portfolio investments primarily consist of investments that are not consistent with the typical profiles for our LMM, Private Loan and Middle Market portfolio investments, including investments which may be managed by third parties. In our Other Portfolio, we may incur indirect fees and expenses in connection with investments managed by third parties, such as investments in other investment companies or private funds.

Debt Investments

Historically, we have made LMM debt investments principally in the form of single tranche debt. Single tranche debt financing involves issuing one debt security that blends the risk and return profiles of both first lien secured and subordinated debt. We believe that single tranche debt is more appropriate for many LMM companies given their size in order to reduce structural complexity and potential conflicts among creditors.

Our LMM debt investments generally have a term of five to seven years from the original investment date, with limited required amortization prior to maturity, and provide for monthly or quarterly payment of interest at interest rates generally between 10% and 14% per annum, payable currently in cash. Interest rate terms can include either fixed or floating rate terms. The LMM debt investments with floating interest rates will generally bear interest at the London Interbank Offered Rate ("LIBOR"), the Secured Overnight Financing Rate ("SOFR") or the Prime rate typically subject to a contractual minimum interest rate (an "interest rate floor"), plus a margin. In addition, certain LMM debt investments may have a form of interest that is not paid currently but is accrued and added to the loan balance and paid at maturity. We refer to this form of interest as payment-in-kind, or PIK, interest. We typically structure our LMM debt investments with the maximum seniority and collateral that we can reasonably obtain while seeking to achieve our total return target. In most cases, our LMM debt investment will be collateralized by a first priority lien on substantially all the assets of the portfolio company. In addition to seeking a senior lien position in the capital structure of our LMM portfolio companies, we seek to limit the downside potential of our LMM debt investments by negotiating covenants that are designed to protect our LMM debt investments while affording our portfolio companies as much flexibility in managing their businesses as is reasonable. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control or change of management provisions, key-man life insurance, guarantees, equity pledges, personal guaranties, where appropriate, and put rights. In addition, we typically seek board representation or observation rights in all of our LMM portfolio companies.

While we will continue to focus our LMM debt investments primarily on single tranche debt investments, we may structure some of our debt investments as mezzanine loans. These mezzanine loans would be primarily junior secured or unsecured, subordinated loans that would provide for relatively high interest rates, payable currently in cash, and would provide us with significant interest income. These mezzanine loans would afford us the additional opportunity for income and gains through PIK interest and equity warrants and other similar equity instruments issued in conjunction with these mezzanine loans. These loans typically would have interest-only payments in the early years, with amortization of principal deferred to the later years of the mezzanine loan term. Typically, these mezzanine loans would have maturities of three to five years. We would generally target interest rates of 12% to 14%, payable currently in cash, for our mezzanine loan investments with higher targeted total returns from equity warrants or PIK interest.

Our Private Loan portfolio investments primarily consist of investments in interest-bearing debt securities in companies that are consistent with the size of companies in our LMM portfolio or our Middle Market portfolio, but are investments which have been originated directly by Main Street or through strategic relationships with other investment funds on a collaborative basis and are typically made to a company to support the acquisition of the company by a private equity sponsor. The debt investments in our Private Loan portfolio have rights and protections that are similar to those in our LMM debt investments, which may include affirmative and negative covenants, default penalties, lien protection, change of control provisions, guarantees and equity pledges. Our Private Loan portfolio debt investments are generally secured by a first priority lien and typically have a term of between three and seven years from the original investment date. Our Private Loan debt investments generally have floating interest rates at LIBOR, SOFR or Prime rate typically subject to an interest rate floor, plus a margin.

We also pursue debt investments in Middle Market companies. Our Middle Market portfolio investments primarily consist of direct investments or secondary purchases of interest-bearing debt securities in privately held companies based in the United States that are generally larger in size than the companies included in our LMM portfolio. Our Middle Market portfolio debt investments are generally secured by a first priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date. The debt investments in our Middle Market portfolio usually have rights and protections that are similar to those in our LMM and Private Loan debt investments. The Middle Market debt investments generally have floating interest rates at LIBOR, SOFR or Prime rate typically subject to an interest rate floor, plus a margin.

Warrants

In connection with our LMM debt investments, we occasionally receive equity warrants to establish or increase our equity interest in the portfolio company. Warrants that we receive in connection with a debt investment typically require only a nominal cost to exercise, and thus, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We typically structure the warrants to provide provisions protecting our rights as a minority-interest holder, as well as secured or unsecured put rights, or rights to sell such securities back to the portfolio company, upon the occurrence of specified events. In certain cases, we also may obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights.

Direct Equity Investments

We also seek to make direct equity investments to align our interests with key management and stockholders of our LMM portfolio companies, and to allow for participation in the appreciation in the equity values of our LMM portfolio companies. We usually make our direct equity investments in connection with debt investments in our LMM portfolio companies. In addition, we may have both equity warrants and direct equity positions in some of our LMM portfolio companies. We seek to maintain fully diluted equity positions in our LMM portfolio companies of 5% to 50%, and may have controlling equity interests in some instances. We have a value orientation toward our direct equity investments and have traditionally been able to purchase our equity investments at reasonable valuations. We will also have, from time to time, the opportunity to make an equity co-investment in the equity securities of our Private Loan portfolio companies alongside the private equity sponsor. The equity co-investment aligns our interests with those of the private equity sponsor and provides us with the opportunity to benefit from appreciation on our investment.

INVESTMENT PROCESS

Our management team's investment committee is responsible for all aspects of our investment processes. The current members of our investment committee are Dwayne L. Hyzak, our Chief Executive Officer, David Magdol, our President and Chief Investment Officer, and Vincent D. Foster, our Senior Advisor and Chairman of the Board.

The investment processes for LMM, Private Loan and Middle Market portfolio investments are outlined below. Our investment strategy involves a "team" approach, whereby potential transactions are screened by several members of our investment team before being presented to the investment committee. Our investment committee meets on an as-needed basis depending on transaction volume. We generally categorize our investment process into seven distinct stages:

Deal Generation/Origination

Deal generation and origination is maximized through long-standing and extensive relationships with industry contacts, brokers, commercial and investment bankers, entrepreneurs, service providers such as lawyers, financial advisors and accountants, and current and former portfolio companies and investors. Our investment team has focused its deal generation and origination efforts on LMM, Private Loan and Middle Market investments, and we have developed a reputation as a knowledgeable, reliable and active source of capital and assistance in these markets.

Screening

During the screening process, if a transaction initially meets our investment criteria, we will perform preliminary due diligence, taking into consideration some or all of the following information:

- a comprehensive financial model based on quantitative analysis of historical financial performance, projections and pro forma adjustments to determine the estimated internal rate of return;
- a brief industry and market analysis;
- direct industry expertise imported from other portfolio companies or investors;
- preliminary qualitative analysis of the management team's competencies and backgrounds;
- potential investment structures and pricing terms; and
- regulatory compliance.

Upon successful screening of a proposed LMM transaction, the investment team makes a recommendation to our investment committee. If our investment committee concurs with moving forward on the proposed LMM transaction, we typically issue a non-binding term sheet or letter of intent to the company. Upon successful screening of a proposed Private Loan transaction, the investment team makes a recommendation to our investment committee. If our investment committee concurs with moving forward on the proposed Private Loan transaction, we typically issue a non-binding term sheet to the company. For Middle Market portfolio investments, the initial term sheet is typically issued by the borrower, through the syndicating bank, and is screened by the investment team which makes a recommendation to our investment committee.

Term Sheet

For proposed LMM transactions, the non-binding term sheet or letter of intent will include the key economic terms based upon our analysis performed during the screening process, as well as a proposed timeline and our qualitative expectation for the transaction. While the term sheet or letter of intent for LMM investments is non-binding, we typically receive an expense deposit in order to move the transaction to the due diligence phase. Upon execution of a term sheet, we begin our formal due diligence process.

For proposed Private Loan transactions, the non-binding term sheet will include the key economic terms based upon our analysis performed during the screening process, as well as a proposed timeline and our qualitative expectation for the transaction. Upon execution of a term sheet, we begin our formal due diligence process.

For proposed Middle Market transactions, the initial term sheet will include key economic terms and other conditions proposed by the borrower and its representatives and the proposed timeline for the investment, which are reviewed by our investment team to determine if such terms and conditions are in agreement with our investment objectives.

Due Diligence

Due diligence on a proposed LMM investment is performed by a minimum of three of our investment professionals, whom we refer to collectively as the investment team, and certain external resources, who together conduct due diligence to understand the relationships among the prospective portfolio company's business plan, operations and financial performance. Our LMM due diligence review includes some or all of the following:

- site visits with management and key personnel;
- detailed review of historical and projected financial statements;
- operational reviews and analysis;
- interviews with customers and suppliers;
- detailed evaluation of company management, including background checks;
- review of material contracts;
- in-depth industry, market and strategy analysis;
- regulatory compliance analysis; and
- review by legal, environmental or other consultants, if applicable.

Due diligence on a proposed Private Loan or Middle Market investment is generally performed on materials and information obtained from certain external resources and assessed internally by a minimum of three of our investment professionals, who work to understand the relationships among the prospective portfolio company's business plan, operations and financial performance using the accumulated due diligence information. Our typical Private Loan and Middle Market due diligence review includes some or all of the following:

- detailed review of historical and projected financial statements
- site visits or other discussions with management and key personnel;
- in-depth industry, market, operational and strategy analysis;
- regulatory compliance analysis; and
- detailed review of the company's management team and their capabilities.

During the due diligence process, significant attention is given to sensitivity analyses and how the company might be expected to perform given downside, base-case and upside scenarios. In certain cases, we may decide not to make an investment based on the results of the diligence process.

Document and Close

Upon completion of a satisfactory due diligence review of a proposed LMM portfolio investment, the investment team presents the findings and a recommendation to our investment committee. The presentation contains information which can include, but is not limited to, the following:

- company history and overview;
- transaction overview, history and rationale, including an analysis of transaction strengths and risks;
- analysis of key customers and suppliers and key contracts;
- a working capital analysis;
- an analysis of the company's business strategy;
- a management and key equity investor background check and assessment;
- third-party accounting, legal, environmental or other due diligence findings;
- investment structure and expected returns;
- anticipated sources of repayment and potential exit strategies;
- pro forma capitalization and ownership;
- an analysis of historical financial results and key financial ratios;
- sensitivities to management's financial projections;
- regulatory compliance analysis findings; and
- detailed reconciliations of historical to pro forma results.

Upon completion of a satisfactory due diligence review of a proposed Private Loan or Middle Market portfolio investment, the investment team presents the findings and a recommendation to our investment committee. The presentation contains information which can include, but is not limited to, the following:

- company history and overview;
- transaction overview, history and rationale, including an analysis of transaction strengths and risks;
- analysis of key customers and suppliers;
- an analysis of the company's business strategy;
- investment structure and expected returns;
- anticipated sources of repayment and potential exit strategies;
- pro forma capitalization and ownership;
- regulatory compliance analysis findings; and

- an analysis of historical financial results and key financial ratios.

If any adjustments to the transaction terms or structures are proposed by the investment committee, such changes are made and applicable analyses are updated prior to approval of the transaction. Approval for the transaction must be made by the affirmative vote from a majority of the members of the investment committee, with the committee member managing the transaction, if any, abstaining from the vote. Upon receipt of transaction approval, the investment team will re-confirm regulatory compliance, process and finalize all required legal documents, and fund the investment.

Post-Investment

We continuously monitor the status and progress of the portfolio companies. We generally offer managerial assistance to our portfolio companies, giving them access to our investment experience, direct industry expertise and contacts. The same investment team that was involved in the investment process will continue its involvement in the portfolio company post-investment. This provides for continuity of knowledge and allows the investment team to maintain a strong business relationship with key management of our portfolio companies for post-investment assistance and monitoring purposes.

As part of the monitoring process of LMM portfolio investments, the investment team will analyze monthly and quarterly financial statements versus the previous periods and year, review financial projections, meet and discuss issues or opportunities with management, attend board meetings and review all compliance certificates and covenants. While we maintain limited involvement in the ordinary course operations of our LMM portfolio companies, we maintain a higher level of involvement in non-ordinary course financing or strategic activities and any non-performing scenarios.

As part of the monitoring process of our Private Loan and Middle Market portfolio investments, the investment team will analyze monthly and quarterly financial statements versus the previous periods and year, review financial projections and review all compliance certificates and covenants. Depending upon the nature of our Private Loan portfolio investments, our investment team may also attend board meetings, and meet and discuss issues or opportunities with the portfolio company's management team or private equity owners, however, due to the larger size and nature of our "lender only" relationship with these Private Loan and Middle Market companies in comparison to our LMM portfolio companies, it is not necessary or practical to have as much direct management interface.

We utilize an internally developed investment rating system to rate the performance of each LMM, Private Loan and Middle Market portfolio company and to monitor our expected level of returns on each of our LMM, Private Loan and Middle Market investments in relation to our expectations for the portfolio company. The investment rating system takes into consideration various factors, including, but not limited to, each investment's expected level of returns, the collectability of our debt investments and the ability to receive a return of the invested capital in our equity investments, comparisons to competitors and other industry participants, the portfolio company's future outlook and other factors that are deemed to be significant to the portfolio company.

Exit Strategies/Refinancing

While we generally exit most investments through the refinancing or repayment of our debt and redemption or sale of our equity positions, we typically assist our LMM portfolio companies in developing and planning exit opportunities, including any sale or merger of our portfolio companies. We may also assist in the structure, timing, execution and transition of the exit strategy. The refinancing or repayment of Private Loan investments and Middle Market debt investments typically do not require our assistance due to the additional resources available to these larger Private Loan and Middle Market companies.

DETERMINATION OF NET ASSET VALUE AND INVESTMENT PORTFOLIO VALUATION PROCESS

We determine the net asset value ("NAV") per share of our common stock on a quarterly basis. The NAV per share is equal to our total assets minus total liabilities divided by the total number of shares of common stock outstanding.

We are required to report our investments at fair value. As a result, the most significant determination inherent in the preparation of our consolidated financial statements is the valuation of our Investment Portfolio and the related amounts of unrealized appreciation and depreciation. We follow the provisions of the Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 requires us to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact.

We determine in good faith the fair value of our Investment Portfolio pursuant to a valuation policy in accordance with ASC 820 and a valuation process approved by our Board of Directors and in accordance with the 1940 Act. Our valuation policies and processes are intended to provide a consistent basis for determining the fair value of our Investment Portfolio. See *Note B.1. — Valuation of the Investment Portfolio* included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K for a detailed discussion of our Investment Portfolio valuation process and procedures.

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

The 1940 Act requires valuation of a portfolio security at "market value" if market quotations for the security are "readily available." Portfolio securities for which market quotations are not readily available must be valued at fair value as determined in good faith by the board of directors. In December 2020, the SEC adopted Rule 2a-5 under the 1940 Act, which permits a BDC's board of directors to designate its executive officers or investment adviser as a valuation designee to determine the fair value for its investment portfolio, subject to the active oversight of the board.

Our Board of Directors adopted policies and procedures pursuant to Rule 2a-5 (the "Valuation Procedures") and designated a group of our executive officers to serve as the Board's valuation designee thereunder (the "Valuation Committee") effective April 1, 2021. Pursuant to the Valuation Procedures, we undertake a multi-step process each quarter in connection with determining the fair value of our investments.

The following outlines our valuation process as established under the Valuation Procedures:

- Our quarterly process begins with an initial valuation of each portfolio investment performed by the valuation team consisting of several professionals who apply the appropriate valuation methodology depending on the type of investment.

- Each valuation model is then reviewed by the investment team responsible for monitoring the portfolio investment for accuracy, with any recommended changes reviewed by the valuation team.

- Updated valuation conclusions are then reviewed by and discussed with the Valuation Committee at quarterly valuation meetings. Valuation meetings are generally attended by the Valuation Committee, the valuation team, members of the investment team responsible for each investment and members of the compliance team. Valuation models and valuation conclusions are adjusted as necessary following such meetings.

- A nationally recognized independent financial advisory services firm analyzes and provides observations, recommendations and an assurance certification regarding the determinations of the fair value for the majority of our portfolio companies on a rotational basis.

- After incorporating commentary by the Valuation Committee and review of recommendations provided by the independent financial advisory services firm, valuation results are finalized and approved by the Valuation Committee.

- The Board of Directors oversees the process through its Audit Committee in accordance with Rule 2a-5 pursuant to the Valuation Procedures.

Determination of fair value involves subjective judgments and estimates. The notes to our consolidated financial statements refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our financial results and financial condition.

COMPETITION

We compete for investments with a number of investment funds (including private equity funds, mezzanine funds, BDCs, and SBICs), as well as traditional financial services companies such as commercial banks and other sources of financing. Many of the entities that compete with us are larger and have more resources available to them. We believe we are able to be competitive with these entities primarily on the basis of our focus toward the underserved LMM, the experience and contacts of our management team, our responsive and efficient investment analysis and decision-making processes, our comprehensive suite of customized financing solutions and the investment terms we offer.

We believe that some of our competitors make senior secured loans, junior secured loans and subordinated debt investments with interest rates and returns that are comparable to or lower than the rates and returns that we target. Therefore, we do not seek to compete primarily on the interest rates and returns that we offer to potential portfolio companies. For additional information concerning the competitive risks we face, see *Item 1A. Risk Factors — Risks Related to Our Business and Structure — We face increasing competition for investment opportunities.*

HUMAN CAPITAL

Our employees are vital to our success as a principal investment firm. As a human-capital intensive business, the long-term success of our company depends on our people. We strive to attract, develop and retain our employees by offering unique employment opportunities, superior advancement and promotion opportunities, attractive compensation and benefit structures and a close-knit culture. The departure of our key investment and other personnel could cause our operating results to suffer.

Our LMM business segment depends heavily on the business owners and management teams of our portfolio companies and their respective employees, contractors and service providers. In our investment process for LMM portfolio investments, the analysis of these individuals is a critical part of our overall investment underwriting process and as a result we carefully review the qualifications and experience of the portfolio company's business owners and management team and their employment practices. We strive to partner with business owners and management teams whose business practices reflect our core values.

We strive to recruit talented and driven individuals who share our values. We have competitive programs dedicated to attracting and retaining new talent and enhancing the skills of our employees. Our recruiting efforts utilize strong relationships with a variety of sources from which we recruit. Among other opportunities, we offer selected students investment analyst internships, which are expected to lead to permanent roles for high performing and high potential interns. Through our internship program, individuals who want to become investment analysts have the opportunity to see the full investment process from origination to closing, as well as post-closing portfolio management activities. We routinely recruit from within, promoting current employees who have shown the technical ability, attitude, interest and the initiative to take on greater responsibility.

We have designed a compensation structure, including an array of benefit plans and programs, that we believe is attractive to our current and prospective employees. We also offer formal and informal training and mentorship programs that provide employees with access to senior level executives. Through our annual goal setting and performance review processes, our employees are annually evaluated by supervisors and our senior management team to ensure employees continue to develop and advance as expected. We are committed to having a diverse workforce, and an inclusive work environment is a natural extension of our culture. We also maintain a Women's Initiative that provides employees with opportunities to network internally at Main Street and externally with other women in the financial services industry. Our employees have access to several programs designed to enable our employees to balance work, family and family-related situations including flexible working arrangements and parental leave for birth and adoption placement. We are committed to creating and maintaining an atmosphere where all employees feel welcomed, valued, respected and heard so that they feel motivated and encouraged to contribute fully to their careers, our company and our communities.

We seek to maintain a close-knit culture, which we believe is an important factor in employee retention, which is reinforced by our Community Building Committee. Our Community Building Committee, which is composed of a substantial cross section of employees across our organization, develops programs and initiatives that promote an open and inclusive atmosphere and encourage employee outreach with our community, in each case based upon feedback received from our employees. Initiatives generated by our Community Building Committee include employee well-being and engagement activities along with volunteer and donation opportunities with local charitable organizations. We encourage you to visit our website for more information about charitable organizations receiving our ongoing support. Nothing on our website, however, shall be deemed incorporated by reference into this Annual Report on Form 10-K.

We monitor and evaluate various turnover and attrition metrics throughout our management team. Our annualized voluntary turnover is relatively low, a record which we attribute to our strong corporate culture, commitment to career development and attractive compensation and benefit programs. For additional information concerning the competitive risks we face, see *Item 1A. Risk Factors — Risks Related to Our Business and Structure — Our success depends on attracting and retaining qualified personnel in a competitive environment.*

As of December 31, 2022, we had 91 employees, 53 of whom we characterize as investment and portfolio management professionals, and the others include operations professionals and administrative staff. None of our employees are represented by a collective bargaining agreement. As necessary, we will hire additional investment professionals and administrative personnel. All but two of our employees are located in our Houston, Texas office.

REGULATION

Regulation as a Business Development Company

We have elected to be regulated as a BDC under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates, principal underwriters and affiliates of those affiliates or underwriters. The 1940 Act requires that a majority of the members of the board of directors of a BDC be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities.

The 1940 Act defines "a majority of the outstanding voting securities" as the lesser of (i) 67% or more of the voting securities present at a meeting if the holders of more than 50% of our outstanding voting securities are present or represented by proxy or (ii) more than 50% of our outstanding voting securities.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. The principal categories of qualifying assets relevant to our business are any of the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company (as defined below), or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC.

(2) Securities of any eligible portfolio company that we control.

(3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

(4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.

(5) Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities.

(6) Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2) or (3) above.

An eligible portfolio company is defined in the 1940 Act as any issuer which:

(a) is organized under the laws of, and has its principal place of business in, the United States;

(b) is not an investment company (other than a small business investment company wholly-owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and

(c) satisfies any of the following:

- (i) does not have any class of securities that is traded on a national securities exchange or has a class of securities listed on a national securities exchange but has an aggregate market value of outstanding voting and non-voting common equity of less than $250 million;
- (ii) is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company; or
- (iii) is a small and solvent company having total assets of not more than $4 million and capital and surplus of not less than $2 million.

Managerial Assistance to Portfolio Companies

As noted above, a BDC must be operated for the purpose of making investments in the type of securities described in (1), (2) or (3) above under the heading entitled "— Qualifying Assets." In addition, BDCs must generally offer to make available to such issuer of the securities (other than small and solvent companies described above) significant managerial assistance; except that, where we purchase such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. However, if a BDC purchases securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such significant managerial assistance on behalf of all investors in the group.

Temporary Investments

Pending investment in "qualifying assets," as described above, our investments may consist of cash, cash equivalents, U.S. government securities and high-quality debt securities maturing in one year or less from time of investment therein, so that 70% of our assets are qualifying assets.

Senior Securities

Prior to 2018 legislation that modified the asset coverage requirements of the 1940 Act, we were permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% of all debt and/or senior stock immediately after each such issuance. However, 2018 legislation modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur from an asset coverage ratio, or BDC asset coverage ratio, of 200% to an asset coverage ratio of 150%, if certain requirements are met. In May 2022, our stockholders approved the application of the reduced BDC asset coverage ratio. As a result, the BDC asset coverage ratio applicable to us decreased from 200% to 150% effective May 3, 2022.

We have received exemptive relief from the SEC to permit us to exclude the SBA-guaranteed debentures of the Funds from our 150% asset coverage test under the 1940 Act. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 150%. This provides us with increased investment flexibility but also increases our risks related to leverage.

In addition, while any senior securities remain outstanding (other than senior securities representing indebtedness issued in consideration of a privately arranged loan which is not intended to be publicly distributed), we must generally include provisions in the documents governing new senior securities to prohibit any cash distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our total assets for temporary or emergency purposes without regard to asset coverage with such borrowings not constituting senior securities for purposes of the asset coverage ratio requirements of the 1940 Act. A loan is presumed to be for temporary purposes if it is repaid within sixty days and not extended or renewed. For a discussion of the risks associated with leverage, see *Item 1A. Risk Factors — Risks Related to Leverage,* including, without limitation, *— Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.*

Common Stock

We are not generally able to issue and sell our common stock at a price below NAV per share. We may, however, sell our common stock, warrants, options or rights to acquire our common stock, at a price below the current NAV of the common stock if our Board of Directors determines that such sale is in our best interests and that of our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price which, in the determination of our Board of Directors, closely approximates the market value of such securities (less any distributing commission or discount). We did not seek stockholder authorization to sell shares of our common stock below the then current NAV per share of our common stock at our 2022 Annual Meeting of Stockholders, and have not sought such stockholder authorization since 2012, because our common stock price had been trading significantly above the NAV per share of our common stock since 2011. Our stockholders have previously approved a proposal that authorizes us to issue securities to subscribe to, convert to, or purchase shares of our common stock in one or more offerings. We may also make rights offerings to our stockholders at prices per share less than the NAV per share, subject to applicable requirements of the 1940 Act. See *Item 1A. Risk Factors — Risks Related to our Securities — Stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities to subscribe to, convert to or purchase shares of our common stock.*

Code of Ethics

We have adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code's requirements. The code of ethics is available on the EDGAR Database on the SEC's website at http://www.sec.gov.

Proxy Voting Policies and Procedures

We vote proxies relating to our portfolio securities in a manner in which we believe is consistent with the best interest of our stockholders. We review on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although we generally vote against proposals that we expect would have a negative impact on our portfolio securities, we may vote for such a proposal if there exists compelling long-term reasons to do so.

Our proxy voting decisions are made by the investment team which is responsible for monitoring each of our investments. To ensure that our vote is not the product of a conflict of interest, we require that anyone involved in the decision-making process discloses to our chief compliance officer any potential conflict regarding a proxy vote of which he or she is aware.

Stockholders may obtain information, without charge, regarding how we voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Compliance Officer, 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056.

Other 1940 Act Regulations

We are also prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our Board of Directors who are not interested persons and, in some cases, prior approval by the SEC.

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

We are required to adopt and implement written policies and procedures reasonably designed to prevent violation of the federal securities laws, review these policies and procedures no less frequently than annually for their adequacy and the effectiveness of their implementation, and to designate a chief compliance officer to be responsible for administering the policies and procedures.

We may be periodically examined by the SEC for compliance with the 1940 Act.

Small Business Investment Company Regulations

Each of the Funds is licensed by the SBA to operate as a SBIC under Section 301(c) of the Small Business Investment Act of 1958. MSMF obtained its SBIC license in 2002 and MSC III obtained its license in 2016.

SBICs are designed to stimulate the flow of private capital to eligible small businesses. Under SBIC regulations, SBICs may make loans to eligible small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. Each of the Funds has typically invested in secured debt, acquired warrants and/or made equity investments in qualifying small businesses.

The Funds are subject to regulation and oversight by the SBA, including requirements with respect to reporting financial information, such as the extent of capital impairment if applicable, on a regular basis and annual examinations conducted by the SBA. The SBA, as a creditor, will have a superior claim to the Funds' assets over our securities holders in the event the Funds are liquidated or the SBA exercises its remedies under the SBA-guaranteed debentures issued by the Funds upon an event of default.

Under present SBIC regulations, eligible small businesses generally include businesses that (together with their affiliates) have a tangible net worth not exceeding $19.5 million or have average annual net income after U.S. federal income taxes not exceeding $6.5 million (average net income to be computed without benefit of any carryover loss) for the two most recent fiscal years. In addition, an SBIC must devote 25% of its investment activity to "smaller" enterprises as defined by the SBA. A smaller enterprise generally includes businesses that have a tangible net worth not exceeding $6 million and have average annual net income after U.S. federal income taxes not exceeding $2 million (average net income to be computed without benefit of any net carryover loss) for the two most recent fiscal years. SBIC regulations also provide alternative size standard criteria to determine eligibility for designation as an eligible small business or smaller enterprise, which criteria depend on the primary industry in which the business is engaged and are based on such factors as the number of employees and gross revenue. However, once an SBIC has invested in a company, it generally may continue to make follow-on investments in the company, regardless of the size of the portfolio company at the time of the follow-on investment, up to the time of the portfolio company's initial public offering.

The SBA prohibits an SBIC from providing funds to small businesses for certain purposes, such as relending and investment outside the United States, to businesses engaged in certain prohibited industries, and to certain "passive" (non-operating) companies. In addition, without prior SBA approval, an SBIC may not invest an amount equal to more than 30% of the SBIC's regulatory capital, as defined by the SBA, in any one portfolio company and its affiliates.

The SBA places certain limitations on the financing terms of investments by SBICs in portfolio companies (such as limiting the permissible interest rate on debt securities held by an SBIC in a portfolio company). Included in such limitations are SBIC regulations which allow an SBIC to exercise control over a small business for a period of seven years from the date on which the SBIC initially acquires its control position. This control period may be extended for an additional period of time with the SBA's prior written approval.

The SBA restricts the ability of an SBIC to lend money to any of its officers, directors and employees or to invest in affiliates thereof. The SBA also prohibits, without prior SBA approval, a "change of control" of an SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10% or more of a class of equity of a licensed SBIC. A "change of control" is any event which would result in the transfer of the power, direct or indirect, to direct the management and policies of an SBIC, whether through ownership, contractual arrangements or otherwise.

The SBIC licenses allow the Funds to incur leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment and certain approvals by the SBA and customary procedures. SBA-guaranteed debentures carry long-term fixed rates that are generally lower than rates on comparable bank and other debt. Under applicable regulations, an SBIC may generally have outstanding debentures guaranteed by the SBA in amounts up to twice the amount of the privately raised funds of the SBIC. Debentures guaranteed by the SBA have a maturity of ten years, require semiannual payments of interest, do not require any principal payments prior to maturity, and are not subject to prepayment penalties. As of December 31, 2022, we, through the Funds, had $350.0 million of outstanding SBA-guaranteed debentures, which had an annual weighted-average interest rate of 2.9%.

SBICs must invest idle funds that are not being used to make loans in investments permitted under SBIC regulations in the following limited types of securities: (i) direct obligations of, or obligations guaranteed as to principal and interest by, the United States government, which mature within 15 months from the date of the investment; (ii) repurchase agreements with federally insured institutions with a maturity of seven days or less (and the securities underlying the repurchase obligations must be direct obligations of or guaranteed by the federal government); (iii) certificates of deposit with a maturity of one year or less, issued by a federally insured institution; (iv) a deposit account in a federally insured institution that is subject to a withdrawal restriction of one year or less; (v) a checking account in a federally insured institution; or (vi) a reasonable petty cash fund.

SBICs are periodically examined and audited by the SBA's staff to determine their compliance with SBIC regulations and are periodically required to file certain financial information and other documents with the SBA.

Neither the SBA nor the U.S. government or any of its agencies or officers has approved any ownership interest to be issued by us or any obligation that we or any of our subsidiaries may incur.

Securities Exchange Act of 1934 and Sarbanes-Oxley Act Compliance

We are subject to the reporting and disclosure requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), including the filing of quarterly, annual and current reports, proxy statements and other required items. In addition, we are subject to the Sarbanes-Oxley Act of 2002, which imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our Chief Executive Officer and Chief Financial Officer are required to certify the accuracy of the consolidated financial statements contained in our periodic reports;

- pursuant to Item 307 of Regulation S-K, our periodic reports are required to disclose our conclusions about the effectiveness of our disclosure controls and procedures;

- pursuant to Rule 13a-15 of the Exchange Act, our management is required to prepare a report regarding its assessment of our internal control over financial reporting, and our independent registered public accounting firm separately audits our internal control over financial reporting; and

- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The New York Stock Exchange Corporate Governance Regulations

The New York Stock Exchange ("NYSE") has adopted corporate governance regulations that listed companies must comply with. We believe we are in compliance with such corporate governance listing standards. We intend to monitor our compliance with all future listing standards and to take all necessary actions to ensure that we stay in compliance.

Investment Adviser Regulations

The External Investment Manager, which is wholly-owned by us, is subject to regulation under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Advisers Act establishes, among other things, recordkeeping and reporting requirements, disclosure requirements, limitations on transactions between the adviser's account and an advisory client's account, limitations on transactions between the accounts of advisory clients, and general anti-fraud prohibitions. The External Investment Manager may be examined by the SEC from time to time for compliance with the Advisers Act.

Taxation as a Regulated Investment Company

MSCC has elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. 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 income that we distribute to our stockholders as dividends. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, in order to obtain RIC tax treatment, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our net ordinary taxable income plus the excess of realized net short-term capital gains over realized net long-term capital losses, and 90% of our tax-exempt income (the "Annual Distribution Requirement"). As part of maintaining RIC status, undistributed taxable income (subject to a 4% non-deductible U.S. federal excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared on or prior to the later of (i) filing of the U.S. federal income tax return for the applicable fiscal year or (ii) the fifteenth day of the ninth month following the close of the year in which such taxable income was generated.

For any taxable year in which we qualify as a RIC and satisfy the Annual Distribution Requirement, we will not be subject to U.S. federal income tax on the portion of our income or capital gains we distribute (or are deemed to distribute) to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) to our stockholders.

We are subject to a 4% non-deductible U.S. federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98% of our net ordinary taxable income for each calendar year, (2) 98.2% of our capital gain net income for the one-year period ending December 31 in that calendar year and (3) any taxable income recognized, but not distributed, in preceding years on which we paid no U.S. federal income tax (the "Excise Tax Avoidance Requirement"). Dividends declared and paid by us in a year will generally differ from taxable income for that year as such dividends may include the distribution of current year taxable income, exclude amounts carried over into the following year, and include the distribution of prior year taxable income carried over into and distributed in the current year. For amounts we carry over into the following year, we will be required to pay the 4% U.S. federal excise tax on the excess of 98% of our annual investment company taxable income and 98.2% of our capital gain net income over our distributions for the year.

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- continue to qualify as a BDC under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities, loans, gains from the sale of stock or other securities, net income from certain "qualified publicly traded partnerships," or other income derived with respect to our business of investing in such stock or securities (the "90% Income Test"); and
- diversify our holdings so that at the end of each quarter of the taxable year:
    - at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer; and

- no more than 25% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, (i) of one issuer, (ii) of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or (iii) of certain "qualified publicly traded partnerships" (collectively, the "Diversification Tests").

In order to comply with the 90% Income Test, we formed the Taxable Subsidiaries as wholly-owned taxable subsidiaries for the primary purpose of permitting us to own equity interests in portfolio companies which are "pass-through" entities for tax purposes. Absent the taxable status of the Taxable Subsidiaries, a portion of the gross income from such portfolio companies would flow directly to us for purposes of the 90% Income Test. To the extent such income did not consist of income derived from securities, such as dividends and interest, it could jeopardize our ability to qualify as a RIC and, therefore, cause us to incur significant U.S. federal income taxes. The Taxable Subsidiaries are consolidated with Main Street for generally accepted accounting principles in the United States of America ("U.S. GAAP") purposes and are included in our consolidated financial statements, and the portfolio investments held by the Taxable Subsidiaries are included in our consolidated financial statements. The Taxable Subsidiaries are not consolidated with MSCC for income tax purposes and may generate income tax expense, or benefit, as a result of their ownership of the portfolio investments. The income tax expense, or benefit, if any, and any related tax assets and liabilities, are reflected in our consolidated financial statements.

The External Investment Manager is accounted for as a portfolio investment for U.S. GAAP purposes and is an indirect wholly-owned subsidiary of MSCC, owned through a Taxable Subsidiary. The External Investment Manager is owned by a Taxable Subsidiary in order to comply with the 90% Income Test, since the External Investment Manager's income would likely not consist of income derived from securities, such as dividends and interest, and as result, it could jeopardize our ability to qualify as a RIC and, therefore, cause us to incur significant U.S. federal income taxes. As a result of its ownership by a Taxable Subsidiary, the External Investment Manager is a disregarded entity for tax purposes. The External Investment Manager has also 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 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.

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments issued with warrants and debt securities invested in at a discount to par), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash such as PIK interest, cumulative dividends or amounts that are received in non-cash compensation such as warrants or stock. Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount.

Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders in certain circumstances while our debt obligations and other senior securities are outstanding unless certain "asset coverage" tests are met. See *Regulation — Regulation as a Business Development Company — Senior Securities*. Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

We may distribute taxable dividends that are payable in part in our stock. Under certain applicable provisions of the Code and the U.S. Department of the Treasury ("Treasury") regulations, distributions payable by us in cash or in shares of stock (at the stockholders' election) would satisfy the Annual Distribution Requirement. The Internal Revenue Service has issued guidance indicating that this rule will apply even where the total amount of cash that may be distributed is limited to no more than 20% of the total distribution. According to this guidance, if too many stockholders elect to receive their distributions in cash, each such stockholder would receive a pro rata share of the total cash to be distributed and would receive the remainder of their distribution in shares of stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend (whether received in cash, our stock, or a combination thereof) as (i) ordinary income (including any qualified dividend income that, in the case of a noncorporate stockholder, may be eligible for the same reduced maximum tax rate applicable to long-term capital gains to the extent such distribution is properly reported by us as qualified dividend income and such stockholder satisfies certain minimum holding period requirements with respect to our stock) or (ii) long-term capital gain (to the extent such distribution is properly reported as a capital gain dividend), to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock.

Failure to Qualify as a RIC

If we fail to satisfy the 90% Income Test or the Diversification Tests for any taxable year, we may nevertheless continue to qualify as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain corporate-level U.S. federal taxes or to dispose of certain assets).

If we were unable to qualify for treatment as a RIC and the foregoing relief provisions are not applicable, we would be subject to tax on all of our taxable income at regular corporate rates. We would not be able to deduct distributions to stockholders, nor would they be required to be made. If we were subject to tax on all of our taxable income at regular corporate rates, then distributions we make after being subject to such tax would be taxable to our stockholders and, provided certain holding period and other requirements were met, could qualify for treatment as “qualified dividend income” eligible for the maximum 20% rate (plus a 3.8% Medicare surtax, if applicable) applicable to qualified dividends to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate taxpayers would be eligible for a dividends-received deduction on distributions they receive. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder’s tax basis, and any remaining distributions would be treated as a capital gain. To requalify as a RIC in a subsequent taxable year, we would be required to satisfy the RIC qualification requirements for that year and dispose of any earnings and profits from any year in which we failed to qualify as a RIC. Subject to a limited exception applicable to RICs that qualified as such under Subchapter M of the Code for at least one year prior to disqualification and that requalify as a RIC no later than the second year following the nonqualifying year, we could be subject to tax on any unrealized net built-in gains in the assets held by us during the period in which we failed to qualify as a RIC that are recognized within the subsequent five years, unless we made a special election to pay corporate-level U.S. federal income tax on such built-in gain at the time of our requalification as a RIC.

Item 1A. *Risk Factors*

Investing in our securities involves a number of significant risks. In addition to the other information contained in this Annual Report on Form 10-K, you should consider carefully the following information before making an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our NAV, the trading price of our common stock and the value of our other securities could decline, and you may lose all or part of your investment.

SUMMARY OF RISK FACTORS

The following is a summary of the principal risk factors associated with an investment in our securities. Further details regarding each risk included in the below summary list can be found further below.

Risks Related to our Business and Structure

- Because our Investment Portfolio is recorded at fair value, there is and will continue to be uncertainty as to the value of our portfolio investments.
- Our financial condition and results of operations depends on our ability to effectively manage and deploy capital.

- We are subject to risks associated with the interest rate environment and changes in interest rates will affect our cost of capital, net investment income and the value of our investments.
- We face increasing competition for investment opportunities.
- We are dependent upon our key investment personnel for our future success.
- Our success depends on attracting and retaining qualified personnel in a competitive environment.
- Our business model depends to a significant extent upon strong referral relationships.
- Our Board of Directors may change our operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Risks Related to our Investments

- The types of portfolio companies in which we invest involve significant risks and we could lose all or part of our investment.
- Economic recessions or downturns could impair our portfolio companies' performance and defaults by our portfolio companies will harm our operating results.
- Rising credit spreads could affect the value of our investments, and rising interest rates make it more difficult for portfolio companies to make periodic payments on their loans.
- Inflation could adversely affect the business, results of operations and financial condition of our portfolio companies.
- We may be exposed to higher risks with respect to our investments that include original issue discount or PIK interest.
- The lack of liquidity in our investments may adversely affect our business.
- We may not have the funds or ability to make additional investments in our portfolio companies.
- There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.
- We generally will not control our portfolio companies.
- Defaults by our portfolio companies will harm our operating results.
- Any unrealized depreciation that we experience in our portfolio may be an indication of future realized losses, which could reduce our income and gains available for distribution.
- Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.
- The interest rates of some of our investments are priced using a spread over LIBOR, which will be phased out in the future.
- We may be subject to risks associated with "covenant-lite" loans.
- We may not realize gains from our equity investments.

Risks Related to Leverage

- Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.
- All of our assets are subject to security interests under our senior securities and if we default on our obligations under our senior securities, we may suffer adverse consequences, including foreclosure on our assets.
- We are subject to risks associated with any revolving credit facility that utilizes a Structured Subsidiary as our interests in any Structured Subsidiary are subordinated and we could be prevented from receiving cash on our equity interests from a Structured Subsidiary.

Risks Related to our Investment Management Activities

- Our executive officers and employees, through the External Investment Manager, may manage other investment funds that operate in the same or a related line of business as we do, and may invest in such funds, which may result in significant conflicts of interest.
- We, through the External Investment Manager, derive revenues from managing third-party funds pursuant to management agreements that may be terminated.

Risks Related to BDCs

- Failure to comply with applicable laws or regulations and changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.
- Operating under the constraints imposed on us as a BDC and RIC may hinder the achievement of our investment objectives.

Risks Related to our Securities

- Investing in our securities may involve a high degree of risk.
- Shares of closed-end investment companies, including BDCs, may trade at a discount to their NAV.

- We may not be able to pay distributions to our stockholders, our distributions may not grow over time, and a portion of distributions paid to our stockholders may be a return of capital.

Risks Related to our SBIC Funds

- We, through the Funds, issue debt securities guaranteed by the SBA and sold in the capital markets. As a result of its guarantee of the debt securities, the SBA has fixed dollar claims on the assets of the Funds that are superior to the claims of our securities holders.

Federal Income Tax Risks

- We will be subject to corporate-level U.S. federal income tax if we are unable to qualify as a RIC under Subchapter M of the Code.
- We may have difficulty paying the distributions required to maintain RIC tax treatment under the Code if we recognize income before or without receiving cash representing such income.

General Risk Factors

- Events outside of our control, including public health crises, supply chain disruptions and inflation, could negatively affect our portfolio companies and the results of our operations.
- We are currently operating in a period of capital markets disruption and economic uncertainty, and capital markets may experience periods of disruption and instability in the future.
- Government intervention in the credit markets could adversely affect our business.
- We are highly dependent on information systems and systems failures could significantly disrupt our business.

RISKS RELATED TO OUR BUSINESS AND STRUCTURE

Because our Investment Portfolio is recorded at fair value, there is and will continue to be uncertainty as to the value of our portfolio investments.

Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined by us pursuant to procedures established and overseen by our Board of Directors. Typically, there is not a public market for the securities of the privately held companies in which we invest through our LMM and Private Loan investment strategies. As a result, we value these securities quarterly at fair value based on inputs from management and a nationally recognized independent financial advisory services firm (on a rotational basis) pursuant to Valuation Procedures approved by our Board of Directors. In addition, the market for investments in companies that we invest through our Middle Market investment strategy is generally not a liquid market, and therefore, we primarily use 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, pursuant to our Valuation Procedures. See *Note B.1. — Valuation of the Investment Portfolio* included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K for a detailed discussion of our Investment Portfolio valuation process and procedures.

The determination of fair value and consequently, the amount of unrealized gains and losses in our portfolio, are to a certain degree, subjective and dependent on a valuation process approved by our Board of Directors. Certain factors that may be considered in determining the fair value of our investments include external events, such as private mergers, sales and acquisitions involving comparable companies. Because such valuations, and particularly valuations of securities in privately held companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Due to this uncertainty, our fair value determinations may cause our NAV on a given date to materially understate or overstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our securities based on an overstated NAV would pay a higher price than the value of our investments might warrant. Conversely, investors selling our securities during a period in which the NAV understates the value of our investments may receive a lower price for their securities than the value of our investments might warrant.

Our financial condition and results of operations depends on our ability to effectively manage and deploy capital.

Our ability to achieve our investment objective of maximizing our portfolio's total return by generating current income from our debt investments and current income and capital appreciation from our equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company, depends on our ability to effectively manage and deploy capital, which depends, in turn, on our investment team's ability to identify, evaluate and monitor, and our ability to finance and invest in, companies that meet our investment criteria.

Accomplishing our investment objective on a cost-effective basis is largely a function of our investment team's handling of the investment process, its ability to provide competent, attentive and efficient services and our access to investments offering acceptable terms. In addition to monitoring the performance of our existing investments, members of our investment team are also called upon, from time to time, to provide managerial assistance to some of our portfolio companies. These demands on their time may distract them or slow the rate of investment.

Even if we are able to grow and build upon our investment operations, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. The results of our operations will depend on many factors, including the availability of opportunities for investment, readily accessible short and long-term funding alternatives in the financial markets and economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies as described herein, it could negatively impact our ability to pay dividends.

We are subject to risks associated with the interest rate environment and changes in interest rates will affect our cost of capital, net investment income and the value of our investments.

To the extent we borrow money or issue debt securities or preferred stock to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. In addition, many of our debt investments and borrowings have floating interest rates that reset on a periodic basis, and many of our investments are subject to interest rate floors. As a result, a change in market interest rates could have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds will increase because the interest rates on the amounts borrowed under our credit facilities are floating, and any new fixed rate debt may be issued a higher coupon rates, which could reduce our net investment income to the extent any debt investments have either fixed interest rates, or in periods when debt investments with floating interest rates are subject to an interest rate floor above then current levels. In periods of declining interest rates, our interest income and our net investment income could be reduced as the interest income earned on our floating rate debt investments declines and any new fixed rate debt may be issued at lower coupon rates. See further discussion and analysis at *Item 7A. Quantitative and Qualitative Disclosures about Market Risk*.

We can use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques could include various interest rate hedging activities to the extent permitted by the 1940 Act and applicable commodities laws. These activities could limit our ability to participate in the benefits of lower interest rates with respect to the hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

An increase in the market pricing of the spreads charged over index rates on floating rate investments could lead to a decline in the fair value of the debt securities we own, which would adversely affect our NAV. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our dividends, which could reduce the value of our common stock.

We face increasing competition for investment opportunities.

We compete for investments with other investment funds (including private equity funds, debt funds, mezzanine funds, collateralized loan obligation funds, or CLOs, BDCs and SBICs), as well as traditional financial services companies such as commercial banks and other sources of funding. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we have. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to do. We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. If we are forced to match our competitors' pricing, terms and structure, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. A significant part of our competitive advantage stems from the fact that the market for investments in LMM companies is underserved by traditional commercial banks and other financing sources. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC.

We are dependent upon our key investment personnel for our future success.

We depend on the members of our investment team, particularly Dwayne L. Hyzak, David L. Magdol, Jesse E. Morris, Jaime Arreola, K. Colton Braud, III, Damian T. Burke, Samuel A. Cashiola, Diego Fernandez and Nicholas T. Meserve for the identification, review, final selection, structuring, closing and monitoring of our investments. These employees have significant investment expertise and relationships that we rely on to implement our business plan. Although we have entered into non-compete arrangements with all of our executive officers and other key employees, we cannot guarantee that any employees will remain employed with us. If we lose the services of the individuals mentioned above, we may not be able to operate our business as we expect, and our ability to compete could be harmed, which could cause our operating results to suffer.

Our success depends on attracting and retaining qualified personnel in a competitive environment.

Our growth will require that we retain new investment and administrative personnel in a competitive market. Our ability to attract and retain personnel with the requisite credentials, experience and skills depends on several factors including, but not limited to, our ability to offer competitive wages, benefits and professional growth opportunities. Many of the entities, including investment funds (such as private equity funds, debt funds and mezzanine funds) and traditional financial services companies, with which we compete for experienced personnel have greater resources than we have.

The competitive environment for qualified personnel may require us to take certain measures to ensure that we are able to attract and retain experienced personnel. Such measures may include increasing the attractiveness of our overall compensation packages, altering the structure of our compensation packages through the use of additional forms of compensation, or other steps. The inability to attract and retain experienced personnel would have a material adverse effect on our business.

Our business model depends to a significant extent upon strong referral relationships.

We expect that members of our management team will maintain their relationships with intermediaries, financial institutions, investment bankers, commercial bankers, financial advisors, attorneys, accountants, consultants and other individuals within our network, and we will rely to a significant extent upon these relationships to provide us with potential investment opportunities. If our management team fails to maintain its existing relationships or develop new relationships with sources of investment opportunities, we will not be able to grow our Investment Portfolio. In addition, individuals with whom members of our management team have relationships are not obligated to provide us with investment opportunities, and, therefore, there is no assurance that such relationships will generate investment opportunities for us.

Our Board of Directors may change our operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our Board of Directors has the authority to modify or waive our current operating policies, investment criteria and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, NAV, operating results and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay interest and principal payments to holders of our debt instruments and dividends to our stockholders and cause our investors to lose all or part of their investment in us.

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. Under the 1940 Act, a "diversified" investment company is required to invest at least 75% of the value of its total assets in cash and cash items, government securities, securities of other investment companies and other securities limited in respect of any one issuer to an amount not greater than 5% of the value of the total assets of such company and no more than 10% of the outstanding voting securities of such issuer. As a non-diversified investment company, we are not subject to this requirement. To the extent that we assume large positions in the securities of a small number of issuers, our NAV may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our RIC asset diversification requirements, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies. See *Risk Factors — Federal Income Tax Risks — We will be subject to corporate-level U.S. federal income tax if we are unable to qualify as a RIC under Subchapter M of the Code.*

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

RISKS RELATED TO OUR INVESTMENTS

The types of portfolio companies in which we invest involve significant risks and we could lose all or part of our investment.

Investing in the types of companies that comprise our portfolio companies exposes us to a number of significant risks. Among other things, these companies:

- may have limited financial resources and may be unable to meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investment, as well as a corresponding decrease in the value of the equity components of our investments;

- may have shorter operating histories, narrower product lines, smaller market shares and/or significant customer concentrations than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;

- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation, termination or significant under-performance of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;

- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and

- generally have less publicly available information about their businesses, operations and financial condition. We are required to rely on the ability of our management team and investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and may lose all or part of our investment.

In addition certain of our officers and directors may serve as directors on the boards of our portfolio companies. To the extent that litigation arises out of our investments in these companies, our officers and directors may be named as defendants in such litigation, which could result in an expenditure of funds (through our indemnification of such officers and directors) and the diversion of management time and resources.

Economic recessions or downturns could impair our portfolio companies' performance and defaults by our portfolio companies will harm our operating results.

Many of our portfolio companies are susceptible to economic slowdowns or recessions and could be unable to repay our loans during these periods. Therefore, the number of non-performing assets are likely to increase and the value of our portfolio is likely to decrease during these periods. Adverse economic conditions could decrease the value of collateral securing any of our loans and the value of any equity investments. A severe recession could further decrease the value of such collateral and result in losses of value in our portfolio and a decrease in our revenues, net income, assets and net worth. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing our investments and harm our operating results.

Any deterioration of general economic conditions could lead to significant declines in corporate earnings or loan performance, and the ability of corporate borrowers to service their debt, any of which could trigger a period of global economic slowdown, and have an adverse impact on our performance and financial results, and the value and the liquidity of our investments. In an economic downturn, we could have non-performing assets or an increase in non-performing assets, and we would anticipate that the value of our portfolio would decrease during these periods. Failure to satisfy financial or operating covenants imposed by lenders, including us, to a portfolio company could lead to defaults and, potentially, acceleration of payments on such loans and foreclosure on the assets representing collateral for the portfolio company's obligations. Cross default provisions under other agreements could be triggered and thus limit the portfolio company's ability to satisfy its obligations under any debt that we hold and affect the value of any equity securities we own. We would expect to incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a portfolio company following or in anticipation of a default.

Rising credit spreads could affect the value of our investments, and rising interest rates make it more difficult for portfolio companies to make periodic payments on their loans.

Some of our portfolio investments are debt securities that bear interest at variable rates and may be negatively affected by changes in market interest rates. Rising interest rates make it more difficult for borrowers to repay debt, which could increase the risk of payment defaults and cause the portfolio companies to defer or cancel needed investment. Any failure of one or more portfolio companies to repay or refinance its debt at or prior to maturity or the inability of one or more portfolio companies to make ongoing payments following an increase in contractual interest rates could have a material adverse effect on our business, financial condition, results of operations and cash flows. The value of our securities could also be reduced from an increase in market credit spreads as rates available to investors could make an investment in our securities less attractive than alternative investments.

Conversely, decreases in market interest rates could negatively impact the interest income from our variable rate debt investments while the interest we pay on our fixed rate debt securities does not change. A decrease in market interest rates may also have an adverse impact on our returns by requiring us to accept lower yields on our debt investments and by increasing the risk that our portfolio companies will prepay our debt investments, resulting in the need to redeploy capital at potentially lower rates.

Inflation could adversely affect the business, results of operations and financial condition of our portfolio companies.

Certain of our portfolio companies are in industries that could be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay dividends on our equity investments and/or interest and principal on our loans, particularly if interest rates rise in response to inflation. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future realized or unrealized losses and therefore reduce our net increase (decrease) in net assets resulting from operations.

We may be exposed to higher risks with respect to our investments that include original issue discount or PIK interest.

Our investments may include original issue discount and contractual PIK interest, which represents contractual interest added to a loan balance and due at the end of such loan's term. To the extent original issue discount or PIK interest constitute a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following:

- original issue discount and PIK instruments may have higher yields, which reflect the payment deferral and credit risk associated with these instruments;
- for accounting purposes, cash distributions to investors representing original issue discount income are not derived from paid in capital, although they may be effectively paid from any offering proceeds during any given period; thus, although the source for the cash used to pay a distribution of original issue discount income may come from the cash invested by investors, the 1940 Act does not require that investors be given notice of this fact;
- original issue discount and PIK instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of the collateral; and
- original issue discount and PIK instruments may represent a higher credit risk than coupon loans; even if the conditions for income accrual under generally accepted accounting principles in the United States of America are satisfied, a borrower could still default when actual payment is due upon the maturity of such loan.

The lack of liquidity in our investments may adversely affect our business.

We generally invest in companies whose securities are not publicly traded and whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. As a result, we do not expect to achieve liquidity in our investments in the near-term. Our investments are usually subject to contractual or legal restrictions on resale or are otherwise illiquid because there is usually no established trading market for such investments. The illiquidity of most of our investments may make it difficult for us to dispose of them at a favorable price and, as a result, we may suffer losses.

We may not have the funds or ability to make additional investments in our portfolio companies.

We may not have the funds or ability to make additional investments in our portfolio companies. After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through the extension of additional loans, the exercise of a warrant to purchase equity securities, or the funding of additional equity investments. There is no assurance that we will make, or will have sufficient funds to make, follow-on investments. Any decisions not to make a follow-on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation, may reduce our ability to protect an existing investment or may reduce the expected yield on the investment.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

Even if our investment is structured as a senior-secured loan, principles of equitable subordination, as defined by existing case law, could lead a bankruptcy court to subordinate all or a portion of our claim to that of other creditors and transfer any lien securing such subordinated claim to the bankruptcy estate. The principles of equitable subordination defined by case law have generally indicated that a claim may be subordinated only if its holder is guilty of misconduct or where the senior loan is re-characterized as an equity investment and the senior lender has actually provided significant managerial assistance to the bankrupt debtor. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender liability claim, including as a result of actions taken in rendering significant managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business.

We generally will not control our portfolio companies.

We do not, and do not expect to, control the decision making in many of our portfolio companies, even though we may have board representation or board observation rights, and our debt agreements may contain certain restrictive covenants. As a result, we are subject to the risk that a portfolio company in which we invest will make business decisions with which we disagree and the management of such company will take risks or otherwise act in ways that do not serve our interests as debt investors or minority equity holders. Due to the lack of liquidity for our investments in non-traded companies, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation. As a result, a portfolio company may make decisions that would decrease the value of our portfolio holdings.

Defaults by our portfolio companies will harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to non-payment of interest and other defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company.

Any unrealized depreciation that we experience in our portfolio may be an indication of future realized losses, which could reduce our income and gains available for distribution.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at the fair value as determined in accordance with our Valuation Procedures adopted pursuant to Rule 2a-5 under the 1940 Act. Decreases in the market values or fair values of our investments will be recorded as unrealized depreciation. Any unrealized depreciation in our portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to affected loans or a potential impairment of the value of affected equity investments.

This could result in realized losses in the future and ultimately in reductions of our income and gains available for distribution in future periods.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.

We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, pending their future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being prepaid and we could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elect to prepay amounts owed to us. Additionally, prepayments could negatively impact our return on equity, which could result in a decline in the market price of our securities.

The interest rates of some of our investments are priced using a spread over LIBOR, which will be phased out in the future.

LIBOR is the basic rate of interest used in lending between banks on the London interbank market and is widely used as a reference for setting the interest rate on loans globally. On July 27, 2017, the U.K Financial Conduct Authority ("FCA") announced that it would phase out LIBOR as a benchmark by the end of 2021. As of December 31, 2021, all non-U.S. dollar LIBOR publications have been phased out. The phase out of a majority of the U.S. dollar publications is delayed until June 30, 2023. The Alternative Reference Rates Committee ("ARRC") of the Federal Reserve Bank of New York previously confirmed that this constitutes a "benchmark transition event" and established "benchmark replacement dates" in ARRC standard LIBOR transition provisions that exist in many U.S. law contracts using LIBOR. There is currently no definitive information regarding the future utilization of LIBOR.

The ARRC has identified SOFR as its preferred alternative rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by the U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. Although SOFR appears to be the preferred replacement rate for U.S. dollar LIBOR, it is not possible to predict whether SOFR will attain market traction as a LIBOR replacement tool, and the future of LIBOR is still uncertain. The effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR or other reference rates that may be enacted in the United States, United Kingdom or elsewhere cannot be predicted at this time, and it is not possible to predict whether LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect of any such changes in views or alternatives may have on the financial markets for financial instruments based on LIBOR.

To date, nearly all of the agreements with our portfolio companies governing floating rate loans are already utilizing SOFR or include fallback language providing a mechanism for a new reference interest rate in the event that LIBOR ceases to exist, and our credit facilities have been amended to utilize SOFR. Factors such as the pace of the transition to replacement or reformed rates, the specific terms and parameters for and market acceptance of any alternative reference rate, prices of and the liquidity of trading markets for products based on alternative reference rates, and our ability to transition and develop appropriate systems and analytics for one or more alternative reference rates could also have a material adverse effect on our business, financial condition and results of operations. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to risks associated with "covenant-lite" loans.

Some of the loans in which we invest may be "covenant-lite" loans, which means the loans contain fewer maintenance covenants than other loans (in some cases, none) and do not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. Generally, "covenant-lite" loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition. To the extent we invest in covenant-lite loans, we may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in loans with finance maintenance covenants.

We may not realize gains from our equity investments.

Certain investments that we have made in the past and may make in the future include warrants or other equity securities. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred securities involve special risks, such as the risk of deferred distributions, credit risk, illiquidity and limited voting rights. In addition, we may from time to time make non-control, equity investments in portfolio companies. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We often seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer; however, we may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress.

Our investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy contemplates potential investments in debt securities of foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in securities of U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Although most of our investments will be U.S. dollar denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments.

RISKS RELATED TO LEVERAGE

Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.

Borrowings, also known as leverage, magnify the potential for loss on investments in our indebtedness and gain or loss on investments in our equity capital. As we use leverage to partially finance our investments, you will experience increased risks of investing in our securities. Accordingly, any event that adversely affects the value of an investment would be magnified to the extent we use leverage. Such events could result in a substantial loss to us, which would be greater than if leverage had not been used. In addition, our investment objectives are dependent on the continued availability of leverage at attractive relative interest rates.

We may also borrow from banks and other lenders and may issue debt securities or enter into other types of borrowing arrangements in the future. Lenders of these senior securities will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. We have the ability to pledge up to 100% of our assets and can grant a security interest in all of our assets under the terms of any debt instruments we could enter into with lenders. The terms of our existing indebtedness require us to comply with certain financial and operational covenants, and we expect similar covenants in future debt instruments. Failure to comply with such covenants could result in a default under the applicable credit facility or debt instrument if we are unable to obtain a waiver from the applicable lender or holder, and such lender or holder could accelerate repayment under such indebtedness and negatively affect our business, financial condition, results of operations and cash flows. In addition, under the terms of any credit facility or other debt instrument we enter into, in the event of a default, we are likely to be required by its terms to use the net proceeds of any investments that we sell to repay a portion of the amount borrowed under such facility or instrument before applying such net proceeds to any other uses. See *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Resources* for a discussion regarding our outstanding indebtedness.

If the value of our assets decreases, leveraging would cause NAV to decline more sharply than it otherwise would have had we not leveraged our business. Similarly, any decrease in our income would cause net investment income to decline more sharply than it would have had we not leveraged our business. Such a decline could negatively affect our ability to pay common stock dividends, scheduled debt payments or other payments related to our securities.

Illustration: The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below.

Assumed Return on Our Portfolio[1] (net of expenses)	**(10.0)%**	**(5.0)%**	**0.0%**	**5.0%**	**10.0%**
Corresponding Net Return to Common Stock Holder[2]	(24.6) %	(14.6) %	(4.6)%	5.5%	15.5%

(1) Assumes, as of December 31, 2022, $4,241.9 million in total assets, $2,007.0 million in debt outstanding, $2,108.6 million in net assets, and a weighted-average interest rate of 4.8%. Actual interest payments may be different.

(2) In order for us to cover our annual interest payments on indebtedness, we must achieve annual returns on our December 31, 2022 total assets of at least 2.3%.

Our ability to achieve our investment objective may depend in part on our ability to access additional leverage on favorable terms and there can be no assurance that such additional leverage can in fact be achieved. If we are unable to obtain leverage or if the interest rates of such leverage are not attractive, we could experience diminished returns. The number of leverage providers and the total amount of financing available could decrease or remain static.

All of our assets are subject to security interests under our senior securities and if we default on our obligations under our senior securities, we may suffer adverse consequences, including foreclosure on our assets.

Substantially all of our assets are currently pledged as collateral under our senior securities, including any credit facilities or notes. If we default on our obligations under our senior securities, our lenders may have the right to foreclose upon and sell, or otherwise transfer, the collateral subject to their security interests or their superior claim. In such event, we may be forced to sell our investments to raise funds to repay our outstanding borrowings in order to avoid foreclosure and these forced sales may be at times and at prices we would not consider advantageous. Moreover, such deleveraging of our company could significantly impair our ability to effectively operate our business in the manner in which we have historically operated. As a result, we could be forced to curtail or cease new investment activities and lower or eliminate the dividends that we have historically paid to our stockholders. In addition, if the lenders exercise their right to sell the assets pledged under our senior securities, such sales may be completed at distressed sale prices, thereby diminishing or potentially eliminating the amount of cash available to us after repayment of the amounts outstanding under the senior securities.

If our operating performance declines and we are not able to generate sufficient cash flow to service our debt obligations, we may in the future need to refinance or restructure our debt, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the required lenders under our senior securities to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under our senior securities. If we breach our covenants under our senior securities and seek a waiver, we may not be able to obtain a waiver from the required lenders or debt holders. If this occurs, we would be in default under our senior securities, the lenders or debt holders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations could proceed against the collateral securing the debt. Because certain of our senior securities have customary cross-default provisions, if the indebtedness under our senior securities is accelerated, we may be unable to repay or finance the amounts due.

We are subject to risks associated with any revolving credit facility that utilizes a Structured Subsidiary as our interests in any Structured Subsidiary are subordinated and we could be prevented from receiving cash on our equity interests from a Structured Subsidiary.

We own directly or indirectly 100% of the equity interests in MSCC Funding I, LLC (“MSCC Funding”), a special purpose Structured Subsidiary utilized in our senior secured special purpose vehicle revolving credit facility (the “SPV Facility”). We consolidate the financial statements of the MSCC Funding in our consolidated financial statements and treat the indebtedness under the SPV Facility as our leverage. Our interest in MSCC Funding is subordinated in priority of payment to every other obligation of MSCC Funding and is subject to certain payment restrictions set forth in the SPV Facility.

We receive cash from MSCC Funding only to the extent that we receive distributions on our equity interests therein. MSCC Funding could make distributions on its equity interests only to the extent permitted by the payment priority provisions of the SPV Facility. The SPV Facility generally provides that payments on the respective interests could not be made on any payment date unless all amounts owing to the lenders and other secured parties are paid in full. In addition, if MSCC Funding does not meet the asset coverage tests or the interest coverage test set forth in the agreement governing the SPV Facility, a default could occur. In the event of a default under the SPV Facility credit agreement, cash would be diverted from us to pay the applicable lenders and other secured parties in amounts sufficient to cause such tests to be satisfied. In the event that we fail to receive cash from MSCC Funding, we could be unable to make distributions to our stockholders in amounts sufficient to maintain our status as a RIC, or at all. We also could be forced to sell investments in portfolio companies at less than their fair value in order to continue making such distributions. We cannot assure you that distributions on the assets held by MSCC Funding will be sufficient to make any distributions to us or that such distributions will meet our expectations.

Our equity interest in MSCC Funding ranks behind all of the secured and unsecured creditors, known or unknown, including the lenders in the SPV Facility. Consequently, to the extent that the value of MSCC Funding's portfolio of loan investments has been reduced as a result of conditions in the credit markets, defaulted loans, capital gains and losses on the underlying assets, prepayment or changes in interest rates, the returns on our investments in MSCC Funding could be reduced. Accordingly, our investments in MSCC Funding could be subject to up to 100% loss.

The ability to sell investments held by a Structured Subsidiary is limited.

The credit agreement governing the SPV Facility places significant restrictions on our ability, as servicer, to sell investments. As a result, there could be times or circumstances during which we are unable to sell investments or take other actions that might be in our best interests.

We may invest in derivatives or other assets that expose us to certain risks, including market risk, liquidity risk and other risks similar to those associated with the use of leverage.

We may invest in derivatives and other assets that are subject to many of the same types of risks related to the use of leverage. In October 2020, the SEC adopted Rule 18f-4 under the 1940 Act regarding the ability of a BDC to use derivatives and other transactions that create future payment or delivery obligations. Under Rule 18f-4, BDCs that use derivatives are subject to a value-at-risk leverage limit, a derivatives risk management program and testing requirements and requirements related to board reporting. These requirements apply unless the BDC qualifies as a "limited derivatives user," as defined under Rule 18f-4. Under Rule 18f-4, a BDC may enter into an unfunded commitment agreement (which may include delayed draw and revolving loans) that will not be deemed to be a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. Collectively, these requirements may limit our ability to use derivatives and/or enter into certain other financial contracts.

We have adopted updated policies and procedures in compliance with Rule 18f-4. We expect to qualify as a "limited derivatives user." Future legislation or rules may modify how we treat derivatives and other financial arrangements for purposes of our compliance with the leverage limitations of the 1940 Act. Future legislation or rules, may modify how leverage is calculated under the 1940 Act and, therefore, may increase or decrease the amount of leverage currently available to us under the 1940 Act, which may be materially adverse to us and our investors.

RISKS RELATED TO OUR INVESTMENT MANAGEMENT ACTIVITIES

Our executive officers and employees, through the External Investment Manager, may manage other investment funds that operate in the same or a related line of business as we do, and may invest in such funds, which may result in significant conflicts of interest.

Our executive officers and employees, through the External Investment Manager, may manage other investment funds or assets for other clients that operate in the same or a related line of business as we do, and which funds may be invested in by us and/or our executive officers and employees. Accordingly, they may have obligations to, or pecuniary interests in, such other entities, and the fulfillment of such obligations may not be in the best interests of us or our stockholders and may create conflicts of interest.

We have made and, in the future, intend to make co-investments with other funds or clients advised by the External Investment Manager in accordance with the conditions of an exemptive relief order from the SEC permitting such co-investment transactions. The order requires, among other things, that we and the External Investment Manager consider whether each such investment opportunity is appropriate for us and the External Investment Manager's advised clients and, if it is appropriate, to propose an allocation of the investment opportunity between such other parties. As a consequence, it may be more difficult for us to maintain or increase the size of our Investment Portfolio in the future. Although we will endeavor to allocate investment opportunities in a fair and equitable manner, including in accordance with the conditions set forth in the order issued by the SEC when relying on such order, we may face conflicts in allocating investment opportunities between us and other funds and accounts managed by the External Investment Manager. Because the External Investment Manager may receive performance-based fee compensation from other funds and accounts it manages, this may provide the Company and the External Investment Manager an incentive to allocate opportunities to other funds and accounts the External Investment Manager manages, instead of us. We and the External Investment Manager have implemented an allocation policy to ensure the equitable distribution of investment opportunities and, as a result, may be unable to participate in certain investments based upon such allocation policy.

We, through the External Investment Manager, derive revenues from managing third-party funds pursuant to management agreements that may be terminated.

The External Investment Manager earns management fees based on the assets of the funds or other clients under management and may earn incentive fees, or a carried interest, based on the performance of the funds or accounts managed. The terms of fund investment management agreements generally give the manager of the fund and the fund itself the right to terminate the management agreement in certain circumstances. With respect to funds that are not exempt from regulation under the 1940 Act, the fund's investment management agreement must be approved annually by (a) such fund's board of directors or by the vote of a majority of such fund's stockholders and (b) the majority of the independent members of such fund's board of directors and, in certain cases, by its stockholders, as required by law. The funds' investment management agreements can also be terminated by the majority of such fund's stockholders. Termination of any such management agreements would reduce the fees we earn from the relevant funds or other clients through the External Investment Manager, which could have a material adverse effect on our results of operations.

RISKS RELATED TO BDCs

Failure to comply with applicable laws or regulations and changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

We, the Funds, and our portfolio companies are subject to applicable local, state and federal laws and regulations. Failure to comply with any applicable local, state or federal law or regulation could negatively impact our reputation and our business results. New legislation may also be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and our stockholders, potentially with retroactive effect. Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth herein and may result in our investment focus shifting from the areas of expertise of our investment team to other types of investments in which our investment team may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Failure to maintain our status as a BDC would reduce our operating flexibility.

If we do not remain a BDC, we might be regulated as a closed-end investment company under the 1940 Act, which would subject us to substantially more regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility.

Operating under the constraints imposed on us as a BDC and RIC may hinder the achievement of our investment objectives.

The 1940 Act and the Code impose numerous constraints on the operations of BDCs and RICs that do not apply to certain of the other investment vehicles that we may compete with. BDCs are required, for example, to invest at least 70% of their total assets in certain qualifying assets, including U.S. private or thinly traded public companies, cash, cash equivalents, U.S. government securities and other high-quality debt instruments that mature in one year or less from the date of investment. Moreover, qualification for taxation as a RIC requires satisfaction of source-of-income, asset diversification and distribution requirements. Operating under these constraints may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objective. Any failure to do so could subject us to enforcement action by the SEC, cause us to fail to satisfy the requirements associated with RIC status and subject us to entity-level corporate income taxation, cause us to fail the 70% test described above or otherwise have a material adverse effect on our business, financial condition or results of operations.

Regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital.

Our business will require capital to operate and grow. We may acquire such additional capital from the following sources:

Senior Securities

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as senior securities. As a result of issuing senior securities, we will be exposed to additional risks, including the following:

- Prior to the approval of our stockholders, under the provisions of the 1940 Act we were permitted, as a BDC, to issue senior securities only in amounts such that our BDC asset coverage ratio, as defined in the 1940 Act, equaled at least 200% immediately after each issuance of senior securities. Following the approval of our stockholders of the reduced asset coverage requirements in Section 61(a)(2) of the 1940 Act and subject to our compliance with certain disclosure requirements, effective as of May 3, 2022, under the provisions of the 1940 Act, we are permitted to issue senior securities in amounts such that our BDC asset coverage ratio, as defined in the 1940 Act, equals at least 150% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we will be prohibited from issuing debt securities or preferred stock and/or borrowing money from banks or other financial institutions and may not be permitted to declare a dividend or make any distribution to stockholders or repurchase shares until such time as we satisfy this test.

- Any amounts that we use to service our debt or make payments on preferred stock will not be available for dividends to our common stockholders.

- It is likely that any senior securities or other indebtedness we issue will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, some of these securities or other indebtedness may be rated by rating agencies, and in obtaining a rating for such securities and other indebtedness, we may be required to abide by operating and investment guidelines that further restrict operating and financial flexibility.

- We and, indirectly, our stockholders will bear the cost of issuing and servicing such securities and other indebtedness.

- Preferred stock or any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock, including separate voting rights and could delay or prevent a transaction or a change in control to the detriment of the holders of our common stock.

- Any unsecured debt issued by us would generally rank (i) pari passu with our current and future unsecured indebtedness and effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, and (ii) structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries.

Additional Common Stock

We are not generally able to issue and sell our common stock at a price below NAV per share. We may, however, sell our common stock, warrants, options or rights to acquire our common stock, at a price below the current NAV of the common stock if our Board of Directors determines that such sale is in the best interests of our stockholders, and our stockholders approve such sale. See *Risk Factors — Risks Related to our Securities — Stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities to subscribe to, convert to or purchase shares of our common stock.* for a discussion related to us issuing shares of our common stock below NAV. Our stockholders have authorized us to issue warrants, options or rights to subscribe for, convert to, or purchase shares of our common stock at a price per share below the NAV per share, subject to the applicable requirements of the 1940 Act. There is no expiration date on our ability to issue such warrants, options, rights or convertible securities based on this stockholder approval. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders at that time would decrease, and they may experience dilution. Moreover, we can offer no assurance that we will be able to issue and sell additional equity securities in the future, on favorable terms or at all.

RISKS RELATED TO OUR SECURITIES

Investing in our securities may involve a high degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies involve higher levels of risk, and therefore, an investment in our securities may not be suitable for someone with lower risk tolerance.

Shares of closed-end investment companies, including BDCs, may trade at a discount to their NAV.

Shares of closed-end investment companies, including BDCs, may trade at a discount to NAV. This characteristic of closed-end investment companies and BDCs is separate and distinct from the risk that our NAV per share may decline. We cannot predict whether our common stock will trade at, above or below NAV. In addition, if our common stock trades below our NAV per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board of Directors makes certain determinations. See *Risk Factors — Risks Related to our Securities — Stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities to subscribe to, convert to or purchase shares of our common stock.* for a discussion related to us issuing shares of our common stock below NAV.

The market price of our securities may be volatile and fluctuate significantly.

Fluctuations in the trading prices of our securities may adversely affect the liquidity of the trading market for our securities and, if we seek to raise capital through future securities offerings, our ability to raise such capital. The market price and liquidity of the market for our securities may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- changes in regulatory policies, accounting pronouncements or tax guidelines;
- the exclusion of BDC common stock from certain market indices, such as what happened with respect to the Russell indices and the Standard and Poor’s indices, could reduce the ability of certain investment funds to own our common stock and limit the number of owners of our common stock and otherwise negatively impact the market price of our common stock;
- inability to obtain any exemptive relief that may be required by us in the future from the SEC;
- loss of our BDC or RIC status or any of the Funds’ status as an SBIC;
- changes in our earnings or variations in our operating results;
- changes in the value of our portfolio of investments;
- any shortfall in our investment income or net investment income or any increase in losses from levels expected by investors or securities analysts;
- loss of a major funding source;
- fluctuations in interest rates;
- the operating performance of companies comparable to us;

- departure of our key personnel;
- proposed, or completed, offerings of our securities, including classes other than our common stock;
- global or national credit market changes; and
- general economic trends and other external factors.

We may not be able to pay distributions to our stockholders, our distributions may not grow over time, and a portion of distributions paid to our stockholders may be a return of capital.

We intend to pay distributions to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to pay a specified level of cash distributions, previously projected distributions for future periods, or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by, among other things, the impact of one or more of the risk factors described herein. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC could limit our ability to pay distributions. All distributions will be paid at the discretion of our Board of Directors and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable BDC regulations, compliance with our debt covenants and such other factors as our Board of Directors may deem relevant from time to time. We cannot assure you that we will pay distributions to our stockholders in the future.

When we make distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated taxable earnings, recognized capital gains or capital. To the extent there is a return of capital, investors will be required to reduce their basis in our stock for U.S. federal income tax purposes, which may result in higher tax liability when the shares are sold, even if they have not increased in value or have lost value. In addition, any return of capital will be net of any sales load and offering expenses associated with sales of shares of our common stock. In the future, our distributions may include a return of capital.

Stockholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities to subscribe to, convert to or purchase shares of our common stock.

The 1940 Act prohibits us from selling shares of our common stock at a price below the current NAV per share of such stock, with certain exceptions. One such exception is prior stockholder approval of issuances below NAV provided that our Board of Directors makes certain determinations. We did not seek stockholder authorization to sell shares of our common stock below the then current NAV per share of our common stock at our 2022 Annual Meeting of Stockholders, and have not sought such authorization since 2012, because our common stock price per share had been trading significantly above the NAV per share of our common stock since 2011. We may, however, seek such authorization at future annual or special meetings of stockholders. Our stockholders have previously approved a proposal to authorize us to issue securities to subscribe to, convert to, or purchase shares of our common stock in one or more offerings. Any decision to sell shares of our common stock below the then current NAV per share of our common stock or securities to subscribe to, convert to, or purchase shares of our common stock would be subject to the determination by our Board of Directors that such issuance is in our and our stockholders' best interests.

If we were to sell shares of our common stock below NAV per share, such sales would result in an immediate dilution to the NAV per share. This dilution would occur as a result of the sale of shares at a price below the then current NAV per share of our common stock and a proportionately greater decrease in a stockholder's interest in our earnings and assets and voting interest in us than the increase in our assets resulting from such issuance. In addition, if we issue securities to subscribe to, convert to or purchase shares of common stock, the exercise or conversion of such securities would increase the number of outstanding shares of our common stock. Any such exercise would be dilutive on the voting power of existing stockholders and could be dilutive with regard to dividends and our NAV, and other economic aspects of the common stock.

Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted; however, the example below illustrates the effect of dilution to existing stockholders resulting from the sale of common stock at prices below the NAV of such shares.

Illustration: Example of Dilutive Effect of the Issuance of Shares Below NAV. Assume that Company XYZ has 1,000,000 total shares outstanding, $15,000,000 in total assets and $5,000,000 in total liabilities. The NAV per share of the common stock of Company XYZ is $10.00. The following table illustrates the reduction to NAV and the dilution experienced by Stockholder A following the sale of 40,000 shares of the common stock of Company XYZ at $9.50 per share, a price below its NAV per share.

	Prior to Sale Below NAV	Following Sale Below NAV	Percentage Change
Reduction to NAV			
Total Shares Outstanding	1,000,000	1,040,000	4.0%
NAV per share	$ 10.00	$ 9.98	(0.2)%
Dilution to Existing Stockholder			
Shares Held by Stockholder A	10,000	10,000 (1)	0.0%
Percentage Held by Stockholder A	1.00%	0.96%	(3.8)%
Total Interest of Stockholder A in NAV	$ 100,000	$ 99,808	(0.2)%

(1) Assumes that Stockholder A does not purchase additional shares in the sale of shares below NAV.

Provisions of the Maryland General Corporation Law and our articles of incorporation and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Maryland General Corporation Law and our articles of incorporation and bylaws contain provisions that may have the effect of discouraging, delaying or making difficult a change in control of our company or the removal of our incumbent directors. The existence of these provisions, among others, may have a negative impact on the price of our common stock and may discourage third-party bids for ownership of our company. These provisions may prevent any premiums being offered to you for our common stock.

We may in the future determine to issue preferred stock, which could adversely affect the market value of our common stock.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. In addition, the dividends on any preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of preferred stock must take preference over any dividends or other payments to our common stockholders, and holders of preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into common stock). In addition, under the 1940 Act, preferred stock constitutes a "senior security" for purposes of the asset coverage test.

RISKS RELATED TO OUR SBIC FUNDS

We, through the Funds, issue debt securities guaranteed by the SBA and sold in the capital markets. As a result of its guarantee of the debt securities, the SBA has fixed dollar claims on the assets of the Funds that are superior to the claims of our securities holders.

We, through the Funds, have outstanding SBIC debentures guaranteed by the SBA. The debentures guaranteed by the SBA have a maturity of ten years from the date of issuance and require semiannual payments of interest. We will need to generate sufficient cash flow to make required interest payments on the debentures. If we are unable to meet the financial obligations under the debentures, the SBA, as a creditor, will have a superior claim to the assets of the Funds over our securities holders in the event we liquidate or the SBA exercises its remedies under such debentures as the result of a default by us.

The Funds are licensed by the SBA, and therefore subject to SBIC regulations.

The Funds, our wholly-owned subsidiaries, are licensed to act as SBICs and are regulated by the SBA. The SBA also places certain limitations on the financing terms of investments by SBICs in portfolio companies and prohibits SBICs from providing funds for certain purposes or to businesses in a few prohibited industries. Compliance with SBA requirements may cause the Funds to forego attractive investment opportunities that are not permitted under SBIC regulations.

Further, the SBIC regulations require, among other things, that a licensed SBIC be periodically examined by the SBA and audited by an independent auditor, in each case to determine the SBIC's compliance with the relevant SBIC regulations. The SBA prohibits, without prior SBA approval, a "change of control" of an SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10% or more of a class of capital stock of a licensed SBIC. If the Funds fail to comply with applicable SBIC regulations, the SBA could, depending on the severity of the violation, limit or prohibit their use of SBIC debentures, declare outstanding SBIC debentures immediately due and payable, and/or limit them from making new investments. In addition, the SBA can revoke or suspend a license for willful or repeated violation of, or willful or repeated failure to observe, any provision of the Small Business Investment Act of 1958 or any rule or regulation promulgated thereunder. Such actions by the SBA would, in turn, negatively affect us.

Each of the Funds, as an SBIC, may be unable to make distributions to us that will enable us to meet or maintain RIC status, which could result in the imposition of an entity-level tax.

In order for us to continue to qualify for RIC tax treatment and to minimize corporate-level U.S. federal taxes, we will be required to distribute substantially all of our net ordinary taxable income and net capital gain income, including taxable income from certain of our subsidiaries, which includes the income from the Funds. We will be partially dependent on the Funds for cash distributions to enable us to meet the RIC distribution requirements. The Funds may be limited by SBIC regulations from making certain distributions to us that may be necessary to enable us to maintain our status as a RIC. We may have to request a waiver of the SBA's restrictions for the Funds to make certain distributions to maintain our eligibility for RIC status. We cannot assure you that the SBA will grant such waiver and if the Funds are unable to obtain a waiver, compliance with the SBIC regulations may result in loss of RIC tax treatment and a consequent imposition of an entity-level tax on us.

FEDERAL INCOME TAX RISKS

We will be subject to corporate-level U.S. federal income tax if we are unable to qualify as a RIC under Subchapter M of the Code.

To maintain RIC tax treatment under the Code, we must meet the following annual distribution, income source and asset diversification requirements:

- The Annual Distribution Requirement for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90% of our net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such income. Any such carryover taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income. For more information regarding tax treatment, see *Business — Regulation — Taxation as a Regulated Investment Company.* Because we use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act and are (and may in the future become) subject to certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirement. In addition, because we receive non-cash sources of income such as PIK interest which involves us recognizing taxable income without receiving the cash representing such income, we may have difficulty meeting the distribution requirement. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.

- The source-of-income requirement will be satisfied if we obtain at least 90% of our gross income for each year from distributions, interest, gains from the sale of stock or securities or similar sources.

- The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy this requirement, at least 50% of the value of our assets must consist of cash, cash equivalents, U.S. government securities, securities of other RICs, and other acceptable securities; and no more than 25% of the value of our assets can be invested in the securities, other than U.S. government securities or securities of other RICs, (i) of one issuer, (ii) of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or (iii) of certain "qualified publicly traded partnerships."

Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments are in privately held companies, and therefore illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses. Moreover, if we fail to maintain RIC tax treatment for any reason and are subject to corporate income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions.

We may have difficulty paying the distributions required to maintain RIC tax treatment under the Code if we recognize income before or without receiving cash representing such income.

We will include in income certain amounts that we have not yet received in cash, such as: (i) amortization of original issue discount, which may arise if we receive warrants in connection with the origination of a loan such that ascribing a value to the warrants creates original issue discount in the debt instrument, if we invest in a debt investment at a discount to the par value of the debt security or possibly in other circumstances; (ii) contractual payment-in-kind, or PIK, interest, which represents contractual interest added to the loan balance and due at the end of the loan term; (iii) contractual preferred dividends, which represents contractual dividends added to the preferred stock and due at the end of the preferred stock term, subject to adequate profitability at the portfolio company; or (iv) amortization of market discount, which is associated with loans purchased in the secondary market at a discount to par value. Such amortization of original issue discounts, increases in loan balances as a result of contractual PIK arrangements, cumulative preferred dividends, or amortization of market discount will be included in income before we receive the corresponding cash payments. We also may be required to include in income certain other amounts before we receive such amounts in cash. Investments structured with these features may represent a higher level of credit risk compared to investments generating income which must be paid in cash on a current basis.

Since, in certain cases, we may recognize taxable income before or without receiving cash representing such income, we may have difficulty meeting the Annual Distribution Requirement necessary to maintain RIC tax treatment under the Code. Accordingly, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax. For additional discussion regarding the tax implications of a RIC, please see *Business — Regulation — Taxation as a Regulated Investment Company*.

We may in the future choose to pay dividends in our own stock, in which case you may be required to pay tax in excess of the cash you receive.

We may distribute taxable dividends that are payable in part in our stock. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable by us in cash or in shares of stock (at the stockholders' election) would satisfy the Annual Distribution Requirement. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long-term capital gain to the extent such dividend is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock.

Stockholders may have current tax liability on dividends they elect to reinvest in our common stock but would not receive cash from such dividends to pay such tax liability.

If stockholders participate in our dividend reinvestment plan, they will be deemed to have received, and for federal income tax purposes will be taxed on, the amount reinvested in our common stock to the extent the amount reinvested was not a tax-free return of capital. As a result, unless a stockholder is a tax-exempt entity, it may have to use funds from other sources to pay its tax liability on the value of the dividend that they have elected to have reinvested in our common stock.

Legislative or regulatory tax changes could adversely affect our stockholders.

At any time, the federal income tax laws governing RICs or the administrative interpretations of those laws or regulations may be amended. Any new laws, regulations or interpretations may take effect retroactively and could adversely affect the taxation of us or our stockholders. Therefore, changes in tax laws, regulations or administrative interpretations or any amendments thereto could diminish the value of an investment in our shares or the value or the resale potential of our investments. If we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of our business and may be subject to civil fines and criminal penalties.

GENERAL RISK FACTORS

Events outside of our control, including public health crises, supply chain disruptions and inflation, could negatively affect our portfolio companies and the results of our operations.

Periods of market volatility could occur in response to pandemics or other events outside of our control. We and the portfolio companies in which we invest in could be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, such as acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events could adversely affect the ability of a party (including us, a portfolio company or a counterparty to us) to perform its obligations until it is able to remedy the force majeure event. In addition, force majeure events, such as the cessation of the operation of equipment for repair or upgrade, could similarly lead to the unavailability of essential equipment and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, including to an officer, director or a member of our investment team, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or us of repairing or replacing damaged assets resulting from such force majeure event could be considerable.

It will not be possible to insure against all such events, and insurance proceeds received, if any, could be inadequate to completely or even partially cover any loss of revenues or investments, any increases in operating and maintenance expenses, or any replacements or rehabilitation of property. Certain events causing catastrophic loss could be either uninsurable, or insurable at such high rates as to adversely impact us or portfolio companies, as applicable. Force majeure events that are incapable of or are too costly to cure could have permanent adverse effects. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which we invest or our portfolio companies operate specifically. Such force majeure events could result in or coincide with: increased volatility in the global securities, derivatives and currency markets; a decrease in the reliability of market prices and difficulty in valuing assets; greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; less governmental regulation and supervision of the securities markets and market participants and decreased monitoring of the markets by governments or self-regulatory organizations and reduced enforcement of regulations; limited, or limitations on, the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques; substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments.

We are currently operating in a period of capital markets disruption and economic uncertainty, and capital markets may experience periods of disruption and instability in the future. These market conditions may materially and adversely affect debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations.

The success of our activities is affected by general economic and market conditions, including, among others, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and trade barriers. These factors could affect the level and volatility of securities prices and the liquidity of our investments. Volatility or illiquidity could impair our profitability or result in losses. These factors also could adversely affect the availability or cost of our leverage, which would result in lower returns.

These disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. Such disruptions could adversely affect our business, financial condition, results of operations and cash flows, and future market disruptions and/or illiquidity could negatively impact us. These unfavorable economic conditions could increase our funding costs and limit our access to the capital markets, and could result in a decision by lenders not to extend credit to us in the future. These events could limit our investments, our ability to grow and could negatively impact our operating results and the fair values of our debt and equity investments.

Government intervention in the credit markets could adversely affect our business.

The central banks and, in particular, the U.S. Federal Reserve, have taken unprecedented steps since the financial crises of 2008-2009 and the COVID-19 global pandemic and in response to inflationary pressures. It is impossible to predict if, how, and to what extent the United States and other governments would further intervene in the credit markets. Such intervention is often prompted by politically sensitive issues involving family homes, student loans, real estate speculation, credit card receivables, pandemics, etc., and could, as a result, be contrary to what we would predict from an “economically rational” perspective.

On the other hand, recent governmental intervention could mean that the willingness of governmental bodies to take additional extraordinary action is diminished. As a result, in the event of near-term major market disruptions, like those caused by the COVID-19 pandemic, there might be only limited additional government intervention, resulting in correspondingly greater market dislocation and materially greater market risk.

We may experience fluctuations in our operating results.

We could experience fluctuations in our operating results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, the level of portfolio dividend and fee income, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, operating results for any period should not be relied upon as being indicative of performance in future periods.

Technological innovations and industry disruptions may negatively impact us.

Technological innovations have disrupted traditional approaches in multiple industries and can permit younger companies to achieve success and in the process disrupt markets and market practices. We can provide no assurance that new businesses and approaches will not be created that would compete with us and/or our portfolio companies or alter the market practices in which we have been designed to function within and on which we depend on for our investment return. New approaches could damage our investments, disrupt the market in which we operate and subject us to increased competition, which could materially and adversely affect our business, financial condition and results of investments.

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends.

Our business is highly dependent on our and third parties’ communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;

- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber attacks, including software viruses, ransomware, malware and phishing and vishing schemes.

The failure in cyber security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning could impair our ability to conduct business effectively.

The occurrence of a disaster such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of our managers were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, we may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

Third parties with which we do business (including, but not limited to, service providers, such as accountants, custodians, transfer agents and administrators, and the issuers of securities in which we invest) may also be sources or targets of cyber security or other technological risks. While we engage in actions to reduce our exposure resulting from outsourcing, we cannot control the cyber security plans and systems put in place by these third parties and ongoing threats may result in unauthorized access, loss, exposure or destruction of data, or other cybersecurity incidents, with increased costs and other consequences, including those described above. Privacy and information security laws and regulation changes, and compliance with those changes, may also result in cost increases due to system changes and the development of new administrative processes.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

We do not own any real estate or other physical properties materially important to our operations. Currently, we lease office space in Houston, Texas for our corporate headquarters.

Item 3. ***Legal Proceedings***

We may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise. Furthermore, third parties may seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, we do not expect any current matters will materially affect our financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on our financial condition or results of operations in any future reporting period.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

COMMON STOCK AND HOLDERS

Our common stock is traded on the NYSE under the symbol "MAIN."

The following table sets forth, for the periods indicated, the range of high and low closing prices of our common stock as reported on the NYSE, and the sales price as a percentage of the NAV per share of our common stock.

	NAV(1)	Price Range High	Price Range Low	Premium of High Sales Price to NAV(2)	Premium of Low Sales Price to NAV(2)
Year ending December 31, 2023					
First Quarter (through February 23, 2023)	*	$ 40.28	$ 36.87	*	*
Year ended December 31, 2022					
Fourth Quarter	$ 26.86	$ 39.50	$ 32.57	47 %	21 %
Third Quarter	25.94	45.28	33.23	75 %	28 %
Second Quarter	25.37	43.65	34.59	72 %	36 %
First Quarter	25.89	44.88	39.94	73 %	54 %
Year ended December 31, 2021					
Fourth Quarter	$ 25.29	$ 46.61	$ 41.35	84 %	64 %
Third Quarter	24.27	42.81	40.20	76 %	66 %
Second Quarter	23.42	43.41	38.14	85 %	63 %
First Quarter	22.65	39.56	31.35	75 %	38 %

* NAV has not yet been determined for the first quarter of 2023.

(1) NAV is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low closing prices. The net asset values shown are based on outstanding shares at the end of each period.

(2) Calculated for each quarter as (i) NAV subtracted from the respective high or low share price divided by (ii) NAV.

On February 23, 2023, the last sale price of our common stock on the NYSE was $40.19 per share, and there were 381 holders of record of the common stock which did not include stockholders for whom shares are held in "nominee" or "street name." The NAV per share of our common stock on December 31, 2022 was $26.86, and the premium of the February 23, 2023 closing price of our common stock was 50% to this NAV per share.

Shares of BDCs may trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that our shares of common stock will trade at a discount from NAV per share or at premiums that are unsustainable over the long term are separate and distinct from the risk that our NAV per share will decrease. It is not possible to predict whether our common stock will trade at, above, or below NAV per share. Since our IPO in October 2007, our shares of common stock have traded at prices both less than and exceeding our NAV per share.

DIVIDEND/DISTRIBUTION POLICY

We currently intend to distribute dividends or make distributions to our stockholders out of assets legally available for distribution. Our dividends and other distributions, if any, will be determined by our Board of Directors from time to time. Our ability to declare dividends depends on our earnings, our overall financial condition (including our liquidity position), maintenance of our RIC status and such other factors as our Board of Directors may deem relevant from time to time. When we make distributions, we are required to determine the extent to which such distributions are paid out of current or accumulated earnings, recognized capital gains or capital. To the extent there is a return of capital (a distribution of the stockholders' invested capital), investors will be required to reduce their basis in our stock for federal tax purposes. In the future, our distributions may include a return of capital.

We have adopted a dividend reinvestment and direct stock purchase plan (the "Plan"). The dividend reinvestment feature of the Plan (the "DRIP") provides for the reinvestment of dividends on behalf of our stockholders, unless a stockholder has elected to receive dividends in cash. As a result, if we declare a cash dividend, our stockholders who have not "opted out" of the DRIP by the dividend record date will have their cash dividend automatically reinvested into additional shares of MSCC common stock. The share requirements of the DRIP may be satisfied through the issuance of new shares of common stock or through open market purchases of common stock by the DRIP plan administrator. Newly issued shares will be valued based upon the final closing price of MSCC's common stock on a valuation date determined for each dividend by our Board of Directors. Shares purchased in the open market to satisfy the DRIP requirements will be valued based upon the average price of the applicable shares purchased by the DRIP plan administrator, before any associated brokerage or other costs. Our DRIP is administered by our transfer agent on behalf of our record holders and participating brokerage firms. Brokerage firms and other financial intermediaries may decide not to participate in our DRIP but may provide a similar dividend reinvestment plan for their clients.

SALES OF UNREGISTERED SECURITIES

During the year ended December 31, 2022, we issued a total of 625,196 shares of our common stock under the DRIP. These issuances were not subject to the registration requirements of the Securities Act of 1933, as amended. The aggregate value of the shares of our common stock issued under the DRIP during 2022 was $24.1 million.

PURCHASES OF EQUITY SECURITIES

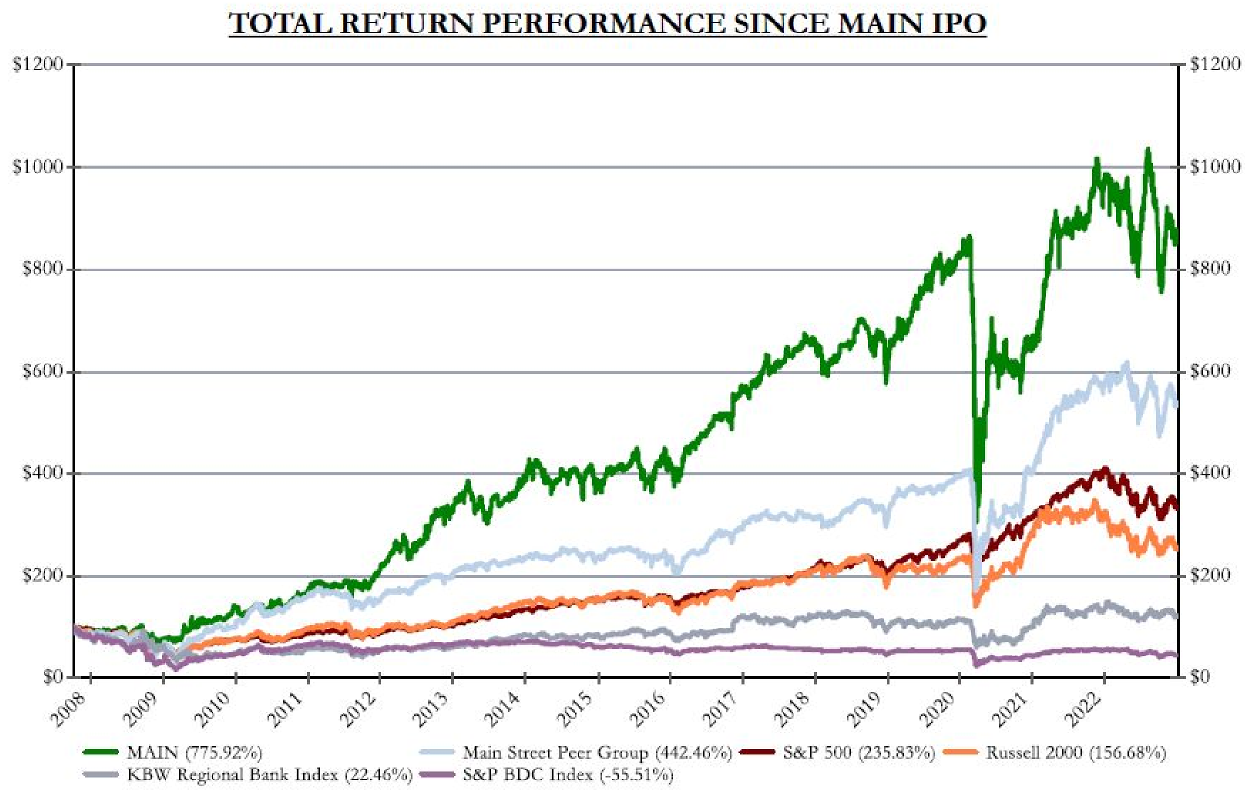
Upon vesting of restricted stock awarded pursuant to our employee equity compensation plan, shares may be withheld to meet applicable tax withholding requirements. Any withheld shares are treated as common stock purchases by the Company in our consolidated financial statements as they reduce the number of shares received by employees upon vesting (see "Purchase of vested stock for employee payroll tax withholding" in the consolidated statements of changes in net assets for share amounts withheld).

STOCK PERFORMANCE GRAPH

The following graph compares the stockholder return on our common stock from October 5, 2007 to December 31, 2022 with the S&P 500 Index, the Russell 2000 Index, the KBW Regional Bank Index and the S&P BDC Index. This comparison assumes $100.00 was invested on October 5, 2007 (the date our common stock began to trade in connection with our initial public offering) in our common stock and in the comparison groups and assumes the reinvestment of all cash dividends prior to any tax effect. The comparisons in the graph below are based on historical data and are not intended to forecast the possible future performance of our common stock.

COMPARISON OF STOCKHOLDER RETURN(1)
Among Main Street Capital Corporation, the S&P 500 Index, the Russell 2000 Index, the KBW Regional Bank Index, the Main Street Peer Group(2)(3) and the S&P BDC Index(3)
(For the Period October 5, 2007 to December 31, 2022)

TOTAL RETURN PERFORMANCE SINCE IPO



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(1) Total return includes reinvestment of dividends through December 31, 2022.

(2) The Main Street Peer Group is composed of Ares Capital Corporation, Barings BDC Inc., Bain Capital Specialty Finance Inc., Blackrock Capital Investment Corp., Crescent Capital BDC Inc., Carlyle Secured Lending Inc., Capital Southwest Corporation, Fidus Investment Corp., FS KKR Capital Corp., Gladstone Investment Corporation, Golub Capital BDC Inc., Gladstone Capital Corporation, Goldman Sachs BDC Inc., Horizon Technology Finance Corp., Hercules Capital Inc., MidCap Financial Investment Corp., Monroe Capital Corp., New Mountain Finance Corp., Oaktree Specialty Lending Corp., OFS Capital Corp., Owl Rock Capital Corp., PennantPark Floating Rate Capital Ltd., PennantPark Investment Corp., Prospect Capital Corporation, Portman Ridge Finance Corp., Saratoga Investment Corp., Stellus Capital Investment Corp., SLR Investment Corp., BlackRock TCP Capital Corp, Triplepoint Venture Growth BDC Corp., Sixth Street Specialty Lending Inc. and White Horse Finance Inc.

(3) Beginning with the Form 10-K for our fiscal year ending December 31, 2023, the Main Street Peer Group will be removed from the comparison graph above and replaced by the S&P BDC Index, which we believe is a better representation of performance among our peers.

Item 6. [Reserved.]

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto included elsewhere in this Annual Report on Form 10-K.

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

INVESTMENT PORTFOLIO SUMMARY

The following tables provide a summary of our investments in the LMM, Private Loan and Middle Market portfolios as of December 31, 2022 and 2021 (this information excludes Other Portfolio investments, short-term portfolio investments and the External Investment Manager which are discussed further below):

	As of December 31, 2022		
	LMM (a)	Private Loan	Middle Market
		(dollars in millions)	
Number of portfolio companies	78	85	31
Fair value	$ 2,060.5	$ 1,471.5	$ 329.1
Cost	$ 1,719.9	$ 1,500.3	$ 401.7
Debt investments as a % of portfolio (at cost)	73.7 %	97.1 %	93.8 %
Equity investments as a % of portfolio (at cost)	26.3 %	2.9 %	6.2 %
% of debt investments at cost secured by first priority lien	99.1 %	99.6 %	98.8 %
Weighted-average annual effective yield (b)	12.3 %	11.6 %	11.0 %
Average EBITDA (c)	$ 8.0	$ 38.1	$ 68.7

(a) At December 31, 2022, we had equity ownership in all of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was 41%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2022, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield on our debt portfolio as of December 31, 2022 including debt investments on non-accrual status was 11.6% for our LMM portfolio, 11.2% for our Private Loan portfolio and 10.3% for our Middle Market portfolio. The weighted-average annual effective yield is not reflective of what an investor in shares of our common stock will realize on its investment because it does not reflect changes in the market value of our stock, our utilization of debt capital in our capital structure, our expenses or any sales load paid by an investor.

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

	As of December 31, 2021		
	LMM (a)	Private Loan	Middle Market
		(dollars in millions)	
Number of portfolio companies	73	75	36
Fair value	$ 1,716.4	$ 1,141.8	$ 395.2
Cost	$ 1,455.7	$ 1,157.5	$ 440.9
Debt investments as a % of portfolio (at cost)	70.9 %	95.7 %	93.3 %
Equity investments as a % of portfolio (at cost)	29.1 %	4.3 %	6.7 %
% of debt investments at cost secured by first priority lien	99.0 %	98.7 %	98.7 %
Weighted-average annual effective yield (b)	11.2 %	8.2 %	7.5 %
Average EBITDA (c)	$ 6.2	$ 41.3	$ 76.0

(a) At December 31, 2021, we had equity ownership in all of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was 40%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2021, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield on our debt portfolio as of December 31, 2021 including debt investments on non-accrual status was 10.6% for our LMM portfolio, 8.0% for our Private Loan portfolio and 6.9% for our Middle Market portfolio. The weighted-average annual effective yield is not reflective of what an investor in shares of our common stock will realize on its investment because it does not reflect changes in the market value of our stock, our utilization of debt capital in our capital structure, our expenses or any sales load paid by an investor.

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

For the years ended December 31, 2022 and 2021, we achieved a total return on investments of 11.1% and 16.6%, respectively. Total return on investments is calculated using the interest, dividend, and fee income, as well as the realized and unrealized change in fair value of the Investment Portfolio for the specified period. Our total return on investments is not reflective of what an investor in shares of our common stock will realize on its investment because it does not reflect changes in the market value of our stock, our utilization of debt capital in our capital structure, our expenses or any sales load paid by an investor.

As of December 31, 2022, we had Other Portfolio investments in 14 companies, collectively totaling $116.3 million in fair value and $120.4 million in cost basis and which comprised 2.8% and 3.2% of our Investment Portfolio at fair value and cost, respectively. As of December 31, 2021, we had Other Portfolio investments in 13 companies, collectively totaling $166.1 million in fair value and $173.7 million in cost basis and which comprised 4.7% and 5.3% of our Investment Portfolio at fair value and cost, respectively.

As previously discussed, the External Investment Manager is a wholly-owned subsidiary that is treated as a portfolio investment. As of December 31, 2022, this investment had a fair value of $122.9 million and a cost basis of $29.5 million, which comprised 3.0% and 0.8% of our Investment Portfolio at fair value and cost, respectively. As of December 31, 2021, this investment had a fair value of $140.4 million and a cost basis of $29.5 million, which comprised 3.9% and 0.9% of our Investment Portfolio at fair value and cost, respectively.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods reported. Actual results could materially differ from those estimates. Critical accounting policies are those that require management to make subjective or complex judgments about the effect of matters that are inherently uncertain and may change in subsequent periods. Changes that may be required in the underlying assumptions or estimates in these areas could have a material impact on our current and future financial condition and results of operations.

Management has discussed the development and selection of each critical accounting policy and estimate with the Audit Committee of the Board of Directors. Our critical accounting policies and estimates include the Investment Portfolio Valuation and Revenue Recognition policies described below. Our significant accounting policies are described in greater detail in *Note B — Summary of Significant Accounting Policies* to the consolidated financial statements included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

Investment Portfolio Valuation

The most significant determination inherent in the preparation of our consolidated financial statements is the valuation of our Investment Portfolio and the related amounts of unrealized appreciation and depreciation. We consider this determination to be a critical accounting estimate, given the significant judgments and subjective measurements required. As of both December 31, 2022 and 2021, our Investment Portfolio valued at fair value represented 97% of our total assets. We are required to report our investments at fair value. We follow the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures* (“ASC 820”). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 requires us to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact. See *Note B.1. — Valuation of the Investment Portfolio* included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K for a detailed discussion of our Investment Portfolio valuation process and procedures.

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

In December 2020, the SEC adopted Rule 2a-5 under the 1940 Act, which permits a BDC’s board of directors to designate its executive officers or investment adviser as a valuation designee to determine the fair value for its investment portfolio, subject to the active oversight of the board. Our Board of Directors has approved policies and procedures pursuant to Rule 2a-5 (the “Valuation Procedures”) and has designated a group of our executive officers to serve as the Board of Directors’ valuation designee. We believe our Investment Portfolio as of December 31, 2022 and 2021 approximates fair value as of those dates based on the markets in which we operate and other conditions in existence on those reporting dates.

Revenue Recognition

Interest and Dividend Income

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

Fee Income

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

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

We hold certain debt and preferred equity instruments in our Investment Portfolio that contain PIK interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed or sold. To maintain RIC tax treatment (as discussed in *Note B.9. — Summary of Significant Accounting Policies — Income Taxes* included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though we may not have collected the PIK interest and cumulative dividends in cash. We stop accruing PIK interest and cumulative dividends and write off any accrued and uncollected interest and dividends in arrears when we determine that such PIK interest and dividends in arrears are no longer collectible. For the years ended December 31, 2022, 2021 and 2020 (i) 1.4%, 2.6% and 2.8%, respectively, of our total investment income was attributable to PIK interest income not paid currently in cash and (ii) 0.5%, 0.6% and 0.8%, respectively, of our total investment income was attributable to cumulative dividend income not paid currently in cash.

INVESTMENT PORTFOLIO COMPOSITION

The following tables summarize the composition of our total combined LMM, Private Loan and Middle Market portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM, Private Loan and Middle Market portfolio investments as of December 31, 2022 and 2021 (this information excludes Other Portfolio investments, short-term portfolio investments and the External Investment Manager).

Cost:	**December 31, 2022**	**December 31, 2021**
First lien debt	85.0 %	82.5 %
Equity	14.2	16.2
Second lien debt	0.3	0.6
Equity warrants	0.2	0.3
Other	0.3	0.4
	100.0 %	100.0 %

Fair Value:	**December 31, 2022**	**December 31, 2021**
First lien debt	75.2 %	74.3 %
Equity	24.1	24.6
Second lien debt	0.3	0.5
Equity warrants	0.1	0.2
Other	0.3	0.4
	100.0 %	100.0 %

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

PORTFOLIO ASSET QUALITY

We utilize an internally developed investment rating system to rate the performance of each LMM, Private Loan and Middle Market portfolio company and to monitor our expected level of returns on each of our LMM, Private Loan and Middle Market investments in relation to our expectations for the portfolio company. The investment rating system takes into consideration various factors, including each investment's expected level of returns, the collectability of our debt investments and the ability to receive a return of the invested capital in our equity investments, comparisons to competitors and other industry participants, the portfolio company's future outlook and other factors that are deemed to be significant to the portfolio company.

As of December 31, 2022, our total Investment Portfolio had 12 investments on non-accrual status, which comprised 0.6% of its fair value and 3.7% of its cost. As of December 31, 2021, our total Investment Portfolio had nine investments on non-accrual status, which comprised 0.7% of its fair value and 3.3% of its cost.

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

DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Set forth below is a comparison of the results of operations and changes in financial condition for the years ended December 31, 2022 and 2021. The comparison of, and changes between, the fiscal years ended December 31, 2021 and 2020 can be found within *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* included in Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, which is incorporated herein by reference.

Comparison of the years ended December 31, 2022 and 2021

	Year Ended December 31,		Net Change	
	2022	2021	Amount	%
	(dollars in thousands)			
Total investment income	$ 376,860	$ 289,047	$ 87,813	30 %
Total expenses	(131,533)	(106,382)	(25,151)	24 %
Net investment income	245,327	182,665	62,662	34 %
Net realized gain (loss) from investments	(5,212)	45,336	(50,548)	NM
Net unrealized appreciation from investments	24,816	135,624	(110,808)	NM
Income tax provision	(23,325)	(32,863)	9,538	NM
Net increase in net assets resulting from operations	$ 241,606	$ 330,762	$ (89,156)	(27)%

	Year Ended December 31,		Net Change	
	2022	2021	Amount	%
	(dollars in thousands, except per share amounts)			
Net investment income	$ 245,327	$ 182,665	$ 62,662	34 %
Share-based compensation expense	13,629	10,887	2,742	25 %
Deferred compensation expense (benefit)	(1,434)	1,190	(2,624)	NM
Distributable net investment income (a)	$ 257,522	$ 194,742	$ 62,780	32 %
Net investment income per share—Basic and diluted	$ 3.29	$ 2.65	$ 0.64	24 %
Distributable net investment income per share—Basic and diluted (a)	$ 3.46	$ 2.82	$ 0.64	23 %

NM — Net Change % not meaningful

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

Investment Income

Total investment income for the year ended December 31, 2022 was $376.9 million, a 30% increase from the $289.0 million of total investment income for the prior year. The following table provides a summary of the changes in the comparable period activity.

	Year Ended December 31,		Net Change		
	2022	2021	Amount	%	
	(dollars in thousands)				
Interest income	$ 284,746	$ 193,667	$ 91,079	47 %	(a)
Dividend income	76,375	81,153	(4,778)	(6)%	(b)
Fee income	15,739	14,227	1,512	11 %	(c)
Total investment income	$ 376,860	$ 289,047	$ 87,813	30 %	(d)

(a) The increase in interest income was primarily due to (i) higher average levels of Investment Portfolio debt investments and (ii) higher floating interest rates on Investment Portfolio debt investments based upon the increase in the market index rates for these floating rate investments, which are primarily London Interbank Offered Rate ("LIBOR") and the Secured Overnight Financing Rate ("SOFR"). These increases were partially offset by a $1.2 million decrease in accelerated, prepayment, repricing and other activity related to certain Investment Portfolio debt investments.

(b) The decrease in dividend income from Investment Portfolio equity investments was primarily a result of an $11.3 million decrease in dividend income considered to be less consistent or non-recurring, partially offset by increased dividend income from certain of our portfolio companies resulting from the improved operating results, financial condition and liquidity positions.

(c) The increase in fee income was primarily related to (i) a $0.6 million increase related to higher originations of Investment Portfolio investments, as discussed above, and (ii) a $0.9 million increase from refinancing and prepayment of debt investments.

(d) The increase in total investment income includes a net reduction of $12.5 million in the impact of certain income considered less consistent or non-recurring, including (i) an $11.3 million decrease in dividend income and (ii) a $1.2 million decrease in accelerated prepayment, repricing and other activity related to certain Investment Portfolio debt investments.

Expenses

Total expenses for the year ended December 31, 2022 were $131.5 million, a 24% increase from $106.4 million in the prior year. The following table provides a summary of the changes in the comparable period activity.

	Year Ended December 31,		Net Change		
	2022	2021	Amount	%	
	(dollars in thousands)				
Cash compensation	$ 37,977	$ 33,002	$ 4,975	15%	(a)
Deferred compensation plan expense (benefit)	(1,434)	1,440	(2,874)	(200)%	(b)
Compensation	36,543	34,442	2,101	6%	
General and administrative	16,050	12,494	3,556	28%	
Interest	78,276	58,836	19,440	33%	(c)
Share-based compensation	13,629	10,887	2,742	25%	
Gross expenses	144,498	116,659	27,839	24%	
Expenses allocated to the External Investment Manager	(12,965)	(10,277)	(2,688)	26%	
Total expenses	$ 131,533	$ 106,382	$ 25,151	24%	

(a) The increase in cash compensation expense was primarily related to increased base compensation rates, incentive compensation accruals and headcount.

(b) The change in the non-cash deferred compensation plan expense (benefit) was due to the reduction to compensation expense resulting from a decrease in the fair value of deferred compensation plan assets and corresponding liabilities during 2022 compared to an increase in such fair values in 2021.

(c) The increase in interest expense was primarily related to increased borrowings to support our investment activity, including borrowings under our Credit Facilities (as defined in *Liquidity and Capital Resources* below) and an aggregate of $100.0 million in principal amount of our December 2025 Notes issued in December 2022 (as defined in *Liquidity and Capital Resources* below), partially offset by the repayment of $185.0 million in principal amount of our December 2022 Notes (as defined in *Liquidity and Capital Resources* below).

Net Investment Income

Net investment income for the year ended December 31, 2022 increased 34% to $245.3 million, or $3.29 per share, compared to net investment income of $182.7 million, or $2.65 per share, in 2021. The increase in net investment income was principally attributable to the increase in total investment income, partially offset by higher operating expenses, both as discussed above. The increase in net investment income per share reflects these changes and the impact of the increase in weighted average shares outstanding for the year ended December 31, 2022, primarily due to (i) shares issued through our public offering in August 2022 and our at-the-market equity program (the "ATM Program"), (ii) shares issued through our equity incentive plans and (iii) shares issued through our dividend reinvestment plan. The increase in net investment income on a per share basis includes (i) a $0.18 per share decrease in investment income considered less consistent or non-recurring, partially offset by a decrease in deferred compensation expense of $0.04 per share resulting from the comparable period difference in the fair value of deferred compensation plan assets and corresponding liabilities, both of which are discussed above.

Distributable Net Investment Income

Distributable net investment income for the year ended December 31, 2022 increased 32% to $257.5 million, or $3.46 per share, compared with $194.7 million, or $2.82 per share, in 2021. The increase in distributable net investment income was primarily due to the increased level of total investment income, partially offset by higher operating expenses, excluding the impact of share-based compensation expense and deferred compensation expense (benefit), both as discussed above. The increase in distributable net investment income per share reflects the net impact of the increase in weighted average shares outstanding for the year ended December 31, 2022, primarily due to (i) shares issued through our public offering in August 2022 and our ATM Program, (ii) shares issued through our equity incentive plans and (iii) shares issued through our dividend reinvestment plan. The increase in distributable net investment income on a per share basis includes a $0.18 per share decrease in investment income considered less consistent or non-recurring, as discussed above.

Net Realized Gain (Loss)

The following table provides a summary of the primary components of the total net realized loss on investments of $5.2 million for the year ended December 31, 2022:

	Year Ended December 31, 2022							
	Full Exits		**Partial Exits**		**Restructures**		**Other (a)**	**Total**
	Net Gain/ (Loss)	**# of Investments**	**Net Gain/ (Loss)**	**# of Investments**	**Net Gain/ (Loss)**	**# of Investments**	**Net Gain/ (Loss)**	**Net Gain/ (Loss)**
	(dollars in thousands)							
LMM portfolio	$ —	—	$ 1,219	1	$ (5,822)	1	$ (774)	$ (5,377)
Private Loan portfolio	10,415	4	—	—	(8,395)	2	313	2,333
Middle Market portfolio	(6,265)	3	—	—	—	—	59	(6,206)
Other Portfolio	—	—	3,119	2	—	—	875	3,994
Short-term portfolio	—	—	—	—	—	—	44	44
Total net realized gain (loss)	$ 4,150	7	$ 4,338	3	$ (14,217)	3	$ 517	$ (5,212)

(a) Other activity includes realized gains and losses from transactions involving 17 portfolio companies which are not considered to be significant individually or in the aggregate.

The following table provides a summary of the primary components of the total net realized gain on investments of $45.3 million for the year ended December 31, 2021:

	Year Ended December 31, 2021							
	Full Exits		Partial Exits		Restructures		Other (a)	Total
	Net Gain/ (Loss)	# of Investments	Net Gain/ (Loss)	# of Investments	Net Gain/ (Loss)	# of Investments	Net Gain/ (Loss)	Net Gain/ (Loss)
	(dollars in thousands)							
LMM portfolio	$51,019	7	$ —	—	$(10,925)	1	$ (493)	$39,601
Private Loan portfolio	5,547	2	—	—	—	—	45	5,592
Middle Market portfolio	(3,749)	3	6,153	1	(4,528)	1	464	(1,660)
Other Portfolio	(4,449)	1	5,920	4	—	—	351	1,822
Short-term portfolio	—	—	—	—	—	—	(19)	(19)
Total net realized gain (loss)	$48,368	13	$12,073	5	$(15,453)	2	$ 348	$45,336

(a) Other activity includes realized gains and losses from transactions involving 27 portfolio companies which are not considered to be significant individually or in the aggregate.

Net Unrealized Appreciation (Depreciation)

The following table provides a summary of the total net unrealized appreciation of $24.8 million for the year ended December 31, 2022:

	Year Ended December 31, 2022				
	LMM (a)	Private Loan	Middle Market	Other	Total
	(dollars in thousands)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains / income) losses recognized during the current period	$ 6,055	$ (2,008)	$ 4,966	$ (3,702)	$ 5,311
Net unrealized appreciation (depreciation) relating to portfolio investments	$ 73,840	$ (10,545)	$ (31,836)	$ (11,955) (b)	$ 19,505
Total net unrealized appreciation (depreciation) relating to portfolio investments	$ 79,895	$ (12,553)	$ (26,870)	$ (15,657)	$ 24,816

(a) Includes unrealized appreciation on 38 LMM portfolio investments and unrealized depreciation on 28 LMM portfolio investments.

(b) Other includes (i) $17.5 million of unrealized depreciation relating to the External Investment Manager and (ii) $1.7 million of net unrealized depreciation relating to the assets of the deferred compensation plan, partially offset by $7.2 million of net unrealized appreciation relating to the Other Portfolio.

The following table provides a summary of the total net unrealized appreciation of $135.6 million for the year ended December 31, 2021:

	Year Ended December 31, 2021				
	LMM (a)	Private Loan	Middle Market	Other	Total
	(dollars in thousands)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains / income) losses recognized during the current period	$ (27,451)	$ (3,698)	$ 1,501	$ 4,181	$ (25,467)
Net unrealized appreciation (depreciation) relating to portfolio investments	107,187	17,153	(3,679)	40,430 (b)	161,091
Total net unrealized appreciation (depreciation) relating to portfolio investments	$ 79,736	$ 13,455	$ (2,178)	$ 44,611	$ 135,624

(a) Includes unrealized appreciation on 43 LMM portfolio investments and unrealized depreciation on 23 LMM portfolio investments.

(b) Includes (i) $23.7 million of unrealized appreciation relating to the External Investment Manager and (ii) $16.3 million of net unrealized appreciation relating to the Other Portfolio.

Income Tax Benefit (Provision)

The income tax provision for the year ended December 31, 2022 of $23.3 million principally consisted of (i) a deferred tax provision of $18.1 million, which is primarily the result of the net activity relating to our portfolio investments held in our Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation/depreciation and other temporary book-tax differences, and (ii) a current tax provision of $5.2 million related to a $2.8 million provision for excise tax on our estimated undistributed taxable income and a $2.4 million provision for current U.S. federal and state income taxes.

The income tax provision for the year ended December 31, 2021 of $32.9 million principally consisted of (i) a deferred tax provision of $27.1 million and (ii) a current tax provision of $5.7 million primarily related to a $3.1 million provision for current U.S. federal and state income taxes and a $2.6 million provision for excise tax on our estimated undistributed taxable income.

Net Increase in Net Assets Resulting from Operations

The net increase in net assets resulting from operations for the year ended December 31, 2022 was $241.6 million, or $3.24 per share, compared with $330.8 million, or $4.80 per share, during the year ended December 31, 2021. The tables above provide a summary of the reasons for the change in net assets resulting from operations for the year ended December 31, 2022 as compared to the year ended December 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

For the year ended December 31, 2022, we realized a net increase in cash and cash equivalents of $16.5 million, which is the result of $246.9 million of cash used in our operating activities and $263.4 million of cash provided by our financing activities.

The $246.9 million of cash used in our operating activities resulted primarily from (i) cash uses totaling $1,152.6 million for the funding of new and follow-on portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2021 and (ii) cash payments of $14.2 million related to changes in other assets and liabilities, partially offset by (i) cash proceeds totaling $680.0 million from the sales and repayments of debt investments and sales of and return on capital from equity investments and (ii) cash flows that we generated from the operating profits earned totaling $239.9 million, which is our distributable net investment income, excluding the non-cash effects of the accretion of unearned income, payment-in-kind interest income, cumulative dividends and the amortization expense for deferred financing costs.

The $263.4 million of cash provided by our financing activities principally consisted of (i) $287.0 million in net proceeds from our multi-year corporate-level revolving credit facility (the "Corporate Facility") and the SPV Facility (together, the "Credit Facilities"), (ii) $265.6 million in net cash proceeds from equity offerings from our ATM Program and Equity Offering (both as described below) and direct stock purchase plan and (iii) $100.0 million in proceeds from the initial issuance of the December 2025 Notes (as defined below), partially offset by (i) $194.2 million in cash dividends paid to stockholders, (ii) $185.0 million for the redemption of the December 2022 Notes (as defined below), (iii) $5.1 million for payments of deferred debt issuance costs, SBIC debenture fees and other costs, net of debt issuance premiums, and (iv) $4.9 million for purchases of vested restricted stock from employees to satisfy their tax withholding requirements upon the vesting of such restricted stock.

For the year ended December 31, 2021, we experienced a net increase in cash and cash equivalents in the amount of $0.7 million, which is the net result of $515.4 million of cash used in our operating activities and $516.1 million of cash provided by our financing activities.

The $515.4 million of cash used in our operating activities resulted primarily from cash uses totaling $1,763.8 million for the funding of new and follow-on portfolio company investments and settlement of accruals for portfolio investments existing as of December 31, 2020, partially offset by (i) cash proceeds totaling $1,054.5 million from the sales and repayments of debt investments and sales of and return on capital from equity investments, (ii) cash flows generated from the operating profits earned totaling $171.7 million, which is our distributable net investment income, excluding the non-cash effects of the accretion of unearned income, payment-in-kind interest income, cumulative dividends and the amortization expense for deferred financing costs, and (iii) cash proceeds of $22.2 million related to changes in other assets and liabilities.

The $516.1 million of cash provided by our financing activities principally consisted of (i) $500.0 million in proceeds from the initial and follow-on issuance of the July 2026 Notes (as defined below), (ii) $98.9 million in net cash proceeds from our ATM Program (described below) and direct stock purchase plan, (iii) $80.2 million in cash proceeds from the issuance of SBIC debentures and (iv) $51.0 million in net proceeds from the Corporate Facility, partially offset by (i) $160.5 million in cash dividends paid to stockholders, (ii) $40.0 million in repayment of SBIC debentures, (iii) $8.2 million for debt issuance premiums, net of payments of deferred debt issuance costs, SBIC debenture fees and other costs, and (iv) $5.3 million for purchases of vested restricted stock from employees to satisfy their tax withholding requirements upon the vesting of such restricted stock.

Capital Resources

As of December 31, 2022, we had $49.1 million in cash and cash equivalents and $568.0 million of unused capacity under the Credit Facilities which we maintain to support our investment and operating activities. As of December 31, 2022, our NAV totaled $2,108.6 million, or $26.86 per share.

As of December 31, 2022, we had $407.0 million outstanding and $513.0 million of undrawn commitments under the Corporate Facility, and $200.0 million outstanding and $55.0 million of undrawn commitments under our SPV Facility, both of which we estimated approximated fair value. Availability under the Credit Facilities are both subject to certain borrowing base limitations, various covenants, reporting requirements and other customary requirements for similar credit facilities. For further information on our Credit Facilities, including key terms and financial covenants, refer to *Note E — Debt* included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

Through the Funds, we have the ability to issue SBIC debentures guaranteed by the SBA at favorable interest rates and favorable terms and conditions. Under existing SBIC regulations, SBA-approved SBICs under common control have the ability to issue debentures guaranteed by the SBA up to a regulatory maximum amount of $350.0 million. Under existing SBA-approved commitments, we had $350.0 million of outstanding SBIC debentures guaranteed by the SBA as of December 31, 2022 through our wholly-owned SBICs, which bear a weighted-average annual fixed interest rate of 2.9%, paid semiannually, and mature ten years from issuance. The first maturity related to our SBIC debentures occurs in March 2023, and the weighted-average remaining duration is 5.1 years as of December 31, 2022. Debentures guaranteed by the SBA have fixed interest rates that equal prevailing 10-year Treasury Note rates plus a market spread and have a maturity of ten years with interest payable semiannually. The principal amount of the debentures is not required to be paid before maturity, but may be pre-paid at any time with no prepayment penalty. We expect to maintain SBIC debentures under the SBIC program in the future, subject to periodic repayments and borrowings, in an amount up to the regulatory maximum amount for affiliated SBIC funds.

In November 2017, we issued $185.0 million in aggregate principal amount of 4.50% unsecured notes due December 1, 2022 (the “December 2022 Notes”). In December 2022, we repaid the entire principal amount of the outstanding December 2022 Notes. The outstanding aggregate principal amount of the December 2022 Notes was $185.0 million as of December 31, 2021.

In April 2019, we issued $250.0 million in aggregate principal amount of 5.20% unsecured notes due May 1, 2024 (the “May 2024 Notes”). In December 2019 and July 2020, we issued an additional $75.0 million and $125.0 million, respectively, in aggregate principal amount of the May 2024 Notes. The outstanding aggregate principal amount of the May 2024 Notes was $450.0 million as of both December 31, 2022 and December 31, 2021.

In January 2021, we issued $300.0 million in aggregate principal amount of 3.00% unsecured notes due July 14, 2026 (the “July 2026 Notes”). In October 2021, we issued an additional $200.0 million in aggregate principal amount of the July 2026 Notes. The outstanding aggregate principal amount of the July 2026 Notes was $500.0 million as of both December 31, 2022 and December 31, 2021.

In December 2022, we issued $100.0 million in aggregate principal amount of 7.84% Series A unsecured notes due December 23, 2025 (the “December 2025 Notes”), all of which remained outstanding as of December 31, 2022.

We maintain a program with certain selling agents through which we can sell shares of our common stock by means of at-the-market offerings from time to time (the “ATM Program”).

During the year ended December 31, 2022, we sold 5,407,382 shares of our common stock at a weighted-average price of $39.29 per share and raised $212.4 million of gross proceeds under the ATM Program. Net proceeds were $209.9 million after commissions to the selling agents on shares sold and offering costs. As of December 31, 2022, sales transactions representing 43,217 shares had not settled and are not included in shares issued and outstanding on the face of the Consolidated Balance Sheets but are included in the weighted average shares outstanding in the Consolidated Statements of Operations and in the shares used to calculate the NAV per share. In March 2022, we entered into new distribution agreements to sell up to 15,000,000 shares through the ATM Program. As of December 31, 2022, 10,462,684 shares remained available for sale under the ATM Program.

In August 2022, we completed a public equity offering (the “Equity Offering”) of 1,345,500 shares of common stock at a public offering price of $42.85 per share, including the underwriters’ full exercise of their option to purchase 175,500 additional shares, resulting in total net proceeds, including exercise of the underwriters’ option to purchase additional shares and after deducting underwriting discounts and estimated offering expenses payable by us, of approximately $55.1 million.

During the year ended December 31, 2021, we sold 2,332,795 shares of our common stock at a weighted-average price of $42.71 per share and raised $99.6 million of gross proceeds under the ATM Program. Net proceeds were $98.4 million after commissions to the selling agents on shares sold and offering costs. As of December 31, 2021, sales transactions representing 36,136 shares had not settled and are not included in shares issued and outstanding on the face of the Consolidated Balance Sheets but are included in the weighted average shares outstanding in the Consolidated Statements of Operations and in the shares used to calculate the NAV per share.

We anticipate that we will continue to fund our investment activities through existing cash and cash equivalents, cash flows generated through our ongoing operating activities, utilization of available borrowings under our Credit Facilities, and a combination of future issuances of debt and equity capital. Our primary uses of funds will be investments in portfolio companies, operating expenses, cash distributions to holders of our common stock and repayments of note and debenture obligations as they come due.

We periodically invest excess cash balances into marketable securities and idle funds investments. The primary investment objective of marketable securities and idle funds investments is to generate incremental cash returns on excess cash balances prior to utilizing those funds for investment in our LMM, Private Loan and Middle Market portfolio investments. Marketable securities and idle funds investments generally consist of debt investments, independently rated debt investments, certificates of deposit with financial institutions, diversified bond funds and publicly traded debt and equity investments. We may also invest in short-term portfolio investments that are atypical of our LMM, Private Loan and Middle Market portfolio investments in that they are intended to be a short-term deployment of capital and are more liquid than investments within the other portfolios. Short-term portfolio investments consist primarily of investments in secured debt investments and independently rated debt investments.

If our common stock trades below our NAV per share, we will generally not be able to issue additional common stock at the market price, unless our stockholders approve such a sale and our Board of Directors makes certain determinations. We did not seek stockholder authorization to sell shares of our common stock below the then current NAV per share of our common stock at our 2022 Annual Meeting of Stockholders, and have not sought such authorization since 2012, because our common stock price per share has generally traded significantly above the NAV per share of our common stock since 2011. We would therefore need future approval from our stockholders to issue shares below the then current NAV per share.

In order to satisfy the Code requirements applicable to a RIC, we intend to distribute to our stockholders, after consideration and application of our ability under the Code to carry forward certain excess undistributed taxable income from one tax year into the next tax year, substantially all of our taxable income.

In addition, as a BDC, we generally are required to meet a coverage ratio, or BDC asset coverage ratio, of total assets to total senior securities, which include borrowings and any preferred stock we may issue in the future, of at least 200% (or 150% if certain requirements are met). In January 2008, we received an exemptive order from the SEC to exclude SBA-guaranteed debt securities issued by the Funds and any other wholly-owned subsidiaries of ours which operate as SBICs from the BDC asset coverage ratio which, in turn, enables us to fund more investments with debt capital. In May 2022, our stockholders also approved the application of the reduced BDC asset coverage ratio. As a result, the BDC asset coverage ratio applicable to us decreased from 200% to 150% effective May 3, 2022. As of December 31, 2022, our BDC asset coverage ratio was 227%.

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

Recently Issued or Adopted Accounting Standards

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by us as of the specified effective date. We believe that the impact of recently issued standards and any that are not yet effective will not have a material impact on our consolidated financial statements upon adoption. For a description of recently issued or adopted accounting standards, see *Note B.13. — Recently Issued or Adopted Accounting Standards* included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

Inflation

Inflation has not historically had a significant effect on our results of operations in any of the reporting periods presented herein. However, our portfolio companies have experienced, specifically including over the last few years, as a result of recent geopolitical events, supply chain and labor issues, and may continue to experience, the increasing impacts of inflation on their operating results, including periodic escalations in their costs for labor, raw materials and third-party services and required energy consumption. These issues and challenges related to inflation are receiving significant attention from our investment teams and the management teams of our portfolio companies as we work to manage these growing challenges. Prolonged or more severe impacts of inflation to our portfolio companies could continue to impact their operating profits and, thereby, increase their borrowing costs, and as a result negatively impact their ability to service their debt obligations and/or reduce their available cash for distributions. In addition, these factors could have a negative impact on the fair value of our investments in these portfolio companies. The combined impacts of these impacts in turn could negatively affect our results of operations.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and fund equity capital and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the Consolidated Balance Sheets. At December 31, 2022, we had a total of $274.4 million in outstanding commitments comprised of (i) 83 investments with commitments to fund revolving loans that had not been fully drawn or term loans with additional commitments not yet funded and (ii) ten investments with equity capital commitments that had not been fully called.

Contractual Obligations

As of December 31, 2022, the future fixed commitments for cash payments in connection with our SBIC debentures, the May 2024 Notes, the July 2026 Notes, the December 2025 Notes, and rent obligations under our office lease for each of the next five years and thereafter are as follows (dollars in thousands):

	2023	2024	2025	2026	2027	Thereafter	Total
July 2026 Notes	$ —	$ —	$ —	$ 500,000	$ —	$ —	$ 500,000
Interest due on July 2026 Notes	15,017	15,000	15,000	15,000	—	—	60,017
May 2024 Notes	—	450,000	—	—	—	—	450,000
Interest due on May 2024 Notes	23,400	11,700	—	—	—	—	35,100
SBIC debentures	16,000	63,800	—	—	75,000	195,200	350,000
Interest due on SBIC debentures	9,960	8,455	7,228	7,228	6,512	9,053	48,436
December 2025 Notes	—	—	100,000	—	—	—	100,000
Interest due on December 2025 Notes	7,840	7,840	7,753	—	—	—	23,433
Operating Lease Obligation (1)	389	1,020	1,115	1,135	1,155	7,673	12,487
Total	$ 72,606	$ 557,815	$ 131,096	$ 523,363	$ 82,667	$ 211,926	$ 1,579,473

(1) Operating Lease Obligation means a rent payment obligation under a lease classified as an operating lease and disclosed pursuant to ASC 842, as may be modified or supplemented.

As of December 31, 2022, we had $407.0 million in borrowings outstanding under our Corporate Facility, and the Corporate Facility is scheduled to mature in August 2027. As of December 31, 2022, we had $200.0 million in borrowings outstanding under our SPV Facility, and the SPV Facility is scheduled to mature in November 2027.

Related Party Transactions and Agreements

We have entered into agreements and transactions with the External Investment Manager, MSC Income and the Private Loan Fund, whereby we have made debt and equity investments and receive certain fees, expense reimbursements and investment income. See *Note D — External Investment Manager* and *Note L — Related Party Transactions* included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K for additional information regarding these related party transactions and agreements.

In addition, we have a deferred compensation plan, whereby non-employee directors and certain key employees may defer receipt of some or all of their cash compensation and directors' fees, subject to certain limitations. See *Note L —*

Related Party Transactions included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K for additional information regarding the deferred compensation plan.

Recent Developments

In January 2023, we expanded our total commitments under the Corporate Facility from $920.0 million to $980.0 million. The recent increase in total commitments was executed under the accordion feature of the Corporate Facility which allows for an increase up to $1.4 billion in total commitments under the facility from new and existing lenders on the same terms and conditions as the existing commitments.

In February 2023, we entered into a first supplement to the Master Note Purchase Agreement dated December 23, 2022, governing the issuance of $50.0 million in aggregate principal amount of 7.53% Series B unsecured notes (the "December 2025 Follow-On Notes") to qualified institutional investors in a private placement. The December 2025 Follow-On Notes were issued on February 2, 2023 and will mature on December 23, 2025 unless redeemed, purchased or prepaid prior to such date by us or our affiliates in accordance with their terms. Interest on the December 2025 Follow-On Notes will be due semiannually on June 23 and December 23. In addition, we are obligated to offer to repay the December 2025 Follow-On Notes at par plus accrued and unpaid interest if certain change in control events occur. The December 2025 Follow-On Notes are general unsecured obligations of ours that rank pari passu with all of our outstanding and future unsecured unsubordinated indebtedness.

In February 2023, we declared a supplemental cash dividend of $0.175 per share payable in March 2023. This supplemental cash dividend is in addition to the previously announced regular monthly cash dividends that we declared of $0.225 per share for each of January, February and March 2023, or total regular monthly cash dividends of $0.675 per share for the first quarter of 2023.

In February 2023, we declared regular monthly dividends of $0.225 per share for each of April, May and June of 2023. These regular monthly dividends equal a total of $0.675 per share for the second quarter of 2023, representing a 4.7% increase from the regular monthly dividends paid in the second quarter of 2022. Including the regular monthly and supplemental dividends declared for the first and second quarters of 2023 we will have paid $36.645 per share in cumulative dividends since our October 2007 initial public offering.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

We are subject to financial market risks, including changes in interest rates, and changes in interest rates may affect both our interest expense on the debt outstanding under our Credit Facilities and our interest income from portfolio investments. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks. Our investment income will be affected by changes in various interest rate indices, including LIBOR, SOFR and Prime rates, to the extent that any debt investments include floating interest rates. See *Risk Factors—Risks Related to our Investments — The interest rates of some of our investments are priced using a spread over LIBOR, which will be phased out in the future.*, *Risk Factors — Risks Related to our Business and Structure — We are subject to risks associated with the interest rate environment and changes in interest rates will affect our cost of capital, net investment income and the value of our investments.* and *Risk Factors — Risks Related to Leverage — Because we borrow money, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us.* included in *Item 1A. Risk Factors* of this Annual Report on Form 10-K for more information regarding risks associated with our debt investments and borrowings that utilize LIBOR, SOFR or Prime as a reference rate.

The majority of our debt investments are made with either fixed interest rates or floating rates that are subject to contractual minimum interest rates for the term of the investment. As of December 31, 2022, 73% of our debt Investment Portfolio (at cost) bore interest at floating rates, 92% of which were subject to contractual minimum interest rates. As of December 31, 2022, 70% of our debt obligations bore interest at fixed rates. Our interest expense will be affected by changes in the published SOFR rate in connection with our Credit Facilities; however, the interest rates on our outstanding SBIC debentures, May 2024 Notes, July 2026 Notes and December 2025 Notes which collectively comprise the majority of our outstanding debt, are fixed for the life of such debt. As of December 31, 2022, we had not entered into any interest rate hedging arrangements. Due to our limited use of derivatives, we have claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act and, therefore, are not subject to registration or regulation as a pool operator under such Act. The Company intends to operate as a "limited derivatives user" under Rule 18f-4 under the 1940 Act.

The following table shows the approximate annualized increase or decrease in the components of net investment income due to hypothetical base rate changes in interest rates, assuming no changes in our investments and borrowings as of December 31, 2022.

Basis Point Change	Increase (Decrease) in Interest Income	(Increase) Decrease in Interest Expense	Increase (Decrease) in Net Investment Income	Increase (Decrease) in Net Investment Income per Share
	(dollars in thousands, except per share amounts)			
(200)	$ (46,771)	$ 12,747	$ (34,024)	$ (0.43)
(175)	(41,022)	11,230	(29,792)	(0.38)
(150)	(35,273)	9,712	(25,561)	(0.33)
(125)	(29,524)	8,195	(21,329)	(0.27)
(100)	(23,775)	6,677	(17,098)	(0.22)
(75)	(18,026)	5,160	(12,866)	(0.16)
(50)	(12,277)	3,642	(8,635)	(0.11)
(25)	(6,528)	2,125	(4,403)	(0.06)
25	4,992	(911)	4,081	0.05
50	10,720	(2,428)	8,292	0.11
75	16,469	(3,946)	12,523	0.16
100	22,218	(5,463)	16,755	0.21
125	27,967	(6,981)	20,986	0.27
150	33,716	(8,498)	25,218	0.32
175	39,465	(10,016)	29,449	0.38
200	45,214	(11,533)	33,681	0.43

Although we believe that this analysis is indicative of the impact of interest rate changes to our Net Investment Income as of December 31, 2022, the analysis does not take into consideration future changes in the credit market, credit quality or other business or economic developments that could affect our Net Investment Income. Accordingly, we can offer no assurances that actual results would not differ materially from the analysis above. The hypothetical results assume that all LIBOR, SOFR and Prime rate changes would be effective on the first day of the period. However, the contractual LIBOR, SOFR and Prime rate reset dates would vary throughout the period. The majority of our investments are based on contracts which reset quarterly, while our Credit Facilities reset monthly. The hypothetical results would also be impacted by the changes in the amount of debt outstanding under our Credit Facilities (with an increase (decrease) in the debt outstanding under the Credit Facilities resulting in an (increase) decrease in the hypothetical interest expense).

Item 8. ***Consolidated Financial Statements and Supplementary Data***

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Main Street Capital Corporation

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Main Street Capital Corporation (a Maryland corporation) and subsidiaries (the "Company"), including the consolidated schedule of investments, as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and financial statement schedule included under Item 15(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 24, 2023 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Fair Value Investments

As described further in Note C to the financial statements, the Company's investments at fair value were $4,102,177 thousand at December 31, 2022, of which $4,100,273 thousand were categorized as Level 3 investments within the fair value hierarchy. Management's valuation techniques of these investments, for which there are no readily available market values, are measured using significant unobservable inputs and assumptions, and generally use valuation techniques such as the income and market approach. The significant unobservable inputs disclosed by management include, among others, weighted-average cost of capital ("WACC") inputs and market multiples for equity investments, and risk adjusted discount rates, percentage of expected principal recovery and third-party quotes for debt investments. Changes in these assumptions could have a significant impact on the determination of fair value. As such, we identified fair value of Level 3 investments measured using significant unobservable inputs and assumptions as a critical audit matter.

Report of Independent Registered Public Accounting Firm

The principal considerations for our determination that fair value of Level 3 investments measured using significant unobservable inputs is a critical audit matter are the significant management judgements used in developing complex valuation techniques and inherent estimation uncertainty. Auditing these investments requires a high degree of subjective auditor judgement, including use of valuation professionals with specialized skills and knowledge, to evaluate the reasonableness of unobservable inputs and assumptions.

Our audit procedures related to the critical audit matter included the following, among others:

- Testing the design and operating effectiveness of controls over management's process to determine investment fair value. Specifically, we identified and tested key attributes of management's fair value determination review. These attributes addressed the relevance, adequacy and appropriateness of the data, assumptions, valuation methods, and mathematical accuracy used to determine investment fair value as of the reporting date.

- Evaluated the ability to estimate fair value by comparing prior period fair values to transaction prices of transactions occurring subsequent to the prior period valuation date.

- With the assistance of internal valuation specialists to evaluate and test management's process to develop the valuation estimates, we performed substantive audit procedures to determine mathematical accuracy and to determine that the data, valuation methods, and significant unobservable inputs and assumptions used to determine investment fair value as of the Company's reporting date were reasonable. We tested certain key inputs/assumptions for a selection of investments, including the following, as applicable:

    - enterprise values,
    - weighted-average cost of capital ("WACC"),
    - discount rates,
    - forecasted cash flows and long-term growth rates,
    - discount for lack of marketability,
    - market multiples,
    - weighting between valuation techniques,
    - risk adjusted discount factor,
    - percentage of expected principal recovery, and
    - third party quotes, in conjunction with other inputs

In testing the above, we considered available third-party market information and published studies, current economic conditions and subsequent events, and other information that could be corroborated to source information.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2007.

Houston, Texas
February 24, 2023

Board of Directors and Stockholders
Main Street Capital Corporation

Report of Independent Registered Public Accounting Firm

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Main Street Capital Corporation (a Maryland corporation) and subsidiaries (the "Company") as of December 31, 2022, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2022, and our report dated February 24, 2023 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Houston, Texas
February 24, 2023

MAIN STREET CAPITAL CORPORATION

Consolidated Balance Sheets

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

	December 31, 2022	December 31, 2021
ASSETS		
Investments at fair value:		
Control investments (cost: $1,270,802 and $1,107,597 as of December 31, 2022 and December 31, 2021, respectively)	$ 1,703,172	$ 1,489,257
Affiliate investments (cost: $635,536 and $578,539 as of December 31, 2022 and December 31, 2021, respectively)	618,359	549,214
Non-Control/Non-Affiliate investments (cost: $1,867,414 and $1,573,110 as of December 31, 2022 and December 31, 2021, respectively)	1,780,646	1,523,360
Total investments (cost: $3,773,752 and $3,259,246 as of December 31, 2022 and December 31, 2021, respectively)	4,102,177	3,561,831
Cash and cash equivalents	49,121	32,629
Interest and dividend receivable and other assets	82,731	56,488
Receivable for securities sold	381	35,125
Deferred financing costs (net of accumulated amortization of $10,603 and $9,462 as of December 31, 2022 and December 31, 2021, respectively)	7,475	4,217
Total assets	$ 4,241,885	$ 3,690,290
LIABILITIES		
Credit Facilities	$ 607,000	$ 320,000
July 2026 Notes (par: $500,000 as of both December 31, 2022 and December 31, 2021)	498,136	497,609
May 2024 Notes (par: $450,000 as of both December 31, 2022 and December 31, 2021)	450,727	451,272
SBIC debentures (par: $350,000 ($16,000 due within one year) as of both December 31, 2022 and December 31, 2021)	343,914	342,731
December 2025 Notes (par: $100,000 as of December 31, 2022)	99,325	—
December 2022 Notes (par: $185,000 as of December 31, 2021)	—	184,444
Accounts payable and other liabilities	52,092	40,469
Payable for securities purchased	—	5,111
Interest payable	16,580	14,926
Dividend payable	17,676	15,159
Deferred tax liability, net	47,849	29,723
Total liabilities	2,133,299	1,901,444
Commitments and contingencies (Note K)		
NET ASSETS		
Common stock, $0.01 par value per share (150,000,000 shares authorized; 78,463,599 and 70,700,885 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively)	784	707
Additional paid-in capital	2,030,531	1,736,346
Total undistributed earnings	77,271	51,793
Total net assets	2,108,586	1,788,846
Total liabilities and net assets	$ 4,241,885	$ 3,690,290
NET ASSET VALUE PER SHARE	$ 26.86	$ 25.29

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

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Operations

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

	Year Ended December 31,		
	2022	**2021**	**2020**
INVESTMENT INCOME:			
Interest, fee and dividend income:			
Control investments	$ 155,967	$ 122,277	$ 81,155
Affiliate investments	54,963	51,278	32,435
Non-Control/Non-Affiliate investments	165,930	115,492	109,024
Total investment income	376,860	289,047	222,614
EXPENSES:			
Interest	(78,276)	(58,836)	(49,587)
Compensation	(36,543)	(34,442)	(18,981)
General and administrative	(16,050)	(12,494)	(12,702)
Share-based compensation	(13,629)	(10,887)	(10,828)
Expenses allocated to the External Investment Manager	12,965	10,277	7,429
Total expenses	(131,533)	(106,382)	(84,669)
NET INVESTMENT INCOME	245,327	182,665	137,945
NET REALIZED GAIN (LOSS):			
Control investments	(5,822)	6,494	(59,594)
Affiliate investments	(3,319)	17,181	2,203
Non-Control/Non-Affiliate investments	3,929	21,661	(58,556)
Realized loss on extinguishment of debt	—	—	(534)
Total net realized gain (loss)	(5,212)	45,336	(116,481)
NET UNREALIZED APPRECIATION (DEPRECIATION):			
Control investments	56,682	99,420	37,924
Affiliate investments	10,314	21,989	(29,038)
Non-Control/Non-Affiliate investments	(42,180)	14,215	(14,968)
SBIC debentures	—	—	460
Total net unrealized appreciation (depreciation)	24,816	135,624	(5,622)
INCOME TAXES:			
Federal and state income, excise and other taxes	(5,199)	(5,732)	(590)
Deferred taxes	$ (18,126)	$ (27,131)	14,131
Income tax benefit (provision)	(23,325)	(32,863)	13,541
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 241,606	$ 330,762	$ 29,383
NET INVESTMENT INCOME PER SHARE—BASIC AND DILUTED	$ 3.29	$ 2.65	$ 2.10
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE—BASIC AND DILUTED	$ 3.24	$ 4.80	$ 0.45
WEIGHTED AVERAGE SHARES OUTSTANDING—BASIC AND DILUTED	74,482,176	68,960,923	65,705,963

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

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Changes in Net Assets

(dollars in thousands, except shares)

	Common Stock		Additional Paid-In Capital	Total Undistributed Earnings	Total Net Asset Value
	Number of Shares	Par Value			
Balances at December 31, 2019	64,252,937	$ 643	$ 1,512,435	$ 23,312	$ 1,536,390
Public offering of common stock, net of offering costs	2,662,777	27	84,354	—	84,381
Share-based compensation	—	—	10,828	—	10,828
Purchase of vested stock for employee payroll tax withholding	(89,447)	(1)	(1,890)	—	(1,891)
Dividend reinvestment	517,796	4	16,230	—	16,234
Amortization of directors' deferred compensation	—	—	853	—	853
Issuance of restricted stock, net of forfeited shares	417,969	4	(4)	—	—
Dividends to stockholders	—	—	385	(161,796)	(161,411)
Reclassification for certain permanent book-to-tax differences	—	—	(7,251)	7,251	—
Net increase resulting from operations	—	—	—	29,383	29,383
Balances at December 31, 2020	67,762,032	$ 677	$ 1,615,940	$ (101,850)	$ 1,514,767
Public offering of common stock, net of offering costs	2,345,554	24	98,865	—	98,889
Share-based compensation	—	—	10,887	—	10,887
Purchase of vested stock for employee payroll tax withholding	(134,238)	(1)	(5,302)	—	(5,303)
Dividend reinvestment	404,384	4	16,279	—	16,283
Amortization of directors' deferred compensation	—	—	652	—	652
Issuance of restricted stock, net of forfeited shares	359,289	3	(3)	—	—
Dividends to stockholders	—	—	406	(178,497)	(178,091)
Reclassification for certain permanent book-to-tax differences	—	—	(1,378)	1,378	—
Net increase resulting from operations	—	—	—	330,762	330,762
Balances at December 31, 2021	70,737,021	$ 707	$ 1,736,346	$ 51,793	$ 1,788,846
Public offering of common stock, net of offering costs	6,763,166	67	265,553	—	265,620
Share-based compensation	—	—	13,629	—	13,629
Purchase of vested stock for employee payroll tax withholding	(116,177)	(1)	(4,942)	—	(4,943)
Dividend reinvestment	625,196	6	24,125	—	24,131
Amortization of directors' deferred compensation	—	—	519	—	519
Issuance of restricted stock, net of forfeited shares	497,610	5	(5)	—	—
Dividends to stockholders	—	—	466	(221,288)	(220,822)
Reclassification for certain permanent book-to-tax differences	—	—	(5,160)	5,160	—
Net increase resulting from operations	—	—	—	241,606	241,606
Balances at December 31, 2022	78,506,816	$ 784	$ 2,030,531	$ 77,271	$ 2,108,586

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

MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Cash Flows

(dollars in thousands)

	Year Ended December 31,		
	2022	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net increase in net assets resulting from operations	$ 241,606	$ 330,762	$ 29,383
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:			
Investments in portfolio companies	(1,152,594)	(1,763,755)	(669,007)
Proceeds from sales and repayments of debt investments in portfolio companies	608,330	920,828	443,573
Proceeds from sales and return of capital of equity investments in portfolio companies	71,695	133,644	34,439
Net unrealized (appreciation) depreciation	(24,816)	(135,624)	5,622
Net realized (gain) loss	5,212	(45,336)	116,481
Accretion of unearned income	(13,413)	(15,619)	(11,756)
Payment-in-kind interest	(5,352)	(7,573)	(6,225)
Cumulative dividends	(1,770)	(1,739)	(1,791)
Share-based compensation expense	13,629	10,887	10,828
Amortization of deferred financing costs	2,863	2,998	2,513
Deferred tax (benefit) provision	18,126	27,131	(14,131)
Changes in other assets and liabilities:			
Interest and dividend receivable and other assets	(28,186)	(5,504)	4,599
Interest payable	1,654	6,268	1,366
Accounts payable and other liabilities	12,254	20,289	(2,846)
Deferred fees and other	3,826	6,970	2,868
Net cash used in operating activities	(246,936)	(515,373)	(54,084)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from public offering of common stock, net of offering costs	265,620	98,889	84,381
Proceeds from public offering of May 2024 Notes	—	—	125,000
Proceeds from public offering of July 2026 Notes	—	500,000	—
Proceeds from public offering of December 2025 Notes	100,000	—	—
Dividends paid	(194,174)	(160,537)	(144,462)
Proceeds from issuance of SBIC debentures	—	80,200	40,000
Repayments of SBIC debentures	—	(40,000)	(42,000)
Redemption of December 2022 Notes	(185,000)	—	—
Proceeds from credit facility	1,032,000	1,100,000	399,000
Repayments on credit facility	(745,000)	(1,049,000)	(430,000)
Debt issuance premiums (costs), net	(5,075)	(8,166)	729
Purchases of vested stock for employee payroll tax withholding	(4,943)	(5,303)	(1,891)
Net cash provided by financing activities	263,428	516,083	30,757
Net increase (decrease) in cash and cash equivalents	16,492	710	(23,327)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	32,629	31,919	55,246
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 49,121	$ 32,629	$ 31,919
Supplemental cash flow disclosures:			
Interest paid	$ 73,635	$ 50,729	$ 45,582
Taxes paid	$ 6,596	$ 2,233	$ 3,136
Operating non-cash activities:			
Right-of-use assets obtained in exchange for operating lease liabilities	$ 5,449	$ —	$ —
Non-cash financing activities:			
Value of shares issued pursuant to the DRIP	$ 24,131	$ 16,283	$ 16,234

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

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Control Investments (5)													
Analytical Systems Keco Holdings, LLC		Manufacturer of Liquid and Gas Analyzers											
			Secured Debt	(9) (25)	8/16/2019			L+ 10.00%		8/16/2024	$ —	$ (3)	$ (3)
			Secured Debt	(9)	8/16/2019		14.13%	L+ 10.00%		8/16/2024	4,665	4,545	4,545
			Preferred Member Units		8/16/2019	3,200	14.13%					3,200	—
			Preferred Member Units		5/20/2021	2,427						2,427	3,504
			Warrants	(27)	8/16/2019	420				8/16/2029		316	—
												10,485	8,046
ASC Interests, LLC		Recreational and Educational Shooting Facility											
			Secured Debt		12/31/2019		13.00%			7/31/2024	400	400	400
			Secured Debt		8/1/2013		13.00%			7/31/2024	1,650	1,649	1,649
			Member Units		8/1/2013	1,500						1,500	800
												3,549	2,849
ATS Workholding, LLC	(10)	Manufacturer of Machine Cutting Tools and Accessories											
			Secured Debt	(14)	11/16/2017		5.00%			8/16/2023	1,901	1,901	634
			Secured Debt	(14)	11/16/2017		5.00%			8/16/2023	3,015	2,857	1,005
			Preferred Member Units		11/16/2017	3,725,862						3,726	—
												8,484	1,639
Barfly Ventures, LLC	(10)	Casual Restaurant Group											
			Secured Debt		10/15/2020		7.00%			10/31/2024	711	711	711
			Member Units		10/26/2020	37						1,584	3,320
												2,295	4,031
Batjer TopCo, LLC		HVAC Mechanical Contractor											
			Secured Debt	(25)	3/7/2022					3/31/2027	—	(8)	(8)
			Secured Debt	(25)	3/7/2022					3/31/2027	—	—	—
			Secured Debt		3/7/2022		11.00%			3/31/2027	11,025	10,933	10,933
			Preferred Stock	(8)	3/7/2022	4,073						4,095	4,095
												15,020	15,020
Bolder Panther Group, LLC		Consumer Goods and Fuel Retailer											
			Secured Debt	(9) (29) (40)	12/31/2020		13.39%	SF+ 9.26%		10/31/2027	99,194	98,576	99,194
			Class B Preferred Member Units	(8)	12/31/2020	140,000	8.00%					14,000	31,420
												112,576	130,614
Brewer Crane Holdings, LLC		Provider of Crane Rental and Operating Services											

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	(9)	1/9/2018		14.12%	L+ 10.00%		1/9/2023	5,964	5,964	5,964
		Preferred Member Units	(8)	1/9/2018	2,950						4,280	7,080
											10,244	13,044
Bridge Capital Solutions Corporation	Financial Services and Cash Flow Solutions Provider											
		Secured Debt		7/25/2016		13.00%			12/11/2024	8,813	8,813	8,813
		Secured Debt	(30)	7/25/2016		13.00%			12/11/2024	1,000	1,000	1,000
		Preferred Member Units	(8) (30)	7/25/2016	17,742						1,000	1,000
		Warrants	(27)	7/25/2016	82				7/25/2026		2,132	4,340
											12,945	15,153
Café Brazil, LLC	Casual Restaurant Group											
		Member Units	(8)	6/9/2006	1,233						1,742	2,210
California Splendor Holdings LLC	Processor of Frozen Fruits											
		Secured Debt	(9)	3/30/2018		13.75%	L+ 10.00%		7/29/2026	28,000	27,951	28,000
		Preferred Member Units	(8)	3/30/2018	6,157						10,775	25,495
		Preferred Member Units	(8)	7/31/2019	3,671	15.00%		15.00%			3,994	3,994
											42,720	57,489
CBT Nuggets, LLC	Produces and Sells IT Training Certification Videos											
		Member Units	(8)	6/1/2006	416						1,300	49,002
Centre Technologies Holdings, LLC	Provider of IT Hardware Services and Software Solutions											
		Secured Debt	(9) (25)	1/4/2019			L+ 9.00%		1/4/2026	—	—	—
		Secured Debt	(9)	1/4/2019		13.13%	L+ 9.00%		1/4/2026	15,030	14,954	14,954
		Preferred Member Units		1/4/2019	13,309						6,122	8,700
											21,076	23,654
Chamberlin Holding LLC	Roofing and Waterproofing Specialty Contractor											
		Secured Debt	(9) (25)	2/26/2018			L+ 6.00%		2/26/2023	—	—	—
		Secured Debt	(9)	2/26/2018		12.13%	L+ 8.00%		2/26/2023	16,945	16,935	16,945
		Member Units	(8)	2/26/2018	4,347						11,440	22,920
		Member Units	(8) (30)	11/2/2018	1,047,146						1,773	2,710
											30,148	42,575
Charps, LLC	Pipeline Maintenance and Construction											
		Unsecured Debt		8/26/2020		10.00%			1/31/2026	5,694	4,643	5,694

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Preferred Member Units	(8)	2/3/2017	1,829							1,963	13,340
													6,606	19,034
Clad-Rex Steel, LLC		Specialty Manufacturer of Vinyl-Clad Metal												
			Secured Debt	(9) (25) (29)	10/28/2022			SF+	9.00%		1/15/2024	—	—	—
			Secured Debt	(9) (29)	12/20/2016		13.23%	SF+	9.00%		1/15/2024	10,480	10,440	10,440
			Secured Debt		12/20/2016		10.00%				12/20/2036	1,049	1,039	1,039
			Member Units	(8)	12/20/2016	717							7,280	8,220
			Member Units	(30)	12/20/2016	800							210	610
													18,969	20,309
CMS Minerals Investments		Oil & Gas Exploration & Production												
			Member Units	(8) (30)	4/1/2016	100							1,304	1,670
Cody Pools, Inc.		Designer of Residential and Commercial Pools												
			Secured Debt	(9)	3/6/2020		15.38%	L+	10.50%		12/17/2026	1,462	1,443	1,462
			Secured Debt	(9)	3/6/2020		15.38%	L+	10.50%		12/17/2026	40,801	40,521	40,801
			Preferred Member Units	(8) (30)	3/6/2020	587							8,317	58,180
													50,281	100,443
Colonial Electric Company LLC		Provider of Electrical Contracting Services												
			Secured Debt	(25)	3/31/2021						3/31/2026	—	—	—
			Secured Debt		3/31/2021		12.00%				3/31/2026	23,310	23,151	23,151
			Preferred Member Units	(8)	3/31/2021	17,280							7,680	9,160
													30,831	32,311
CompareNetworks Topco, LLC		Internet Publishing and Web Search Portals												
			Secured Debt	(9) (17) (25)	1/29/2019			L+	9.00%		1/29/2022	—	—	—
			Secured Debt	(9)	1/29/2019		13.13%	L+	9.00%		1/29/2024	5,241	5,232	5,241
			Preferred Member Units	(8)	1/29/2019	1,975							1,975	19,830
													7,207	25,071
Copper Trail Fund Investments	(12) (13)	Investment Partnership												
			LP Interests (CTMH, LP)	(31)	7/17/2017	38.75%							588	588
Datacom, LLC		Technology and Telecommunications Provider												
			Secured Debt		3/1/2022		7.50%				12/31/2025	223	223	223
			Secured Debt		3/31/2021		7.50%				12/31/2025	8,622	8,190	7,789

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Preferred Member Units	(8)	3/31/2021	9,000						2,610	2,670
											11,023	10,682
Digital Products Holdings LLC	Designer and Distributor of Consumer Electronics											
		Secured Debt	(9)	4/1/2018		14.13%	L+ 10.00%		4/1/2023	15,533	15,523	15,523
		Preferred Member Units	(8)	4/1/2018	3,857						9,501	9,835
											25,024	25,358
Direct Marketing Solutions, Inc.	Provider of Omni-Channel Direct Marketing Services											
		Secured Debt	(9) (25)	2/13/2018			L+ 11.00%		2/13/2026	—	(88)	—
		Secured Debt	(9)	12/27/2022		15.13%	L+ 11.00%		2/13/2026	27,267	27,122	27,267
		Preferred Stock	(8)	2/13/2018	8,400						8,400	22,220
											35,434	49,487
Elgin AcquireCo, LLC	Manufacturer and Distributor of Engine and Chassic Components											
		Secured Debt	(9) (25) (29)	10/3/2022			SF+ 6.00%		10/3/2027	—	(9)	(9)
		Secured Debt		10/3/2022		12.00%			10/3/2027	18,773	18,594	18,594
		Secured Debt		10/3/2022		9.00%			10/3/2052	6,357	6,294	6,294
		Common Stock		10/3/2022	378						7,603	7,603
		Common Stock	(30)	10/3/2022	939						1,558	1,558
											34,040	34,040
Gamber-Johnson Holdings, LLC	Manufacturer of Ruggedized Computer Mounting Systems											
		Secured Debt	(9) (25) (29)	6/24/2016			SF+ 8.50%		1/1/2028	—	—	—
		Secured Debt	(9) (29)	12/15/2022		11.50%	SF+ 8.50%		1/1/2028	64,078	63,685	64,078
		Member Units	(8)	6/24/2016	9,042						17,692	50,890
											81,377	114,968
Garreco, LLC	Manufacturer and Supplier of Dental Products											
		Secured Debt	(9) (37)	7/15/2013		9.50%	L+ 8.00%		7/31/2023	3,826	3,826	3,826
		Member Units	(8)	7/15/2013	1,200						1,200	1,800
											5,026	5,626
GRT Rubber Technologies LLC	Manufacturer of Engineered Rubber Products											
		Secured Debt		12/21/2018		10.12%	L+ 6.00%		12/21/2023	670	670	670
		Secured Debt		12/19/2014		12.12%	L+ 8.00%		10/29/2026	40,493	40,313	40,493
		Member Units	(8)	12/19/2014	5,879						13,065	44,440
											54,048	85,603

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Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Gulf Manufacturing, LLC		Manufacturer of Specialty Fabricated Industrial Piping Products											
			Member Units	(8)	8/31/2007	438						2,980	6,790
Gulf Publishing Holdings, LLC		Energy Industry Focused Media and Publishing											
			Secured Debt	(9) (25)	9/29/2017			L+ 9.50%		7/1/2027	—	—	—
			Secured Debt		7/1/2022		12.50%			7/1/2027	2,400	2,400	2,284
			Preferred Equity		7/1/2022	63,720						5,600	3,780
			Member Units		4/29/2016	3,681						3,681	—
												11,681	6,064
Harris Preston Fund Investments	(12) (13)	Investment Partnership											
			LP Interests (2717 MH, L.P.)	(31)	10/1/2017	49.26%						3,895	7,552
			LP Interests (2717 HPP-MS, L.P.)	(31)	3/11/2022	49.26%						248	248
												4,143	7,800
Harrison Hydra-Gen, Ltd.		Manufacturer of Hydraulic Generators											
			Common Stock		6/4/2010	107,456						718	3,280
Jensen Jewelers of Idaho, LLC		Retail Jewelry Store											
			Secured Debt	(25)	8/29/2017			P+ 6.75%		11/14/2023	—	—	—
			Secured Debt	(9)	11/14/2006		13.75%	P+ 6.75%		11/14/2023	2,450	2,444	2,450
			Member Units	(8)	11/14/2006	627						811	14,970
												3,255	17,420
Johnson Downie Opco, LLC		Executive Search Services											
			Secured Debt	(9) (25)	12/10/2021			L+ 11.50%		12/10/2026	—	(14)	—
			Secured Debt	(9)	12/10/2021		15.63%	L+ 11.50%		12/10/2026	9,999	9,920	9,999
			Preferred Equity	(8)	12/10/2021	3,150						3,150	5,540
												13,056	15,539
JorVet Holdings, LLC		Supplier and Distributor of Veterinary Equipment and Supplies											
			Secured Debt		3/28/2022		12.00%			3/28/2027	25,650	25,432	25,432
			Preferred Equity	(8)	3/28/2022	107,406						10,741	10,741
												36,173	36,173
KBK Industries, LLC		Manufacturer of Specialty Oilfield and Industrial Products											
			Member Units	(8)	1/23/2006	325						783	15,570

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Kickhaefer Manufacturing Company, LLC		Precision Metal Parts Manufacturing											
			Secured Debt		10/31/2018		11.50%			10/31/2023	20,415	20,374	20,374
			Secured Debt		10/31/2018		9.00%			10/31/2048	3,879	3,842	3,842
			Preferred Equity		10/31/2018	581						12,240	7,220
			Member Units	(8) (30)	10/31/2018	800						992	2,850
												37,448	34,286
Market Force Information, LLC		Provider of Customer Experience Management Services											
			Secured Debt	(9)	7/28/2017		15.13%	L+ 11.00%		7/28/2023	6,275	6,253	6,090
			Secured Debt	(14)	7/28/2017		12.00%		12.00%	7/28/2023	26,079	25,952	1,610
			Member Units		7/28/2017	743,921						16,642	—
												48,847	7,700
MetalForming AcquireCo, LLC		Distributor of Sheet Metal Folding and Metal Forming Equipment											
			Secured Debt	(25)	10/19/2022					10/19/2024	—	—	—
			Secured Debt		10/19/2022		12.75%			10/19/2027	23,802	23,576	23,576
			Preferred Equity	(8)	10/19/2022	5,915,585	8.00%		8.00%			6,010	6,010
			Common Stock		10/19/2022	1,537,219						1,537	1,537
												31,123	31,123
MH Corbin Holding LLC		Manufacturer and Distributor of Traffic Safety Products											
			Secured Debt		8/31/2015		13.00%			12/31/2022	6,156	6,156	4,548
			Preferred Member Units		3/15/2019	66,000						4,400	—
			Preferred Member Units		9/1/2015	4,000						6,000	—
												16,556	4,548
MS Private Loan Fund I, LP	(12) (13)	Investment Partnership											
			Secured Debt	(25)	1/26/2021					12/31/2024	—	—	—
			LP Interests	(8) (31)	1/26/2021	14.51%						14,250	14,833
												14,250	14,833
MSC Adviser I, LLC	(16)	Third Party Investment Advisory Services											
			Member Units	(8)	11/22/2013	1						29,500	122,930
MSC Income Fund, Inc.	(12) (13)	Business Development Company											
			Common Equity	(8)	5/2/2022	94,697						750	753

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Mystic Logistics Holdings, LLC	Logistics and Distribution Services Provider for Large Volume Mailers											
		Secured Debt	(25)	8/18/2014					1/31/2024	—	—	—
		Secured Debt		8/18/2014		10.00%			1/31/2024	5,746	5,746	5,746
		Common Stock	(8)	8/18/2014	5,873						2,720	22,830
											8,466	28,576
NAPCO Precast, LLC	Precast Concrete Manufacturing											
		Member Units		1/31/2008	2,955						2,975	11,830
Nebraska Vet AcquireCo, LLC	Mixed-Animal Veterinary and Animal Health Product Provider											
		Secured Debt	(9) (25)	12/31/2020			L+ 7.00%		12/31/2025	—	—	—
		Secured Debt		12/31/2020		12.00%			12/31/2025	20,094	19,972	20,094
		Secured Debt		12/31/2020		12.00%			12/31/2025	10,500	10,434	10,500
		Preferred Member Units		12/31/2020	6,987						6,987	7,700
											37,393	38,294
NexRev LLC	Provider of Energy Efficiency Products & Services											
		Secured Debt	(25)	2/28/2018					2/28/2025	—	—	—
		Secured Debt		2/28/2018		11.00%			2/28/2025	11,465	11,335	8,477
		Preferred Member Units	(8)	2/28/2018	103,144,186						8,213	1,110
											19,548	9,587
NRP Jones, LLC	Manufacturer of Hoses, Fittings and Assemblies											
		Secured Debt		12/21/2017		12.00%			3/20/2023	2,080	2,080	2,080
		Member Units	(8)	12/22/2011	65,962						3,717	4,790
											5,797	6,870
NuStep, LLC	Designer, Manufacturer and Distributor of Fitness Equipment											
		Secured Debt	(9)	1/31/2017		10.63%	L+ 6.50%		1/31/2025	4,400	4,399	4,399
		Secured Debt		1/31/2017		12.00%			1/31/2025	18,440	18,414	18,414
		Preferred Member Units		1/31/2017	406						10,200	8,040
		Preferred Member Units		11/2/2022	2,062						2,062	5,150
											35,075	36,003
OMi Topco, LLC	Manufacturer of Overhead Cranes											
		Secured Debt		8/31/2021		12.00%			8/31/2026	15,750	15,634	15,750
		Preferred Member Units	(8)	4/1/2008	900						1,080	22,810
											16,714	38,560

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Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Orttech Holdings, LLC	Distributor of Industrial Clutches, Brakes and Other Components											
		Secured Debt	(9) (25)	7/30/2021			L+ 11.00%		7/31/2026	—	—	—
		Secured Debt	(9)	7/30/2021		15.13%	L+ 11.00%		7/31/2026	23,600	23,429	23,429
		Preferred Stock	(8) (30)	7/30/2021	10,000						10,000	11,750
											33,429	35,179
Pearl Meyer Topco LLC	Provider of Executive Compensation Consulting Services											
		Secured Debt	(25)	4/27/2020					4/27/2025	—	—	—
		Secured Debt	(25)	4/27/2020					4/27/2025	—	—	—
		Secured Debt		4/27/2020		12.00%			4/27/2025	28,681	28,537	28,681
		Preferred Equity	(8)	4/27/2020	13,800						13,000	43,260
											41,537	71,941
PPL RVs, Inc.	Recreational Vehicle Dealer											
		Secured Debt	(9) (25)	10/31/2019			L+ 7.00%		11/15/2027	—	(9)	—
		Secured Debt	(9)	11/15/2016		10.25%	L+ 7.00%		11/15/2027	21,655	21,408	21,655
		Common Stock	(8)	6/10/2010	2,000						2,150	18,950
		Common Stock		6/14/2022	238,421						238	238
											23,787	40,843
Principle Environmental, LLC	Noise Abatement Service Provider											
		Secured Debt	(25)	2/1/2011					11/15/2026	—	—	—
		Secured Debt		7/1/2011		13.00%			11/15/2026	5,897	5,806	5,806
		Preferred Member Units	(8)	2/1/2011	21,806						5,709	12,420
		Common Stock		1/27/2021	1,037						1,200	590
											12,715	18,816
Quality Lease Service, LLC	Provider of Rigsite Accommodation Unit Rentals and Related Services											
		Member Units		6/8/2015	1,000						7,513	525
River Aggregates, LLC	Processor of Construction Aggregates											
		Member Units	(30)	12/20/2013	1,500						369	3,620
Robbins Bros. Jewelry, Inc.	Bridal Jewelry Retailer											
		Secured Debt	(9) (25)	12/15/2021					12/15/2026	—	(35)	(35)
		Secured Debt	(9)	12/15/2021		12.50%			12/15/2026	35,685	35,404	35,404
		Preferred Equity		12/15/2021	11,070						11,070	14,880

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
											46,439	50,249
Tedder Industries, LLC	Manufacturer of Firearm Holsters and Accessories											
		Secured Debt		8/31/2018		12.00%			8/31/2023	1,840	1,840	1,840
		Secured Debt		8/31/2018		12.00%			8/31/2023	15,200	15,192	15,120
		Preferred Member Units		8/31/2018	544						9,245	7,681
											26,277	24,641
Televerde, LLC	Provider of Telemarketing and Data Services											
		Member Units		1/6/2011	460						1,290	5,408
		Preferred Stock		1/26/2022	248						718	1,794
											2,008	7,202
Trantech Radiator Topco, LLC	Transformer Cooling Products and Services											
		Secured Debt	(25)	5/31/2019					5/31/2024	—	(5)	—
		Secured Debt		5/31/2019		12.00%			5/31/2024	7,920	7,894	7,920
		Common Stock	(8)	5/31/2019	615						4,655	7,800
											12,544	15,720
Vision Interests, Inc.	Manufacturer / Installer of Commercial Signage											
		Series A Preferred Stock	(8)	12/23/2011	3,000,000						3,000	3,000
VVS Holdco LLC	Omnichannel Retailer of Animal Health Products											
		Secured Debt	(9) (25) (30)	12/1/2021			L+ 6.00%		12/1/2023	—	(21)	(21)
		Secured Debt	(30)	12/1/2021		11.50%			12/1/2026	30,400	30,158	30,161
		Preferred Equity	(8) (30)	12/1/2021	11,840						11,840	11,940
											41,977	42,080
Ziegler's NYPD, LLC	Casual Restaurant Group											
		Secured Debt		6/1/2015		12.00%			10/1/2024	450	450	450
		Secured Debt		10/1/2008		6.50%			10/1/2024	1,000	1,000	945
		Secured Debt		10/1/2008		14.00%			10/1/2024	2,750	2,750	2,676
		Preferred Member Units		6/30/2015	10,072						2,834	240
		Warrants	(27)	7/1/2015	587				10/1/2025		600	—
											7,634	4,311
Subtotal Control Investments (80.8% of net assets at fair value)											$ 1,270,802	$ 1,703,172
Affiliate Investments												
AAC Holdings, Inc. (11)	Substance Abuse Treatment Service Provider											

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt		12/11/2020		18.00%		18.00%	6/25/2025	$ 11,726	$ 11,590	$ 11,550
			Common Stock		12/11/2020	593,928						3,148	—
			Warrants	(27)	12/11/2020	554,353				12/11/2025		—	—
												14,738	11,550
AFG Capital Group, LLC		Provider of Rent-to-Own Financing Solutions and Services											
			Preferred Member Units	(8)	11/7/2014	186						1,200	9,400
ATX Networks Corp.	(11)	Provider of Radio Frequency Management Equipment											
			Secured Debt	(9)	9/1/2021		12.23%	L+ 7.50%		9/1/2026	6,783	6,208	6,343
			Unsecured Debt		9/1/2021		10.00%		10.00%	9/1/2028	3,396	2,291	2,598
			Common Stock		9/1/2021	583						—	3,270
												8,499	12,211
BBB Tank Services, LLC		Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market											
			Unsecured Debt	(9) (17)	4/8/2016		15.12%	L+ 11.00%		4/8/2021	800	800	800
			Unsecured Debt	(9) (17)	4/8/2016		15.12%	L+ 11.00%		4/8/2021	4,000	4,000	2,086
			Member Units		4/8/2016	800,000						800	—
			Preferred Stock (non-voting)		12/17/2018		15.00%					162	—
												5,762	2,886
Boccella Precast Products LLC		Manufacturer of Precast Hollow Core Concrete											
			Secured Debt		9/23/2021		10.00%			2/28/2027	320	320	320
			Member Units	(8)	6/30/2017	2,160,000						2,256	2,970
												2,576	3,290
Buca C, LLC		Casual Restaurant Group											
			Secured Debt		6/30/2015		9.00%			6/30/2023	17,355	17,355	12,337
			Preferred Member Units		6/30/2015	6	6.00%		6.00%			4,770	—
												22,125	12,337
Career Team Holdings, LLC		Provider of Workforce Training and Career Development Services											
			Secured Debt	(9) (25)	12/17/2021			L+ 6.00%		12/17/2026	—	(9)	(9)
			Secured Debt		12/17/2021		12.50%			12/17/2026	20,250	20,090	20,090
			Common Stock		12/17/2021	450,000						4,500	4,500
												24,581	24,581
Chandler Signs Holdings, LLC	(10)	Sign Manufacturer											
			Class A Units		1/4/2016	1,500,000						1,500	1,790

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Classic H&G Holdings, LLC		Provider of Engineered Packaging Solutions											
			Secured Debt	(9)	3/12/2020		9.75%	L+ 6.00%		3/12/2025	4,560	4,560	4,560
			Secured Debt		3/12/2020		8.00%			3/12/2025	19,274	19,182	19,274
			Preferred Member Units	(8)	3/12/2020	154						5,760	24,637
												29,502	48,471
Congruent Credit Opportunities Funds	(12) (13)	Investment Partnership											
			LP Interests (Congruent Credit Opportunities Fund III, LP)	(8) (31)	2/4/2015	13.32%						8,096	7,657
DMA Industries, LLC		Distributor of aftermarket ride control products											
			Secured Debt		11/19/2021		12.00%			11/19/2026	21,200	21,035	21,200
			Preferred Equity		11/19/2021	5,944						5,944	7,260
												26,979	28,460
Dos Rios Partners	(12) (13)	Investment Partnership											
			LP Interests (Dos Rios Partners, LP)	(31)	4/25/2013	20.24%						6,459	9,127
			LP Interests (Dos Rios Partners - A, LP)	(31)	4/25/2013	6.43%						2,051	2,898
												8,510	12,025
Dos Rios Stone Products LLC	(10)	Limestone and Sandstone Dimension Cut Stone Mining Quarries											
			Class A Preferred Units	(30)	6/27/2016	2,000,000						2,000	1,330
EIG Fund Investments	(12) (13)	Investment Partnership											
			LP Interests (EIG Global Private Debt Fund-A, L.P.)	(8) (31)	11/6/2015	5,000,000						1,060	1,013
Flame King Holdings, LLC		Propane Tank and Accessories Distributor											
			Secured Debt	(9)	10/29/2021		10.75%	L+ 6.50%		10/31/2026	7,600	7,537	7,600
			Secured Debt	(9)	10/29/2021		13.25%	L+ 9.00%		10/31/2026	21,200	21,038	21,200
			Preferred Equity	(8)	10/29/2021	9,360						10,400	17,580
												38,975	46,380
Freeport Financial Funds	(12) (13)	Investment Partnership											

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			LP Interests (Freeport Financial SBIC Fund LP)	(31)	3/23/2015	9.30%						3,507	3,483
			LP Interests (Freeport First Lien Loan Fund III LP)	(8) (31)	7/31/2015	5.95%						6,303	5,848
												9,810	9,331
GFG Group, LLC.		Grower and Distributor of a Variety of Plants and Products to Other Wholesalers, Retailers and Garden Centers											
			Secured Debt		3/31/2021		9.00%			3/31/2026	11,345	11,269	11,345
			Preferred Member Units	(8)	3/31/2021	226						4,900	7,140
												16,169	18,485
Harris Preston Fund Investments	(12) (13)	Investment Partnership											
			LP Interests (HPEP 3, L.P.)	(31)	8/9/2017	8.22%						2,558	4,331
			LP Interests (HPEP 4, L.P.)	(31)	7/12/2022	8.71%						2,332	2,332
			LP Interests (423 COR, LP)	(31)	6/2/2022	22.93%						1,400	1,400
												6,290	8,063
Hawk Ridge Systems, LLC		Value-Added Reseller of Engineering Design and Manufacturing Solutions											
			Secured Debt	(9)	12/2/2016		10.13%	L+ 6.00%		1/15/2026	3,185	3,183	3,185
			Secured Debt		12/2/2016		9.00%			1/15/2026	37,800	37,685	37,800
			Preferred Member Units	(8)	12/2/2016	226						2,850	17,460
			Preferred Member Units	(30)	12/2/2016	226						150	920
												43,868	59,365
Houston Plating and Coatings, LLC		Provider of Plating and Industrial Coating Services											
			Unsecured Convertible Debt		5/1/2017		8.00%			10/2/2024	3,000	3,000	3,000
			Member Units		1/8/2003	322,297						2,352	2,400
												5,352	5,400
I-45 SLF LLC	(12) (13)	Investment Partnership											
			Member Units (Fully diluted 20.0%; 21.75% profits interest)	(8)	10/20/2015	20.00%						19,000	11,758
Iron-Main Investments, LLC		Consumer Reporting Agency Providing Employment Background Checks and Drug Testing											
			Secured Debt		8/2/2021		12.50%			11/15/2026	4,534	4,500	4,500
			Secured Debt		9/1/2021		12.50%			11/15/2026	3,154	3,130	3,130
			Secured Debt		11/15/2021		12.50%			11/15/2026	8,944	8,944	8,944
			Secured Debt		11/15/2021		12.50%			11/15/2026	19,712	19,559	19,559

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Common Stock	8/3/2021	179,778						1,798	1,798
										37,931	37,931
OnAsset Intelligence, Inc.	Provider of Transportation Monitoring / Tracking Products and Services										
		Secured Debt (14)	5/20/2014		12.00%		12.00%	12/31/2023	964	964	569
		Secured Debt (14)	3/21/2014		12.00%		12.00%	12/31/2023	983	983	580
		Secured Debt (14)	5/10/2013		12.00%		12.00%	12/31/2023	2,116	2,116	1,249
		Secured Debt (14)	4/18/2011		12.00%		12.00%	12/31/2023	4,415	4,415	2,606
		Unsecured Debt (14)	6/5/2017		10.00%		10.00%	12/31/2023	305	305	305
		Preferred Stock	4/18/2011	912	7.00%		7.00%			1,981	—
		Common Stock	4/15/2021	635						830	—
		Warrants (27)	4/18/2011	4,699				12/31/2023		1,089	—
										12,683	5,309
Oneliance, LLC	Construction Cleaning Company										
		Secured Debt (9) (25)	8/6/2021			L+ 11.00%		8/6/2023	—	—	—
		Secured Debt (9)	8/6/2021		15.13%	L+ 11.00%		8/6/2026	5,600	5,559	5,559
		Preferred Stock	8/6/2021	1,056						1,056	1,056
										6,615	6,615
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	Provider of Rigsite Accommodation Unit Rentals and Related Services										
		Secured Debt (14) (17) (39)	6/30/2015		12.00%			1/8/2018	30,369	29,865	—
		Preferred Member Units	1/8/2013	250						2,500	—
										32,365	—
SI East, LLC	Rigid Industrial Packaging Manufacturing										
		Secured Debt (25)	8/31/2018					8/31/2023	—	—	—
		Secured Debt	8/31/2018		9.50%			8/31/2023	89,786	89,708	89,786
		Preferred Member Units (8)	8/31/2018	157						1,218	13,650
										90,926	103,436
Slick Innovations, LLC	Text Message Marketing Platform										
		Secured Debt	9/13/2018		14.00%			12/22/2027	13,840	13,698	13,840
		Common Stock (8)	9/13/2018	70,000						456	1,530
										14,154	15,370
Sonic Systems International, LLC (10)	Nuclear Power Staffing Services										
		Secured Debt (9)	8/20/2021		11.24%	L+ 7.50%		8/20/2026	15,769	15,527	15,769
		Common Stock	8/20/2021	9,968						1,356	1,280

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
												16,883	17,049
Student Resource Center, LLC	(10)	Higher Education Services											
			Secured Debt		12/31/2022		13.27%	L+ 8.50%		12/31/2027	5,000	4,556	4,556
			Preferred Equity		12/31/2022	5,907,649						—	—
												4,556	4,556
Superior Rigging & Erecting Co.		Provider of Steel Erecting, Crane Rental & Rigging Services											
			Secured Debt		8/31/2020		12.00%			8/31/2025	21,500	21,378	21,378
			Preferred Member Units		8/31/2020	1,571						4,500	4,500
												25,878	25,878
The Affiliati Network, LLC		Performance Marketing Solutions											
			Secured Debt		8/9/2021		13.00%			8/9/2026	120	106	106
			Secured Debt		8/9/2021		13.00%			8/9/2026	9,521	9,442	9,442
			Preferred Stock	(8)	8/9/2021	1,280,000						6,400	6,400
												15,948	15,948
UnionRock Energy Fund II, LP	(12) (13)	Investment Partnership											
			LP Interests	(8) (31)	6/15/2020	11.11%						3,734	5,855
UniTek Global Services, Inc.	(11)	Provider of Outsourced Infrastructure Services											
			Secured Debt	(9) (29)	10/15/2018		10.76%	SF+ 5.50%	2.00%	8/20/2024	406	405	382
			Secured Debt	(9) (29)	8/27/2018		10.76%	SF+ 5.50%	2.00%	8/20/2024	1,814	1,807	1,712
			Secured Convertible Debt		1/1/2021		15.00%		15.00%	2/20/2025	2,403	2,403	4,592
			Preferred Stock	(8)	8/29/2019	1,133,102	20.00%		20.00%			2,141	2,833
			Preferred Stock		8/21/2018	1,521,122	20.00%		20.00%			2,188	1,991
			Preferred Stock		6/30/2017	2,281,682	19.00%		19.00%			3,667	—
			Preferred Stock		1/15/2015	4,336,866	13.50%		13.50%			7,924	—
			Common Stock		4/1/2020	945,507						—	—
												20,535	11,510
Universal Wellhead Services Holdings, LLC	(10)	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry											
			Preferred Member Units	(30)	12/7/2016	716,949	14.00%		14.00%			1,032	220
			Member Units	(30)	12/7/2016	4,000,000						4,000	—
												5,032	220
Volusion, LLC		Provider of Online Software-as-a-Service eCommerce Solutions											
			Secured Debt	(17)	1/26/2015		11.50%			1/26/2020	16,734	16,734	14,914
			Unsecured Convertible Debt		5/16/2018		8.00%			11/16/2023	409	409	—

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Preferred Member Units		1/26/2015	4,876,670						14,000	—
			Warrants	(27)	1/26/2015	1,831,355				1/26/2025		2,576	—
												33,719	14,914
World Micro Holdings, LLC		Supply Chain Management											
			Secured Debt		12/12/2022		13.00%			12/12/2027	$ 14,280	$ 14,140	$ 14,140
			Preferred Equity		12/12/2022	3,845						$ 3,845	$ 3,845
												$ 17,985	$ 17,985
Subtotal Affiliate Investments (29.3% of net assets at fair value)												$ 635,536	$ 618,359
Non-Control Investments													
AB Centers Acquisition Corporation	(10)	Applied Behavior Analysis Therapy Provider											
			Secured Debt	(9) (25) (29)	9/6/2022			SF+ 6.00%		9/6/2028	$ —	$ (39)	$ (39)
			Secured Debt	(9) (29)	9/6/2022		10.20%	SF+ 6.00%		9/6/2028	741	653	741
			Secured Debt	(9) (29)	9/6/2022		10.58%	SF+ 6.00%		9/6/2028	17,052	16,602	17,052
												17,216	17,754
Acousti Engineering Company of Florida	(10)	Interior Subcontractor Providing Acoustical Walls and Ceilings											
			Secured Debt	(9)	11/2/2020		13.23%	L+ 8.50%		11/2/2025	1,678	1,669	1,678
			Secured Debt	(9)	11/2/2020		13.23%	L+ 8.50%		11/2/2025	9,891	9,825	9,891
			Secured Debt	(9)	5/26/2021		16.17%	L+ 12.50%		11/2/2025	807	800	807
												12,294	12,376
Acumera, Inc.	(10)	Managed Security Service Provider											
			Secured Debt	(9)	6/28/2022		13.88%	L+ 9.50%		10/26/2027	14,618	14,291	14,618
			Secured Debt	(9)	6/28/2022		13.57%	L+ 9.00%		10/26/2027	4,368	4,270	4,368
												18,561	18,986
Adams Publishing Group, LLC	(10)	Local Newspaper Operator											
			Secured Debt	(9) (36)	3/11/2022		10.00%	L+ 6.00%		3/11/2027	4,729	4,729	4,729
			Secured Debt	(9) (36)	3/11/2022		10.00%	L+ 7.50%		3/11/2027	24,086	24,033	24,086
												28,762	28,815
ADS Tactical, Inc.	(11)	Value-Added Logistics and Supply Chain Provider to the Defense Industry											
			Secured Debt	(9)	3/29/2021		10.14%	L+ 5.75%		3/19/2026	21,077	20,781	18,969
AMEREQUIP LLC.	(10)	Full Service Provider of Comprehensive Commercial Production Services, Including the Design, Engineering, and Manufacturing of Products It											

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt	(9) (25) (29)	8/31/2022			SF+	7.40%		8/31/2027	—	(137)	(137)
			Secured Debt	(9) (29)	8/31/2022		11.72%	SF+	7.40%		8/31/2027	37,491	36,819	37,463
			Common Stock		8/31/2022	235							1,779	1,779
													38,461	39,105
American Health Staffing Group, Inc.	(10)	Healthcare Temporary Staffing												
			Secured Debt	(9) (25)	11/19/2021			L+	6.00%		11/19/2026	—	(10)	(10)
			Secured Debt	(9)	11/19/2021		11.12%	L+	6.00%		11/19/2026	6,617	6,565	6,617
													6,555	6,607
American Nuts, LLC	(10)	Roaster, Mixer and Packager of Bulk Nuts and Seeds												
			Secured Debt	(9) (29)	3/11/2022		10.46%	SF+	6.75%		4/10/2026	15,628	15,408	14,606
			Secured Debt	(9) (29)	3/11/2022		12.46%	SF+	8.75%		4/10/2026	15,628	15,408	14,654
													30,816	29,260
American Teleconferencing Services, Ltd.	(11)	Provider of Audio Conferencing and Video Collaboration Solutions												
			Secured Debt	(14)	9/17/2021		7.50%	L+	6.50%		1/31/2023	2,980	2,980	168
			Secured Debt	(9) (14)	5/19/2016		7.50%	L+	6.50%		6/8/2023	14,370	13,706	808
													16,686	976
ArborWorks, LLC	(10)	Vegetation Management Services												
			Secured Debt	(9)	11/9/2021		13.41%	L+	9.00%		11/9/2026	4,678	4,569	3,945
			Secured Debt	(9)	11/9/2021		13.56%	L+	9.00%		11/9/2026	29,722	29,261	25,065
			Common Equity		11/9/2021	234							234	—
													34,064	29,010
Archer Systems, LLC	(10)	Mass Tort Settlement Administration Solutions Provider												
			Secured Debt	(9) (25) (29)	8/11/2022			SF+	6.50%		8/11/2027	—	(135)	(135)
			Secured Debt	(9) (29)	8/11/2022		10.92%	SF+	6.50%		8/11/2027	67,597	66,330	66,511
			Common Stock		8/11/2022	1,387,832							1,388	1,388
													67,583	67,764
Arrow International, Inc	(10)	Manufacturer and Distributor of Charitable Gaming Supplies												
			Secured Debt	(9) (23) (29)	12/21/2020		10.36%	SF+	6.60%		12/21/2025	36,000	35,737	36,000
ATS Operating, LLC	(10)	For-Profit Thrift Retailer												
			Secured Debt	(9) (25) (29)	1/18/2022			SF+	5.50%		1/18/2027	—	—	—
			Secured Debt	(9) (29)	1/18/2022		9.32%	SF+	5.50%		1/18/2027	6,660	6,660	6,582
			Secured Debt	(9) (29)	1/18/2022		11.32%	SF+	7.50%		1/18/2027	6,660	6,660	6,593
			Common Stock		1/18/2022	720,000							720	660

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												14,040	13,835
AVEX Aviation Holdings, LLC	(10)	Specialty Aircraft Dealer											
			Secured Debt	(9) (25) (29)	12/23/2022			SF+ 7.25%		12/23/2027	—	(57)	(57)
			Secured Debt	(9) (29)	12/23/2022		12.17%	SF+ 7.25%		12/23/2027	29,071	27,927	27,927
			Common Equity		12/15/2021	360						360	406
												28,230	28,276
Berry Aviation, Inc.	(10)	Charter Airline Services											
			Secured Debt		7/6/2018		12.00%	10.50%	1.50%	1/6/2024	195	195	195
			Preferred Member Units	(8) (30)	7/6/2018	1,548,387	8.00%		8.00%			1,161	4,561
			Preferred Member Units	(8) (25) (30)	11/12/2019	122,416			16.00%			—	270
												1,356	5,026
Bettercloud, Inc.	(10)	SaaS Provider of Workflow Management and Business Application Solutions											
			Secured Debt	(9) (25) (29)	6/30/2022			SF+ 1.00%	6.00%	6/30/2028	—	(76)	(76)
			Secured Debt	(9) (29)	6/30/2022		11.40%	SF+ 1.00%	6.00%	6/30/2028	27,505	27,020	27,505
												26,944	27,429
Binswanger Enterprises, LLC	(10)	Glass Repair and Installation Service Provider											
			Member Units		3/10/2017	1,050,000						1,050	420
Bluestem Brands, Inc.	(11)	Multi-Channel Retailer of General Merchandise											
			Secured Debt	(9) (25)	10/19/2022			L+ 8.50%		8/28/2025	—	—	—
			Secured Debt	(9)	8/28/2020		12.94%	L+ 8.50%		8/28/2025	3,239	2,280	3,139
			Common Stock	(8)	10/1/2020	723,184						1	4,860
			Warrants	(27)	10/19/2022	163,295				10/19/2032		1,036	1,095
												3,317	9,094
Brainworks Software, LLC	(10)	Advertising Sales and Newspaper Circulation Software											
			Secured Debt	(9) (14) (17)	8/12/2014		12.50%	P+ 9.25%		7/22/2019	761	761	761
			Secured Debt	(9) (14) (17)	8/12/2014		12.50%	P+ 9.25%		7/22/2019	7,056	7,056	2,916
												7,817	3,677
Brightwood Capital Fund Investments	(12) (13)	Investment Partnership											
			LP Interests (Brightwood Capital Fund III, LP)	(8) (31)	7/21/2014	1.55%						7,062	4,727
			LP Interests (Brightwood Capital Fund IV, LP)	(8) (31)	10/26/2016	0.59%						4,350	4,541
			LP Interests (Brightwood Capital Fund V, LP)	(31)	7/12/2021	1.31%						2,000	2,229

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												13,412	11,497
Burning Glass Intermediate Holding Company, Inc.	(10)	Provider of Skills-Based Labor Market Analytics											
			Secured Debt	(9) (25)	6/14/2021			L+ 5.00%		6/10/2026	—	(28)	—
			Secured Debt	(9)	6/14/2021		8.91%	L+ 5.00%		6/10/2028	19,933	19,656	19,933
												19,628	19,933
Cadence Aerospace LLC	(10)	Aerostructure Manufacturing											
			Secured Debt	(9) (34)	11/14/2017		11.99%	L+ 8.50%	0.01%	11/14/2023	28,328	28,264	28,328
CAI Software LLC		Provider of Specialized Enterprise Resource Planning Software											
			Preferred Equity	(8)	12/13/2021	1,788,527						1,789	1,789
			Preferred Equity		12/13/2021	596,176						—	—
												1,789	1,789
Camin Cargo Control, Inc.	(11)	Provider of Mission Critical Inspection, Testing and Fuel Treatment Services											
			Secured Debt	(9)	6/14/2021		10.88%	L+ 6.50%		6/4/2026	15,218	15,110	14,685
CaseWorthy, Inc.	(10)	SaaS Provider of Case Management Solutions											
			Secured Debt	(9) (25)	5/18/2022			L+ 6.00%		5/18/2027	—	(11)	(11)
			Secured Debt	(9)	5/18/2022		10.73%	L+ 6.00%		5/18/2027	7,993	7,914	7,914
			Secured Debt	(9)	5/18/2022		10.48%	L+ 5.75%		5/18/2027	6,133	6,079	6,133
			Common Equity		12/30/2022	245,926						246	246
												14,228	14,282
Channel Partners Intermediateco, LLC	(10)	Outsourced Consumer Services Provider											
			Secured Debt	(9) (29) (42)	2/7/2022		10.72%	SF+ 6.25%		2/7/2027	1,868	1,767	1,841
			Secured Debt	(9) (28) (29)	2/7/2022		10.71%	SF+ 6.25%		2/7/2027	39,047	38,396	38,484
												40,163	40,325
Clarius BIGS, LLC	(10)	Prints & Advertising Film Financing											
			Secured Debt	(14) (17)	9/23/2014		15.00%		15.00%	1/5/2015	2,712	2,712	19
Computer Data Source, LLC	(10)	Third Party Maintenance Provider to the Data Center Ecosystem											
			Secured Debt	(9) (43)	8/6/2021		12.56%	L+ 8.00%		8/6/2026	5,000	4,928	4,621
			Secured Debt	(9)	8/6/2021		12.56%	L+ 8.00%		8/6/2026	18,588	18,315	17,178

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
												23,243	21,799
Construction Supply Investments, LLC	(10)	Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors											
			Member Units	(8)	12/29/2016	861,618						3,335	21,165
Dalton US Inc.	(10)	Provider of Supplemental Labor Services											
			Secured Debt	(9) (29)	8/16/2022		11.90%	SF+ 8.00%		8/16/2027	1,092	871	1,077
			Secured Debt	(9) (25) (29)	8/16/2022			SF+ 8.00%		8/16/2027	—	(74)	(74)
			Secured Debt	(9) (29)	8/16/2022		12.56%	SF+ 8.00%		8/16/2027	14,389	14,125	14,186
			Common Stock		8/16/2022	201						201	201
												15,123	15,390
DTE Enterprises, LLC	(10)	Industrial Powertrain Repair and Services											
			Secured Debt	(9) (25)	4/13/2018			L+ 7.50%		4/13/2023	—	(1)	(1)
			Secured Debt	(9)	4/13/2018		12.24%	L+ 7.50%		4/13/2023	6,074	6,065	5,934
			Class A Preferred Member Units		4/13/2018	776,316	8.00%		8.00%			776	380
			Class AA Preferred Member Units (non-voting)	(8)	4/13/2018		10.00%		10.00%			1,161	1,161
												8,001	7,474
Dynamic Communities, LLC	(10)	Developer of Business Events and Online Community Groups											
			Secured Debt	(9) (29)	12/20/2022		9.18%	SF+ 4.50%	9.18%	12/31/2026	1,875	1,717	1,717
			Secured Debt	(9) (29)	12/20/2022		11.18%	SF+ 6.50%	11.18%	12/31/2026	1,875	1,642	1,642
			Preferred Equity		12/20/2022	125,000						128	128
			Preferred Equity		12/20/2022	2,376,241						—	—
			Common Equity		12/20/2022	1,250,000						—	—
												3,487	3,487
Eastern Wholesale Fence LLC	(10)	Manufacturer and Distributor of Residential and Commercial Fencing Solutions											
			Secured Debt	(9)	11/19/2020		11.73%	L+ 7.00%		10/30/2025	3,346	3,290	3,276
			Secured Debt	(9)	11/19/2020		11.73%	L+ 7.00%		10/30/2025	5,021	4,967	4,916
			Secured Debt	(9)	11/19/2020		11.73%	L+ 7.00%		10/30/2025	23,456	23,149	22,967
												31,406	31,159
Emerald Technologies Acquisition Co, Inc.	(11)	Design & Manufacturing											
			Secured Debt	(9) (29)	2/10/2022		10.67%	SF+ 6.25%		2/10/2028	9,258	9,099	8,787

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
EnCap Energy Fund Investments	(12) (13)	Investment Partnership												
			LP Interests (EnCap Energy Capital Fund VIII, L.P.)	(8) (31)	1/22/2015	0.14%							3,566	2,092
			LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.)	(8) (31)	1/21/2015	0.38%							1,984	1,037
			LP Interests (EnCap Energy Capital Fund IX, L.P.)	(8) (31)	1/22/2015	0.10%							3,699	2,019
			LP Interests (EnCap Energy Capital Fund X, L.P.)	(8) (31)	3/25/2015	0.15%							8,236	9,351
			LP Interests (EnCap Flatrock Midstream Fund II, L.P.)	(31)	3/30/2015	0.84%							5,358	1,688
			LP Interests (EnCap Flatrock Midstream Fund III, L.P.)	(8) (31)	3/27/2015	0.25%							6,023	5,718
													28,866	21,905
Engineering Research & Consulting, LLC	(10)	Provider of Engineering & Consulting Services to US Department of Defense												
			Secured Debt	(9) (29)	5/23/2022		11.68%	SF+	6.50%		5/23/2027	131	85	131
			Secured Debt	(9) (29)	5/23/2022		10.92%	SF+	6.50%		5/23/2028	16,338	16,047	16,338
													16,132	16,469
EPIC Y-Grade Services, LP	(11)	NGL Transportation & Storage												
			Secured Debt	(9)	6/22/2018		10.70%	L+	6.00%		6/30/2027	6,823	6,764	6,141
Event Holdco, LLC	(10)	Event and Learning Management Software for Healthcare Organizations and Systems												
			Secured Debt	(9) (30)	12/22/2021		10.67%	L+	7.00%		12/22/2026	3,692	3,663	3,507
			Secured Debt	(9) (30)	12/22/2021		10.67%	L+	7.00%		12/22/2026	44,308	43,955	42,083
													47,618	45,590
Flip Electronics LLC	(10)	Distributor of Hard-to-Find and Obsolete Electronic Components												
			Secured Debt	(9) (29)	3/24/2022		11.21%	SF+	7.50%		1/2/2026	736	736	736
			Secured Debt	(9) (29)	1/4/2021		12.19%	SF+	7.50%		1/2/2026	11,095	10,852	11,095
													11,588	11,831
Fuse, LLC	(11)	Cable Networks Operator												
			Secured Debt		6/30/2019		12.00%				6/28/2024	1,810	1,810	1,512
			Common Stock		6/30/2019	10,429							256	—
													2,066	1,512
GeoStabilization International (GSI)	(11)	Geohazard Engineering Services & Maintenance												

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt		1/2/2019		9.44%	SF+	5.25%		12/19/2025	20,497	20,427	19,472
GS HVAM Intermediate, LLC	(10)	Specialized Food Distributor												
			Secured Debt	(9)	10/18/2019		11.20%	L+	6.50%		10/2/2024	2,177	2,169	2,171
			Secured Debt	(9)	10/18/2019		11.24%	L+	6.50%		10/2/2024	10,734	10,695	10,705
													12,864	12,876
GULF PACIFIC ACQUISITION, LLC	(10)	Rice Processor and Merchandiser												
			Secured Debt	(9) (29)	9/30/2022		10.42%	SF+	6.00%		9/30/2028	252	233	252
			Secured Debt	(9) (25) (29)	9/30/2022			SF+	6.00%		9/30/2028	—	(15)	(15)
			Secured Debt	(9) (29)	9/30/2022		10.73%	SF+	6.00%		9/30/2028	3,661	3,591	3,661
													3,809	3,898
HDC/HW Intermediate Holdings	(10)	Managed Services and Hosting Provider												
			Secured Debt	(9) (29)	12/21/2018		14.34%	SF+	9.50%	2.00%	12/21/2023	320	319	311
			Secured Debt	(9) (29)	12/21/2018		14.34%	SF+	9.50%	2.00%	12/21/2023	3,277	3,262	3,186
													3,581	3,497
HEADLANDS OP-CO LLC	(10)	Clinical Trial Sites Operator												
			Secured Debt	(9) (25) (29)	8/1/2022			SF+	6.50%		8/1/2027	—	(62)	(62)
			Secured Debt	(9) (25) (29)	8/1/2022			SF+	6.50%		8/1/2027	—	(62)	(62)
			Secured Debt	(9) (29)	8/1/2022		10.62%	SF+	6.50%		8/1/2027	16,791	16,483	16,791
													16,359	16,667
Heartland Dental, LLC	(10)	Dental Support Organization												
			Secured Debt	(9)	9/9/2020		10.88%	L+	6.50%		4/30/2025	14,663	14,430	13,599
HOWLCO LLC	(11) (13) (21)	Provider of Accounting and Business Development Software to Real Estate End Markets												
			Secured Debt	(9)	8/19/2021		10.69%	L+	6.00%		10/23/2026	25,290	25,290	24,381
Hybrid Promotions, LLC	(10)	Wholesaler of Licensed, Branded and Private Label Apparel												
			Secured Debt	(29)	6/30/2021		12.07%	SF+	8.25%		6/30/2026	7,088	6,986	6,144
IG Parent Corporation	(11)	Software Engineering												
			Secured Debt	(9) (29) (41)	7/30/2021		10.17%	SF+	5.75%		7/30/2026	698	670	698
			Secured Debt	(9) (29)	7/30/2021		10.17%	SF+	5.75%		7/30/2028	14,499	14,304	14,499
													14,974	15,197

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Implus Footcare, LLC	(10)	Provider of Footwear and Related Accessories												
			Secured Debt	(9)	6/1/2017		13.98%	L+	7.75%	1.50%	4/30/2024	18,515	18,384	17,464
Independent Pet Partners Intermediate Holdings, LLC	(10)	Omnichannel Retailer of Specialty Pet Products												
			Secured Debt	(9) (35)	8/20/2020		13.00%	P+	5.50%	13.00%	2/27/2023	7,027	7,027	7,027
			Secured Debt	(14)	12/10/2020		6.00%			6.00%	11/20/2023	18,428	17,664	7,633
			Secured Debt	(29)	11/28/2022		14.42%	SF+	10.00%	14.42%	2/27/2023	806	769	769
			Preferred Stock (non-voting)		12/10/2020		6.00%			6.00%			3,235	—
			Preferred Stock (non-voting)		12/10/2020								—	—
			Member Units		11/20/2018	1,558,333							1,558	—
			Warrants	(25) (38)	11/20/2018	242,914					11/19/2028		—	—
													30,253	15,429
Industrial Services Acquisition, LLC	(10)	Industrial Cleaning Services												
			Secured Debt	(9)	8/13/2021		11.50%	L+	6.75%		8/13/2026	463	430	463
			Secured Debt	(9)	8/13/2021		11.50%	L+	6.75%		8/13/2026	19,239	18,956	19,239
			Preferred Member Units	(8) (30)	1/31/2018	144	10.00%			10.00%			129	145
			Preferred Member Units	(8) (30)	5/17/2019	80	20.00%			20.00%			92	93
			Member Units	(30)	6/17/2016	900							900	600
													20,507	20,540
Infolinks Media Buyco, LLC	(10)	Exclusive Placement Provider to the Advertising Ecosystem												
			Secured Debt	(9) (25)	11/1/2021			L+	5.50%		11/1/2026	—	(19)	(19)
			Secured Debt	(9)	11/1/2021		10.23%	L+	5.50%		11/1/2026	8,593	8,461	8,593
													8,442	8,574
Interface Security Systems, L.L.C	(10)	Commercial Security & Alarm Services												
			Secured Debt	(44)	12/9/2021		14.22%	L+	10.00%		8/7/2023	1,682	1,682	1,682
			Secured Debt	(9) (14)	8/7/2019		12.07%	L+	7.00%	1.00%	8/7/2023	7,313	7,237	1,082
			Common Stock		12/7/2021	2,143							—	—
													8,919	2,764
Intermedia Holdings, Inc.	(11)	Unified Communications as a Service												
			Secured Debt	(9)	8/3/2018		10.38%	L+	6.00%		7/19/2025	20,467	20,418	15,811
Invincible Boat Company, LLC.	(10)	Manufacturer of Sport Fishing Boats												
			Secured Debt	(9)	8/28/2019		10.14%	L+	6.50%		8/28/2025	622	618	622

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt	(9)	8/28/2019		10.17%	L+	6.50%		8/28/2025	16,889	16,784	16,889
													17,402	17,511
INW Manufacturing, LLC	(11)	Manufacturer of Nutrition and Wellness Products												
			Secured Debt	(9)	5/19/2021		10.48%	L+	5.75%		3/25/2027	7,125	6,968	6,092
Isagenix International, LLC	(11)	Direct Marketer of Health & Wellness Products												
			Secured Debt	(9) (14)	6/21/2018		9.93%	L+	7.75%		6/14/2025	5,053	5,038	1,537
Jackmont Hospitality, Inc.	(10)	Franchisee of Casual Dining Restaurants												
			Secured Debt	(9)	10/26/2022		12.23%	L+	7.50%		11/4/2024	500	483	500
			Secured Debt	(9)	11/8/2021		12.23%	L+	7.50%		11/4/2024	2,079	2,079	2,079
			Preferred Equity	(8)	11/8/2021	2,826,667	12.00%			12.00%			123	623
													2,685	3,202
Joerns Healthcare, LLC	(11)	Manufacturer and Distributor of Health Care Equipment & Supplies												
			Secured Debt		11/15/2021		18.00%				1/31/2024	2,297	2,297	2,297
			Secured Debt	(14)	8/21/2019		19.75%			19.75%	8/21/2024	4,034	3,997	504
			Common Stock		8/21/2019	472,579							4,429	—
													10,723	2,801
JTI Electrical & Mechanical, LLC	(10)	Electrical, Mechanical and Automation Services												
			Secured Debt	(9) (25)	12/22/2021			L+	6.00%		12/22/2026	—	(135)	(135)
			Secured Debt	(9)	12/22/2021		10.73%	L+	6.00%		12/22/2026	36,947	36,358	36,947
			Common Equity		12/22/2021	1,684,211							1,684	2,840
													37,907	39,652
KMS, LLC	(10)	Wholesaler of Closeout and Value-priced Products												
			Secured Debt	(9)	10/4/2021		12.00%	L+	7.25%		10/4/2026	1,064	1,019	995
			Secured Debt	(9)	10/4/2021		12.00%	L+	7.25%		10/4/2026	7,505	7,391	7,022
													8,410	8,017
Kore Wireless Group Inc.	(11)	Mission Critical Software Platform												
			Secured Debt	(29)	12/31/2018		10.08%	SF+	5.50%		9/21/2024	11,326	11,280	10,930
Lightbox Holdings, L.P.	(11)	Provider of Commercial Real Estate Software												
			Secured Debt		5/9/2019		9.73%	L+	5.00%		5/9/2026	14,475	14,349	13,968

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
LKCM Headwater Investments I, L.P.	(12) (13)	Investment Partnership												
			LP Interests	(8) (31)	1/25/2013	2.27%							1,746	3,197
LL Management, Inc.	(10)	Medical Transportation Service Provider												
			Secured Debt	(9) (29)	5/2/2019		11.21%	SF+	7.25%		9/25/2023	8,106	8,087	8,047
			Secured Debt	(9) (29)	5/2/2019		11.67%	SF+	7.25%		9/25/2023	9,197	9,160	9,130
			Secured Debt	(9) (29)	5/12/2022		11.67%	SF+	7.25%		9/25/2023	10,827	10,733	10,749
													27,980	27,926
LLFlex, LLC	(10)	Provider of Metal-Based Laminates												
			Secured Debt	(9)	8/16/2021		12.74%	L+	9.00%		8/16/2026	4,444	4,370	4,350
Logix Acquisition Company, LLC	(10)	Competitive Local Exchange Carrier												
			Secured Debt	(9)	1/8/2018		10.13%	L+	5.75%		12/22/2024	19,662	19,033	16,221
Looking Glass Investments, LLC	(12) (13)	Specialty Consumer Finance												
			Member Units		7/1/2015	3							125	25
Mako Steel, LP	(10)	Self-Storage Design & Construction												
			Secured Debt	(9) (45)	3/15/2021		11.79%	L+	7.25%		3/15/2026	3,103	3,063	3,083
			Secured Debt	(9)	3/15/2021		11.09%	L+	7.25%		3/15/2026	15,324	15,122	15,224
													18,185	18,307
MB2 Dental Solutions, LLC	(11)	Dental Partnership Organization												
			Secured Debt	(9) (29)	1/28/2021		10.42%	SF+	6.00%		1/29/2027	8,338	8,267	8,338
			Secured Debt	(9) (29)	1/28/2021		10.42%	SF+	6.00%		1/29/2027	7,876	7,784	7,876
													16,051	16,214
Microbe Formulas, LLC	(10)	Nutritional Supplements Provider												
			Secured Debt	(9) (25) (29)	4/4/2022			SF+	6.25%		4/3/2028	—	(63)	(63)
			Secured Debt	(9) (29)	4/4/2022		9.86%	SF+	6.25%		4/3/2028	26,075	25,619	25,181
													25,556	25,118
Mills Fleet Farm Group, LLC	(10)	Omnichannel Retailer of Work, Farm and Lifestyle Merchandise												
			Secured Debt	(9)	10/24/2018		10.66%	L+	6.25%		10/24/2024	18,769	18,562	18,338

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
MonitorUS Holding, LLC	(10) (13) (21)	SaaS Provider of Media Intelligence Services											
			Secured Debt	(9) (25)	5/24/2022			L+ 7.00%		5/24/2027	—	(64)	(64)
			Secured Debt	(9)	5/24/2022		11.73%	L+ 7.00%		5/24/2027	10,107	9,923	10,714
			Secured Debt	(9)	5/24/2022		11.73%	L+ 7.00%		5/24/2027	17,038	16,746	17,038
			Common Stock		8/30/2022	44,445,814						889	889
												27,494	28,577
NBG Acquisition Inc	(11)	Wholesaler of Home Décor Products											
			Secured Debt	(9)	4/28/2017		9.67%	L+ 5.50%		4/26/2024	3,849	3,834	1,251
NinjaTrader, LLC	(10)	Operator of Futures Trading Platform											
			Secured Debt	(9) (25)	12/18/2019			L+ 6.25%		12/18/2024	—	(1)	—
			Secured Debt	(9) (25)	12/18/2019			L+ 6.25%		12/18/2024	—	(38)	(38)
			Secured Debt	(9)	12/18/2019		9.99%	L+ 6.25%		12/18/2024	21,666	21,418	21,666
												21,379	21,628
NTM Acquisition Corp.	(11)	Provider of B2B Travel Information Content											
			Secured Debt	(9)	7/12/2016		9.50%	L+ 6.25%	1.00%	6/7/2024	4,358	4,358	4,228
NWN Corporation	(10)	Value Added Reseller and Provider of Managed Services to a Diverse Set of Industries											
			Secured Debt	(9) (29) (46)	5/7/2021		10.85%	SF+ 8.00%		5/7/2026	3,941	3,797	3,720
			Secured Debt	(9) (29)	5/7/2021		12.56%	SF+ 8.00%		5/7/2026	39,851	39,094	37,616
			Secured Debt		12/16/2022		20.00%		20.00%	8/6/2026	6,509	6,194	6,194
												49,085	47,530
Ospemifene Royalty Sub LLC	(10)	Estrogen-Deficiency Drug Manufacturer and Distributor											
			Secured Debt	(14)	7/8/2013		11.50%			11/15/2026	4,489	4,489	103
OVG Business Services, LLC	(10)	Venue Management Services											
			Secured Debt	(9)	11/29/2021		10.64%	L+ 6.25%		11/19/2028	13,930	13,813	13,094
Paragon Healthcare, Inc.	(10)	Infusion Therapy Treatment Provider											

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt	(9) (29)	1/19/2022		10.26%	SF+	5.75%		1/19/2027	541	437	530
			Secured Debt	(9) (29) (47)	1/19/2022		9.96%	SF+	5.75%		1/19/2027	2,701	2,609	2,649
			Secured Debt	(9) (29)	1/19/2022		9.81%	SF+	5.75%		1/19/2027	18,293	17,852	17,939
													20,898	21,118
Project Eagle Holdings, LLC	(10)	Provider of Secure Business Collaboration Software												
			Secured Debt	(9) (25)	7/6/2020			L+	6.25%		7/6/2026	—	(18)	(18)
			Secured Debt	(9)	7/6/2020		10.64%	L+	6.25%		7/6/2026	29,475	29,040	29,419
													29,022	29,401
PTL US Bidco, Inc	(10) (13)	Manufacturers of Equipment, Including Drilling Rigs and Equipment, and Providers of Supplies and Services to Companies Involved In the Drilling, Evaluation and Completion of Oil and Gas Wells.												
			Secured Debt	(9) (25) (29)	8/19/2022			SF+	7.25%		8/19/2027	—	(174)	(174)
			Secured Debt	(9) (29)	8/19/2022		11.80%	SF+	7.25%		8/19/2027	28,265	27,749	27,911
													27,575	27,737
RA Outdoors LLC	(10)	Software Solutions Provider for Outdoor Activity Management												
			Secured Debt	(9) (25) (29)	4/8/2021			SF+	6.75%		4/8/2026	—	(11)	(11)
			Secured Debt	(9) (29)	4/8/2021		10.56%	SF+	6.75%		4/8/2026	13,369	13,241	12,094
													13,230	12,083
Research Now Group, Inc. and Survey Sampling International, LLC	(11)	Provider of Outsourced Online Surveying												
			Secured Debt	(9)	12/29/2017		8.84%	L+	5.50%		12/20/2024	19,966	19,745	15,116
RM Bidder, LLC	(10)	Scripted and Unscripted TV and Digital Programming Provider												
			Member Units		11/12/2015	2,779							46	19
			Warrants	(26)	11/12/2015	327,532					10/20/2025		425	—
													471	19
Roof Opco, LLC	(10)	Residential Re-Roofing/Repair												
			Secured Debt	(9) (29)	8/27/2021		10.97%	SF+	6.50%		8/27/2026	311	300	311
			Secured Debt	(9) (29)	8/27/2021		10.32%	SF+	6.50%		8/27/2026	2,333	2,291	2,333
			Secured Debt	(9) (29)	8/27/2021		10.32%	SF+	6.50%		8/27/2026	3,173	3,125	3,173
													5,716	5,817
RTIC Subsidiary Holdings, LLC	(10)	Direct-To-Consumer eCommerce Provider of Outdoor Products												
			Secured Debt	(9) (29) (48)	9/1/2020		12.02%	SF+	7.75%		9/1/2025	1,361	1,343	1,258

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt	(9) (29)	9/1/2020		11.49%	SF+ 7.75%		9/1/2025	16,623	16,506	15,367
												17,849	16,625
Rug Doctor, LLC.	(10)	Carpet Cleaning Products and Machinery											
			Secured Debt	(9) (29)	7/16/2021		13.02%	SF+ 6.25%	2.00%	11/16/2024	5,625	5,590	5,037
			Secured Debt	(9) (29)	7/16/2021		13.02%	SF+ 6.25%	2.00%	11/16/2024	8,340	8,223	7,478
												13,813	12,515
Savers, Inc.	(11)	For-Profit Thrift Retailer											
			Secured Debt	(9) (29)	5/14/2021		10.34%	SF+ 5.50%		4/26/2028	11,286	11,199	10,938
SIB Holdings, LLC	(10)	Provider of Cost Reduction Services											
			Secured Debt	(9)	10/29/2021		11.01%	L+ 6.25%		10/29/2026	417	408	393
			Secured Debt	(9)	10/29/2021		11.01%	L+ 6.25%		10/29/2026	1,553	1,527	1,433
			Secured Debt	(9)	10/29/2021		11.01%	L+ 6.25%		10/29/2026	7,750	7,626	7,151
			Common Equity		10/29/2021	95,238						200	146
												9,761	9,123
South Coast Terminals Holdings, LLC	(10)	Specialty Toll Chemical Manufacturer											
			Secured Debt	(9) (25)	12/10/2021			L+ 5.75%		12/13/2026	—	(71)	(71)
			Secured Debt	(9)	12/10/2021		9.69%	L+ 5.75%		12/13/2026	41,255	40,603	41,255
			Common Equity		12/10/2021	863,636						864	1,316
												41,396	42,500
SPAU Holdings, LLC	(10)	Digital Photo Product Provider											
			Secured Debt	(9) (25) (29)	7/1/2022			SF+ 7.50%		7/1/2027	—	(57)	(57)
			Secured Debt	(9) (29)	7/1/2022		11.06%	SF+ 7.50%		7/1/2027	15,928	15,641	15,928
			Common Stock		7/1/2022	638,710						639	639
												16,223	16,510
Staples Canada ULC	(10) (13) (21)	Office Supplies Retailer											
			Secured Debt	(9) (22)	9/14/2017		11.83%	L+ 7.00%		9/12/2024	13,740	13,698	12,481
Stellant Systems, Inc.	(11)	Manufacturer of Traveling Wave Tubes and Vacuum Electronic Devices											
			Secured Debt	(9) (29)	10/22/2021		10.05%	SF+ 5.50%		10/1/2028	7,623	7,559	7,166
Tacala Investment Corp.	(33)	Quick Service Restaurant Group											
			Secured Debt	(9) (32)	3/19/2021		7.88%	L+ 3.50%		2/5/2027	1,974	1,974	1,904

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Team Public Choices, LLC	(11)	Home-Based Care Employment Service Provider												
			Secured Debt	(9)	12/22/2020		9.93%	L+	5.00%		12/18/2027	14,964	14,690	14,290
Tectonic Financial, LLC		Financial Services Organization												
			Common Stock	(8)	5/15/2017	200,000							2,000	5,630
Tex Tech Tennis, LLC	(10)	Sporting Goods & Textiles												
			Preferred Equity	(30)	7/7/2021	1,000,000							1,000	1,830
U.S. TelePacific Corp.	(11)	Provider of Communications and Managed Services												
			Secured Debt	(9) (29)	5/17/2017		11.57%	SF+	1.25%	7.25%	5/2/2026	18,352	18,284	6,859
USA DeBusk LLC	(10)	Provider of Industrial Cleaning Services												
			Secured Debt	(9)	10/22/2019		9.82%	L+	5.75%		9/8/2026	33,577	33,031	33,577
Veregy Consolidated, Inc.	(11)	Energy Service Company												
			Secured Debt	(9) (25)	11/9/2020			L+	5.25%		11/3/2025	—	(630)	(630)
			Secured Debt	(9)	11/9/2020		10.41%	L+	6.00%		11/3/2027	17,685	17,381	15,479
													16,751	14,849
Vida Capital, Inc	(11)	Alternative Asset Manager												
			Secured Debt		10/10/2019		10.38%	L+	6.00%		10/1/2026	15,448	15,313	12,049
Vistar Media, Inc.	(10)	Operator of Digital Out-of-Home Advertising Platform												
			Preferred Stock		4/3/2019	70,207							767	2,250
VORTEQ Coil Finishers, LLC	(10)	Specialty Coating of Aluminum and Light-Gauge Steel												
			Common Equity	(8)	11/30/2021	1,038,462							1,038	3,930
Wahoo Fitness Acquisition L.L.C.	(11)	Fitness Training Equipment Provider												

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt	(9) (29)	8/17/2021		10.64%	SF+	5.75%		8/12/2028	14,625	14,268	8,409
Wall Street Prep, Inc.	(10)	Financial Training Services												
			Secured Debt	(9) (25)	7/19/2021			L+	7.00%		7/19/2026	—	(6)	(6)
			Secured Debt	(9)	7/19/2021		10.74%	L+	7.00%		7/19/2026	4,235	4,173	4,146
			Common Stock		7/19/2021	400,000							400	420
													4,567	4,560
Watterson Brands, LLC	(10)	Facility Management Services												
			Secured Debt	(9)	12/17/2021		10.73%	L+	6.00%		12/17/2026	371	334	370
			Secured Debt	(9)	12/17/2021		10.73%	L+	6.00%		12/17/2026	391	361	391
			Secured Debt	(9)	12/17/2021		10.73%	L+	6.00%		12/17/2026	28,957	28,591	28,947
													29,286	29,708
West Star Aviation Acquisition, LLC	(10)	Aircraft, Aircraft Engine and Engine Parts												
			Secured Debt	(9) (25) (29)	3/1/2022			SF+	6.00%		3/1/2028	—	(20)	(20)
			Secured Debt	(9) (29)	3/1/2022		8.59%	SF+	6.00%		3/1/2028	10,794	10,608	10,685
			Common Stock		3/1/2022	1,541,400							1,541	1,950
													12,129	12,615
Winter Services LLC	(10)	Provider of Snow Removal and Ice Management Services												
			Secured Debt	(9) (25)	11/19/2021			L+	7.00%		11/19/2026	—	(34)	—
			Secured Debt	(9) (25)	11/19/2021			L+	7.00%		11/19/2026	—	(17)	(17)
			Secured Debt	(9)	11/19/2021		10.74%	L+	7.00%		11/19/2026	10,000	9,848	9,992
													9,797	9,975
Xenon Arc, Inc.	(10)	Tech-enabled Distribution Services to Chemicals and Food Ingredients Primary Producers												
			Secured Debt	(25)	12/17/2021			L+	5.25%		12/17/2026	—	(218)	(218)
			Secured Debt		12/17/2021		10.84%	L+	5.25%		12/17/2027	24,300	23,864	24,135
			Secured Debt		12/17/2021		8.63%	L+	5.25%		12/17/2027	38,311	37,691	38,051
													61,337	61,968
YS Garments, LLC	(11)	Designer and Provider of Branded Activewear												
			Secured Debt	(9)	8/22/2018		9.51%	L+	5.50%		8/9/2024	12,659	12,619	12,127
Zips Car Wash, LLC	(10)	Express Car Wash Operator												
			Secured Debt	(9) (29)	2/11/2022		11.67%	SF+	7.25%		3/1/2024	17,512	17,279	17,512
			Secured Debt	(9) (29) (33)	2/11/2022		11.67%	SF+	7.25%		3/1/2024	4,389	4,360	4,379

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)	Investment Date (24)	Shares/ Units	Total Rate	Reference Rate and Spread (29)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
										21,639	21,891
Subtotal Non-Control/Non-Affiliate Investments (84.4% of net assets at fair value)										$1,867,414	$1,780,646
Total Portfolio Investments, December 31, 2022 (194.5% of net assets at fair value)										$3,773,752	$4,102,177

(1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* 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 Corporate Facility or SPV Facility (each as defined in *Note B.5. — Deferred Financing Costs*, and together the "Credit Facilities") or in support of the SBA-guaranteed debentures issued by the Funds.

(2) Debt investments are income producing, unless otherwise noted by footnote (14), as described below. Equity and warrants are non-income producing, unless otherwise noted by footnote (8), as described below.

(3) See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* and Schedule 12-14 for a summary of geographic location of portfolio companies.

(4) Principal is net of repayments. Cost is net of repayments and accumulated unearned income. Negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

(5) Control investments are defined by the 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% (inclusive) of the voting securities are owned and the investments are not classified as Control investments.

(7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.

(8) Income producing through dividends or distributions.

(9) Index based floating interest rate is subject to contractual minimum interest rate. As noted in this schedule, 66% of these floating rate loans (based on the par amount) contain LIBOR or Term SOFR ("SOFR") floors which range between 0.50% and 2.00%, with a weighted-average floor of 1.04%.

(10) Private Loan portfolio investment. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* for a description of Private Loan portfolio investments.

(11) Middle Market portfolio investment. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* for a description of Middle Market portfolio investments.

(12) Other Portfolio investment. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* 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) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."

(16) External Investment Manager. Investment is not encumbered as security for the Company's Credit Facilities or in support of the SBA-guaranteed debentures issued by the Funds.

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

(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 — Fair Value Hierarchy for Investments — Portfolio Composition* for further discussion. Negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par.

(19) Investments may have a portion, or all, of their income received from Paid-in-Kind ("PIK") interest or dividends. PIK interest income and cumulative dividend income represent income not paid currently in cash. The difference between the Total Rate and PIK Rate represents the cash rate as of December 31, 2022.

(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 and in an attempt to mitigate any potential adverse change in foreign exchange rates during the term of the Company's investment, the Company maintains a forward foreign currency contract with Cadence Bank to lend $16.9 million Canadian Dollars and receive $13.1 million U.S. Dollars with a settlement date of September 14, 2023. The unrealized appreciation on the forward foreign currency contract was $0.6 million as of December 31, 2022.

(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 SOFR+6.00% (Floor 1.00%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

(24) Investment date represents the date of initial investment in the security position.

(25) The position is unfunded and no interest income is being earned as of December 31, 2022. The position may earn a nominal unused facility fee on committed amounts.

(26) Warrants are presented in equivalent units with a strike price of $14.28 per unit.

(27) Warrants are presented in equivalent shares/units with a strike price of $0.01 per share/unit.

(28) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR+6.25% (Floor 1.00%). Due to an amendment and subsequent funding during the quarter, the term loan facility has different floating rate reset dates. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(29) 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 ("L"), SOFR ("SF") or an alternate Base rate (commonly based on the Federal Funds Rate or the Prime rate ("P")), which typically resets every one, three, or six months at the borrower's option. SOFR based contracts may include a credit spread adjustment (the "Adjustment") that is charged in addition to the stated spread. The Adjustment is applied when the SOFR rate, plus the Adjustment, exceeds the stated floor rate, as applicable. As of December 31, 2022, SOFR based contracts in the portfolio had Adjustments ranging from 0.10% to 0.35%.

(30) Shares/Units represent ownership in a related Real Estate or HoldCo entity.

(31) Investment is not unitized. Presentation is made in percent of fully diluted ownership unless otherwise indicated.

(32) Short-term portfolio investments. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* for a description of short-term portfolio investments.

(33) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR+7.25% (Floor 1.00%). Each new draw on the delayed draw term loan facility has a different floating rate reset date. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(34) The security has an effective contractual interest rate of 2.00% PIK + LIBOR+6.50%, Floor 1.00%, but the issuer may, in its discretion, elect to pay the PIK interest in cash. The rate presented represents the effective current yield based on actual payments received during the period.

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2022

(dollars in thousands)

(35) As of December 31, 2022, borrowings under the loan facility bore interest at LIBOR+6.50% PIK or Prime+5.50% PIK. Revolving facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(36) Index based floating interest rate is subject to contractual maximum base rate of 2.50%.

(37) Index based floating interest rate is subject to contractual maximum base rate of 1.50%.

(38) Warrants are presented in equivalent shares/units with a strike price of $1.00 per share/unit.

(39) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investment in this portfolio company will not be finally determined until such process is complete. As noted in footnote (14), our debt investment in this portfolio company is on non-accrual status.

(40) 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 SOFR+8.00% (Floor 1.50%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

(41) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR+5.75% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(42) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR+6.25% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(43) As of December 31, 2022, borrowings under the loan facility bore interest at LIBOR+8.00% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(44) As of December 31, 2022, borrowings under the loan facility bore interest at LIBOR+10.00%. RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(45) As of December 31, 2022, borrowings under the loan facility bore interest at LIBOR+7.25% (Floor 0.75%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(46) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR+8.00% (Floor 1.00%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(47) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR+5.75% (Floor 1.00%). Delayed draw term loan facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

(48) As of December 31, 2022, borrowings under the loan facility bore interest at SOFR+7.75% (Floor 1.25%). RLOC facility permits the borrower to make an interest rate election regarding the base rate on each draw under the facility. The rate presented represents a weighted-average rate for borrowings under the facility, as of December 31, 2022.

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments

December 31, 2021

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Control Investments (5)													
Analytical Systems Keco Holdings, LLC		Manufacturer of Liquid and Gas Analyzers											
			Secured Debt	(9)	8/16/2019		12.00 %	L + 10.00 %		8/16/2024	$ 4,945	$ 4,736	$ 4,736
			Preferred Member Units		8/16/2019	3,200						3,200	—
			Preferred Member Units		5/20/2021	2,427						2,427	4,894
			Warrants	(27)	8/16/2019	420				8/16/2029		316	—
												10,679	9,630
ASC Interests, LLC		Recreational and Educational Shooting Facility											
			Secured Debt		12/31/2019		13.00 %			7/31/2022	200	200	200
			Secured Debt		8/1/2013		13.00 %			7/31/2022	1,650	1,636	1,636
			Member Units		8/1/2013	1,500						1,500	720
												3,336	2,556
ATS Workholding, LLC	(10)	Manufacturer of Machine Cutting Tools and Accessories											
			Secured Debt	(14)	11/16/2017		5.00 %			8/16/2023	4,794	4,635	3,005
			Preferred Member Units		11/16/2017	3,725,862						3,726	—
												8,361	3,005
Barfly Ventures, LLC	(10)	Casual Restaurant Group											
			Secured Debt		10/15/2020		7.00 %			10/31/2024	711	711	711
			Member Units		10/26/2020	37						1,584	1,930
												2,295	2,641
Bolder Panther Group, LLC		Consumer Goods and Fuel Retailer											
			Secured Debt	(9)	12/31/2020		10.50 %	L + 9.00 %		12/31/2025	39,000	38,687	39,000
			Class A Preferred Member Units	(8)	12/31/2020		14.00 %					10,194	10,194
			Class B Preferred Member Units	(8)	12/31/2020	140,000	8.00 %					14,000	23,170
												62,881	72,364
Brewer Crane Holdings, LLC		Provider of Crane Rental and Operating Services											
			Secured Debt	(9)	1/9/2018		11.00 %	L + 10.00 %		1/9/2023	8,060	8,037	8,037
			Preferred Member Units	(8)	1/9/2018	2,950						4,280	7,710
												12,317	15,747
Bridge Capital Solutions Corporation		Financial Services and Cash Flow Solutions Provider											
			Secured Debt		7/25/2016		13.00 %			12/11/2024	8,813	8,813	8,813
			Warrants	(27)	7/25/2016	82				7/25/2026		2,132	4,060

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Secured Debt	(30)	7/25/2016		13.00 %			12/11/2024	1,000	1,000	1,000
		Preferred Member Units	(8) (30)	7/25/2016	17,742						1,000	1,000
											12,945	14,873
Café Brazil, LLC	Casual Restaurant Group											
		Member Units	(8)	6/9/2006	1,233						1,742	2,570
California Splendor Holdings LLC	Processor of Frozen Fruits											
		Secured Debt	(9)	3/30/2018		11.00 %	L + 10.00 %		3/30/2023	28,000	27,915	27,915
		Preferred Member Units	(8)	7/31/2019	6,725	15.00 %		15.00 %			9,510	9,510
		Preferred Member Units	(8)	3/30/2018	6,157						10,775	13,275
											48,200	50,700
CBT Nuggets, LLC	Produces and Sells IT Training Certification Videos											
		Member Units	(8)	6/1/2006	416						1,300	50,620
Centre Technologies Holdings, LLC	Provider of IT Hardware Services and Software Solutions											
		Secured Debt	(9)	1/4/2019		12.00 %	L + 10.00 %		1/4/2024	9,416	9,370	8,864
		Preferred Member Units		1/4/2019	12,696						5,840	5,840
											15,210	14,704
Chamberlin Holding LLC	Roofing and Waterproofing Specialty Contractor											
		Secured Debt	(9)	2/26/2018		9.00 %	L + 8.00 %		2/26/2023	17,817	17,738	17,817
		Member Units	(8)	2/26/2018	4,347						11,440	24,140
		Member Units	(8) (30)	11/2/2018	1,047,146						1,322	1,540
											30,500	43,497
Charps, LLC	Pipeline Maintenance and Construction											
		Unsecured Debt		8/26/2020		10.00 %			1/31/2024	5,694	4,599	5,694
		Preferred Member Units	(8)	2/3/2017	1,829						1,963	13,990
											6,562	19,684
Clad-Rex Steel, LLC	Specialty Manufacturer of Vinyl-Clad Metal											
		Secured Debt	(9)	12/20/2016		10.50 %	L + 9.50 %		1/15/2024	10,480	10,401	10,401
		Member Units	(8)	12/20/2016	717						7,280	10,250
		Secured Debt		12/20/2016		10.00 %			12/20/2036	1,081	1,071	1,071
		Member Units	(30)	12/20/2016	800						210	530
											18,962	22,252
CMS Minerals Investments	Oil & Gas Exploration & Production											

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Member Units	(8) (30)	4/1/2016	100							1,838	1,974
Cody Pools, Inc.		Designer of Residential and Commercial Pools												
			Secured Debt	(9)	3/6/2020		12.25 %	L +	10.50 %		12/17/2026	42,497	42,117	42,484
			Preferred Member Units	(8) (30)	3/6/2020	587							8,317	47,640
													50,434	90,124
Colonial Electric Company LLC		Provider of Electrical Contracting Services												
			Secured Debt		3/31/2021		12.00 %				3/31/2026	24,570	24,351	24,351
			Preferred Member Units	(8)	3/31/2021	17,280							7,680	9,130
													32,031	33,481
CompareNetworks Topco, LLC		Internet Publishing and Web Search Portals												
			Secured Debt	(9)	1/29/2019		10.00 %	L +	9.00 %		1/29/2024	6,477	6,452	6,477
			Preferred Member Units	(8)	1/29/2019	1,975							1,975	12,000
													8,427	18,477
Copper Trail Fund Investments	(12) (13)	Investment Partnership												
			LP Interests (CTMH, LP)	(31)	7/17/2017	38.8 %							710	710
Datacom, LLC		Technology and Telecommunications Provider												
			Secured Debt		3/31/2021		5.00 %				12/31/2025	8,892	8,296	7,668
			Preferred Member Units		3/31/2021	9,000							2,610	2,610
													10,906	10,278
Digital Products Holdings LLC		Designer and Distributor of Consumer Electronics												
			Secured Debt	(9)	4/1/2018		11.00 %	L +	10.00 %		4/1/2023	16,853	16,801	16,801
			Preferred Member Units	(8)	4/1/2018	3,857							9,501	9,835
													26,302	26,636
Direct Marketing Solutions, Inc.		Provider of Omni-Channel Direct Marketing Services												
			Secured Debt	(9)	2/13/2018		12.00 %	L +	11.00 %		2/13/2024	24,070	23,911	24,048
			Preferred Stock	(8)	2/13/2018	8,400							8,400	18,350
													32,311	42,398
Gamber-Johnson Holdings, LLC		Manufacturer of Ruggedized Computer Mounting Systems												
			Secured Debt	(9)	6/24/2016		9.50 %	L +	7.50 %		1/1/2025	21,598	21,535	21,598
			Member Units	(8)	6/24/2016	9,042							17,692	49,700
													39,227	71,298

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Garreco, LLC		Manufacturer and Supplier of Dental Products											
			Secured Debt	(9) (35)	7/15/2013		9.00 %	L + 8.00 %		7/31/2022	4,196	4,196	4,196
			Member Units	(8)	7/15/2013	1,200						1,200	2,270
												5,396	6,466
GRT Rubber Technologies LLC		Manufacturer of Engineered Rubber Products											
			Secured Debt		12/19/2014		8.10 %	L + 8.00 %		10/29/2026	38,885	38,672	38,885
			Member Units	(8)	12/19/2014	5,879						13,065	46,190
												51,737	85,075
Gulf Manufacturing, LLC		Manufacturer of Specialty Fabricated Industrial Piping Products											
			Member Units	(8)	8/31/2007	438						2,980	5,640
Gulf Publishing Holdings, LLC		Energy Industry Focused Media and Publishing											
			Secured Debt	(9) (17)	9/29/2017		10.50 %	L + 9.50 %	5.25 %	9/30/2020	257	257	257
			Secured Debt	(17)	4/29/2016		12.50 %		6.25 %	4/29/2021	13,565	13,565	9,717
			Member Units		4/29/2016	3,681						3,681	—
												17,503	9,974
Harris Preston Fund Investments	(12) (13)	Investment Partnership											
			LP Interests (2717 MH, L.P.)	(31)	10/1/2017	49.3 %						2,703	3,971
Harrison Hydra-Gen, Ltd.		Manufacturer of Hydraulic Generators											
			Common Stock		6/4/2010	107,456						718	3,530
Jensen Jewelers of Idaho, LLC		Retail Jewelry Store											
			Secured Debt	(9)	11/14/2006		10.00 %	P + 6.75 %		11/14/2023	2,550	2,536	2,550
			Member Units	(8)	11/14/2006	627						811	12,420
												3,347	14,970
Johnson Downie Opco, LLC		Executive Search Services											
			Secured Debt	(9)	12/10/2021		13.00 %	L + 11.50 %		12/10/2026	11,475	11,344	11,344
			Preferred Equity		12/10/2021	3,150						3,150	3,150
												14,494	14,494
KBK Industries, LLC		Manufacturer of Specialty Oilfield and Industrial Products											
			Member Units	(8)	1/23/2006	325						783	13,620

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Kickhaefer Manufacturing Company, LLC		Precision Metal Parts Manufacturing											
			Secured Debt		10/31/2018		11.50 %			10/31/2023	20,415	20,324	20,324
			Member Units		10/31/2018	581						12,240	12,310
			Secured Debt		10/31/2018		9.00 %			10/31/2048	3,915	3,876	3,876
			Member Units	(8) (30)	10/31/2018	800						992	2,460
												37,432	38,970
Market Force Information, LLC		Provider of Customer Experience Management Services											
			Secured Debt	(9)	7/28/2017		12.00 %	L + 11.00 %		7/28/2023	3,400	3,400	3,400
			Secured Debt	(17)	7/28/2017		12.00 %		12.00 %	7/28/2023	26,079	25,952	8,936
			Member Units		7/28/2017	743,921						16,642	—
												45,994	12,336
MH Corbin Holding LLC		Manufacturer and Distributor of Traffic Safety Products											
			Secured Debt		8/31/2015		13.00 %			3/31/2022	8,250	8,241	5,934
			Preferred Member Units		3/15/2019	66,000						4,400	—
			Preferred Member Units		9/1/2015	4,000						6,000	—
												18,641	5,934
MS Private Loan Fund I, LP	(12) (13)	Investment Partnership											
			Unsecured Debt		2/11/2021		5.00 %			2/28/2022	63,151	63,151	63,151
			LP Interests	(31)	1/26/2021	12.1 %						2,500	2,581
												65,651	65,732
MSC Adviser I, LLC	(16)	Third Party Investment Advisory Services											
			Member Units	(8)	11/22/2013							29,500	140,400
Mystic Logistics Holdings, LLC		Logistics and Distribution Services Provider for Large Volume Mailers											
			Secured Debt		8/18/2014		12.00 %			1/17/2022	6,378	6,377	6,378
			Common Stock	(8)	8/18/2014	5,873						2,720	8,840
												9,097	15,218
NAPCO Precast, LLC		Precast Concrete Manufacturing											
			Member Units	(8)	1/31/2008	2,955						2,975	13,560
Nebraska Vet AcquireCo, LLC		Mixed-Animal Veterinary and Animal Health Product Provider											
			Secured Debt		12/31/2020		12.00 %			12/31/2025	10,500	10,412	10,412
			Secured Debt		12/31/2020		12.00 %			12/31/2025	4,868	4,829	4,829

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Portfolio Company (1) (20)	Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
		Preferred Member Units		12/31/2020	6,987						6,987	7,700
											22,228	22,941
NexRev LLC	Provider of Energy Efficiency Products & Services											
		Secured Debt		2/28/2018		11.00 %			2/28/2023	16,217	16,173	14,045
		Preferred Member Units	(8)	2/28/2018	86,400,000						6,880	2,690
											23,053	16,735
NRP Jones, LLC	Manufacturer of Hoses, Fittings and Assemblies											
		Secured Debt		12/21/2017		12.00 %			3/20/2023	2,080	2,080	2,080
		Member Units	(8)	12/22/2011	65,962						3,717	6,440
											5,797	8,520
NuStep, LLC	Designer, Manufacturer and Distributor of Fitness Equipment											
		Secured Debt	(9)	1/31/2017		7.50 %	L + 6.50 %		1/31/2025	1,720	1,720	1,720
		Secured Debt		1/31/2017		11.00 %			1/31/2025	17,240	17,236	17,240
		Preferred Member Units		1/31/2017	406						10,200	13,500
											29,156	32,460
OMi Topco, LLC		Manufacturer of Overhead Cranes										
		Secured Debt		8/31/2021		12.00 %			8/31/2026	18,000	17,831	18,000
		Preferred Member Units	(8)	4/1/2008	900						1,080	20,210
											18,911	38,210
Orttech Holdings, LLC	Distributor of Industrial Clutches, Brakes and Other Components											
		Secured Debt	(9)	7/30/2021		12.00 %	L + 11.00 %		7/31/2026	24,375	24,151	24,151
		Preferred Stock	(8) (30)	7/30/2021	10,000						10,000	10,000
											34,151	34,151
Pearl Meyer Topco LLC	Provider of Executive Compensation Consulting Services											
		Secured Debt		4/27/2020		12.00 %			4/27/2025	32,674	32,438	32,674
		Member Units	(8)	4/27/2020	13,800						13,000	26,970
											45,438	59,644
PPL RVs, Inc.	Recreational Vehicle Dealer											
		Secured Debt	(9)	10/31/2019		7.50 %	L + 7.00 %		11/15/2022	750	726	726
		Secured Debt	(9)	11/15/2016		7.50 %	L + 7.00 %		11/15/2022	11,655	11,655	11,655
		Common Stock	(8)	6/10/2010	2,000						2,150	14,360
											14,531	26,741
Principle Environmental, LLC	Noise Abatement Service Provider											

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt		2/1/2011		13.00 %			11/15/2026	1,473	1,465	1,465
			Secured Debt		7/1/2011		13.00 %			11/15/2026	5,924	5,808	5,808
			Preferred Member Units		2/1/2011	21,806						5,709	11,160
			Common Stock		1/27/2021	1,037						1,200	710
												14,182	19,143
Quality Lease Service, LLC		Provider of Rigsite Accommodation Unit Rentals and Related Services											
			Member Units		6/8/2015	1,000						9,213	2,149
River Aggregates, LLC		Processor of Construction Aggregates											
			Member Units	(8) (30)	12/20/2013	1,500						369	3,280
Robbins Bros. Jewelry, Inc.		Bridal Jewelry Retailer											
			Secured Debt	(9)	12/15/2021		12.00 %	L + 11.00 %		12/15/2026	36,360	35,956	35,956
			Preferred Equity		12/15/2021	11,070						11,070	11,070
												47,026	47,026
Tedder Industries, LLC		Manufacturer of Firearm Holsters and Accessories											
			Secured Debt		8/31/2018		12.00 %			8/31/2022	16,240	16,181	16,181
			Preferred Member Units		8/31/2018	505						8,579	8,579
												24,760	24,760
Televerde, LLC		Provider of Telemarketing and Data Services											
			Member Units		1/6/2011	460						1,290	7,280
Trantech Radiator Topco, LLC		Transformer Cooling Products and Services											
			Secured Debt		5/31/2019		12.00 %			5/31/2024	8,720	8,663	8,712
			Common Stock	(8)	5/31/2019	615						4,655	8,660
												13,318	17,372
UnionRock Energy Fund II, LP	(12) (13)	Investment Partnership											
			LP Interests	(8) (31)	6/15/2020	49.6 %						3,828	6,122
Vision Interests, Inc.		Manufacturer / Installer of Commercial Signage											
			Series A Preferred Stock		12/23/2011	3,000,000						3,000	3,000

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
VVS Holdco LLC		Omnichannel Retailer of Animal Health Products											
			Secured Debt	(9)(30)	12/1/2021		7.00 %	L + 6.00 %		12/1/2026	1,200	1,170	1,169
			Secured Debt	(30)	12/1/2021		11.50 %			12/1/2026	30,400	30,100	30,100
			Preferred Equity	(30)	12/1/2021	11,840						11,840	11,840
												43,110	43,109
Ziegler's NYPD, LLC		Casual Restaurant Group											
			Secured Debt		6/1/2015		12.00 %			10/1/2022	625	625	625
			Secured Debt		10/1/2008		6.50 %			10/1/2022	1,000	1,000	1,000
			Secured Debt		10/1/2008		14.00 %			10/1/2022	2,750	2,750	2,750
			Preferred Member Units		6/30/2015	10,072						2,834	2,130
			Warrants	(27)	7/1/2015	587				10/1/2025		600	—
												7,809	6,505
Subtotal Control Investments (83.3% of net assets at fair value)												$ 1,107,597	$ 1,489,257
Affiliate Investments (6)													
AAC Holdings, Inc.	(11)	Substance Abuse Treatment Service Provider											
			Secured Debt		12/11/2020		18.00 %		8.00 %	6/25/2025	$ 10,202	$ 10,011	$ 9,794
			Common Stock		12/11/2020	593,928						3,148	2,079
			Warrants	(27)	12/11/2020	554,353				12/11/2025		—	1,940
												13,159	13,813
AFG Capital Group, LLC		Provider of Rent-to-Own Financing Solutions and Services											
			Secured Debt		4/25/2019		10.00 %			5/25/2022	144	144	144
			Preferred Member Units	(8)	11/7/2014	186						1,200	7,740
												1,344	7,884
ATX Networks Corp.	(11)	Provider of Radio Frequency Management Equipment											
			Secured Debt	(9)	9/1/2021		8.50 %	L + 7.50 %		9/1/2026	7,667	7,092	7,092
			Unsecured Debt		9/1/2021		10.00 %		10.00 %	9/1/2028	3,067	1,963	1,963
			Common Stock		9/1/2021	583						—	—
												9,055	9,055
BBB Tank Services, LLC		Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market											
			Unsecured Debt	(9) (17)	4/8/2016		12.00 %	L + 11.00 %		4/8/2021	4,800	4,800	2,508
			Preferred Stock (non-voting)	(8)	12/17/2018		15.00 %		15.00 %			162	—

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Member Units		4/8/2016	800,000						800	—
												5,762	2,508
Boccella Precast Products LLC		Manufacturer of Precast Hollow Core Concrete											
			Secured Debt		9/23/2021		10.00 %			2/28/2027	320	320	320
			Member Units	(8)	6/30/2017	2,160,000						2,256	4,830
												2,576	5,150
Brightwood Capital Fund Investments	(12) (13)	Investment Partnership											
			LP Interests (Brightwood Capital Fund V, LP)	(31)	7/12/2021	15.8 %						1,000	1,000
Buca C, LLC		Casual Restaurant Group											
			Secured Debt	(9) (17)	6/30/2015		10.25 %	L + 9.25 %		6/30/2020	19,491	19,491	14,370
			Preferred Member Units		6/30/2015	6	6.00 %		6.00 %			4,770	—
												24,261	14,370
Career Team Holdings, LLC		Provider of Workforce Training and Career Development Services											
			Secured Debt		12/17/2021		12.50 %			12/17/2026	20,250	20,050	20,050
			Class A Common Units		12/17/2021	450,000						4,500	4,500
												24,550	24,550
Chandler Signs Holdings, LLC	(10)	Sign Manufacturer											
			Class A Units		1/4/2016	1,500,000						1,500	460
Classic H&G Holdings, LLC		Provider of Engineered Packaging Solutions											
			Secured Debt	(9)	3/12/2020		7.00 %	L + 6.00 %		3/12/2025	4,000	4,000	4,000
			Secured Debt		3/12/2020		8.00 %			3/12/2025	19,274	19,139	19,274
			Preferred Member Units	(8)	3/12/2020	154						5,760	15,260
												28,899	38,534
Congruent Credit Opportunities Funds	(12) (13)	Investment Partnership											
			LP Interests (Congruent Credit Opportunities Fund III, LP)	(8) (31)	2/4/2015	17.4 %						10,256	9,959
DMA Industries, LLC		Distributor of aftermarket ride control products											
			Secured Debt		11/19/2021		12.00 %			11/19/2026	21,200	20,993	20,993
			Preferred Equity		11/19/2021	5,944						5,944	5,944
												26,937	26,937
Dos Rios Partners	(12) (13)	Investment Partnership											

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			LP Interests (Dos Rios Partners, LP)	(31)	4/25/2013	20.2 %						6,605	10,329
			LP Interests (Dos Rios Partners - A, LP)	(31)	4/25/2013	6.4 %						2,097	3,280
												8,702	13,609
Dos Rios Stone Products LLC	(10)	Limestone and Sandstone Dimension Cut Stone Mining Quarries											
			Class A Preferred Units	(30)	6/27/2016	2,000,000						2,000	640
EIG Fund Investments	(12) (13)	Investment Partnership											
			LP Interests (EIG Global Private Debt Fund-A, L.P.)	(8) (31)	11/6/2015	5,000,000						594	547
Flame King Holdings, LLC		Propane Tank and Accessories Distributor											
			Secured Debt	(9)	10/29/2021		7.50 %	L + 6.50 %		10/31/2026	6,400	6,324	6,324
			Secured Debt	(9)	10/29/2021		12.00 %	L + 11.00 %		10/31/2026	21,200	20,996	20,996
			Preferred Equity		10/29/2021	9,360						10,400	10,400
												37,720	37,720
Freeport Financial Funds	(12) (13)	Investment Partnership											
			LP Interests (Freeport Financial SBIC Fund LP)	(31)	3/23/2015	9.3 %						5,974	6,078
			LP Interests (Freeport First Lien Loan Fund III LP)	(8) (31)	7/31/2015	6.0 %						7,629	7,231
												13,603	13,309
GFG Group, LLC.		Grower and Distributor of a Variety of Plants and Products to Other Wholesalers, Retailers and Garden Centers											
			Secured Debt		3/31/2021		12.00 %			3/31/2026	12,545	12,435	12,545
			Preferred Member Units	(8)	3/31/2021	226						4,900	6,990
												17,335	19,535
Harris Preston Fund Investments	(12) (13)	Investment Partnership											
			LP Interests (HPEP 3, L.P.)	(31)	8/9/2017	8.2 %						3,193	4,712
Hawk Ridge Systems, LLC	(13)	Value-Added Reseller of Engineering Design and Manufacturing Solutions											
			Secured Debt	(9)	12/2/2016		7.00 %	L + 6.00 %		1/15/2026	2,585	2,585	2,585
			Secured Debt		12/2/2016		8.00 %			1/15/2026	34,800	34,672	34,800
			Preferred Member Units	(8)	12/2/2016	226						2,850	14,680
			Preferred Member Units	(30)	12/2/2016	226						150	770
												40,257	52,835

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Consolidated Schedule of Investments (Continued)

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Houston Plating and Coatings, LLC		Provider of Plating and Industrial Coating Services											
			Unsecured Convertible Debt		5/1/2017		8.00 %			5/1/2022	3,000	3,000	2,960
			Member Units	(8)	1/8/2003	322,297						2,352	3,210
												5,352	6,170
I-45 SLF LLC	(12) (13)	Investment Partnership											
			Member Units (Fully diluted 20.0%; 24.40% profits interest) (8)	(8)	10/20/2015							19,000	14,387
Iron-Main Investments, LLC		Consumer Reporting Agency Providing Employment Background Checks and Drug Testing											
			Secured Debt		8/3/2021		13.00 %			8/1/2026	4,600	4,557	4,557
			Secured Debt		9/1/2021		12.50 %			9/1/2026	3,200	3,170	3,170
			Secured Debt		8/3/2021		12.50 %			11/30/2026	20,000	19,805	19,805
			Secured Debt		8/3/2021		12.50 %		12.50 %	3/31/2022	8,944	8,944	8,944
			Common Stock		8/3/2021	179,778						1,798	1,798
												38,274	38,274
L.F. Manufacturing Holdings, LLC	(10)	Manufacturer of Fiberglass Products											
			Preferred Member Units (non-voting)	(8)	1/1/2019		14.00 %		14.00 %			107	107
			Member Units		12/23/2013	2,179,001						2,019	2,557
												2,126	2,664
OnAsset Intelligence, Inc.		Provider of Transportation Monitoring / Tracking Products and Services											
			Secured Debt		5/20/2014		12.00 %		12.00 %	12/31/2022	935	935	935
			Secured Debt		3/21/2014		12.00 %		12.00 %	12/31/2022	954	954	954
			Secured Debt		5/10/2013		12.00 %		12.00 %	12/31/2022	2,055	2,055	2,055
			Secured Debt		4/18/2011		12.00 %		12.00 %	12/31/2022	4,286	4,286	4,286
			Unsecured Debt		6/5/2017		10.00 %		10.00 %	12/31/2022	192	192	192
			Preferred Stock		4/18/2011	912	7.00 %		7.00 %			1,981	—
			Common Stock		4/15/2021	635						830	—
			Warrants	(27)	4/18/2011	4,699				5/10/2023		1,089	—
												12,322	8,422
Oneliance, LLC		Construction Cleaning Company											
			Secured Debt	(9)	8/6/2021		12.00 %	L + 11.00 %		8/6/2026	5,600	5,547	5,547
			Preferred Stock		8/6/2021	1,056						1,056	1,056
												6,603	6,603

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)		Provider of Rigsite Accommodation Unit Rentals and Related Services												
			Secured Debt	(14) (17) (36)	6/30/2015		12.00 %				1/8/2018	30,369	29,865	—
			Preferred Member Units		1/8/2013	250							2,500	—
													32,365	—
SI East, LLC		Rigid Industrial Packaging Manufacturing												
			Secured Debt		8/31/2018		10.25 %				8/31/2023	65,850	65,738	65,850
			Preferred Member Units	(8)	8/31/2018	157							1,218	11,570
													66,956	77,420
Slick Innovations, LLC		Text Message Marketing Platform												
			Secured Debt		9/13/2018		13.00 %				9/13/2023	5,320	5,248	5,320
			Common Stock		9/13/2018	70,000							700	1,510
			Warrants	(27)	9/13/2018	18,084					9/13/2028		181	400
													6,129	7,230
Sonic Systems International, LLC	(10)	Nuclear Power Staffing Services												
			Secured Debt	(9)	8/20/2021		8.50 %	L +	7.50 %		8/20/2026	11,982	11,757	11,757
			Common Stock		8/20/2021	7,866							1,070	1,070
													12,827	12,827
Superior Rigging & Erecting Co.		Provider of Steel Erecting, Crane Rental & Rigging Services												
			Secured Debt		8/31/2020		12.00 %				8/31/2025	21,500	21,332	21,332
			Preferred Member Units		8/31/2020	1,571							4,500	4,500
													25,832	25,832
The Affiliati Network, LLC		Performance Marketing Solutions												
			Secured Debt		8/9/2021		7.00 %				8/9/2026	280	262	262
			Secured Debt		8/9/2021		11.83 %				8/9/2026	12,961	12,834	12,834
			Preferred Stock	(8)	8/9/2021	1,280,000							6,400	6,400
													19,496	19,496
UniTek Global Services, Inc.	(11)	Provider of Outsourced Infrastructure Services												
			Secured Debt	(9)	10/15/2018		8.50 %	L +	5.50 %	2.00 %	8/20/2024	397	396	371
			Secured Debt	(9)	8/27/2018		8.50 %	L +	5.50 %	2.00 %	8/20/2024	1,986	1,974	1,852
			Secured Convertible Debt		1/1/2021		15.00 %			15.00 %	2/20/2025	1,197	1,197	2,375
			Preferred Stock	(8)	8/29/2019	1,133,102	20.00 %			20.00 %			1,757	2,833
			Preferred Stock		8/21/2018	1,521,122	20.00 %			20.00 %			2,188	1,498
			Preferred Stock		1/15/2015	4,336,866	13.50 %			13.50 %			7,924	—

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Preferred Stock		6/30/2017	2,281,682	19.00 %		19.00 %			3,667	—
			Common Stock		4/1/2020	945,507						—	—
												19,103	8,929
Universal Wellhead Services Holdings, LLC	(10)	Provider of Wellhead Equipment, Designs, and Personnel to the Oil & Gas Industry											
			Preferred Member Units	(30)	12/7/2016	716,949	14.00 %		14.00 %			1,032	—
			Member Units	(30)	12/7/2016	4,000,000						4,000	—
												5,032	—
Volusion, LLC		Provider of Online Software-as-a-Service eCommerce Solutions											
			Secured Debt	(17)	1/26/2015		11.50 %			1/26/2020	17,434	17,434	17,434
			Unsecured Convertible Debt		5/16/2018		8.00 %			11/16/2023	409	409	409
			Preferred Member Units		1/26/2015	4,876,670						14,000	5,990
			Warrants	(27)	1/26/2015	1,831,355				1/26/2025		2,576	—
												34,419	23,833
Subtotal Affiliate Investments (30.7% of net assets at fair value)												$ 578,539	$ 549,214
Non-Control/Non-Affiliate Investments (7)													
Acousti Engineering Company of Florida	(10)	Interior Subcontractor Providing Acoustical Walls and Ceilings											
			Secured Debt	(9)	11/2/2020		10.00 %	L + 8.50 %		11/2/2025	$ 12,111	$ 12,005	$ 12,111
			Secured Debt	(9)	5/26/2021		14.00 %	L + 12.50 %		11/2/2025	850	841	850
												12,846	12,961
ADS Tactical, Inc.	(11)	Value-Added Logistics and Supply Chain Provider to the Defense Industry											
			Secured Debt	(9)	3/29/2021		6.75 %	L + 5.75 %		3/19/2026	22,136	21,734	22,012
American Health Staffing Group, Inc.	(10)	Healthcare Temporary Staffing											
			Secured Debt	(9)	11/19/2021		7.00 %	L + 6.00 %		11/19/2026	7,067	6,988	6,988
American Nuts, LLC	(10)	Roaster, Mixer and Packager of Bulk Nuts and Seeds											
			Secured Debt	(9)	12/21/2018		9.00 %	L + 8.00 %		4/10/2025	12,017	11,854	12,017
American Teleconferencing Services, Ltd.	(11)	Provider of Audio Conferencing and Video Collaboration Solutions											

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt	(9) (14) (17)	9/17/2021		7.50 %	L +	6.50 %		9/9/2021	2,980	2,980	89
			Secured Debt	(9) (14)	5/19/2016		7.50 %	L +	6.50 %		6/28/2023	14,370	13,706	431
													16,686	520
ArborWorks, LLC	(10)	Vegetation Management Services												
			Secured Debt	(9)	11/9/2021		8.00 %	L +	7.00 %		11/9/2026	32,605	31,873	31,873
			Common Equity		11/9/2021	234							234	234
													32,107	32,107
Arrow International, Inc	(10)	Manufacturer and Distributor of Charitable Gaming Supplies												
			Secured Debt	(9) (23)	12/21/2020		9.18 %	L +	7.93 %		12/21/2025	22,500	22,300	22,500
AVEX Aviation Holdings, LLC	(10)	Specialty Aircraft Dealer												
			Secured Debt	(9)	12/15/2021		7.50 %	L +	6.50 %		12/15/2026	13,320	13,005	13,005
			Common Equity		12/15/2021	360							360	360
													13,365	13,365
Berry Aviation, Inc.	(10)	Charter Airline Services												
			Secured Debt		7/6/2018		12.00 %			1.50 %	1/6/2024	4,694	4,674	4,694
			Preferred Member Units	(8)(30)	11/12/2019	122,416	16.00 %			16.00 %			168	208
			Preferred Member Units	(30)	7/6/2018	1,548,387	8.00 %			8.00 %			1,671	2,487
													6,513	7,389
Binswanger Enterprises, LLC	(10)	Glass Repair and Installation Service Provider												
			Secured Debt	(9)	3/10/2017		9.50 %	L +	8.50 %		3/10/2023	12,194	12,107	12,194
			Member Units		3/10/2017	1,050,000							1,050	730
													13,157	12,924
Bluestem Brands, Inc.	(11)	Multi-Channel Retailer of General Merchandise												
			Secured Debt	(9)	8/28/2020		10.00 %	L +	8.50 %		8/28/2025	5,357	5,357	5,337
			Common Stock	(8)	10/1/2020	723,184							1	1,515
													5,358	6,852
Brainworks Software, LLC	(10)	Advertising Sales and Newspaper Circulation Software												
			Secured Debt	(9) (14) (17)	8/12/2014		12.50 %	P +	9.25 %		7/22/2019	7,817	7,817	4,201
Brightwood Capital Fund Investments	(12) (13)	Investment Partnership												
			LP Interests (Brightwood Capital Fund III, LP)	(8) (31)	7/21/2014	1.6 %							7,200	4,269
			LP Interests (Brightwood Capital Fund IV, LP)	(8) (31)	10/26/2016	0.6 %							4,350	4,394

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(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
												11,550	8,663
Burning Glass Intermediate Holding Company, Inc.	(10)	Provider of Skills-Based Labor Market Analytics											
			Secured Debt	(9)	6/14/2021		6.00 %	L + 5.00 %		6/10/2026	465	429	429
			Secured Debt	(9)	6/14/2021		6.00 %	L + 5.00 %		6/10/2028	20,134	19,803	19,985
												20,232	20,414
Cadence Aerospace LLC	(10)	Aerostructure Manufacturing											
			Secured Debt	(32)	11/14/2017		9.28 %		0.22 %	11/14/2023	28,540	28,399	26,767
CAI Software LLC		Provider of Specialized Enterprise Resource Planning Software											
			Preferred Equity		12/13/2021	1,788,527						1,789	1,789
			Preferred Equity		12/13/2021	596,176						—	—
												1,789	1,789
Camin Cargo Control, Inc.	(11)	Provider of Mission Critical Inspection, Testing and Fuel Treatment Services											
			Secured Debt	(9)	6/14/2021		7.50 %	L + 6.50 %		6/4/2026	15,920	15,775	15,840
Cenveo Corporation	(11)	Provider of Digital Marketing Agency Services											
			Common Stock		9/7/2018	322,907						6,183	2,852
Chisholm Energy Holdings, LLC	(10)	Oil & Gas Exploration & Production											
			Secured Debt	(9)	5/15/2019		7.75 %	L + 6.25 %		5/15/2026	2,857	2,804	2,663
Clarius BIGS, LLC	(10)	Prints & Advertising Film Financing											
			Secured Debt	(14) (17)	9/23/2014		15.00 %		15.00 %	1/5/2015	2,756	2,756	33
Computer Data Source, LLC	(10)	Third Party Maintenance Provider to the Data Center Ecosystem											
			Secured Debt	(9)	8/6/2021		8.50 %	L + 7.50 %		8/6/2026	21,681	21,234	21,234
Construction Supply Investments, LLC	(10)	Distribution Platform of Specialty Construction Materials to Professional Concrete and Masonry Contractors											
			Member Units	(8)	12/29/2016	861,618						3,335	14,640
Darr Equipment LP	(10)	Heavy Equipment Dealer											
			Secured Debt		12/26/2017		12.50 %		1.00 %	6/22/2023	4,685	4,685	4,227

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Warrants	(28)	4/15/2014	915,734					12/23/2023		474	160
													5,159	4,387
DTE Enterprises, LLC	(10)	Industrial Powertrain Repair and Services												
			Secured Debt	(9)	4/13/2018		9.50 %	L +	8.00 %		4/13/2023	9,324	9,259	8,884
			Class AA Preferred Member Units (non-voting)	(9)	4/13/2018		10.00 %			10.00 %			1,051	1,051
			Class A Preferred Member Units		4/13/2018	776,316	8.00 %			8.00 %			776	320
													11,086	10,255
Dynamic Communities, LLC	(10)	Developer of Business Events and Online Community Groups												
			Secured Debt	(9)	7/17/2018		9.50 %	L +	8.50 %		7/17/2023	5,681	5,638	5,569
Eastern Wholesale Fence LLC	(10)	Manufacturer and Distributor of Residential and Commercial Fencing Solutions												
			Secured Debt	(9)	11/19/2020		8.00 %	L +	7.00 %		10/30/2025	31,810	31,238	31,810
EnCap Energy Fund Investments	(12) (13)	Investment Partnership												
			LP Interests (EnCap Energy Capital Fund VIII, L.P.)	(8) (31)	1/22/2015	0.1 %							3,745	1,599
			LP Interests (EnCap Energy Capital Fund VIII Co-Investors, L.P.)	(31)	1/21/2015	0.4 %							2,097	777
			LP Interests (EnCap Energy Capital Fund IX, L.P.)	(8) (31)	1/22/2015	0.1 %							4,047	2,284
			LP Interests (EnCap Energy Capital Fund X, L.P.)	(8) (31)	3/25/2015	0.1 %							8,443	8,276
			LP Interests (EnCap Flatrock Midstream Fund II, L.P.)	(31)	3/30/2015	0.8 %							6,582	2,796
			LP Interests (EnCap Flatrock Midstream Fund III, L.P.)	(8) (31)	3/27/2015	0.2 %							6,082	5,064
													30,996	20,796
EPIC Y-Grade Services, LP	(11)	NGL Transportation & Storage												
			Secured Debt	(9)	6/22/2018		7.00 %	L +	6.00 %		6/30/2027	6,892	6,819	5,862
Event Holdco, LLC	(10)	Event and Learning Management Software for Healthcare Organizations and Systems												
			Secured Debt	(9)(30)	12/22/2021		8.00 %	L +	7.00 %		12/22/2026	51,692	51,135	51,135

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Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Flip Electronics LLC	(10)	Distributor of Hard-to-Find and Obsolete Electronic Components											
			Secured Debt	(9) (33)	1/4/2021		9.09 %	L + 8.09 %		1/2/2026	5,400	5,304	5,287
Fortna Acquisition Co., Inc.	(10)	Process, Physical Distribution and Logistics Consulting Services											
			Secured Debt		7/23/2019		5.09 %	L + 5.00 %		4/8/2025	7,595	7,525	7,595
Fuse, LLC	(11)	Cable Networks Operator											
			Secured Debt		6/30/2019		12.00 %			6/28/2024	1,810	1,810	1,672
			Common Stock		6/30/2019	10,429						256	—
												2,066	1,672
GeoStabilization International (GSI)	(11)	Geohazard Engineering Services & Maintenance											
			Secured Debt		1/2/2019		5.35 %	L + 5.25 %		12/19/2025	20,710	20,615	20,606
GoWireless Holdings, Inc.	(11)	Provider of Wireless Telecommunications Carrier Services											
			Secured Debt	(9)	1/10/2018		7.50 %	L + 6.50 %		12/22/2024	18,534	18,440	18,576
Grupo Hima San Pablo, Inc.	(11)	Tertiary Care Hospitals											
			Secured Debt	(9) (14) (17)	3/7/2013		9.25 %	L + 7.00 %		4/30/2019	4,504	4,504	1,269
			Secured Debt	(14) (17)	3/7/2013		13.75 %			10/15/2018	2,055	2,040	49
			Secured Debt	(17)	3/7/2013		12.00 %			12/24/2021	147	147	147
												6,691	1,465
GS HVAM Intermediate, LLC	(10)	Specialized Food Distributor											
			Secured Debt	(9)	10/18/2019		6.75 %	L + 5.75 %		10/2/2024	13,243	13,167	13,243
GS Operating, LLC	(10)	Distributor of Industrial and Specialty Parts											
			Secured Debt	(9)	2/24/2020		8.00 %	L + 6.50 %		2/24/2025	28,451	28,068	28,451
HDC/HW Intermediate Holdings	(10)	Managed Services and Hosting Provider											
			Secured Debt	(9)	12/21/2018		8.50 %	L + 7.50 %		12/21/2023	3,449	3,419	3,059
Heartland Dental, LLC	(10)	Dental Support Organization											
			Secured Debt	(9)	9/9/2020		7.50 %	L + 6.50 %		4/30/2025	14,813	14,477	14,887

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
HOWLCO LLC	(11) (13) (21)	Provider of Accounting and Business Development Software to Real Estate End Markets											
			Secured Debt	(9)	8/19/2021		7.00 %	L + 6.00 %		10/23/2026	25,546	25,546	25,546
Hybrid Promotions, LLC	(10)	Wholesaler of Licensed, Branded and Private Label Apparel											
			Secured Debt	(9)	6/30/2021		9.25 %	L + 8.25 %		6/30/2026	7,088	6,957	7,028
IG Parent Corporation	(11)	Software Engineering											
			Secured Debt	(9)	7/30/2021		6.75 %	L + 5.75 %		7/30/2026	9,591	9,419	9,419
Implus Footcare, LLC	(10)	Provider of Footwear and Related Accessories											
			Secured Debt	(9)	6/1/2017		8.75 %	L + 7.75 %		4/30/2024	18,702	18,471	17,743
Independent Pet Partners Intermediate Holdings, LLC	(10)	Omnichannel Retailer of Specialty Pet Products											
			Secured Debt	(29)	8/20/2020		7.20 %			12/22/2022	6,563	6,563	6,563
			Secured Debt		12/10/2020		6.00 %		6.00 %	11/20/2023	17,891	16,861	16,861
			Preferred Stock (non-voting)		12/10/2020		6.00 %		6.00 %			3,235	4,329
			Preferred Stock (non-voting)		12/10/2020							—	—
			Member Units		11/20/2018	1,558,333						1,558	—
												28,217	27,753
Industrial Services Acquisition, LLC	(10)	Industrial Cleaning Services											
			Secured Debt	(9)	8/13/2021		7.75 %	L + 6.75 %		8/13/2026	19,897	19,490	19,490
			Preferred Member Units	(8) (30)	1/31/2018	144	10.00 %		10.00 %			120	164
			Preferred Member Units	(8) (30)	5/17/2019	80	20.00 %		20.00 %			81	99
			Member Units	(30)	6/17/2016	900						900	730
												20,591	20,483
Infolinks Media Buyco, LLC	(10)	Exclusive Placement Provider to the Advertising Ecosystem											
			Secured Debt	(9)	11/1/2021		7.00 %	L + 6.00 %		11/1/2026	8,680	8,487	8,487
Interface Security Systems, L.L.C	(10)	Commercial Security & Alarm Services											
			Secured Debt	(9)	12/9/2021		11.75 %	L + 10.00 %		8/7/2023	525	525	525
			Secured Debt	(9) (14)	8/7/2019		9.75 %	L + 7.00 %	1.00 %	8/7/2023	7,313	7,237	5,233
												7,762	5,758
Intermedia Holdings, Inc.	(11)	Unified Communications as a Service											

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt	(9)	8/3/2018		7.00 %	L +	6.00 %		7/19/2025	20,627	20,559	20,527
Invincible Boat Company, LLC.	(10)	Manufacturer of Sport Fishing Boats												
			Secured Debt	(9)	8/28/2019		8.00 %	L +	6.50 %		8/28/2025	17,510	17,354	17,510
INW Manufacturing, LLC	(11)	Manufacturer of Nutrition and Wellness Products												
			Secured Debt	(9)	5/19/2021		6.50 %	L +	5.75 %		3/25/2027	7,406	7,205	7,258
Isagenix International, LLC	(11)	Direct Marketer of Health & Wellness Products												
			Secured Debt	(9)	6/21/2018		6.75 %	L +	5.75 %		6/14/2025	5,158	5,135	3,865
Jackmont Hospitality, Inc.	(10)	Franchisee of Casual Dining Restaurants												
			Secured Debt	(9)	5/26/2015		8.00 %	L +	7.00 %		11/4/2024	2,100	2,100	2,100
			Preferred Equity		11/8/2021	2,826,667							314	314
													2,414	2,414
Joerns Healthcare, LLC	(11)	Manufacturer and Distributor of Health Care Equipment & Supplies												
			Secured Debt	(9)	8/21/2019		7.00 %	L +	6.00 %		8/21/2024	4,034	3,989	3,658
			Secured Debt		11/15/2021		15.00 %			15.00 %	11/8/2022	1,000	1,004	1,004
			Common Stock		8/21/2019	472,579							4,429	—
													9,422	4,662
JTI Electrical & Mechanical, LLC	(10)	Electrical, Mechanical and Automation Services												
			Secured Debt	(9)	12/22/2021		7.00 %	L +	6.00 %		12/22/2026	37,895	36,972	36,972
			Common Equity		12/22/2021	1,684,211							1,684	1,684
													38,656	38,656
Klein Hersh, LLC	(10)	Executive and C-Suite Placement for the Life Sciences and Healthcare Industries												
			Secured Debt	(9)	11/13/2020		7.75 %	L +	7.00 %		11/13/2025	43,321	42,342	43,278
KMS, LLC	(10)	Wholesaler of Closeout and Value-priced Products												
			Secured Debt	(9)	10/4/2021		8.25 %	L +	7.25 %		10/4/2026	7,581	7,415	7,415
Kore Wireless Group Inc.	(11) (13)	Mission Critical Software Platform												
			Secured Debt		12/31/2018		5.72 %	L +	5.50 %		12/20/2024	11,415	11,345	11,400

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Laredo Energy, LLC	(10)	Oil & Gas Exploration & Production											
			Member Units		5/4/2020	1,155,952						11,560	9,659
LaserAway Intermediate Holdings II, LLC	(11)	Aesthetic Dermatology Service Provider											
			Secured Debt	(9)	10/18/2021		6.50 %	L + 5.75 %		10/14/2027	4,130	4,050	4,115
Lightbox Holdings, L.P.	(11)	Provider of Commercial Real Estate Software											
			Secured Debt		5/23/2019		5.22 %	L + 5.00 %		5/9/2026	14,625	14,460	14,442
LKCM Headwater Investments I, L.P.	(12) (13)	Investment Partnership											
			LP Interests	(8) (31)	1/25/2013	2.3 %						1,746	2,541
LL Management, Inc.	(10)	Medical Transportation Service Provider											
			Secured Debt	(9)	5/2/2019		8.25 %	L + 7.25 %		9/25/2023	17,438	17,309	17,438
LLFlex, LLC	(10)	Provider of Metal-Based Laminates											
			Secured Debt	(9)	8/16/2021		10.00 %	L + 9.00 %		8/16/2026	4,478	4,382	4,382
Logix Acquisition Company, LLC	(10)	Competitive Local Exchange Carrier											
			Secured Debt	(9)	1/8/2018		6.75 %	L + 5.75 %		12/22/2024	25,850	24,605	24,428
Looking Glass Investments, LLC	(12) (13)	Specialty Consumer Finance											
			Member Units		7/1/2015	3						125	25
Mac Lean-Fogg Company	(10)	Manufacturer and Supplier for Auto and Power Markets											
			Secured Debt	(9)	4/22/2019		5.88 %	L + 5.25 %		12/22/2025	17,080	16,995	17,080
			Preferred Stock		10/1/2019		13.75 %		9.25 %			1,920	1,920
												18,915	19,000
Mako Steel, LP	(10)	Self-Storage Design & Construction											
			Secured Debt	(9)	3/15/2021		8.00 %	L + 7.25 %		3/13/2026	17,589	17,267	17,589
MB2 Dental Solutions, LLC	(11)	Dental Partnership Organization											
			Secured Debt	(9)	1/28/2021		7.00 %	L + 6.00 %		1/29/2027	11,682	11,531	11,682

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Mills Fleet Farm Group, LLC	(10)	Omnichannel Retailer of Work, Farm and Lifestyle Merchandise												
			Secured Debt	(9)	10/24/2018		7.25 %	L +	6.25 %		10/24/2024	17,781	17,563	17,781
NBG Acquisition Inc	(11)	Wholesaler of Home Décor Products												
			Secured Debt	(9)	4/28/2017		6.50 %	L +	5.50 %		4/26/2024	3,987	3,961	2,758
NinjaTrader, LLC	(10)	Operator of Futures Trading Platform												
			Secured Debt	(9)	12/18/2019		7.25 %	L +	6.25 %		12/18/2024	31,425	30,837	31,368
NNE Partners, LLC	(10)	Oil & Gas Exploration & Production												
			Secured Debt		3/2/2017		9.37 %	L +	4.75 %	4.50 %	12/31/2023	24,781	24,709	23,154
Northstar Group Services, Inc	(11)	Commercial & Industrial Services												
			Secured Debt	(9)	11/1/2021		6.50 %	L +	5.50 %		11/12/2026	10,000	9,952	10,034
NTM Acquisition Corp.	(11)	Provider of B2B Travel Information Content												
			Secured Debt	(9)	7/12/2016		8.25 %	L +	6.25 %	1.00 %	6/7/2024	4,598	4,598	4,552
NWN Corporation	(10)	Value Added Reseller and Provider of Managed Services to a Diverse Set of Industries												
			Secured Debt	(9)	5/7/2021		7.50 %	L +	6.50 %		5/7/2026	42,972	42,108	42,323
Ospemifene Royalty Sub LLC	(10)	Estrogen-Deficiency Drug Manufacturer and Distributor												
			Secured Debt	(14)	7/8/2013		11.50 %				11/15/2026	4,562	4,562	112
OVG Business Services, LLC	(10)	Venue Management Services												
			Secured Debt	(9)	11/29/2021		7.25 %	L +	6.25 %		11/19/2028	14,000	13,861	13,861
Project Eagle Holdings, LLC	(10)	Provider of Secure Business Collaboration Software												
			Secured Debt	(9)	7/6/2020		7.75 %	L +	6.75 %		7/6/2026	29,738	29,151	29,714
PT Network, LLC	(10)	Provider of Outpatient Physical Therapy and Sports Medicine Services												
			Secured Debt	(9)	10/12/2017		8.50 %	L +	5.50 %	2.00 %	11/30/2023	8,889	8,889	8,889

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Common Stock		1/1/2020	2							—	80
													8,889	8,969
RA Outdoors LLC	(10)	Software Solutions Provider for Outdoor Activity Management												
			Secured Debt	(9)	4/8/2021		7.75 %	L +	6.75 %		4/8/2026	19,374	19,193	18,352
Research Now Group, Inc. and Survey Sampling International, LLC	(11)	Provider of Outsourced Online Surveying												
			Secured Debt	(9)	12/29/2017		6.50 %	L +	5.50 %		12/20/2024	20,124	19,789	19,899
RM Bidder, LLC	(10)	Scripted and Unscripted TV and Digital Programming Provider												
			Member Units		11/12/2015	2,779							46	26
			Warrants	(26)	11/12/2015	187,161					10/20/2025		425	—
													471	26
Roof Opco, LLC	(10)	Residential Re-Roofing/Repair												
			Secured Debt	(9)	8/27/2021		7.00 %	L +	6.00 %		8/27/2026	2,800	2,704	2,704
RTIC Subsidiary Holdings, LLC	(10)	Direct-To-Consumer eCommerce Provider of Outdoor Products												
			Secured Debt	(9)	9/1/2020		9.00 %	L +	7.75 %		9/1/2025	18,191	17,997	18,191
Rug Doctor, LLC.	(10)	Carpet Cleaning Products and Machinery												
			Secured Debt	(9)	7/16/2021		7.25 %	L +	6.25 %		11/16/2024	11,145	10,902	10,902
Salient Partners L.P.	(11)	Provider of Asset Management Services												
			Secured Debt	(9)	8/31/2018		7.00 %	L +	6.00 %		10/30/2022	6,251	6,247	4,063
			Secured Debt	(9)	9/30/2021		6.00 %	L +	5.00 %		10/30/2022	1,250	1,250	2,435
													7,497	6,498
Savers, Inc.	(11)	For-Profit Thrift Retailer												
			Secured Debt	(9)	5/14/2021		6.25 %	L +	5.50 %		4/26/2028	11,400	11,295	11,386
SIB Holdings, LLC	(10)	Provider of Cost Reduction Services												
			Secured Debt	(9)	10/29/2021		7.00 %	L +	6.00 %		10/29/2026	6,282	6,134	6,145
			Common Equity		10/29/2021	95,238							200	200
													6,334	6,345
South Coast Terminals Holdings, LLC	(10)	Specialty Toll Chemical Manufacturer												

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)		PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
			Secured Debt	(9)	12/10/2021		7.25 %	L +	6.25 %		12/13/2026	50,704	49,589	49,589
			Common Equity		12/10/2021	863,636							864	864
													50,453	50,453
Staples Canada ULC	(10) (13) (21)	Office Supplies Retailer												
			Secured Debt	(9) (22)	9/14/2017		8.00 %	L +	7.00 %		9/12/2024	16,116	16,039	15,620
Stellant Systems, Inc.	(11)	Manufacturer of Traveling Wave Tubes and Vacuum Electronic Devices												
			Secured Debt	(9)	10/22/2021		6.25 %	L +	5.50 %		10/1/2028	7,700	7,625	7,700
Student Resource Center, LLC	(10)	Higher Education Services												
			Secured Debt	(9)	6/25/2021		9.00 %	L +	8.00 %		6/25/2026	10,969	10,753	10,826
Tacala Investment Corp.	(34)	Quick Service Restaurant Group												
			Secured Debt	(9)	3/19/2021		4.25 %	L +	3.50 %		2/5/2027	1,995	1,995	1,994
Team Public Choices, LLC	(11)	Home-Based Care Employment Service Provider												
			Secured Debt	(9)	12/22/2020		6.00 %	L +	5.00 %		12/18/2027	15,109	14,778	15,071
Tectonic Financial, LLC		Financial Services Organization												
			Common Stock	(8)	5/15/2017	200,000							2,000	4,650
Tex Tech Tennis, LLC	(10)	Sporting Goods & Textiles												
			Common Stock	(30)	7/7/2021	1,000,000							1,000	1,000
U.S. TelePacific Corp.	(11)	Provider of Communications and Managed Services												
			Secured Debt	(9)	5/17/2017		7.00 %	L +	6.00 %		5/2/2023	17,088	16,985	12,917
USA DeBusk LLC	(10)	Provider of Industrial Cleaning Services												
			Secured Debt	(9)	10/22/2019		6.75 %	L +	5.75 %		9/8/2026	37,281	36,510	37,281
Veregy Consolidated, Inc.	(11)	Energy Service Company												
			Secured Debt	(9)	11/9/2020		6.25 %	L +	5.25 %		11/3/2025	5,875	5,111	5,111
			Secured Debt	(9)	11/9/2020		7.00 %	L +	6.00 %		11/3/2027	14,888	14,524	14,925
													19,635	20,036

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

Portfolio Company (1) (20)		Business Description	Type of Investment (2) (3) (15)		Investment Date (24)	Shares/Units	Total Rate	Reference Rate and Spread (25)	PIK Rate (19)	Maturity Date	Principal (4)	Cost (4)	Fair Value (18)
Vida Capital, Inc	(11)	Alternative Asset Manager											
			Secured Debt		10/10/2019		6.10 %	L + 6.00 %		10/1/2026	17,089	16,905	15,850
Vistar Media, Inc.	(10)	Operator of Digital Out-of-Home Advertising Platform											
			Preferred Stock		4/3/2019	70,207						767	1,726
VORTEQ Coil Finishers, LLC	(10)	Specialty Coating of Aluminum and Light-Gauge Steel											
			Secured Debt	(9)	11/30/2021		8.50 %	L + 7.50 %		11/30/2026	25,962	25,450	25,450
			Common Equity		11/30/2021	1,038,462						1,038	1,038
												26,488	26,488
Wahoo Fitness Acquisition L.L.C.	(11)	Fitness Training Equipment Provider											
			Secured Debt	(9)	8/17/2021		6.75 %	L + 5.75 %		8/12/2028	15,000	14,569	14,916
Wall Street Prep, Inc.	(10)	Financial Training Services											
			Secured Debt	(9)	7/19/2021		8.00 %	L + 7.00 %		7/19/2026	4,373	4,288	4,285
			Common Stock		7/19/2021	400,000						400	400
												4,688	4,685
Watterson Brands, LLC	(10)	Facility Management Services											
			Secured Debt	(9)	12/17/2021		7.25 %	L + 6.25 %		12/17/2026	25,876	25,267	25,267
Winter Services LLC	(10)	Provider of Snow Removal and Ice Management Services											
			Secured Debt	(9)	11/19/2021		8.00 %	L + 7.00 %		11/19/2026	10,278	10,018	10,061
Xenon Arc, Inc.	(10)	Tech-enabled Distribution Services to Chemicals and Food Ingredients Primary Producers											
			Secured Debt	(9)	12/17/2021		6.75 %	L + 6.00 %		12/17/2026	38,600	37,423	37,423
YS Garments, LLC	(11)	Designer and Provider of Branded Activewear											
			Secured Debt	(9)	8/22/2018		6.50 %	L + 5.50 %		8/9/2024	13,034	12,967	12,578
Subtotal Non-Control/Non-Affiliate Investments (85.2% of net assets at fair value)												$ 1,573,110	$ 1,523,360
Total Portfolio Investments, December 31, 2021 (199.2% of net assets at fair value)												$ 3,259,246	$ 3,561,831

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

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(1) All investments are Lower Middle Market portfolio investments, unless otherwise noted. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* 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 Corporate Facility or in support of the SBA-guaranteed debentures issued by the Funds.

(2) Debt investments are income producing, unless otherwise noted by footnote (14), as described below. Equity and warrants are non-income producing, unless otherwise noted by footnote (8), as described below.

(3) See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* and Schedule 12-14 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 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% (inclusive) of the voting securities are owned and the investments are not classified as Control investments.

(7) Non-Control/Non-Affiliate investments are defined by the 1940 Act as investments that are neither Control investments nor Affiliate investments.

(8) Income producing through dividends or distributions.

(9) Index based floating interest rate is subject to contractual minimum interest rate. As noted in this schedule, 67% of these floating rate loans (based on the par amount) contain LIBOR floors which range between 0.50% and 2.00%, with a weighted-average LIBOR floor of 1.06%.

(10) Private Loan portfolio investment. See *Note C—Fair Value Hierarchy for Investments — Portfolio Composition* for a description of Private Loan portfolio investments.

(11) Middle Market portfolio investment. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* for a description of Middle Market portfolio investments.

(12) Other Portfolio investment. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* 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) All of the Company's portfolio investments are generally subject to restrictions on resale as "restricted securities."

(16) External Investment Manager. Investment is not encumbered as security for the Company's Corporate Facility 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 — Fair Value Hierarchy for Investments — Portfolio Composition* for further discussion.

(19) Investments may have a portion, or all, of their income received from Paid-in-Kind ("PIK") interest or dividends. PIK interest income and cumulative dividend income represent income not paid currently in cash. The difference between the Total Rate and PIK Rate represents the cash rate as of December 31, 2021.

(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 and in an attempt to mitigate any potential adverse change in foreign exchange rates during the term of the Company's investment, the Company maintains a forward foreign currency contract with Cadence Bank to lend $21.4 million

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments (Continued)

December 31, 2021

(dollars in thousands)

Canadian Dollars and receive $16.9 million U.S. Dollars with a settlement date of September 14, 2022. The unrealized depreciation on the forward foreign currency contract was not significant as of December 31, 2021.

(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+7.25% (Floor 1.25%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

(24) Investment date represents the date of initial investment in the security position.

(25) 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 (“L”) or an alternate Base rate (commonly based on the Federal Funds Rate or the Prime rate (“P”)), which typically resets every one, three, or six months at the borrower’s option.

(26) Warrants are presented in equivalent units with a strike price of $14.28 per unit.

(27) Warrants are presented in equivalent shares/units with a strike price of $0.01 per share/unit.

(28) Warrants are presented in equivalent units with a strike price of $1.50 per unit.

(29) As of December 31, 2021, borrowings under the loan facility bore interest at LIBOR+6.00% or Prime+5.00%. Delayed draw term loan facility permits the borrower to make an interest rate election on each new tranche of borrowings under the facility. The rate presented represents a weighted-average rate for borrowings under the facility.

(30) Shares/Units represent ownership in a related Real Estate or HoldCo entity.

(31) Investment is not unitized. Presentation is made in percent of fully diluted ownership unless otherwise indicated.

(32) The security has an effective contractual interest rate of 2.00% PIK + LIBOR+6.50%, Floor 1.00%, but the issuer may, in its discretion, elect to pay the PIK interest in cash. The rate presented represents the effective current yield based on actual payments received during the period.

(33) 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+7.96% (Floor 1.00%) per the credit agreement and the Consolidated Schedule of Investments above reflects such higher rate.

(34) Short-term portfolio investments. See *Note C — Fair Value Hierarchy for Investments — Portfolio Composition* for a description of short-term portfolio investments.

(35) Index based floating interest rate is subject to contractual maximum index rate of 1.50% as of December 31, 2021.

(36) Portfolio company is in a bankruptcy process and, as such, the maturity date of our debt investment in this portfolio company will not be finally determined until such process is complete. As noted in footnote (14), our debt investment in this portfolio company is on non-accrual status.

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements

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 investment strategy. 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"). 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.

MSCC wholly owns several investment funds, including Main Street Mezzanine Fund, LP ("MSMF") and Main Street Capital III, LP ("MSC III" and, together with MSMF, the "Funds"), and each of their general partners. The Funds are each licensed as a Small Business Investment Company ("SBIC") by the United States Small Business Administration ("SBA").

MSC Adviser I, LLC (the "External Investment Manager") was formed in November 2013 as a wholly-owned subsidiary of MSCC to provide investment management and other services to parties other than MSCC and its subsidiaries ("External Parties") and 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 does 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. MSCC also has certain direct and indirect wholly-owned subsidiaries formed for financing purposes (the "Structured Subsidiaries").

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, the Taxable Subsidiaries and the Structured Subsidiaries.

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 Private Loan portfolio companies, investments in Middle Market portfolio companies, Other Portfolio investments and the investment in the External Investment Manager (see *Note C — Fair Value Hierarchy for Investments — Portfolio Composition — Investment Portfolio Composition* for additional discussion of Main Street's Investment Portfolio and definitions for the defined terms Private Loan and Other Portfolio). Main Street's results of operations and cash flows for the years ended December 31, 2022, 2021 and 2020 and financial position as of December 31, 2022 and 2021, are presented on a consolidated basis. The effects of all intercompany transactions between MSCC and its consolidated subsidiaries have been eliminated in consolidation.

Principles of Consolidation

Under 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, the Taxable Subsidiaries and the Structured Subsidiaries. Main Street has determined that none of its portfolio investments qualify for this exception, including the investment in the External Investment Manager. Therefore, Main Street's Investment Portfolio is carried on the Consolidated Balance Sheets at fair value, as discussed further in *Note B.1. — Summary of Significant Accounting Policies — Valuation of the Investment Portfolio*, with any adjustments to fair value recognized as "Net Unrealized Appreciation (Depreciation)" until the investment is realized, usually upon exit, resulting in any gain or loss being recognized as a "Net Realized Gain (Loss)", in both cases on the Consolidated Statements of Operations.

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% (inclusive) 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. For purposes of determining the classification of its Investment Portfolio, Main Street has excluded consideration of any voting securities or board appointment rights held by third-party investment funds advised by the External Investment Manager.

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 debt securities issued by Middle Market companies that are generally larger in size than the LMM companies and that can be more liquid than the debt securities issued by 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 that either (i) primarily have been originated directly by Main Street or (ii) to a lesser extent or secondarily, through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals" because of the small lender group size. In both cases, our Private Loan investments are typically made to a company to support the acquisition of the company by a private equity sponsor. Private Loan investments are made in companies that are consistent with the size of companies Main Street invests in through 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, Private Loan or Middle Market portfolio investments, including investments which may be managed by third parties. Main Street's portfolio may also include short-term portfolio investments that are atypical of Main Street's LMM, Private Loan and Middle Market portfolio investments in that they are intended to be a short-term deployment of capital and are more liquid than investments within the other portfolios. Main Street's portfolio investments may be subject to restrictions on resale.

For LMM portfolio investments, Main Street generally reviews external events, including private mergers, sales and acquisitions involving comparable companies, and includes these events in the valuation process by using an enterprise value waterfall methodology ("Waterfall") for its LMM equity investments and an income approach using a yield-to-maturity model ("Yield-to-Maturity") valuation method for its LMM debt investments. For Private Loan and Middle Market 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 Middle Market and short-term portfolio investments in debt securities for which it has determined that third-party quotes or other independent prices are available, 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 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 deemed relevant 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 determining. In addition, projecting future financial results requires significant judgment regarding future growth assumptions. In evaluating the operating results, Main Street also analyzes the impact of exposure to litigation, loss of customers or other contingencies. After determining the appropriate enterprise value, Main Street allocates the enterprise value to investments in order of the legal priority of the various components of the portfolio company's capital structure. In applying the Waterfall valuation method, Main Street assumes the loans are paid-off at the principal amount in a change in control transaction and are not assumed by the buyer, which Main Street believes is consistent with its past transaction history and standard industry practices.

Under the Yield-to-Maturity valuation method, Main Street also uses the income approach to determine the fair value of debt securities based on projections of the discounted future free cash flows that the debt security will likely generate, including analyzing the discounted cash flows of interest and principal amounts for the debt security, as set forth in the associated loan agreements, as well as the financial position and credit risk of the portfolio 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, changes in market-based interest rates 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 "Financial Advisory Firm"). The Financial Advisory 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 Financial Advisory 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 Financial Advisory 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 the Financial Advisory Firm in arriving at Main Street's determination of fair value on its investments in a total of 66 LMM portfolio companies for the year ended December 31, 2022, representing 94% of the total LMM portfolio at fair value as of December 31, 2022, and on a total of 54 LMM portfolio companies for the year ended December 31, 2021, representing 81% of the total LMM portfolio at fair value as of December 31, 2021. Excluding its investments in LMM portfolio companies that, as of December 31, 2022 and 2021, as applicable, had not been in the Investment Portfolio for at least twelve months subsequent to the initial investment or whose primary purpose is to own 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 the Financial Advisory Firm for both of the years ended December 31, 2022 and 2021 was 99% of the total LMM portfolio at fair value.

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 the Financial Advisory Firm. The Financial Advisory 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 Financial Advisory 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 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 Financial Advisory 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 the Financial Advisory Firm in arriving at its determination of fair value on its investments in a total of 59 Private Loan portfolio companies for the year ended December 31, 2022, representing 76% of the total Private Loan portfolio at fair value as of December 31, 2022, and on a total of 39 Private Loan portfolio companies for the year ended December 31, 2021, representing 60% of the total Private Loan portfolio at fair value as of December 31, 2021. Excluding its investments in Private Loan portfolio companies that, as of December 31, 2022 and 2021, as applicable, had not been in the Investment Portfolio for at least twelve months subsequent to the initial investment and its investments in 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 the Financial Advisory Firm for the years ended December 31, 2022 and 2021 was 97% and 93% of the total Private Loan portfolio at fair value as of December 31, 2022 and 2021, 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. The Company generally consults on a limited basis with a financial advisory services firm in connection with determining the fair value of its Middle Market portfolio investments due to the nature of these investments. The vast majority (89% and 93%

as of December 31, 2022 and 2021, respectively) of the Middle Market portfolio investments (i) are valued using third-party quotes or other independent pricing services, (ii) Main Street has consulted with and received an assurance certification from the Financial Advisory Firm within the last twelve months or (iii) are new investments that have not been in the Investment Portfolio for at least twelve months subsequent to the initial investment.

For valuation purposes, all of Main Street's short-term 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. Because all of the short-term portfolio investments are typically valued using third-party quotes or other independent pricing services, Main Street generally does not consult with any financial advisory services firms in connection with determining the fair value of its short-term portfolio investments.

For valuation purposes, all of Main Street's Other Portfolio investments are non-control investments. Main Street's Other Portfolio investments comprised 2.8% and 4.7% of Main Street's Investment Portfolio at fair value as of December 31, 2022 and 2021, 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 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. Main Street consulted with and received an assurance certification from the Financial Advisory Firm in arriving at its determination of fair value for its investment in the External Investment Adviser as of December 31, 2022.

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

Main Street uses an internally developed portfolio investment rating system in connection with its investment oversight, portfolio management and analysis and investment valuation procedures for its LMM, Private Loan and Middle Market portfolio companies. This system takes into account both quantitative and qualitative factors of each LMM, Private Loan and Middle Market portfolio company.

In December 2020, the SEC adopted Rule 2a-5 under the 1940 Act, which permits a BDC's board of directors to designate its executive officers or investment adviser as a valuation designee to determine the fair value for its investment portfolio, subject to the active oversight of the board. Main Street's Board of Directors has approved policies and procedures pursuant to Rule 2a-5 (the "Valuation Procedures") and has designated a group of its executive officers to serve as the Board of Directors' valuation designee. Main Street believes its Investment Portfolio as of December 31, 2022 and 2021 approximates fair value as of those dates based on the markets in which it 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. — Summary of Significant Accounting Policies—Valuation of the Investment Portfolio*, the consolidated financial statements include investments in the Investment Portfolio whose values have been estimated by Main Street, pursuant to valuation policies and procedures approved and overseen 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.

Macroeconomic factors, including the COVID-19 pandemic, risk of recession, inflation, supply chain constraints or disruptions, geopolitical disruptions and rising interest rates, and the related effect on the U.S. and global economies, have impacted, and may continue to impact, the businesses and operating results of certain of Main Street's portfolio companies, as well as market interest rate spreads. As a result of these and other current effects of macroeconomic factors, as well as the uncertainty regarding the extent and duration of their impact, the valuation of Main Street's Investment Portfolio has and may continue to experience increased volatility.

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 December 31, 2022, 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 its debt obligation, 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 obligation, or if a loan or debt security is sold or written off, Main Street removes it from non-accrual status.

As of December 31, 2022, Main Street's total Investment Portfolio had 12 investments on non-accrual status, which comprised 0.6% of its fair value and 3.7% of its cost. As of December 31, 2021, Main Street's total Investment Portfolio had nine investments on non-accrual status, which comprised 0.7% of its fair value and 3.3% 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. — Summary of Significant Accounting Policies—Income Taxes* 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 years ended December 31, 2022, 2021 and 2020 (i) 1.4%, 2.6% and 2.8%, respectively, of Main Street's total investment income was attributable to PIK interest income not paid currently in cash and (ii) 0.5%, 0.6% and 0.8%, 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 total investment income Main Street received from its Investment Portfolio in each of the periods presented is as follows:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Interest, fee and dividend income:			
Interest income	$ 284,746	$ 193,667	$ 173,676
Dividend income	76,375	81,153	36,373
Fee income	15,739	14,227	12,565
Total interest, fee and dividend income	$ 376,860	$ 289,047	$ 222,614

5. Deferred Financing Costs

Deferred financing costs include commitment fees and other direct costs related to Main Street's multi-year revolving credit facility (the "Corporate Facility") and special purpose vehicle revolving credit facility (the "SPV Facility" and, together with the Corporate Facility, the “Credit Facilities”) and its unsecured notes, as well as the commitment fees and leverage fees (3.4% of the total commitment and draw amounts, as applicable) on the SBIC debentures. See further discussion of Main Street’s debt in *Note E — Debt*. Deferred financing costs in connection with the Credit Facilities are capitalized as an asset. Deferred financing costs in connection with all other debt arrangements are a direct deduction from the principal amount outstanding.

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 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 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 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 over the life of the debt investment.

To maintain RIC tax treatment (as discussed in *Note B.9. — Summary of Significant Accounting Policies — Income Taxes* 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 years ended December 31, 2022, 2021 and 2020, 1.8%, 2.0% and 2.7%, 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.

Main Street has also adopted Accounting Standards Update (“ASU”) 2016-09, *Compensation — Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which requires that all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) be recognized as income tax expense or benefit in the income statement and not delay recognition of a tax benefit until the tax benefit is realized through a reduction to taxes payable. Accordingly, the tax effects of exercised or vested awards are treated as discrete items in the reporting period in which they occur. Additionally, Main Street has elected to account for forfeitures as they occur.

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 and Structured Subsidiaries, 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 twelve 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 equity 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 their book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at corporate income 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 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 corporate income 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.

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. Main Street's net assets as included on the Consolidated Balance Sheets and Consolidated Statements of Changes in Net Assets include an adjustment to classification as a result of permanent book-to-tax differences, which include differences in the book and tax treatment of income and expenses.

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.

To estimate the fair value of Main Street's multiple tranches of unsecured debt instruments as disclosed in Note E – Debt, Main Street uses quoted market prices. For the estimated fair value of Main Street's SBIC debentures, Main Street uses the Yield-to-Maturity valuation method based on projections of the discounted future free cash flows that the debt security will likely generate, including both the discounted cash flows of the associated interest and principal amounts for the debt security.

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 March 2020, the FASB issued ASU 2020-04, *Reference rate reform (Topic 848) — Facilitation of the effects of reference rate reform on financial reporting*. The amendments in this update provide optional expedients and exceptions for applying U.S. GAAP to certain contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform and became effective upon issuance for all entities. The Company has agreements that have LIBOR as a reference rate with certain portfolio companies and also with certain lenders. Many of these agreements include language for choosing an alternative successor rate if LIBOR reference is no longer considered to be appropriate. Contract modifications are required to be evaluated in determining whether the modifications result in the establishment of new contracts or the continuation of existing contracts. The Company adopted this amendment in March 2020 and plans to apply the amendments in this update to account for contract modifications due to changes in reference rates when LIBOR reference is no longer used. The Company utilized the optional expedients and exceptions provided by ASU 2020-04 during the year ended December 31, 2022, the effect of which was not material to the consolidated financial statements and the notes thereto. The Company does not expect ASU 2020-04 to have a material impact to the consolidated financial statements and the notes thereto.

In December 2021, the SEC published Staff Accounting Bulletin No. 120 ("SAB 120") to provide accounting and disclosure guidance for stock compensation awards made to executives and conforming amendments to the Staff Accounting Bulletin Series to align with the current authoritative accounting guidance in ASC 718, *Compensation — Stock Compensation*. In part, SAB 120 requires that an entity disclose how it determines the current price of underlying shares for grant-date fair value, the policy for when an adjustment to the share price is required, how it determines the amount of an adjustment to the share price and any significant assumptions used in determining an adjustment to the share price. SAB 120 is effective for all stock compensation awards issued after December 1, 2021. Main Street is in compliance with the guidance pursuant to SAB 120 for any share-based compensation disclosures. See *Note J — Share-Based Compensation* for further discussion of Main Street's policies and procedures regarding share-based compensation. The impact of SAB 120 was not material to the consolidated financial statements and the notes thereto.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in this update provide that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments in this update also require additional disclosures for equity securities subject to contractual sales restrictions. ASU 2022-03 is effective for years beginning after December 15, 2023, though early adoption is permitted. The Company has elected to early adopt ASU 2022-03 as of December 31, 2022 and it did not have a material impact on the consolidated financial statements and the notes thereto.

In November 2022, the FASB issued ASU 2022-06, *Reference rate reform (Topic 848) — Deferral of the Sunset Date of Topic 848*. The amendments in this update defer the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. The Company utilized the optional expedients provided by ASU 2020-04 during the year ended December 31, 2022, the effect of which was not material to the consolidated financial statements and the notes thereto. The Company will continue to utilize the optional expedients provided by ASU 2020-04 and extended by ASU 2022-06 through the year end December 31, 2024. The Company does not expect ASU 2022-06 to have a material impact to the consolidated financial statements and the notes thereto.

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 — PORTFOLIO COMPOSITION

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

Fair Value Hierarchy

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

Investments recorded on Main Street's Consolidated Balance Sheets 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).

As of December 31, 2022 and 2021, all of Main Street's LMM portfolio investments consisted of illiquid securities issued by privately held companies and the fair value determination for these investments primarily consisted of unobservable inputs. As a result, all of Main Street's LMM portfolio investments were categorized as Level 3 as of December 31, 2022 and 2021.

As of December 31, 2022 and 2021, 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 December 31, 2022 and 2021.

As of December 31, 2022 and 2021, 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 December 31, 2022 and 2021.

As of December 31, 2022 and 2021, Main Street's Other Portfolio investments consisted of illiquid securities issued by privately held companies and 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 December 31, 2022 and 2021.

As of both December 31, 2022 and 2021, Main Street held one short-term portfolio investment, which was a secured debt investment. The fair value determination for this investment consisted of available observable inputs in non-active markets sufficient to determine the fair value of the investment. As a result, Main Street's short-term portfolio investment was categorized as Level 2 as of both December 31, 2022 and 2021.

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;

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Notes to the Consolidated Financial Statements (Continued)

- Current liquidity of the investment and related financial ratios (e.g., current ratio and quick ratio);
- Pending debt or capital restructuring of the portfolio company;
- Projected operating results of the portfolio company;
- Current information regarding any offers to purchase the investment;
- Current ability of the portfolio company to raise any additional financing as needed;
- Changes in the economic environment which may have a material impact on the operating results of the portfolio company;
- Internal occurrences that may have an impact (both positive and negative) on the operating performance of the portfolio company;
- Qualitative assessment of key management;
- Contractual rights, obligations or restrictions associated with the investment; and
- Other factors deemed relevant.

The use of significant unobservable inputs creates uncertainty in the measurement of fair value as of the reporting date. 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, Private Loan and Middle Market securities are (i) risk adjusted discount rates used in the Yield-to-Maturity valuation technique (see *Note B.1. — Summary of Significant Accounting Policies — 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 December 31, 2022 and 2021:

Type of Investment	Fair Value as of December 31, 2022 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	$ 1,172,077	Discounted cash flow	WACC	9.4% - 22.5%	14.5 %	15.4 %
		Market comparable / Enterprise value	EBITDA multiple (1)	4.3x - 8.3x (2)	6.7x	6.0x
Debt investments	$ 2,663,958	Discounted cash flow	Risk adjusted discount factor	5.7% - 15.7% (2)	10.0 %	10.3 %
			Expected principal recovery percentage	0.0% - 100.0%	99.4 %	100.0 %
Debt investments	$ 264,238	Market approach	Third-party quote	5.6 - 98.5	87.0	91.4
Total Level 3 investments	$ 4,100,273					

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Notes to the Consolidated Financial Statements (Continued)

(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 2.0x - 15.7x and the range for risk adjusted discount factor is 3.8% - 43.3%.

(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, 2021 (in thousands)	Valuation Technique	Significant Unobservable Inputs	Range(3)	Weighted Average(3)	Median(3)
Equity investments	$ 1,050,269	Discounted cash flow	WACC	9.1% - 20.6%	13.8 %	14.8 %
		Market comparable / Enterprise value	EBITDA multiple (1)	4.8x - 7.7x (2)	6.6x	5.9x
Debt investments	$ 2,158,424	Discounted cash flow	Risk adjusted discount factor	5.6% - 15.7%(2)	9.8 %	9.3 %
			Expected principal recovery percentage	0.0% - 100.0%	99.6 %	100.0 %
Debt investments	$ 351,144	Market approach	Third-party quote	3.0 - 100.5	94.4	99.0
Total Level 3 investments	$ 3,559,837					

(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 2.2x - 11.0x and the range for risk adjusted discount factor is 4.2% - 38.5%.

(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 years ended December 31, 2022 and 2021 (amounts in thousands):

Type of Investment	Fair Value as of December 31, 2021	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of December 31, 2022
Debt	$ 2,509,568	$ —	$ (590,740)	$ 1,085,808	$ 19,674	$ (89,178)	$ (6,936)	$ 2,928,196
Equity	1,043,709	—	(55,197)	74,274	(12,234)	109,154	6,936	1,166,643
Equity Warrant	6,560	—	(655)	1,036	(1,834)	327	—	5,434
	$ 3,559,837	$ —	$ (646,592)	$ 1,161,118	$ 5,606	$ 20,303	$ —	$ 4,100,273

(1) Includes the impact of non-cash conversions. These transactions represent non-cash investing activities. See additional cash flow information in the Consolidated Statements of Cash Flows.

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Notes to the Consolidated Financial Statements (Continued)

Type of Investment	Fair Value as of December 31, 2020	Transfers Into Level 3 Hierarchy	Redemptions/ Repayments	New Investments	Net Changes from Unrealized to Realized	Net Unrealized Appreciation (Depreciation)	Other(1)	Fair Value as of December 31, 2021
Debt	$1,807,134	$ —	$ (909,464)	$1,608,143	$ 18,397	$ (10,844)	$ (3,798)	$ 2,509,568
Equity	866,734	—	(78,824)	106,193	(27,260)	170,786	6,080	1,043,709
Equity Warrant	10,998	—	(1,071)	—	(2,159)	1,074	(2,282)	6,560
	$2,684,866	$ —	$ (989,359)	$1,714,336	$ (11,022)	$ 161,016	$ —	$ 3,559,837

(1) Includes the impact of non-cash conversions. These transactions represent non-cash investing activities. See additional cash flow information in the Consolidated Statements of Cash Flows.

At December 31, 2022 and 2021, Main Street's investments at fair value were categorized as follows in the fair value hierarchy for ASC 820 purposes:

		Fair Value Measurements (in thousands)		
At December 31, 2022	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
LMM portfolio investments	$ 2,060,459	$ —	$ —	$ 2,060,459
Private Loan portfolio investments	1,471,466	—	—	1,471,466
Middle Market portfolio investments	329,119	—	—	329,119
Other Portfolio investments	116,299	—	—	116,299
External Investment Manager	122,930	—	—	122,930
Short-term portfolio investments	1,904	—	1,904	—
Total investments	$ 4,102,177	$ —	$ 1,904	$ 4,100,273

		Fair Value Measurements (in thousands)		
At December 31, 2021	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
LMM portfolio investments	$ 1,716,415	$ —	$ —	$ 1,716,415
Private Loan portfolio investments	1,141,772	—	—	1,141,772
Middle Market portfolio investments	395,167	—	—	395,167
Other Portfolio investments	166,083	—	—	166,083
External Investment Manager	140,400	—	—	140,400
Short-term portfolio investments	1,994	—	1,994	—
Total investments	$ 3,561,831	$ —	$ 1,994	$ 3,559,837

Investment Portfolio Composition

Main Street's principal investment objective is to maximize its portfolio's total return by generating current income from its debt investments and current income and capital appreciation from its equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. Main Street seeks to achieve its investment objective through its LMM, Private Loan and Middle Market investment strategies.

Main Street's LMM investment strategy involves investments in secured debt, equity warrants and direct equity investments in privately held, LMM companies based in the United States. Main Street's LMM portfolio companies generally have annual revenues between $10 million and $150 million, and its LMM investments generally range in size from $5 million to $75 million. The LMM debt investments are typically secured by a first priority lien on the assets of the portfolio company, can include either fixed or floating rate terms and generally have a term of between five and seven years from the original investment date. In most LMM portfolio investments, Main Street receives nominally priced equity warrants and/or makes direct equity investments in connection with a debt investment.

Main Street's private loan ("Private Loan") investment strategy involves investments in privately held companies that are generally consistent with the size of its LMM portfolio companies or Middle Market portfolio companies, and its Private Loan investments generally range in size from $10 million to $75 million. Main Street's Private Loan investments generally consist of loans that either (i) primarily have been originated directly by Main Street or (ii) to a lesser extent, through strategic relationships with other investment funds on a collaborative basis, and are often referred to in the debt markets as "club deals" because of the small lender group size. In both cases, our Private Loan investments are typically made to a company to support the acquisition of the company by a private equity sponsor. Main Street's Private Loan portfolio debt investments are generally secured by a first priority lien on the assets of the portfolio company and typically have a term of between three and seven years from the original investment date. Main Street may have the option to invest alongside the sponsor in the equity securities of its Private Loan portfolio companies.

Main Street's Middle Market investment strategy involves investments in syndicated loans to or debt securities in Middle Market companies, which Main Street defines as companies with annual revenues between $150 million and $1.5 billion, and its Middle Market investments generally range in size from $3 million to $25 million. Main Street's Middle Market portfolio debt investments are generally secured by a first priority lien on the assets of the portfolio company and typically have an expected duration of between three and seven years from the original investment date.

Main Street's other portfolio ("Other Portfolio") investments primarily consist of investments that are not consistent with the typical profiles for its LMM, Private Loan or Middle Market portfolio investments, including investments which may be managed by third parties. In the Other Portfolio, Main Street may incur indirect fees and expenses in connection with investments managed by third parties, such as investments in other investment companies or private funds. For Other Portfolio investments, Main Street generally receives distributions related to the assets held by the portfolio company. Those assets are typically expected to be liquidated over a five to ten-year period.

Based upon Main Street's liquidity and capital structure management activities, Main Street's Investment Portfolio may also include short-term portfolio investments that are atypical of Main Street's LMM, Private Loan and Middle Market portfolio investments in that they are intended to be a short-term deployment of capital. Those assets are typically expected to be liquidated in one year or less. These short-term portfolio investments are not expected to be a significant portion of the overall Investment Portfolio.

Main Street's external asset management business is conducted through its External Investment Manager. The External Investment Manager earns management fees based on the assets under management for external parties and may earn incentive fees, or a carried interest, based on the performance of the assets managed. Main Street entered into an agreement with the External Investment Manager to share employees in connection with its asset management business generally, and specifically for its relationship with MSC Income Fund, Inc. ("MSC Income"). Through this agreement, Main Street shares employees with the External Investment Manager, including their related infrastructure, business relationships, management expertise and capital raising capabilities. Main Street allocates the related expenses to the External Investment Manager pursuant to the sharing agreement. Main Street's total expenses for the years ended December 31, 2022, 2021 and 2020 are net of expenses allocated to the External Investment Manager of $13.0 million, $10.3 million and $7.4 million, respectively.

Investment income, consisting of interest, dividends and fees, can fluctuate dramatically due to various factors, including the level of new investment activity, repayments of debt investments or sales of equity interests. Investment income in any given year could also be highly concentrated among several portfolio companies. For the years ended December 31, 2022, 2021 and 2020, Main Street did not record investment income from any single portfolio company in excess of 10% of total investment income.

The following tables provide a summary of Main Street's investments in the LMM, Private Loan and Middle Market portfolios as of December 31, 2022 and 2021 (this information excludes Other Portfolio investments, short-term portfolio investments and the External Investment Manager, which are discussed further below):

	As of December 31, 2022		
	LMM (a)	Private Loan	Middle Market
		(dollars in millions)	
Number of portfolio companies	78	85	31
Fair value	$ 2,060.5	$ 1,471.5	$ 329.1
Cost	$ 1,719.9	$ 1,500.3	$ 401.7
Debt investments as a % of portfolio (at cost)	73.7 %	97.1 %	93.8 %
Equity investments as a % of portfolio (at cost)	26.3 %	2.9 %	6.2 %
% of debt investments at cost secured by first priority lien	99.1 %	99.6 %	98.8 %
Weighted-average annual effective yield (b)	12.3 %	11.6 %	11.0 %
Average EBITDA (c)	$ 8.0	$ 38.1	$ 68.7

(a) At December 31, 2022, Main Street had equity ownership in all of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was 41%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2022, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield on Main Street's debt portfolio as of December 31, 2022 including debt investments on non-accrual status was 11.6% for its LMM portfolio, 11.2% for its Private Loan portfolio and 10.3% for its Middle Market portfolio. The weighted-average annual effective yield is not reflective of what an investor in shares of Main Street's common stock will realize on its investment because it does not reflect changes in the market value of Main Street's stock, Main Street's utilization of debt capital in its capital structure, Main Street's expenses or any sales load paid by an investor.

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

	As of December 31, 2021		
	LMM (a)	Private Loan	Middle Market
		(dollars in millions)	
Number of portfolio companies	73	75	36
Fair value	$ 1,716.4	$ 1,141.8	$ 395.2
Cost	$ 1,455.7	$ 1,157.5	$ 440.9
Debt investments as a % of portfolio (at cost)	70.9 %	95.7 %	93.3 %
Equity investments as a % of portfolio (at cost)	29.1 %	4.3 %	6.7 %
% of debt investments at cost secured by first priority lien	99.0 %	98.7 %	98.7 %
Weighted-average annual effective yield (b)	11.2 %	8.2 %	7.5 %
Average EBITDA (c)	$ 6.2	$ 41.3	$ 76.0

(a) At December 31, 2021, Main Street had equity ownership in all of its LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was 40%.

(b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost as of December 31, 2021, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status. The weighted-average annual effective yield on Main Street's debt portfolio as of December 31, 2021 including debt investments on non-accrual status was 10.6% for its LMM portfolio, 8.0% for its Private Loan portfolio and 6.9% for its Middle Market portfolio. The weighted-average annual effective yield is not reflective of what an investor in shares of Main Street's common stock will realize on its investment because it does not reflect changes in the market value of Main Street's stock, Main Street's utilization of debt capital in its capital structure, Main Street's expenses or any sales load paid by an investor.

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

For the years ended December 31, 2022 and 2021, Main Street achieved a total return on investments of 11.1% and 16.6%, respectively. Total return on investments is calculated using the interest, dividend, and fee income, as well as the realized and unrealized change in fair value of the Investment Portfolio for the specified period. Main Street's total return on investments is not reflective of what an investor in shares of Main Street's common stock will realize on its investment because it does not reflect changes in the market value of Main Street's stock, Main Street's utilization of debt capital in its capital structure, Main Street's expenses or any sales load paid by an investor.

As of December 31, 2022, Main Street had Other Portfolio investments in 14 companies, collectively totaling $116.3 million in fair value and $120.4 million in cost basis and which comprised 2.8% and 3.2% of Main Street's Investment Portfolio at fair value and cost, respectively. As of December 31, 2021, Main Street had Other Portfolio investments in 13 companies, collectively totaling $166.1 million in fair value and $173.7 million in cost basis and which comprised 4.7% and 5.3% of Main Street's Investment Portfolio at fair value and cost, respectively.

As discussed further in *Note A.1. — Organization and Basis of Presentation — Organization*, Main Street holds an investment in the External Investment Manager, a wholly-owned subsidiary that is treated as a portfolio investment. As of December 31, 2022, this investment had a fair value of $122.9 million and a cost basis of $29.5 million, which comprised 3.0% and 0.8% of Main Street's Investment Portfolio at fair value and cost, respectively. As of December 31, 2021, this investment had a fair value of $140.4 million and a cost basis of $29.5 million, which comprised 3.9% and 0.9% of Main Street's Investment Portfolio at fair value and cost, respectively.

The following tables summarize the composition of Main Street's total combined LMM, Private Loan and Middle Market portfolio investments at cost and fair value by type of investment as a percentage of the total combined LMM, Private Loan and Middle Market portfolio investments, as of December 31, 2022 and 2021 (this information excludes Other Portfolio investments, short-term portfolio investments and the External Investment Manager, which are discussed above).

Cost:	**December 31, 2022**	**December 31, 2021**
First lien debt	85.0 %	82.5 %
Equity	14.2	16.2
Second lien debt	0.3	0.6
Equity warrants	0.2	0.3
Other	0.3	0.4
	100.0 %	100.0 %

Fair Value:	December 31, 2022	December 31, 2021
First lien debt	75.2 %	74.3 %
Equity	24.1	24.6
Second lien debt	0.3	0.5
Equity warrants	0.1	0.2
Other	0.3	0.4
	100.0 %	100.0 %

The following tables summarize the composition of Main Street's total combined LMM, Private Loan and Middle Market portfolio investments by geographic region of the United States and other countries at cost and fair value as a percentage of the total combined LMM, Private Loan and Middle Market portfolio investments, as of December 31, 2022 and 2021 (this information excludes Other Portfolio investments, short-term portfolio investments and the External Investment Manager). The geographic composition is determined by the location of the corporate headquarters of the portfolio company.

Cost:	December 31, 2022	December 31, 2021
West	28.5 %	28.3 %
Southwest	20.1	21.6
Northeast	19.0	22.6
Midwest	16.3	15.1
Southeast	14.0	11.6
Canada	0.6	0.8
Other Non-United States	1.5	—
	100.0 %	100.0 %

Fair Value:	December 31, 2022	December 31, 2021
West	28.7 %	28.5 %
Southwest	21.4	23.0
Northeast	18.8	21.9
Midwest	16.6	15.8
Southeast	12.4	10.0
Canada	0.6	0.8
Other Non-United States	1.5	—
	100.0 %	100.0 %

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

Main Street's LMM, Private Loan and Middle Market portfolio investments are in companies conducting business in a variety of industries. The following tables summarize the composition of Main Street's total combined LMM, Private Loan and Middle Market portfolio investments by industry at cost and fair value as of December 31, 2022 and 2021 (this information excludes Other Portfolio investments, short-term portfolio investments and the External Investment Manager).

Cost:	December 31, 2022	December 31, 2021
Internet Software & Services	8.0 %	7.2 %
Machinery	7.4	7.3
Commercial Services & Supplies	6.7	5.9
Construction & Engineering	5.8	7.8
Distributors	5.1	4.7
Health Care Providers & Services	4.7	3.9
Diversified Consumer Services	4.5	3.4
Leisure Equipment & Products	4.5	4.1
Professional Services	4.2	4.6
Energy Equipment & Services	3.7	4.0
IT Services	3.3	3.5
Specialty Retail	3.2	3.5
Tobacco	3.1	2.1
Containers & Packaging	2.6	2.3
Media	2.4	1.8
Aerospace & Defense	2.3	1.9
Computers & Peripherals	2.2	1.3
Building Products	1.9	2.3
Textiles, Apparel & Luxury Goods	1.9	2.2
Diversified Telecommunication Services	1.9	2.6
Software	1.9	1.8
Communications Equipment	1.8	2.3
Auto Components	1.7	0.9
Food Products	1.6	2.0
Electronic Equipment, Instruments & Components	1.6	1.4
Diversified Financial Services	1.5	2.1
Internet & Catalog Retail	1.3	1.6
Health Care Equipment & Supplies	1.3	0.3
Food & Staples Retailing	1.2	0.8
Chemicals	1.1	1.7
Hotels, Restaurants & Leisure	1.1	1.4
Electrical Equipment	1.0	0.7
Household Durables	0.8	1.0
Life Sciences Tools & Services	0.5	1.4
Oil, Gas & Consumable Fuels	0.4	1.8
Other (1)	1.8	2.4
	100.0 %	100.0 %

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

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

Fair Value:	December 31, 2022	December 31, 2021
Machinery	8.4 %	8.5 %
Diversified Consumer Services	6.8	5.9
Internet Software & Services	6.8	6.4
Commercial Services & Supplies	6.1	5.5
Construction & Engineering	5.7	7.7
Distributors	5.5	4.7
Health Care Providers & Services	4.3	3.6
Leisure Equipment & Products	4.0	4.0
Professional Services	3.8	3.9
Specialty Retail	3.5	4.1
Tobacco	3.4	2.2
IT Services	3.1	3.3
Media	3.0	2.2
Computers & Peripherals	3.0	2.2
Containers & Packaging	2.8	2.5
Energy Equipment & Services	2.7	2.8
Aerospace & Defense	2.2	1.7
Software	2.1	2.0
Building Products	1.9	2.2
Textiles, Apparel & Luxury Goods	1.8	2.1
Diversified Telecommunication Services	1.8	2.5
Food Products	1.8	1.9
Diversified Financial Services	1.7	2.3
Auto Components	1.6	0.8
Internet & Catalog Retail	1.3	1.5
Food & Staples Retailing	1.1	0.8
Chemicals	1.1	1.6
Health Care Equipment & Supplies	1.0	0.1
Construction Materials	1.0	1.1
Electrical Equipment	1.0	0.8
Communications Equipment	0.9	1.5
Hotels, Restaurants & Leisure	0.7	1.0
Life Sciences Tools & Services	0.4	1.3
Oil, Gas & Consumable Fuels	0.3	1.4
Other (1)	3.4	3.9
	100.0 %	100.0 %

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

At December 31, 2022 and 2021, Main Street had no portfolio investment that was greater than 10% of the Investment Portfolio at fair value.

Unconsolidated Significant Subsidiaries

In accordance with Rules 3-09 and 4-08(g) of Regulation S-X, Main Street must determine which of its unconsolidated controlled portfolio companies, if any, are considered "significant subsidiaries." In evaluating its unconsolidated controlled portfolio companies in accordance with Regulation S-X, there are two tests that Main Street must utilize to determine if any of Main Street's Control Investments (as defined in *Note A — Organization and Basis of Presentation*, including those unconsolidated portfolio companies defined as Control Investments in which Main Street does not own greater than 50% of the voting securities nor have rights to maintain greater than 50% of the board representation) are considered significant subsidiaries: the investment test and the income test. The investment test is generally measured by dividing Main Street's investment in the Control Investment by the value of Main Street's total investments. The income test is generally measured by dividing the absolute value of the combined sum of total investment income, net realized gain (loss) and net unrealized appreciation (depreciation) from the relevant Control Investment for the period being tested by the absolute value of Main Street's change in net assets resulting from operations for the same period. Rules 3-09 and 4-08(g) of Regulation S-X require Main Street to include (1) separate audited financial statements of an unconsolidated majority-owned subsidiary (Control Investments in which Main Street owns greater than 50% of the voting securities) in an annual report and (2) summarized financial information of a Control Investment in a quarterly report, respectively, if certain thresholds of the investment or income tests are exceeded and the unconsolidated portfolio company qualifies as a significant subsidiary.

As of December 31, 2022, 2021 and 2020, Main Street had no single investment that qualified as a significant subsidiary under either the investment or income tests.

NOTE D — EXTERNAL INVESTMENT MANAGER

As discussed further in *Note A.1. — Organization and Basis of Presentation — Organization* and *Note C — Fair Value Hierarchy for Investments — Portfolio Composition — Investment Portfolio Composition*, the External Investment Manager provides investment management and other services to External Parties. The External Investment Manager is accounted for as a portfolio investment of MSCC since the External Investment Manager conducts all of its investment management activities for External Parties.

The External Investment Manager serves as the investment adviser and administrator to MSC Income pursuant to an Investment Advisory and Administrative Services Agreement entered into in October 2020 between the External Investment Manager and MSC Income (the "Advisory Agreement"). Under the Advisory Agreement, the External Investment Manager earns a 1.75% annual base management fee on MSC Income's average total assets, an incentive fee equal to 20% of pre-investment fee net investment income above a specified investment return hurdle rate and a 20% incentive fee on cumulative net realized capital gains in exchange for providing advisory services to MSC Income.

As described more fully in *Note L — Related Party Transactions*, the External Investment Manager also serves as the investment adviser and administrator to MS Private Loan Fund I, LP, a private investment fund with a strategy to co-invest with Main Street in Private Loan portfolio investments (the "Private Loan Fund"). The External Investment Manager entered into an Investment Management Agreement in December 2020 with the Private Loan Fund, pursuant to which the External Investment Manager provides investment advisory and management services to the Private Loan Fund in exchange for an asset-based fee and certain incentive fees. The External Investment Manager may also advise other clients, including funds and separately managed accounts, pursuant to advisory and services agreements with such clients in exchange for asset-based and incentive fees.

The External Investment Manager provides administrative services for certain External Party clients that, to the extent not waived, are reported as administrative services fees. The administrative services fees generally represent expense reimbursements for a portion of the compensation, overhead and related expenses for certain professionals directly attributable to performing administrative services for clients. These fees are recognized as other revenue in the period in which the related services are rendered.

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

Main Street determines the fair value of the External Investment Manager using the Waterfall valuation method under the market approach (see further discussion in *Note B.1. — Summary of Significant Accounting Policies — Valuation of the Investment Portfolio*). Any change in fair value of the investment in the External Investment Manager is recognized on Main Street's Consolidated Statements of Operations in "Net Unrealized Appreciation (Depreciation)—Control investments."

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 Main Street and is not included as a consolidated subsidiary of Main Street in its consolidated financial statements, and as a result of the tax sharing agreement with its Taxable Subsidiary owner, for financial reporting purposes the External Investment Manager is treated as if it is taxed at corporate income tax rates based on its taxable income and, as a result of its activities, may generate income tax expense or benefit. Main Street owns the External Investment Manager through the Taxable Subsidiary to allow MSCC to continue to comply with the "source-of-income" requirements contained in the RIC tax provisions of the Code. The taxable income, or loss, of the External Investment Manager may differ from its book income, or loss, due to temporary book and tax timing differences and permanent differences. As a result of the above described financial reporting and tax treatment, the External Investment Manager provides for any income tax expense, or benefit, and any tax assets or liabilities in its separate financial statements.

Main Street shares employees with the External Investment Manager and allocates costs related to such shared employees to the External Investment Manager generally based on a combination of the direct time spent, new investment origination activity and assets under management, depending on the nature of the expense. The total contribution of the External Investment Manager to Main Street's net investment income consists of the combination of the expenses allocated to the External Investment Manager and the dividend income earned from the External Investment Manager. For the years ended December 31, 2022, 2021 and 2020, the total contribution to Main Street's net investment income was $22.3 million, $16.5 million and $9.9 million, respectively.

Summarized financial information from the separate financial statements of the External Investment Manager as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020 is as follows:

	As of December 31, 2022	As of December 31, 2021
	(dollars in thousands)	
Cash	$ —	$ —
Accounts receivable - advisory clients	8,130	5,595
Intangible Asset	29,500	29,500
Total assets	$ 37,630	$ 35,095
Accounts payable to MSCC and its subsidiaries	$ 4,455	$ 3,288
Dividend payable to MSCC and its subsidiaries	3,675	2,307
Equity	29,500	29,500
Total liabilities and equity	$ 37,630	$ 35,095

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

	Year Ended December 31, 2022	2021	2020
	(dollars in thousands)		
Management fee income	$ 21,776	$ 17,665	$ 10,665
Incentive fees	2,516	622	—
Administrative services fees	605	—	—
Total revenues	24,897	18,287	10,665
Expenses allocated from MSCC or its subsidiaries:			
Salaries, share-based compensation and other personnel costs	(10,129)	(8,417)	(4,984)
Other G&A expenses	(2,835)	(1,860)	(2,445)
Total allocated expenses	(12,964)	(10,277)	(7,429)
Pre-tax income	11,933	8,010	3,236
Tax expense	(2,636)	(1,795)	(745)
Net income	$ 9,297	$ 6,215	$ 2,491

NOTE E — DEBT

Summary of debt as of December 31, 2022 is as follows:

	Outstanding Balance	Unamortized Debt Issuance (Costs)/ Premiums (1)	Recorded Value	Estimated Fair Value (2)
	(dollars in thousands)			
SBIC Debentures	$ 350,000	$ (6,086)	$ 343,914	$ 290,204
Corporate Facility	407,000	—	407,000	407,000
SPV Facility	200,000	—	200,000	200,000
May 2024 Notes	450,000	727	450,727	444,749
July 2026 Notes	500,000	(1,864)	498,136	434,250
December 2025 Notes	100,000	(675)	99,325	106,607
Total Debt	$ 2,007,000	$ (7,898)	$ 1,999,102	$ 1,882,810

(1) The unamortized debt issuance costs for the Credit Facilities are reflected as Deferred financing costs on the Consolidated Balance Sheets, while the deferred debt issuance costs related to the July 2026 Notes, May 2024 Notes, December 2025 Notes and SBIC Debentures are reflected as contra-liabilities on the Consolidated Balance Sheets.

(2) Estimated fair value for outstanding debt if Main Street had adopted the fair value option under ASC 825. See discussion of the methods used to estimate the fair value of Main Street's debt in *Note B.11. — Summary of Significant Accounting Policies — Fair Value of Financial Instruments*.

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

Summary of debt as of December 31, 2021 is as follows:

	Outstanding Balance	Unamortized Debt Issuance (Costs)/ Premiums (1)	Recorded Value	Estimated Fair Value (2)
		(dollars in thousands)		
SBIC Debentures	$ 350,000	$ (7,269)	$ 342,731	$ 328,206
Corporate Facility	320,000	—	320,000	320,000
December 2022 Notes	185,000	(556)	184,444	190,043
May 2024 Notes	450,000	1,272	451,272	480,767
July 2026 Notes	500,000	(2,391)	497,609	502,285
Total Debt	$ 1,805,000	$ (8,944)	$ 1,796,056	$ 1,821,301

(1) The unamortized debt issuance costs for the Corporate Facility are reflected as Deferred financing costs on the Consolidated Balance Sheets, while the deferred debt issuance costs related to the July 2026 Notes, May 2024 Notes, December 2022 Notes and SBIC Debentures are reflected as contra-liabilities on the Consolidated Balance Sheets.

(2) Estimated fair value for outstanding debt if Main Street had adopted the fair value option under ASC 825. See discussion of the methods used to estimate the fair value of Main Street's debt in *Note B.11. — Summary of Significant Accounting Policies — Fair Value of Financial Instruments*.

Summarized interest expense for the years ended December 31, 2022, 2021 and 2020 is as follows:

	Year Ended December 31,		
	2022	2021	2020
		(dollars in thousands)	
SBIC Debentures	$ 11,337	$ 10,857	$ 11,867
Corporate Facility	18,820	5,204	9,232
SPV Facility	1,375	—	—
May 2024 Notes	22,855	22,855	19,556
July 2026 Notes	15,526	10,988	—
December 2022 Notes	8,188	8,932	8,932
December 2025 Notes	174	—	—
Total Interest Expense	$ 78,276	$ 58,836	$ 49,587

SBIC Debentures

Under existing SBIC regulations, SBA-approved SBICs under common control have the ability to issue debentures guaranteed by the SBA up to a regulatory maximum amount of $350.0 million. Main Street's SBIC debentures payable, under existing SBA-approved commitments, were $350.0 million at both December 31, 2022 and 2021. SBIC debentures provide for interest to be paid semiannually, with principal due at the applicable 10-year maturity date of each debenture. Main Street expects to maintain SBIC debentures under the SBIC program in the future, subject to periodic repayments and borrowings, in an amount up to the regulatory maximum amount for affiliated SBIC funds. The weighted-average annual interest rate on the SBIC debentures was 2.9% as of both years ended December 31, 2022 and 2021. The first principal maturity due under the existing SBIC debentures is in March 2023, and the weighted-average remaining duration as of December 31, 2022 was 5.1 years. In accordance with SBIC regulations, the Funds are precluded from incurring additional non-SBIC debt without the prior approval of the SBA.

As of December 31, 2022, the SBIC debentures consisted of (i) $175.0 million par value of SBIC debentures outstanding issued by MSMF, with a recorded value of $172.0 million that was net of unamortized debt issuance costs of $3.0 million and (ii) $175.0 million par value of SBIC debentures issued by MSC III with a recorded value of $171.9 million that was net of unamortized debt issuance costs of $3.1 million.

The maturity dates and fixed interest rates for Main Street's SBIC Debentures as of December 31, 2022 and 2021 are summarized in the following table:

Maturity Date	Fixed Interest Rate	December 31, 2022	December 31, 2021
3/1/2023	3.16%	$ 16,000,000	$ 16,000,000
3/1/2024	3.95%	39,000,000	39,000,000
3/1/2024	3.55%	24,800,000	24,800,000
3/1/2027	3.52%	40,400,000	40,400,000
9/1/2027	3.19%	34,600,000	34,600,000
3/1/2028	3.41%	43,000,000	43,000,000
9/1/2028	3.55%	32,000,000	32,000,000
3/1/2030	2.35%	15,000,000	15,000,000
9/1/2030	1.13%	10,000,000	10,000,000
9/1/2030	1.31%	10,000,000	10,000,000
3/1/2031	1.94%	25,200,000	25,200,000
9/1/2031	1.58%	60,000,000	60,000,000
Ending Balance		$ 350,000,000	$ 350,000,000

Corporate Facility

Main Street maintains the Corporate Facility to provide additional liquidity to support its investment and operational activities. As of December 31, 2022, the Corporate Facility included total commitments of $920.0 million from a diversified group of 18 lenders and contained an accordion feature with the right to request an increase in commitments under the facility from new and existing lenders on the same terms and conditions as the existing commitments up to a total of $1.4 billion. The revolving period under the Corporate Facility expires in August 2026 and the Corporate Facility is scheduled to mature in August 2027.

As of December 31, 2022, borrowings under the Corporate Facility bore interest, subject to Main Street's election and resetting on a monthly basis on the first of each month, on a per annum basis at a rate equal to the applicable SOFR rate plus an applicable credit spread adjustment of 0.10% plus (i) 1.875% (or the applicable Prime rate plus 0.875%) as long as Main Street meets certain agreed upon excess collateral and maximum leverage requirements or (ii) 2.0% (or the applicable Prime Rate plus 1.0%) otherwise. Main Street pays unused commitment fees of 0.25% per annum on the unused lender commitments under the Corporate Facility. The Corporate Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the equity ownership or assets of the Funds and the External Investment Manager. In connection with the Corporate Facility, MSCC has made customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

As of December 31, 2022, the interest rate on the Corporate Facility was 6.1%. The average interest rate for borrowings under the Corporate Facility was 3.6% and 2.0% for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, Main Street was in compliance with all financial covenants of the Corporate Facility.

SPV Facility

In November 2022 and December 2022, MSCC Funding I, LLC ("MSCC Funding"), a wholly-owned Structured Subsidiary that primarily holds originated loan investments, entered into (i) the SPV Facility with MSCC as collateral manager and (ii) a lender joinder agreement (the "Joinder Agreement") to the SPV Facility that increased the total number of lenders from three to four lenders and increased the total commitments under the SPV Facility from $240.0 million to $255.0 million. As of December 31, 2022, the SPV Facility included total commitments of $255.0 million and an accordion feature, subject to the satisfaction of various conditions, that could bring total commitments and borrowing availability to up to $450.0 million. The revolving period under the SPV Facility expires in November 2025 and the SPV Facility is scheduled to mature in November 2027. Advances under the SPV Facility bear interest at a per annum rate equal to the one-month SOFR in effect, plus a 0.10% credit spread adjustment plus an applicable margin of 2.50% during the revolving period and 2.625% and 2.75% during the first and second years thereafter, respectively. MSCC Funding pays a commitment fee of 0.50% per annum on the unused lender commitments up to 35% the total lender commitments and 0.75% per annum on the unused lender commitments greater than 35% of the total lender commitments. The SPV Facility is secured by a collateral loan on the assets of MSCC Funding and its subsidiaries. In connection with the SPV Facility, MSCC Funding has made customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

As of December 31, 2022, the interest rate on the SPV Facility was 6.7%. The average interest rate for borrowings under the SPV Facility was 6.7% for the year ended December 31, 2022. As of December 31, 2022, MSCC Funding was in compliance with all financial covenants of the SPV Facility.

A balance sheet and statement of operations of MSCC Funding as of December 31, 2022 and for the period from November 22, 2022 (date of inception of MSCC Funding and the SPV Facility) through December 31, 2022 are as follows:

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

Balance Sheet
(dollars in thousands)

	December 31, 2022
ASSETS	
Investments at fair value:	
Non-Control Investments (cost: $314,752 as of December 31, 2022)	$ 316,507
Cash and cash equivalents	10,838
Interest and dividend receivable and other assets	2,828
Accounts receivable from MSCC and its subsidiaries	556
Receivable for securities sold	369
Deferred financing costs (net of accumulated amortization of $141 as of December 31, 2022)	2,630
Total assets	$ 333,728
LIABILITIES	
SPV Facility	$ 200,000
Accounts payable and other liabilities	112
Interest payable	1,272
Total liabilities	201,384
Commitments and contingencies (Note K)	
NET ASSETS	
Contributed capital	126,010
Total undistributed earnings	6,334
Total net assets	132,344
Total liabilities and net assets	$ 333,728

Statement of Operations
(dollars in thousands)

	Period from November 22, 2022 to December 31, 2022
INVESTMENT INCOME:	
Interest, fee and dividend income:	
Non-Control/Non-Affiliate investments	$ 3,454
EXPENSES:	
Interest	(1,414)
Management fee	(89)
General and administrative	(25)
Total expenses	(1,528)
NET INVESTMENT INCOME (LOSS)	1,926
NET UNREALIZED APPRECIATION (DEPRECIATION):	
Non-Control/Non-Affiliate investments	4,408
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$ 6,334

December 2022 Notes

In November 2017, Main Street issued $185.0 million in aggregate principal amount of 4.50% unsecured notes due December 1, 2022 (the “December 2022 Notes”) at an issue price of 99.16%. The December 2022 Notes bore interest at a rate of 4.50% per year payable semiannually on June 1 and December 1 of each year. In December 2022, Main Street repaid the entire principal amount of the issued and outstanding December 2022 Notes at par value plus the accrued and unpaid interest.

May 2024 Notes

In April 2019, Main Street issued $250.0 million in aggregate principal amount of 5.20% unsecured notes due May 1, 2024 (the “May 2024 Notes”) at an issue price of 99.125%. Subsequently, in December 2019, Main Street issued an additional $75.0 million aggregate principal amount of the May 2024 Notes at an issue price of 105.0% and, in July 2020, Main Street issued an additional $125.0 million aggregate principal amount at an issue price of 102.7%. The May 2024 Notes issued in December 2019 and July 2020 have identical terms as, and are a part of a single series with, the May 2024 Notes issued in April 2019. The May 2024 Notes are unsecured obligations and rank pari passu with Main Street’s current and future unsecured indebtedness. The May 2024 Notes may be redeemed in whole or in part at any time at Main Street’s option subject to certain make-whole provisions. The May 2024 Notes bear interest at a rate of 5.20% per year payable semiannually on May 1 and November 1 of each year.

As of December 31, 2022, Main Street was in compliance with all covenants and other requirements of the May 2024 Notes.

July 2026 Notes

In January 2021, Main Street issued $300.0 million in aggregate principal amount of 3.00% unsecured notes due July 14, 2026 (the “July 2026 Notes”) at an issue price of 99.004%. Subsequently, in October 2021, Main Street issued an additional $200.0 million aggregate principal amount of the July 2026 Notes at an issue price of 101.741%. The July 2026 Notes issued in October 2021 have identical terms as, and are a part of a single series with, the July 2026 Notes issued in January 2021. The July 2026 Notes are unsecured obligations and rank pari passu with Main Street’s current and future unsecured indebtedness. The July 2026 Notes may be redeemed in whole or in part at any time at Main Street’s option subject to certain make-whole provisions. The July 2026 Notes bear interest at a rate of 3.00% per year payable semiannually on January 14 and July 14 of each year.

As of December 31, 2022, Main Street was in compliance with all covenants and other requirements of the July 2026 Notes.

December 2025 Notes

In December 2022, Main Street issued $100.0 million in aggregate principal amount of 7.84% Series A unsecured notes due December 23, 2025 (the “December 2025 Notes”) at par. The December 2025 Notes are unsecured obligations and rank pari passu with Main Street’s current and future unsecured indebtedness. The December 2025 Notes may be redeemed in whole or in part at any time at Main Street’s option at par plus accrued interest to the prepayment date, subject to certain make-whole provisions. The December 2025 Notes bear interest at a rate of 7.84% per year payable semiannually on June 23 and December 23 of each year. In addition, the Company is obligated to offer to repay the December 2025 Notes at par plus accrued and unpaid interest if certain change in control events occur. The December 2025 Notes will bear interest at an increased rate from the date that (i) the December 2025 Notes receive a below investment grade rating by a rating agency if there is one or two rating agencies providing ratings of the December 2025 Notes, or two-thirds of the rating agencies if there are three rating agencies who are rating the notes (a “Below Investment Grade Event”), or (ii) the ratio of the Company’s consolidated secured indebtedness (other than indebtedness of the Funds or any Structured Subsidiaries) to the value of its consolidated total assets is greater than 0.35 to 1.00 (a “Secured Debt Ratio Event”), to and until the date on which the Below Investment Grade Event and the Secured Debt Ratio Event are no longer continuing. The governing agreement for the December 2025 Notes contains customary terms and conditions for senior unsecured notes issued in a private placement, as well as customary events of default with customary cure and notice periods.

As of December 31, 2022, the Company was in compliance with all covenants and other requirements of the December 2025 Notes.

Contractual Payment Obligations

A summary of Main Street's contractual payment obligations for the repayment of outstanding indebtedness at December 31, 2022 is as follows:

	2023	2024	2025	2026	2027	Thereafter	Total
				(dollars in thousands)			
SBIC debentures	$ 16,000	$ 63,800	$ —	$ —	$ 75,000	$ 195,200	$ 350,000
Corporate Facility	—	—	—	—	407,000	—	407,000
SPV Facility	—	—	—	—	200,000	—	200,000
May 2024 Notes	—	450,000	—	—	—	—	450,000
July 2026 Notes	—	—	—	500,000	—	—	500,000
December 2025 Notes	—	—	100,000	—	—	—	100,000
Total	$ 16,000	$ 513,800	$ 100,000	$ 500,000	$ 682,000	$ 195,200	$ 2,007,000

Senior Securities

Information about Main Street's senior securities is shown in the following table as of December 31 for the years indicated in the table, unless otherwise noted.

	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage per Unit(2)	Involuntary Liquidating Preference per Unit(3)	Average Market Value per Unit(4)
	(dollars in thousands)			
SBIC Debentures				
2013	$ 200,200	2,476	—	N/A
2014	225,000	2,323	—	N/A
2015	225,000	2,368	—	N/A
2016	240,000	2,415	—	N/A
2017	295,800	2,687	—	N/A
2018	345,800	2,455	—	N/A
2019	311,800	2,363	—	N/A
2020	309,800	2,244	—	N/A
2021	350,000	1,985	—	N/A
2022	350,000	2,044	—	N/A
Corporate Facility				
2013	$ 237,000	2,476	—	N/A
2014	218,000	2,323	—	N/A
2015	291,000	2,368	—	N/A
2016	343,000	2,415	—	N/A
2017	64,000	2,687	—	N/A

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

	Total Amount Outstanding Exclusive of Treasury Securities(1) (dollars in thousands)	Asset Coverage per Unit(2)	Involuntary Liquidating Preference per Unit(3)	Average Market Value per Unit(4)
2018	301,000	2,455	—	N/A
2019	300,000	2,363	—	N/A
2020	269,000	2,244	—	N/A
2021	320,000	1,985	—	N/A
2022	407,000	2,044	—	N/A
SPV Facility				
2022	$ 200,000	2,044	—	N/A
April 2023 Notes				
2013	$ 90,882	2,476	—	$ 24.35
2014	90,823	2,323	—	24.78
2015	90,738	2,368	—	25.40
2016	90,655	2,415	—	25.76
2017	90,655	2,687	—	25.93
December 2019 Notes				
2014	$ 175,000	2,323	—	N/A
2015	175,000	2,368	—	N/A
2016	175,000	2,415	—	N/A
2017	175,000	2,687	—	N/A
2018	175,000	2,455	—	N/A
December 2022 Notes				
2017	$ 185,000	2,687	—	N/A
2018	185,000	2,455	—	N/A
2019	185,000	2,363	—	N/A
2020	185,000	2,244	—	N/A
2021	185,000	1,985	—	N/A
May 2024 Notes				
2019	$ 325,000	2,363	—	N/A
2020	450,000	2,244	—	N/A
2021	450,000	1,985	—	N/A
2022	450,000	2,044	—	N/A
July 2026 Notes				
2021	$ 500,000	1,985	—	N/A
2022	500,000	2,044	—	N/A
December 2025 Notes				
2022	$ 100,000	2,044	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of Main Street's total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it. The "—" indicates information that the SEC expressly does not require to be disclosed for certain types of senior securities.

(4) Average market value per unit for the April 2023 Notes represents the average of the daily closing prices as reported on the NYSE during the period presented. Average market value per unit for all other senior securities included in the table is not applicable because these are not registered for public trading.

NOTE F — FINANCIAL HIGHLIGHTS

	Year Ended December 31,				
Per Share Data:	**2022**	**2021**	**2020**	**2019**	**2018**
NAV at the beginning of the period	$ 25.29	$ 22.35	$ 23.91	$ 24.09	$ 23.53
Net investment income (1)	3.29	2.65	2.10	2.50	2.60
Net realized gain (loss) (1)(2)	(0.07)	0.66	(1.77)	(0.33)	(0.03)
Net unrealized appreciation (depreciation) (1)(2)	0.33	1.97	(0.09)	(0.09)	0.32
Income tax benefit (provision) (1)(2)	(0.31)	(0.48)	0.21	(0.02)	(0.09)
Net increase in net assets resulting from operations (1)	3.24	4.80	0.45	2.06	2.80
Dividends paid from net investment income	(2.95)	(2.58)	(2.46)	(2.91)	(2.69)
Distributions from capital gains	—	—	—	—	(0.16)
Dividends paid	(2.95)	(2.58)	(2.46)	(2.91)	(2.85)
Impact of the net change in monthly dividends declared prior to the end of the period and paid in the subsequent period	(0.01)	(0.01)	—	(0.01)	(0.01)
Accretive effect of stock offerings (issuing shares above NAV per share)	1.17	0.58	0.41	0.55	0.47
Accretive effect of DRIP issuance (issuing shares above NAV per share)	0.09	0.09	0.08	0.12	0.09
Other (3)	0.03	0.06	(0.04)	0.01	0.06
NAV at the end of the period	$ 26.86	$ 25.29	$ 22.35	$ 23.91	$ 24.09
Market value at the end of the period	$ 36.95	$ 44.86	$ 32.26	$ 43.11	$ 33.81
Shares outstanding at the end of the period	78,506,816	70,737,021	67,762,032	64,252,937	61,264,861

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

	Year Ended December 31,				
Per Share Data:	**2017**	**2016**	**2015**	**2014**	**2013**
NAV at the beginning of the period	$ 22.10	$ 21.24	$ 20.85	$ 19.89	$ 18.59
Net investment income (1)	2.39	2.23	2.18	2.20	2.06
Net realized gain (loss) (1)(2)	0.19	0.56	(0.43)	0.53	0.07
Net unrealized appreciation (depreciation) (1)(2)	0.86	(0.14)	0.20	(0.27)	0.52
Income tax benefit (provision) (1)(2)	(0.43)	0.02	0.18	(0.15)	—
Net increase in net assets resulting from operations (1)	3.01	2.67	2.13	2.31	2.65
Dividends paid from net investment income	(2.47)	(1.99)	(2.49)	(2.17)	(2.29)
Distributions from capital gains	(0.32)	(0.74)	(0.16)	(0.38)	(0.37)
Dividends paid	(2.79)	(2.73)	(2.65)	(2.55)	(2.66)
Impact of the net change in monthly dividends declared prior to the end of the period and paid in the subsequent period	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Accretive effect of stock offerings (issuing shares above NAV per share)	1.07	0.76	0.74	1.07	1.13
Accretive effect of DRIP issuance (issuing shares above NAV per share)	0.06	0.08	0.12	0.12	0.13
Other (3)	0.09	0.09	0.06	0.02	0.07
NAV at the end of the period	$ 23.53	$ 22.10	$ 21.24	$ 20.85	$ 19.89
Market value at the end of the period	$ 39.73	$ 36.77	$ 29.08	$ 29.24	$ 32.69
Shares outstanding at the end of the period	58,660,680	54,354,857	50,413,744	45,079,150	39,852,604

(1) Based on weighted-average number of common shares outstanding for the period.

(2) Net realized gains or losses, net unrealized appreciation or depreciation, and income tax provision or benefit can fluctuate significantly from period to period.

(3) Includes the impact of the different share amounts as a result of calculating certain per share data based on the weighted-average basic shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date.

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
	(dollars in thousands)				
NAV at end of period	$ 2,108,586	$ 1,788,846	$ 1,514,767	$ 1,536,390	$ 1,476,049
Average NAV	$ 1,923,134	$ 1,626,585	$ 1,436,291	$ 1,517,615	$ 1,441,163
Average outstanding debt	$ 1,882,462	$ 1,417,831	$ 1,152,108	$ 1,055,800	$ 947,694
Ratio of total expenses, including income tax expense, to average NAV (1)(2)	8.05 %	8.56 %	4.95 %	5.75 %	5.75 %
Ratio of operating expenses to average NAV (2)	6.84 %	6.54 %	5.89 %	5.67 %	5.32 %
Ratio of operating expenses, excluding interest expense, to average NAV (2)	2.77 %	2.92 %	2.44 %	2.36 %	2.30 %
Ratio of net investment income to average NAV	12.76 %	11.23 %	9.60 %	10.37 %	10.87 %
Portfolio turnover ratio	16.79 %	29.81 %	18.00 %	18.86 %	29.13 %
Total investment return (3)	(11.18)%	48.24 %	(19.11)%	36.86 %	(8.25)%
Total return based on change in NAV (4)	13.51 %	21.84 %	1.91 %	8.78 %	12.19 %

	Year Ended December 31,				
	2017	2016	2015	2014	2013
	(dollars in thousands)				
NAV at end of period	$ 1,380,368	$ 1,201,481	$ 1,070,894	$ 939,982	$ 792,533
Average NAV	$ 1,287,639	$ 1,118,567	$ 1,053,313	$ 885,568	$ 706,056
Average outstanding debt	$ 843,993	$ 801,048	$ 759,396	$ 575,524	$ 444,331
Ratio of total expenses, including income tax expense, to average NAV (1)(2)	7.37 %	5.48 %	4.63 %	5.82 %	5.82 %
Ratio of operating expenses to average NAV (2)	5.47 %	5.59 %	5.45 %	5.11 %	5.82 %
Ratio of operating expenses, excluding interest expense, to average NAV (2)	2.63 %	2.58 %	2.41 %	2.44 %	2.95 %
Ratio of net investment income to average NAV	10.51 %	10.35 %	10.15 %	10.79 %	10.68 %
Portfolio turnover ratio	38.18 %	24.63 %	25.37 %	35.71 %	36.10 %
Total investment return (3)	16.02 %	37.36 %	8.49 %	(3.09)%	16.68 %
Total return based on change in NAV (4)	14.20 %	12.97 %	11.11 %	12.71 %	15.06 %

(1) Total expenses are the sum of operating expenses and net income tax provision/benefit. Net income tax provision/benefit includes the accrual of net deferred tax provision/benefit relating to the net unrealized appreciation/depreciation on portfolio investments held in Taxable Subsidiaries and due to the change in the loss carryforwards, which are non-cash in nature and may vary significantly from period to period. Main Street is required to include net deferred tax provision/benefit in calculating its total expenses even though these net deferred taxes are not currently payable/receivable.

(2) Unless otherwise noted, operating expenses include interest, compensation, general and administrative and share-based compensation expenses, net of expenses allocated to the External Investment Manager of $13.0 million, $10.3 million, $7.4 million, $6.7 million, $6.8 million, $6.4 million, $5.1 million, $4.3 million and $2.0 million for the years ended December 31, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively. There were no expenses allocated to the External Investment Manager for the year ended December 31, 2013.

(3) Total investment return is based on the purchase of stock at the current market price on the first day and a sale at the current market price on the last day of each period reported on the table and assumes reinvestment of dividends at prices obtained by Main Street's dividend reinvestment plan during the period. The return does not reflect any sales load that may be paid by an investor.

(4) Total return based on change in NAV was calculated using the sum of ending NAV plus dividends to stockholders and other non-operating changes during the period, divided by the beginning NAV. Non-operating changes include any items that affect NAV other than the net increase in net assets resulting from operations, such as the effects of stock offerings, shares issued under the DRIP and equity incentive plans and other miscellaneous items.

NOTE G — DIVIDENDS, DISTRIBUTIONS AND TAXABLE INCOME

Main Street currently pays regular monthly dividends to its stockholders and periodically pays supplemental dividends to its stockholders. Future dividends, if any, will be determined by its Board of Directors on a quarterly basis. During 2022, Main Street paid regular monthly dividends of $0.215 per share for each month of January through September 2022 and regular monthly dividends of $0.22 per share for each month of October through December 2022. The 2022 regular monthly dividends, which total $192.3 million, or $2.595 per share, represent a 4.8% increase from the regular monthly dividends paid totaling $170.2 million, or $2.475 per share, for the year ended December 31, 2021.

During 2022, Main Street also paid supplemental dividends in March 2022, June 2022, September 2022 and December 2022 of $5.4 million, or $0.075 per share, $5.5 million, or $0.075 per share, $7.6 million, or $0.10 per share, and $7.8 million, or $0.10 per share, respectively, totaling $26.4 million, or $0.35 per share. During 2021, Main Street paid a supplemental dividend in December 2021 of $7.1 million, or $0.10 per share.

During the year ended December 31, 2022, the regular monthly dividends and supplemental dividends paid totaled $218.7 million, or $2.945 per share, representing a 23.4% increase from the year-ended December 31, 2021. During the year ended December 31, 2021, the regular monthly dividends and supplemental dividends paid totaled $177.3 million, or $2.575 per share.

For tax purposes, the 2022 dividends were comprised of (i) ordinary income totaling $2.629 per share and (ii) qualified dividend income totaling $0.317 per share. As of December 31, 2022, Main Street estimates that it has generated undistributed taxable income of $66.9 million, or $0.87 per share, that will be carried forward toward distributions to be paid in 2023.

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 and Structured Subsidiaries, 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 twelve months subsequent to the end of that fiscal year, provided such dividends are declared on or prior to the later of (i) filing of the U.S. federal income tax return for the applicable fiscal year or (ii) the fifteenth day of the ninth month following the close of the year in which such taxable income was generated.

The determination of the tax attributes for Main Street's distributions is made annually, based upon its taxable income for the full year and distributions paid for the full year. Therefore, a determination made on an interim basis may not be representative of the actual tax attributes of distributions for a full year. Ordinary dividend distributions from a RIC do not qualify for the 20% maximum tax rate (plus a 3.8% Medicare surtax, if applicable) on dividend income from domestic corporations and qualified foreign corporations, except to the extent that the RIC received the income in the form of qualifying dividends from domestic corporations and qualified foreign corporations. The tax attributes for distributions will generally include both ordinary income and qualified dividends, but may also include either one or both of capital gains and return of capital. The tax character of distributions paid for the years ended December 31, 2022, 2021 and 2020 was as follows:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Ordinary income (1)	$ 195,238	$ 129,625	$ 135,128
Qualified dividends	22,991	47,202	12,398
Distributions on tax basis	$ 218,229	$ 176,827	$ 147,526

(1) The years ended December 31, 2022, 2021 and 2020 include $2.3 million, $1.8 million and $1.5 million, respectively, that was reported for tax purposes as compensation for services in accordance with Section 83 of the Code.

Listed below is a reconciliation of "Net increase in net assets resulting from operations" to taxable income and to total distributions declared to common stockholders for the years ended December 31, 2022, 2021 and 2020.

	Year Ended December 31,		
	2022	2021	2020
	(estimated, dollars in thousands)		
Net increase in net assets resulting from operations	$ 241,606	$ 330,762	$ 29,383
Book-tax difference from share-based compensation expense	142	(3,213)	5,139
Net unrealized (appreciation) depreciation	(24,816)	(135,624)	5,622
Income tax provision (benefit)	23,325	32,863	(13,541)
Pre-tax book (income) loss not consolidated for tax purposes	(37,630)	(59,634)	37,420
Book income and tax income differences, including debt origination, structuring fees, dividends, realized gains and changes in estimates	17,043	39,819	93,025
Estimated taxable income (1)	219,670	204,973	157,048
Taxable income earned in prior year and carried forward for distribution in current year	50,834	24,359	29,107
Taxable income earned prior to period end and carried forward for distribution next period	(66,892)	(65,994)	(38,248)
Dividend payable as of period end and paid in the following period	17,676	15,159	13,889
Total distributions accrued or paid to common stockholders	$ 221,288	$ 178,497	$ 161,796

(1) MSCC's taxable income for each period is an estimate and will not be finally determined until MSCC files its tax return for each year. Therefore, the final taxable income, and the taxable income earned in each period and carried forward for distribution in the following period, may be different than this estimate.

The Taxable Subsidiaries primarily hold certain equity 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 MSCC 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 their book income, or loss, due to temporary book and tax timing differences and permanent differences. The Taxable Subsidiaries are each taxed at corporate income 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 income tax expense (benefit) for Main Street is generally composed of (i) deferred tax expense (benefit), which is primarily the result of the net activity relating to the portfolio investments held in the Taxable Subsidiaries, including changes in loss carryforwards, changes in net unrealized appreciation or depreciation and other temporary book tax differences, and (ii) current tax expense, which is primarily the result of current U.S. federal income and state taxes and excise taxes on Main Street's estimated undistributed taxable income. The income tax expense, or benefit, and the related tax assets and liabilities generated by the Taxable Subsidiaries, if any, are reflected in Main Street's Consolidated Statements of Operations. Main Street's provision for income taxes was comprised of the following for the years ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,		
	2022	2021	2020
	(dollars in thousands)		
Current tax expense (benefit):			
Federal	$ 516	$ (235)	$ 497
State	1,845	3,377	(1,554)
Excise	2,838	2,590	1,647
Total current tax expense	5,199	5,732	590
Deferred tax expense (benefit):			
Federal	13,176	23,205	(13,082)
State	4,950	3,926	(1,049)
Total deferred tax expense (benefit)	18,126	27,131	(14,131)
Total income tax provision (benefit)	$ 23,325	$ 32,863	$ (13,541)

MSCC operates in a manner to maintain its RIC status and to eliminate corporate-level U.S. federal income tax (other than the 4% excise tax) by distributing sufficient investment company taxable income and long-term capital gains. As a result, MSCC will have an effective tax rate equal to 0% before the excise tax and income taxes incurred by the Taxable Subsidiaries. As such, a reconciliation of the differences between Main Street's reported income tax expense and its tax expense at the federal statutory rate of 21% is not meaningful.

As of December 31, 2022, the cost of investments for U.S. federal income tax purposes was $3,754.5 million, with such investments having a gross unrealized appreciation of $701.0 million and gross unrealized depreciation of $353.3 million.

Management believes that the realization of the deferred tax assets is more likely than not based on expectations as to future taxable income and scheduled reversals of temporary differences. Accordingly, Main Street did not record a valuation allowance related to its deferred tax assets at December 31, 2022 and 2021. The following table sets forth the significant components of net deferred tax assets and liabilities as of December 31, 2022 and 2021:

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$ 35,043	$ 34,102
Interest expense carryforwards	6,171	11,283
Other	3,401	2,809
Total deferred tax assets	44,615	48,194
Deferred tax liabilities:		
Net unrealized appreciation of portfolio investments	(64,219)	(49,658)
Net basis differences in portfolio investments	(28,245)	(28,259)
Total deferred tax liabilities	(92,464)	(77,917)
Total deferred tax liabilities, net	$ (47,849)	$ (29,723)

The net deferred tax liability at December 31, 2022 and 2021 was $47.8 million and $29.7 million, respectively, with the change primarily related to changes in net unrealized appreciation or depreciation, changes in loss carryforwards, and other temporary book-tax differences relating to portfolio investments held by the Taxable Subsidiaries. At December 31, 2022, for U.S. federal income tax purposes, the Taxable Subsidiaries had a net operating loss carryforward from prior years which, if unused, will expire in various taxable years from 2034 through 2037. Any net operating losses generated in 2018 and future periods are not subject to expiration and will carryforward indefinitely until utilized. Additionally, the Taxable Subsidiaries have interest expense limitation carryforwards which have an indefinite carryforward period. In addition, as of December 31, 2022, for U.S. federal income tax purposes at the RIC level, MSCC had net capital loss carryforwards totaling $56.1 million available to offset future capital gains, to the extent available and permitted by U.S. federal income tax law. However, as long as MSCC maintains its RIC status, any capital loss carryforwards at the RIC are not subject to a federal income tax-effect and are not subject to an expiration date.

NOTE H — COMMON STOCK

Main Street maintains a program with certain selling agents through which it can sell shares of its common stock by means of at-the-market offerings from time to time (the "ATM Program").

During the year ended December 31, 2022, Main Street sold 5,407,382 shares of its common stock at a weighted-average price of $39.29 per share and raised $212.4 million of gross proceeds under the ATM Program. Net proceeds were $209.9 million after commissions to the selling agents on shares sold and offering costs. As of December 31, 2022, sales transactions representing 43,217 shares had not settled and are not included in shares issued and outstanding on the face of the Consolidated Balance Sheets, but are included in the weighted-average shares outstanding in the Consolidated Statements of Operations and in the shares used to calculate the NAV per share. In March 2022, Main Street entered into new distribution agreements to sell up to 15,000,000 shares through the ATM Program. As of December 31, 2022, 10,462,684 shares remained available for sale under the ATM Program.

During August 2022, Main Street completed a public equity offering of 1,345,500 shares of common stock at a public offering price of $42.85 per share, including the underwriters' full exercise of their option to purchase 175,500 additional shares, resulting in total net proceeds, including exercise of the underwriters' option to purchase additional shares and after deducting underwriting discounts and estimated offering expenses payable by Main Street, of approximately $55.1 million.

During the year ended December 31, 2021, Main Street sold 2,332,795 shares of its common stock at a weighted-average price of $42.71 per share and raised $99.6 million of gross proceeds under the ATM Program. Net proceeds were $98.4 million after commissions to the selling agents on shares sold and offering costs.

During the year ended December 31, 2020, Main Street sold 2,645,778 shares of its common stock at a weighted-average price of $32.10 per share and raised $84.9 million of gross proceeds under the ATM Program. Net proceeds were $83.8 million after commissions to the selling agents on shares sold and offering costs.

NOTE I — DIVIDEND REINVESTMENT PLAN

The dividend reinvestment feature of Main Street's dividend reinvestment and direct stock purchase plan (the "DRIP") provides for the reinvestment of dividends on behalf of its stockholders, unless a stockholder has elected to receive dividends in cash. As a result, if Main Street declares a cash dividend, its stockholders who have not "opted out" of the DRIP by the dividend record date will have their cash dividend automatically reinvested into additional shares of MSCC common stock. The share requirements of the DRIP may be satisfied through the issuance of shares of common stock or through open market purchases of common stock by the DRIP plan administrator. Newly issued shares will be valued based upon the final closing price of MSCC's common stock on the valuation date determined for each dividend by Main Street's Board of Directors. Shares purchased in the open market to satisfy the DRIP requirements will be valued based upon the average price of the applicable shares purchased, before any associated brokerage or other costs. Main Street's DRIP is administered by its transfer agent on behalf of Main Street's record holders and participating brokerage firms. Brokerage firms and other financial intermediaries may decide not to participate in Main Street's DRIP but may provide a similar dividend reinvestment plan for their clients.

Summarized DRIP information for the years ended December 31, 2022, 2021 and 2020 is as follows:

	Year Ended December 31,		
	2022	2021	2020
	($ in thousands)		
DRIP participation	$ 24,131	$ 16,283	$ 16,234
Shares issued for DRIP	625,196	404,384	517,796

NOTE J — 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 ("RSAs"), Main Street measured 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.

Main Street's Board of Directors approves the issuance of shares of restricted stock to Main Street employees pursuant to the Main Street Capital Corporation 2022 Equity and Incentive Plan (the "Equity and Incentive Plan"). These shares generally vest over a three-year period from the grant date. The fair value is expensed over the service period, starting on the grant date. The following table summarizes the restricted stock issuances approved by Main Street's Board of Directors under the Equity and Incentive Plan, net of shares forfeited, if any, and the remaining shares of restricted stock available for issuance as of December 31, 2022.

Restricted stock authorized under the plan	5,000,000
Less net restricted stock granted during:	
Year ended December 31, 2022	(14,245)
Restricted stock available for issuance as of December 31, 2022	4,985,755

As of December 31, 2022, the following table summarizes the restricted stock issued to Main Street's non-employee directors and the remaining shares of restricted stock available for issuance pursuant to the Main Street Capital Corporation 2022 Non-Employee Director Restricted Stock Plan. These shares are granted upon appointment or election to the board and vest on the day immediately preceding the annual meeting of stockholders following the respective grant date and are expensed over such service period.

Restricted stock authorized under the plan	300,000
Less net restricted stock granted during:	
Year ended December 31, 2022	(4,590)
Restricted stock available for issuance as of December 31, 2022	295,410

For the years ended December 31, 2022, 2021 and 2020, Main Street recognized total share-based compensation expense of $13.6 million, $10.9 million and $10.8 million, respectively, related to the restricted stock issued to Main Street employees and non-employee directors.

Summarized RSAs for the year ended December 31, 2022 is as follows:

	Year Ended December 31, 2022			
Restricted Stock Awards (RSAs):	**Number of Shares**		**Weighted-Average Grant-Date Fair Value ($ per share)**	
Non-vested, December 31, 2021	673,350		$	33.05
Granted (1)	499,274			42.50
Vested (1)(2)	(321,211)			32.60
Forfeited	(34,012)			38.92
Non-vested, December 31, 2022	817,401		$	38.78
Aggregate intrinsic value as of December 31, 2022 (in thousands)	$ 30,203	(3)		

(1) Restricted units generally vest over a three-year period from the grant date (as noted above).
(2) Vested shares included 116,177 shares withheld for payroll taxes paid on behalf of employees.
(3) Aggregate intrinsic value is the product of total non-vested restricted shares as of December 31, 2022 and $36.95 per share, the closing price of our common stock on December 31, 2022.

The total fair value of RSAs that vested during the years ended December 31, 2022, 2021 and 2020, was $10.5 million, $10.9 million and $10.3 million, respectively.

As of December 31, 2022, there was $21.6 million of total unrecognized compensation expense related to Main Street's non-vested restricted shares. This compensation expense is expected to be recognized over a remaining weighted-average period of 2.2 years as of December 31, 2022.

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

NOTE K — COMMITMENTS AND CONTINGENCIES

At December 31, 2022, Main Street had the following outstanding commitments (in thousands):

Investments with equity capital commitments that have not yet funded:		Amount
Brightwood Capital Fund Investments		
Brightwood Capital Fund V, LP	$	3,000
Brightwood Capital Fund III, LP		300
	$	3,300
Freeport Fund Investments		
Freeport First Lien Loan Fund III LP	$	6,197
Freeport Financial SBIC Fund LP		3,841
	$	10,038
Harris Preston Fund Investments		
HPEP 4, L.P.	$	7,668
HPEP 3, L.P.		1,555
HPEP 423 COR, LP		600
2717 MH, L.P.		52
	$	9,875
MS Private Loan Fund I, LP	$	750
UnionRock Energy Fund II, LP	$	2,124
Total Equity Commitments (1)(2)	$	26,087
Investments with commitments to fund revolving loans that have not been fully drawn or term loans with additional commitments not yet funded:		
Dalton US Inc.	$	18,985
Xenon Arc, Inc.		12,406
HEADLANDS OP-CO LLC		10,125
MS Private Loan Fund I, LP		10,000
PTL US Bidco, Inc		9,542
JTI Electrical & Mechanical, LLC		8,421
AMEREQUIP LLC.		7,704
SI East, LLC		7,500
NinjaTrader, LLC		7,472
Archer Systems, LLC		7,115
Veregy Consolidated, Inc.		5,875
Watterson Brands, LLC		5,028
Pearl Meyer Topco LLC		5,000
Paragon Healthcare, Inc.		4,867
Robbins Bros. Jewelry, Inc.		4,500
South Coast Terminals Holdings, LLC		4,465

MAIN STREET CAPITAL CORPORATION

Notes to the Consolidated Financial Statements (Continued)

Winter Services LLC	4,444
Channel Partners Intermediateco, LLC	4,346
Direct Marketing Solutions, Inc.	4,250
Bettercloud, Inc.	4,189
AB Centers Acquisition Corporation	3,707
AVEX Aviation Holdings, LLC	3,684
Microbe Formulas, LLC	3,601
Classic H&G Holdco, LLC	3,440
Bluestem Brands, Inc.	3,365
MonitorUS Holding, LLC	3,322
VVS Holdco, LLC	3,200
SPAU Holdings, LLC	3,194
Adams Publishing Group, LLC	3,153
MetalForming AcquireCo, LLC	2,795
Batjer TopCo, LLC	2,700
GRT Rubber Technologies LLC	2,680
Infolinks Media Buyco, LLC	2,520
Nebraska Vet AcquireCo, LLC	2,500
Engineering Research & Consulting, LLC	2,490
CaseWorthy, Inc.	2,459
West Star Aviation Acquisition, LLC	2,411
Centre Technologies Holdings, LLC	2,400
Burning Glass Intermediate Holding Company, Inc.	2,323
GULF PACIFIC ACQUISITION, LLC	2,272
RTIC Subsidiary Holdings, LLC	2,063
MB2 Dental Solutions, LLC	2,023
PPL RVs, Inc.	2,000
The Affiliati Network, LLC	1,880
Elgin AcquireCo, LLC	1,877
Evergreen North America Acquisitions, LLC	1,854
IG Parent Corporation	1,802
ATS Operating, LLC	1,800
Career Team Holdings, LLC	1,800
Johnson Downie Opco, LLC	1,800
Chamberlin Holding LLC	1,600
Colonial Electric Company LLC	1,600
Trantech Radiator Topco, LLC	1,600
Cody Pools, Inc.	1,488
American Health Staffing Group, Inc.	1,333
RA Outdoors LLC	1,278
Project Eagle Holdings, LLC	1,250
Roof Opco, LLC	1,244
Gamber-Johnson Holdings, LLC	1,200
Eastern Wholesale Fence LLC	1,115
KMS, LLC	1,086
Mako Steel, LP	953
Hawk Ridge Systems, LLC	815
Mystic Logistics Holdings, LLC	800
Orttech Holdings, LLC	800
Project BarFly, LLC	760
DTE Enterprises, LLC	750

Market Force Information, LLC		725
Jensen Jewelers of Idaho, LLC		500
Invincible Boat Company, LLC.		457
NWN Corporation		438
Flame King Holdings, LLC		400
Gulf Publishing Holdings, LLC		400
Wall Street Prep, Inc.		400
Jackmont Hospitality, Inc.		400
Clad-Rex Steel, LLC		400
Acousti Engineering Company of Florida		53
Acumera, Inc.		15
Total Loan Commitments	$	248,309
Total Commitments	$	274,396

(1) This table excludes commitments related to six additional Other Portfolio investments for which the investment period has expired and remaining commitments may only be drawn to pay fund expenses. The Company does not expect any material future capital to be called on its commitment to these investments and as a result has excluded those commitments from this table.

(2) This table excludes commitments related to three additional Other Portfolio investments for which the investment period has expired and remaining commitments may only be drawn to pay fund expenses or for follow on investments in existing portfolio companies. The Company does not expect any material future capital to be called on its commitment to these investments to pay fund expenses, and based on representations from the fund manager, the Company does not expect any further capital will be called on its commitment for follow on investments. As a result, the Company has excluded those commitments from this table.

Main Street will fund its unfunded commitments from the same sources it uses to fund its investment commitments that are funded at the time they are made (which are typically through existing cash and cash equivalents and borrowings under the Credit Facilities). Main Street follows a process to manage its liquidity and ensure that it has available capital to fund its unfunded commitments as necessary. The Company had no unrealized appreciation or depreciation on the outstanding unfunded commitments as of December 31, 2022.

As of December 31, 2022, Main Street had one operating lease for its office space that commenced May 15, 2017, was amended on April 25, 2022, expires March 31, 2034, and contains two five-year extension options for a final expiration date of March 31, 2044.

In accordance with ASC 842, Main Street has recorded this lease as a right-of-use asset and a lease liability and records lease expense on a straight-line basis.

Total operating lease cost incurred by Main Street for each of the years ended December 31, 2022, 2021 and 2020 was $0.7 million. As of December 31, 2022, the asset related to the operating lease was $8.7 million and is included in the interest receivable and other assets balance on the Consolidated Balance Sheets. The lease liability was $11.1 million and is included in the accounts payable and other liabilities balance, net of tenant improvement allowances, on the Consolidated Balance Sheets. As of December 31, 2022, the remaining lease term was 11.3 years and the discount rate was 2.0%.

The following table shows future minimum payments under Main Street's operating lease as of December 31, 2022 (in thousands):

For the Years Ended December 31,	Amount
2023	$ 389
2024	1,020
2025	1,115
2026	1,135
2027	1,155
Thereafter	7,673
Total lease payments	12,487
Less: lease payments representing interest	(1,434)
Present value of lease liabilities	$ 11,053

Main Street may, from time to time, be involved in litigation arising out of its operations in the normal course of business or otherwise. Furthermore, third parties may try to impose liability on Main Street in connection with the activities of its portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, Main Street does not expect any current matters will materially affect its financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on Main Street's financial condition or results of operations in any future reporting period.

NOTE L — RELATED PARTY TRANSACTIONS

As discussed further in *Note D — External Investment Manager*, the External Investment Manager is treated as a wholly-owned portfolio company of Main Street and is included as part of Main Street's Investment Portfolio. At December 31, 2022, Main Street had a receivable of $8.1 million due from the External Investment Manager, which included (i) $4.5 million related primarily to operating expenses incurred by Main Street as required to support the External Investment Manager's business and amounts due from the External Investment Manager to Main Street under a tax sharing agreement (see further discussion in *Note D — External Investment Manager*) and (ii) $3.7 million of dividends declared but not paid by the External Investment Manager. MSCC has entered into an agreement with the External Investment Manager to share employees in connection with its asset management business generally, and specifically for the External Investment Manager's relationship with MSC Income and its other clients (see further discussion in *Note A.1. — Organization and Basis of Presentation — Organization* and *Note D — External Investment Manager*).

From time to time, Main Street may make investments in clients of the External Investment Manager in the form of debt or equity capital on terms approved by Main Street's Board of Directors.

In May 2022, Main Street purchased 94,697 shares of common stock of MSC Income from MSC Income at the price shares were purchased by MSC Income stockholders pursuant to MSC Income's dividend reinvestment plan for its May dividend on such date. Main Street's purchase of MSC Income common stock was unanimously approved by the Board of Directors and MSC Income's board of directors, including each director who is not an "interested person," as such term is defined in Section 2(a)(19) of the 1940 Act, of each board. As of December 31, 2022, Main Street owned 94,697 shares of MSC Income. In addition, certain of Main Street's officers and employees own shares of MSC Income and therefore have direct pecuniary interests in MSC Income.

In December 2020, the External Investment Manager entered into an Investment Management Agreement with the Private Loan Fund to provide investment advisory and management services in exchange for an asset-based fee and certain incentive fees. The Private Loan Fund is a private investment fund exempt from registration under the 1940 Act that co-invests with Main Street in Main Street's Private Loan investment strategy. In connection with the Private Loan Fund's initial closing in December 2020, Main Street committed to contribute up to $10.0 million as a limited partner and is entitled to distributions on such interest. In February 2022, Main Street increased its total commitment to the Private Loan Fund from $10.0 million to $15.0 million. In addition, certain of Main Street's officers and employees (and certain of their immediate family members) have made capital commitments to the Private Loan Fund as limited partners and therefore have direct pecuniary interests in the Private Loan Fund. As of December 31, 2022, Main Street has funded $14.3 million of its limited partner commitment and Main Street's unfunded commitment was $0.7 million. Main Street's limited partner commitment to the Private Loan Fund was unanimously approved by the Board of Directors, including each director who is not an "interested person," as such term is defined in Section 2(a)(19) of the 1940 Act.

Additionally, Main Street provided the Private Loan Fund with a revolving line of credit pursuant to an Unsecured Revolving Promissory Note, dated February 5, 2021 and was subsequently amended on November 30, 2021 and on December 29, 2021 (as amended, the "PL Fund 2021 Note"), in an aggregate amount equal to the amount of limited partner capital commitments to the Private Loan Fund up to $85.0 million. Borrowings under the PL Fund 2021 Note bore interest at a fixed rate of 5.00% per annum and matured on February 28, 2022. The PL Fund 2021 Note was unanimously approved by Main Street's Board of Directors, including each director who is not an "interested person," as such term is defined in Section 2(a)(19) of the 1940 Act. In February 2022, the Private Loan Fund fully repaid all borrowings outstanding under the PL Fund 2021 Note and the PL Fund 2021 Note was extinguished.

In March 2022, Main Street provided the Private Loan Fund with a revolving line of credit pursuant to a Secured Revolving Promissory Note, dated March 17, 2022 (the "PL Fund 2022 Note"), which provides for borrowings up to $10.0 million. Borrowings under the PL Fund 2022 Note bear interest at a fixed rate of 5.00% per annum and mature on the date upon which the Private Loan Fund's investment period concludes, which is scheduled to occur in March 2026. Available borrowings under the PL Fund 2022 Note are subject to a 0.25% non-use fee. The PL Fund 2022 Note was unanimously approved by Main Street's Board of Directors, including each director who is not an "interested person," as such term is defined in Section 2(a)(19) of the 1940 Act. As of December 31, 2022, there were no borrowings outstanding under the PL Fund 2022 Note.

In November 2015, Main Street's Board of Directors approved and adopted the Main Street Capital Corporation Deferred Compensation Plan (the "2015 Deferred Compensation Plan"). The 2015 Deferred Compensation Plan became effective on January 1, 2016 and replaced the Deferred Compensation Plan for Non-Employee Directors previously adopted by the Board of Directors in June 2013 (the "2013 Deferred Compensation Plan"). Under the 2015 Deferred Compensation Plan, non-employee directors and certain key employees may defer receipt of some or all of their cash compensation and directors' fees, subject to certain limitations. Individuals participating in the 2015 Deferred Compensation Plan receive distributions of their respective balances based on predetermined payout schedules or other events as defined by the plan and are also able to direct investments made on their behalf among investment alternatives permitted from time to time under the plan, including phantom Main Street stock units. As of December 31, 2022, $15.3 million of compensation, plus net unrealized gains and losses and investment income, and minus previous distributions, was deferred under the 2015 Deferred Compensation Plan (including amounts previously deferred under the 2013 Deferred Compensation Plan). Of this amount, $6.1 million is deferred into phantom Main Street stock units, representing 165,248 shares of Main Street's common stock. Any amounts deferred under the plan represented by phantom Main Street stock units will not be issued or included as outstanding on the Consolidated Statements of Changes in Net Assets until such shares are actually distributed to the participant in accordance with the plan, but the related phantom stock units are included in weighted-average shares outstanding with the related dollar amount of the deferral included in total expenses in Main Street's Consolidated Statements of Operations as the deferred fees represented by such phantom stock units are earned over the service period. The dividend amounts related to additional phantom stock units are included in the Consolidated Statements of Changes in Net Assets as an increase to dividends to stockholders offset by a corresponding increase to additional paid-in capital.

NOTE M — SUBSEQUENT EVENTS

In January 2023, Main Street expanded its total commitments under the Corporate Facility from $920.0 million to $980.0 million. The recent increase in total commitments was executed under the accordion feature of the Corporate Facility which allows for an increase up to $1.4 billion in total commitments under the facility from new and existing lenders on the same terms and conditions as the existing commitments.

In February 2023, Main Street entered into a first supplement to the Master Note Purchase Agreement dated December 23, 2022, governing the issuance of $50.0 million in aggregate principal amount of 7.53% Series B unsecured notes (the "December 2025 Follow-On Notes") to qualified institutional investors in a private placement. The December

2025 Follow-On Notes were issued on February 2, 2023 and will mature on December 23, 2025 unless redeemed, purchased or prepaid prior to such date by Main Street or its affiliates in accordance with their terms. Interest on the December 2025 Follow-On Notes will be due semiannually on June 23 and December 23. In addition, Main Street is obligated to offer to repay the December 2025 Follow-On Notes at par plus accrued and unpaid interest if certain change in control events occur. The December 2025 Follow-On Notes are general unsecured obligations of Main Street's that rank pari passu with all of Main Street's outstanding and future unsecured unsubordinated indebtedness.

In February 2023, Main Street declared a supplemental cash dividend of $0.175 per share payable in March 2023. This supplemental cash dividend is in addition to the previously announced regular monthly cash dividends that Main Street declared $0.225 per share for each of January, February and March 2023 or total regular monthly cash dividends of $0.675 per share first quarter of 2023.

In February 2023, Main Street also declared regular monthly dividends of $0.225 per share for each of April, May and June of 2023. These regular monthly dividends equal a total of $0.675 per share for the second quarter of 2023, representing a 4.7% increase from the regular monthly dividends paid in the second quarter of 2022. Including the regular monthly and supplemental dividends declared for the first and second quarters of 2023, Main Street will have paid $36.645 per share in cumulative dividends since its October 2007 initial public offering.

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates
December 31, 2022
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1) (10) (11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2021 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2022 Fair Value (13)
Majority-owned investments													
ASK (Analytical Systems Keco Holdings, LLC)		L+	10.00%		Secured Debt	(8)	$ —	$ —	$ 6	$ (4)	$ 1	$ —	$ (3)
	14.13%	L+	10.00%		Secured Debt	(8)	—	—	690	4,740	85	280	4,545
	14.13%				Preferred Member Units	(8)	—	—	—	—	—	—	—
					Preferred Member Units	(8)	—	(1,390)	—	4,894	—	1,390	3,504
					Warrants	(8)	—	—	—	—	—	—	—
Brewer Crane Holdings, LLC	14.12%	L+	10.00%		Secured Debt	(9)	—	—	862	8,037	23	2,096	5,964
					Preferred Member Units	(9)	—	(630)	828	7,710	—	630	7,080
Café Brazil, LLC					Member Units	(8)	—	(360)	178	2,570	—	360	2,210
California Splendor Holdings LLC	13.75%	L+	10.00%		Secured Debt	(9)	—	49	3,454	27,915	85	—	28,000
					Preferred Member Units	(9)	—	12,220	250	13,275	12,220	—	25,495
	15.00%			15.00%	Preferred Member Units	(9)	—	—	933	9,510	933	6,449	3,994
Clad-Rex Steel, LLC		SF+	9.00%		Secured Debt	(5)	—	—	4	—	—	—	—
	13.23%	SF+	9.00%		Secured Debt	(5)	—	—	1,255	10,401	39	—	10,440
	10.00%				Secured Debt	(5)	—	—	107	1,071	1	33	1,039
					Member Units	(5)	—	(2,030)	758	10,250	—	2,030	8,220
					Member Units	(5)	—	80	—	530	80	—	610
CMS Minerals Investments					Member Units	(9)	—	230	198	1,974	230	534	1,670
Cody Pools, Inc.	15.38%	L+	10.50%		Secured Debt	(8)	—	19	119	(13)	4,971	3,496	1,462
	15.38%	L+	10.50%		Secured Debt	(8)	—	(86)	5,615	42,497	86	1,782	40,801
					Preferred Member Units	(8)	—	10,540	4,015	47,640	10,540	—	58,180
CompareNetworks Topco, LLC		L+	9.00%		Secured Debt	(9)	—	—	—	—	—	—	—
	13.13%	L+	9.00%		Secured Debt	(9)	—	(16)	642	6,477	16	1,252	5,241
					Preferred Member Units	(9)	—	7,830	632	12,000	7,830	—	19,830
Datacom, LLC	7.50%				Secured Debt	(8)	—	—	4	—	223	—	223
	7.50%				Secured Debt	(8)	—	228	829	7,668	391	270	7,789
					Preferred Member Units	(8)	—	60	96	2,610	60	—	2,670
Direct Marketing Solutions, Inc.		L+	11.00%		Secured Debt	(9)	—	88	235	(22)	4,272	4,250	—
	15.13%	L+	11.00%		Secured Debt	(9)	—	145	327	—	27,267	—	27,267
		L+	11.00%		Secured Debt	(9)	—	(137)	2,953	24,070	—	24,070	—
					Preferred Stock	(9)	—	3,870	1,371	18,350	3,870	—	22,220
Elgin AcquireCo, LLC		SF+	6.00%		Secured Debt	(5)	—	—	2	—	—	9	(9)
	12.00%				Secured Debt	(5)	—	—	948	—	18,594	—	18,594
	9.00%				Secured Debt	(5)	—	—	144	—	6,301	7	6,294
					Common Stock	(5)	—	—	—	—	9,668	2,065	7,603
					Common Stock	(5)	—	—	—	—	1,558	—	1,558
Gamber-Johnson Holdings, LLC		SF+	8.50%		Secured Debt	(5)	—	—	6	—	—	—	—
	11.50%	SF+	8.50%		Secured Debt	(5)	—	393	1,152	—	64,078	—	64,078

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2022
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1) (10) (11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2021 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2022 Fair Value (13)
		L+	7.50%		Secured Debt	(5)	—	(63)	2,233	21,598	—	21,598	—
					Member Units	(5)	—	1,190	895	49,700	1,190	—	50,890
GRT Rubber Technologies LLC	10.12%	L+	6.00%		Secured Debt	(8)	—	—	25	—	670	—	670
	12.12%	L+	8.00%		Secured Debt	(8)	—	(33)	3,973	38,885	1,641	33	40,493
					Member Units	(8)	—	(1,750)	2,525	46,190	—	1,750	44,440
Gulf Publishing Holdings, LLC		L+	9.50%		Secured Debt	(8)	—	—	7	257	—	257	—
				6.25%	Secured Debt	(8)	(5,822)	3,848	503	9,717	—	9,717	—
	12.50%				Secured Debt	(8)	—	(116)	77	—	2,400	116	2,284
					Member Units	(8)	—	—	—	—	—	—	—
					Preferred Equity	(8)	—	(1,820)	—	—	5,600	1,820	3,780
Jensen Jewelers of Idaho, LLC		P+	6.75%		Secured Debt	(9)	—	—	3	—	—	—	—
	13.75%	P+	6.75%		Secured Debt	(9)	—	(8)	292	2,550	8	108	2,450
					Member Units	(9)	—	2,550	2,784	12,420	2,550	—	14,970
Kickhaefer Manufacturing Company, LLC	11.50%				Secured Debt	(5)	—	—	2,430	20,324	50	—	20,374
	9.00%				Secured Debt	(5)	—	—	352	3,876	2	36	3,842
					Preferred Equity	(5)	—	(5,090)	—	12,310	—	5,090	7,220
					Member Units	(5)	—	390	113	2,460	390	—	2,850
Market Force Information, LLC	15.13%	L+	11.00%		Secured Debt	(9)	—	(163)	592	3,400	2,853	163	6,090
	12.00%			12.00%	Secured Debt	(9)	—	(7,325)	—	8,936	—	7,326	1,610
					Member Units	(9)	—	—	—	—	—	—	—
MetalForming AcquireCo, LLC					Secured Debt	(7)	—	—	16	—	—	—	—
	12.75%				Secured Debt	(7)	—	—	1,143	—	23,576	—	23,576
	8.00%			8.00%	Preferred Equity	(7)	—	—	95	—	6,010	—	6,010
					Common Stock	(7)	—	—	—	—	1,537	—	1,537
MH Corbin Holding LLC	13.00%				Secured Debt	(5)	—	699	999	5,934	708	2,094	4,548
					Preferred Member Units	(5)	—	—	—	—	—	—	—
					Preferred Member Units	(5)	—	—	—	—	—	—	—
MSC Adviser I, LLC					Member Units	(8)	—	(17,470)	9,297	140,400	—	17,470	122,930
Mystic Logistics Holdings, LLC					Secured Debt	(6)	—	—	4	—	—	—	—
	10.00%				Secured Debt	(6)	—	(1)	607	6,378	1	633	5,746
					Common Stock	(6)	—	13,990	4,202	8,840	13,990	—	22,830
OMi Topco, LLC	12.00%				Secured Debt	(8)	—	(53)	2,135	18,000	53	2,303	15,750
					Preferred Member Units	(8)	—	2,600	2,154	20,210	2,600	—	22,810
PPL RVs, Inc.		L+	7.00%		Secured Debt	(8)	—	9	79	727	1,273	2,000	—
	10.25%	L+	7.00%		Secured Debt	(8)	—	247	1,714	11,655	10,000	—	21,655
					Common Stock	(8)	—	4,590	1,627	14,360	4,590	—	18,950
					Common Stock	(8)	—	—	—	—	238	—	238
Principle Environmental, LLC					Secured Debt	(8)	—	—	104	1,465	9	1,474	—

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Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1) (10) (11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2021 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2022 Fair Value (13)
	13.00%				Secured Debt	(8)	—	—	804	5,808	24	26	5,806
					Preferred Member Units	(8)	—	1,260	1,355	11,160	1,260	—	12,420
					Common Stock	(8)	—	(120)	—	710	—	120	590
Quality Lease Service, LLC					Member Units	(7)	—	76	—	2,148	77	1,700	525
Robbins Bros. Jewelry, Inc.					Secured Debt	(9)	—	—	32	(44)	9	—	(35)
	12.50%				Secured Debt	(9)	—	—	4,678	36,000	78	674	35,404
					Preferred Equity	(9)	—	3,810	558	11,070	3,810	—	14,880
Trantech Radiator Topco, LLC					Secured Debt	(7)	—	5	7	(8)	8	—	—
	12.00%				Secured Debt	(7)	—	(23)	1,044	8,720	23	823	7,920
					Common Stock	(7)	—	(860)	116	8,660	—	860	7,800
Ziegler's NYPD, LLC	12.00%				Secured Debt	(8)	—	—	71	625	—	175	450
	6.50%				Secured Debt	(8)	—	(55)	66	1,000	—	55	945
	14.00%				Secured Debt	(8)	—	(74)	390	2,750	—	74	2,676
					Preferred Member Units	(8)	—	(1,890)	—	2,130	—	1,890	240
					Warrants	(8)	—	—	—	—	—	—	—
Other controlled investments													
2717 MH, L.P.					LP Interests (2717 MH, L.P.)	(8)	—	2,389	—	3,971	3,581	—	7,552
					LP Interests (2717 HPP-MS, L.P.)	(8)	—	—	—	—	248	—	248
ASC Interests, LLC	13.00%				Secured Debt	(8)	—	—	36	200	230	30	400
	13.00%				Secured Debt	(8)	—	—	266	1,636	13	—	1,649
					Member Units	(8)	—	80	—	720	80	—	800
ATS Workholding, LLC	5.00%				Secured Debt	(9)	—	(620)	—	1,088	188	642	634
	5.00%				Secured Debt	(9)	—	(869)	—	1,917	—	912	1,005
					Preferred Member Units	(9)	—	—	—	—	—	—	—
Barfly Ventures, LLC	7.00%				Secured Debt	(5)	—	—	51	710	1	—	711
					Member Units	(5)	—	1,390	—	1,930	1,390	—	3,320
Batjer TopCo, LLC					Secured Debt	(8)	—	—	5	—	451	459	(8)
					Secured Debt	(8)	—	—	—	—	—	—	—
	11.00%				Secured Debt	(8)	—	—	1,139	—	10,933	—	10,933
					Preferred Stock	(8)	—	—	631	—	4,095	—	4,095
Bolder Panther Group, LLC					Secured Debt	(9)	—	—	23	—	—	—	—
	13.39%	SF+	9.26%		Secured Debt	(9)	—	305	9,164	39,000	60,194	—	99,194
					Class A Preferred Member Units	(9)	—	—	2,466	10,194	—	10,194	—
	8.00%				Class B Preferred Member Units	(9)	—	8,250	1,210	23,170	8,250	—	31,420
Bridge Capital Solutions Corporation	13.00%				Secured Debt	(6)	—	—	1,162	8,813	—	—	8,813
	13.00%				Secured Debt	(6)	—	—	132	1,000	—	—	1,000
					Preferred Member Units	(6)	—	—	100	1,000	—	—	1,000
					Warrants	(6)	—	117	—	1,712	116	—	1,828

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Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1) (10) (11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2021 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2022 Fair Value (13)
					Warrants	(6)	—	163	—	2,348	164	—	2,512
CBT Nuggets, LLC					Member Units	(9)	—	(1,620)	3,305	50,620	—	1,618	49,002
Centre Technologies Holdings, LLC		L+	9.00%		Secured Debt	(8)	—	—	28	—	1,440	1,440	—
	13.13%	L+	9.00%		Secured Debt	(8)	—	507	1,767	8,864	6,476	386	14,954
					Preferred Member Units	(8)	—	2,578	120	5,840	2,860	—	8,700
Chamberlin Holding LLC		L+	6.00%		Secured Debt	(8)	—	—	8	—	—	—	—
	12.13%	L+	8.00%		Secured Debt	(8)	—	(68)	1,845	17,817	68	940	16,945
					Member Units	(8)	—	(1,220)	1,853	24,140	—	1,220	22,920
					Member Units	(8)	—	719	78	1,540	1,170	—	2,710
Charps, LLC	10.00%				Unsecured Debt	(5)	—	(44)	613	5,694	44	44	5,694
					Preferred Member Units	(5)	—	(650)	764	13,990	—	650	13,340
Colonial Electric Company LLC					Secured Debt	(6)	—	—	48	—	1,600	1,600	—
	12.00%				Secured Debt	(6)	—	—	2,953	24,351	60	1,260	23,151
					Preferred Member Units	(6)	—	30	1,397	9,130	30	—	9,160
Copper Trail Energy Fund I, LP - CTMH					LP Interests (CTMH, LP)	(9)	—	—	—	710	—	122	588
Digital Products Holdings LLC	14.13%	L+	10.00%		Secured Debt	(5)	—	—	1,991	16,801	43	1,321	15,523
					Preferred Member Units	(5)	—	—	200	9,835	—	—	9,835
Garreco, LLC	9.50%	L+	8.00%		Secured Debt	(8)	—	—	383	4,196	—	370	3,826
					Member Units	(8)	—	(470)	240	2,270	—	470	1,800
Gulf Manufacturing, LLC					Member Units	(8)	—	1,150	1,715	5,640	1,150	—	6,790
Harrison Hydra-Gen, Ltd.					Common Stock	(8)	—	(250)	—	3,530	—	250	3,280
Johnson Downie Opco, LLC		L+	11.50%		Secured Debt	(8)	—	14	13	(18)	18	—	—
	15.63%	L+	11.50%		Secured Debt	(8)	—	79	1,503	11,362	114	1,477	9,999
					Preferred Equity	(8)	—	2,390	1,062	3,150	2,390	—	5,540
JorVet Holdings, LLC	12.00%				Secured Debt	(9)	—	—	2,680	—	25,432	—	25,432
					Preferred Equity	(9)	—	—	922	—	10,741	—	10,741
KBK Industries, LLC					Member Units	(5)	—	1,950	1,671	13,620	1,950	—	15,570
MS Private Loan Fund					Secured Debt	(8)	—	—	28	—	5,300	5,300	—
					Secured Debt	(8)	—	—	431	63,151	13,700	76,851	—
					LP Interests	(8)	—	502	742	2,581	12,252	—	14,833
MSC Income Fund, Inc.					Common Equity	(8)	—	3	30	—	753	—	753
NAPCO Precast, LLC					Member Units	(8)	—	(1,730)	4	13,560	—	1,730	11,830
Nebraska Vet AcquireCo, LLC (NVS)		L+	7.00%		Secured Debt	(5)	—	—	10	—	—	—	—
	12.00%				Secured Debt	(5)	—	122	1,778	4,829	15,265	—	20,094
	12.00%				Secured Debt	(5)	—	66	1,299	10,412	88	—	10,500
					Preferred Member Units	(5)	—	—	—	7,700	—	—	7,700
NexRev LLC					Secured Debt	(8)	—	—	29	800	—	800	—

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Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1) (10) (11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2021 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2022 Fair Value (13)
	11.00%				Secured Debt	(8)	—	(729)	1,923	13,245	—	4,768	8,477
					Preferred Member Units	(8)	—	(2,913)	81	2,690	1,333	2,913	1,110
NRP Jones, LLC	12.00%				Secured Debt	(5)	—	—	253	2,080	—	—	2,080
					Member Units	(5)	—	(1,585)	578	6,200	—	1,585	4,615
					Member Units	(5)	—	(65)	17	240	—	65	175
NuStep, LLC	10.63%	L+	6.50%		Secured Debt	(5)	—	—	323	1,720	2,679	—	4,399
	12.00%				Secured Debt	(5)	—	(4)	2,180	17,240	1,178	4	18,414
					Preferred Member Units	(5)	—	(5,460)	—	13,500	—	5,460	8,040
					Preferred Member Units	(5)	—	3,088	—	—	5,150	—	5,150
Orttech Holdings, LLC		L+	11.00%		Secured Debt	(5)	—	—	16	175	—	175	—
	15.13%	L+	11.00%		Secured Debt	(5)	—	—	3,207	23,976	53	600	23,429
					Preferred Stock	(5)	—	1,750	900	10,000	1,750	—	11,750
Pearl Meyer Topco LLC					Secured Debt	(6)	—	—	31	—	1,500	1,500	—
					Secured Debt	(6)	—	—	—	—	—	—	—
	12.00%				Secured Debt	(6)	—	(92)	3,714	32,674	92	4,085	28,681
					Preferred Equity	(6)	—	16,290	8,204	26,970	16,290	—	43,260
River Aggregates, LLC					Member Units	(8)	—	340	—	3,280	340	—	3,620
Tedder Industries, LLC	12.00%				Secured Debt	(9)	—	—	215	1,040	800	—	1,840
	12.00%				Secured Debt	(9)	—	(71)	1,900	15,141	51	72	15,120
					Preferred Member Units	(9)	—	(1,564)	—	8,579	666	1,564	7,681
Televerde, LLC					Member Units	(8)	—	(1,872)	2	7,280	—	1,872	5,408
					Preferred Stock	(8)	—	1,076	—	—	1,794	—	1,794
Vision Interests, Inc.					Series A Preferred Stock	(9)	—	—	144	3,000	—	—	3,000
VVS Holdco LLC		L+	6.00%		Secured Debt	(5)	—	—	55	1,169	811	2,001	(21)
	11.50%				Secured Debt	(5)	—	—	3,606	30,100	61	—	30,161
					Preferred Equity	(5)	—	100	518	11,840	100	—	11,940
							—	—	—	—	—	—	—
							—	—	—	—	—	—	—
Other							—	—	—	—	—	—	—
Amounts related to investments transferred to or from other 1940 Act classification during the period							—	3,677	1,491	6,123	—	—	—
Total Control investments							$ (5,822)	$ 56,682	$ 155,967	$ 1,489,257	$ 488,176	$ 268,138	$ 1,703,172
Affiliate Investments													
AAC Holdings, Inc.	18.00%			18.00%	Secured Debt	(7)	$ —	$ 178	$ 2,032	$ 9,794	$ 1,756	$ —	$ 11,550
					Common Stock	(7)	—	(2,079)	—	2,079	—	2,079	—
					Warrants	(7)	—	(1,940)	—	1,940	—	1,940	—
AFG Capital Group, LLC					Secured Debt	(8)	—	—	2	144	—	144	—
					Preferred Member Units	(8)	—	1,660	200	7,740	1,660	—	9,400

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ATX Networks Corp.	12.23%	L+	7.50%		Secured Debt	(6)	—	134	758	7,092	362	1,111	6,343
	10.00%			10.00%	Unsecured Debt	(6)	—	306	329	1,963	635	—	2,598
					Common Stock	(6)	—	3,270	—	—	3,270	—	3,270
BBB Tank Services, LLC	15.12%	L+	11.00%		Unsecured Debt	(8)	—	—	105	800	—	—	800
	15.12%	L+	11.00%		Unsecured Debt	(8)	—	379	527	1,707	379	—	2,086
					Member Units	(8)	—	—	—	—	—	—	—
	15.00%				Preferred Stock (non-voting)	(8)	—	—	—	—	—	—	—
Boccella Precast Products LLC	10.00%				Secured Debt	(6)	—	—	32	320	—	—	320
					Member Units	(6)	—	(1,860)	66	4,830	—	1,860	2,970
Buca C, LLC	9.00%				Secured Debt	(7)	—	103	1,894	14,370	103	2,136	12,337
	6.00%			6.00%	Preferred Member Units	(7)	—	—	—	—	—	—	—
Career Team Holdings, LLC		L+	6.00%		Secured Debt	(6)	—	—	10	—	621	630	(9)
	12.50%				Secured Debt	(6)	—	—	2,607	20,050	40	—	20,090
					Common Stock	(6)	—	—	—	4,500	—	—	4,500
Chandler Signs Holdings, LLC					Class A Units	(8)	—	1,330	—	460	1,330	—	1,790
Classic H&G Holdings, LLC	9.75%	L+	6.00%		Secured Debt	(6)	—	—	639	4,000	11,720	11,160	4,560
	8.00%				Secured Debt	(6)	—	(43)	1,606	19,274	43	43	19,274
					Preferred Member Units	(6)	—	9,380	1,711	15,260	9,377	—	24,637
Congruent Credit Opportunities Funds					LP Interests (Congruent Credit Opportunities Fund III, LP)	(8)	—	(142)	566	9,959	—	2,302	7,657
DMA Industries, LLC	12.00%				Secured Debt	(7)	—	165	2,621	20,993	207	—	21,200
					Preferred Equity	(7)	—	1,316	—	5,944	1,316	—	7,260
Dos Rios Partners					LP Interests (Dos Rios Partners, LP)	(8)	202	(1,055)	1	10,329	202	1,404	9,127
					LP Interests (Dos Rios Partners - A, LP)	(8)	64	(335)	—	3,280	64	446	2,898
Dos Rios Stone Products LLC					Class A Preferred Units	(8)	—	690	—	640	690	—	1,330
EIG Fund Investments					LP Interests (EIG Global Private Debt Fund-A, L.P.)	(8)	20	—	103	547	1,102	636	1,013
Flame King Holdings, LLC	10.75%	L+	6.50%		Secured Debt	(9)	—	60	669	6,324	1,276	—	7,600
	13.25%	L+	9.00%		Secured Debt	(9)	—	162	2,739	20,996	204	—	21,200
					Preferred Equity	(9)	—	7,180	2,153	10,400	7,180	—	17,580
Freeport Financial SBIC Fund LP					LP Interests (Freeport Financial SBIC Fund LP)	(5)	—	(128)	3	6,078	—	2,595	3,483
					LP Interests (Freeport First Lien Loan Fund III LP)	(5)	—	(57)	442	7,231	—	1,383	5,848
GFG Group, LLC.	9.00%				Secured Debt	(5)	—	(34)	1,248	12,545	34	1,234	11,345
					Preferred Member Units	(5)	—	150	577	6,990	150	—	7,140
Hawk Ridge Systems, LLC	10.13%	L+	6.00%		Secured Debt	(9)	—	3	230	2,585	600	—	3,185
	9.00%				Secured Debt	(9)	—	(13)	3,054	34,800	3,013	13	37,800
					Preferred Member Units	(9)	—	2,780	803	14,680	2,780	—	17,460

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					Preferred Member Units	(9)	—	150	—	770	150	—	920
Houston Plating and Coatings, LLC	8.00%				Unsecured Convertible Debt	(8)	—	40	243	2,960	40	—	3,000
					Member Units	(8)	—	(810)	17	3,210	—	810	2,400
HPEP 3, L.P.					LP Interests (HPEP 3, L.P.)	(8)	779	254	(48)	4,712	1,033	1,414	4,331
					LP Interests (HPEP 4, L.P.)	(8)	—	—	—	—	2,332	—	2,332
					LP Interests (423 COR, LP)	(8)	—	—	—	—	1,400	—	1,400
I-45 SLF LLC					Member Units (Fully diluted 20.0%; 21.75% profits interest)	(8)	—	(2,629)	2,028	14,387	—	2,629	11,758
Iron-Main Investments, LLC	12.50%				Secured Debt	(5)	—	—	591	4,557	10	67	4,500
	12.50%				Secured Debt	(5)	—	—	411	3,170	7	47	3,130
	12.50%				Secured Debt	(5)	—	—	1,134	8,944	—	—	8,944
	12.50%				Secured Debt	(5)	—	—	2,572	19,805	42	288	19,559
					Common Stock	(5)	—	—	—	1,798	—	—	1,798
L.F. Manufacturing Holdings, LLC				14.00%	Preferred Member Units (non-voting)	(8)	—	—	9	107	10	117	—
					Member Units	(8)	617	(541)	224	2,560	617	3,177	—
OnAsset Intelligence, Inc.	12.00%			12.00%	Secured Debt	(8)	—	(395)	28	935	28	394	569
	12.00%			12.00%	Secured Debt	(8)	—	(403)	29	954	29	403	580
	12.00%			12.00%	Secured Debt	(8)	—	(867)	62	2,055	62	868	1,249
	12.00%			12.00%	Secured Debt	(8)	—	(1,809)	129	4,285	129	1,808	2,606
	10.00%			10.00%	Unsecured Debt	(8)	—	—	5	192	113	—	305
	7.00%			7.00%	Preferred Stock	(8)	—	—	—	—	—	—	—
					Common Stock	(8)	—	—	—	—	—	—	—
					Warrants	(8)	—	—	—	—	—	—	—
Oneliance, LLC		L+	11.00%		Secured Debt	(7)	—	—	—	—	—	—	—
	15.13%	L+	11.00%		Secured Debt	(7)	—	—	750	5,547	12	—	5,559
					Preferred Stock	(7)	—	—	2	1,056	—	—	1,056
Rocaceia, LLC (Quality Lease and Rental Holdings, LLC)	12.00%				Secured Debt	(8)	(86)	—	—	—	—	—	—
					Preferred Member Units	(8)	—	—	—	—	—	—	—
SI East, LLC (Stavig)					Secured Debt	(7)	—	—	237	2,250	3,750	6,000	—
	9.50%				Secured Debt	(7)	—	(34)	8,409	63,600	31,159	4,973	89,786
					Preferred Member Units	(7)	—	2,080	647	11,570	2,080	—	13,650
Slick Innovations, LLC	14.00%				Secured Debt	(6)	—	70	936	5,320	10,080	1,560	13,840
					Common Stock	(6)	—	264	456	1,510	264	244	1,530
					Warrants	(6)	1,219	(219)	—	400	1,219	1,619	—
Sonic Systems International, LLC	11.24%	L+	7.50%		Secured Debt	(8)	—	242	1,434	11,757	4,012	—	15,769
					Common Stock	(8)	—	(76)	43	1,070	286	76	1,280
Student Resource Center, LLC	13.27%	L+	8.50%		Secured Debt	(6)	—	—	—	—	4,556	—	4,556

MAIN STREET CAPITAL CORPORATION

Consolidated Schedule of Investments In and Advances to Affiliates (Continued)

December 31, 2022

(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1) (10) (11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2021 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2022 Fair Value (13)
					Secured Debt	(6)	(5,991)	4,000	6	10,839	5,877	16,716	—
					Preferred Equity	(6)	—	—	—	—	—	—	—
Superior Rigging & Erecting Co.	12.00%				Secured Debt	(7)	—	—	2,662	21,332	46	—	21,378
					Preferred Member Units	(7)	—	—	—	4,500	—	—	4,500
The Affiliati Network, LLC	13.00%				Secured Debt	(9)	—	—	32	262	3,764	3,920	106
	13.00%				Secured Debt	(9)	—	—	1,520	12,834	48	3,440	9,442
					Preferred Stock	(9)	—	—	403	6,400	—	—	6,400
UnionRock Energy Fund II, LP					LP Interests	(9)	—	(174)	596	6,123	2,491	2,759	5,855
UniTek Global Services, Inc.	10.76%	SF+	5.50%	2.00%	Secured Debt	(6)	—	3	40	371	11	—	382
	10.76%	SF+	5.50%	2.00%	Secured Debt	(6)	—	26	201	1,852	72	212	1,712
	15.00%			15.00%	Secured Convertible Debt	(6)	—	1,011	269	2,375	2,217	—	4,592
	20.00%			20.00%	Preferred Stock	(6)	—	(384)	384	2,832	385	384	2,833
	20.00%			20.00%	Preferred Stock	(6)	—	493	—	1,498	493	—	1,991
	19.00%			19.00%	Preferred Stock	(6)	—	—	—	—	—	—	—
	13.50%			13.50%	Preferred Stock	(6)	—	—	—	—	—	—	—
					Common Stock	(6)	—	—	—	—	—	—	—
Universal Wellhead Services Holdings, LLC	14.00%			14.00%	Preferred Member Units	(8)	—	220	—	—	220	—	220
					Member Units	(8)	—	—	—	—	—	—	—
Volusion, LLC	11.50%				Secured Debt	(8)	—	(1,821)	1,982	17,434	—	2,520	14,914
	8.00%				Unsecured Convertible Debt	(8)	(143)	(409)	33	409	—	409	—
					Preferred Member Units	(8)	—	(5,990)	3	5,990	—	5,990	—
					Warrants	(8)	—	—	—	—	—	—	—
World Micro Holdings, LLC	13.00%				Secured Debt	(7)	—	—	248	—	14,140	—	14,140
					Preferred Equity	(7)	—	—	—	—	3,845	—	3,845
Other							—	—	—	—	—	—	—
Amounts related to investments transferred to or from other 1940 Act classification during the period							—	(3,538)	(1,491)	(15,962)	10,853	10,853	—
Total Affiliate investments							$ (3,319)	$ 10,314	$ 54,963	$ 549,214	$ 157,996	$ 104,813	$ 618,359

(1) The principal amount, the ownership detail for equity investments and if the investment is income producing is included in the Consolidated Schedule of Investments included in *Item 8. Consolidated Financial Statements* of this Annual Report on Form 10-K.

(2) Represents the total amount of interest, fees and dividends credited to income for the portion of the period for which an investment was included in Control or Affiliate categories, respectively. For investments transferred between Control and Affiliate categories during the period, any income or investment balances related to the time period it was in the category other than the one shown at period end is included in “Amounts related to investments transferred from other 1940 Act classifications during the period.”

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2022
(dollars in thousands)

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest, and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in net unrealized depreciation as well as the movement of an existing portfolio company into this category and out of a different category.

(4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increases in net unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.

(5) Portfolio company located in the Midwest region as determined by location of the corporate headquarters. The fair value as of December 31, 2022 for control investments located in this region was $346,535. This represented 21.7% of net assets as of December 31, 2022. The fair value as of December 31, 2022 for affiliate investments located in this region was $67,491. This represented 12.2% of net assets as of December 31, 2022.

(6) Portfolio company located in the Northeast region and Canada as determined by location of the corporate headquarters. The fair value as of December 31, 2022 for control investments located in this region was $144,681. This represented 9.0% of net assets as of December 31, 2022. The fair value as of December 31, 2022 for affiliate investments located in this region was $105,372. This represented 19.1% of net assets as of December 31, 2022.

(7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of December 31, 2022 for control investments located in this region was $16,360. This represented 1.0% of net assets as of December 31, 2022. The fair value as of December 31, 2022 for affiliate investments located in this region was $196,507. This represented 35.6% of net assets as of December 31, 2022.

(8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of December 31, 2022 for control investments located in this region was $593,513. This represented 37.1% of net assets as of December 31, 2022. The fair value as of December 31, 2022 for affiliate investments located in this region was $99,261. This represented 18.0% of net assets as of December 31, 2022.

(9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of December 31, 2022 for control investments located in this region was $498,340. This represented 31.2% of net assets as of December 31, 2022. The fair value as of December 31, 2022 for affiliate investments located in this region was $83,950. This represented 15.2% of net assets as of December 31, 2022.

(10) All of the Company’s portfolio investments are generally subject to restrictions on resale as “restricted securities,” unless otherwise noted.

(11) This schedule should be read in conjunction with the Consolidated Schedule of Investments and Notes to the Consolidated Financial Statements included in *Item 8. Consolidated Financial Statements* of this Annual Report on Form 10-K. Supplemental information can be located within the Consolidated Schedule of Investments including end of period interest rate, preferred dividend rate, maturity date, investments not paid currently in cash and investments whose value was determined using significant unobservable inputs.

(12) Investment has an unfunded commitment as of December 31, 2022 (see *Note K — Commitments and Contingencies* in *Item 8. Consolidated Financial Statements* of this Annual Report on Form 10-K). The fair value of the investment includes the impact of the fair value of any unfunded commitments.

(13) Negative fair value is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates
December 31, 2021
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2020 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2021 Fair Value
Majority-owned investments													
ASK (Analytical Systems Keco Holdings, LLC)	12.00%	L+	10.00%		Secured Debt	(8)	$ —	$ —	$ 691	$ 4,873	$ 153	$ 290	$ 4,736
					Preferred Member Units	(8)	—	(733)	—	3,200	4,894	3,200	4,894
					Warrants	(8)	—	(10)	—	10	—	10	—
Brewer Crane Holdings, LLC	11.00%	L+	10.00%		Secured Debt	(9)	—	—	940	8,513	20	496	8,037
					Preferred Member Units	(9)	—	1,860	927	5,850	1,860	—	7,710
Café Brazil, LLC					Member Units	(8)	—	540	1,012	2,030	540	—	2,570
California Splendor Holdings LLC	11.00%	L+	10.00%		Secured Debt	(9)	—	36	3,381	35,833	211	8,129	27,915
					Preferred Member Units	(9)	—	7,034	1,505	14,496	8,289	—	22,785
Clad-Rex Steel, LLC	10.00%				Secured Debt	(5)	—	—	110	1,100	—	29	1,071
	10.50%	L+	9.50%		Secured Debt	(5)	—	—	1,167	10,853	(52)	400	10,401
					Member Units	(5)	—	1,640	2,391	9,140	1,640	—	10,780
CMS Minerals Investments					Member Units	(9)	—	691	50	1,624	691	341	1,974
Cody Pools, Inc.	12.25%	L+	10.50%		Secured Debt	(8)	—	242	2,357	14,216	32,737	4,469	42,484
					Preferred Member Units	(8)	—	32,700	3,100	14,940	32,700	—	47,640
CompareNetworks Topco, LLC	10.00%	L+	9.00%		Secured Debt	(9)	—	(18)	777	7,954	18	1,495	6,477
					Preferred Member Units	(9)	—	5,220	474	6,780	5,220	—	12,000
Datacom, LLC	5.00%				Secured Debt	(8)	—	(628)	793	—	8,404	736	7,668
	8.00%				Secured Debt	(8)	(3,601)	2,130	1	12,146	2,130	14,276	—
					Preferred Member Units	(8)	(7,324)	7,324	—	—	9,934	7,324	2,610
Direct Marketing Solutions, Inc.	12.00%	L+	11.00%		Secured Debt	(9)	—	137	2,034	15,006	9,512	470	24,048
					Preferred Stock	(9)	—	(1,030)	672	19,380	—	1,030	18,350
Gamber-Johnson Holdings, LLC	9.50%	L+	7.50%		Secured Debt	(5)	—	32	2,019	19,838	1,761	1	21,598
					Member Units	(5)	—	(5,638)	3,921	52,490	2,848	5,638	49,700
GRT Rubber Technologies LLC	8.10%	L+	8.00%		Secured Debt	(8)	—	213	1,786	16,775	22,110	—	38,885
					Member Units	(8)	—	1,290	4,264	44,900	1,290	—	46,190
Jensen Jewelers of Idaho, LLC	10.00%	P+	6.75%		Secured Debt	(9)	—	(13)	313	3,400	13	863	2,550

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2021
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2020 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2021 Fair Value
	10.00%	P+	6.75%		Secured Debt	(9)	—	—	3	—	—	—	—
					Member Units	(9)	—	4,800	1,937	7,620	4,800	—	12,420
Kickhaefer Manufacturing Company, LLC	11.50%				Secured Debt	(5)	—	—	2,526	22,269	55	2,000	20,324
	9.00%				Secured Debt	(5)	—	—	354	3,909	—	33	3,876
					Member Units	(5)	—	1,370	92	13,400	1,370	—	14,770
Market Force Information, LLC	12.00%	L+	11.00%		Secured Debt	(9)	—	—	387	1,600	1,800	—	3,400
	12.00%			12.00%	Secured Debt	(9)	—	(4,626)	—	13,562	—	4,626	8,936
MH Corbin Holding LLC	13.00%				Secured Debt	(5)	—	(2,059)	1,137	8,280	34	2,380	5,934
					Preferred Member Units	(5)	—	(2,370)	—	2,370	—	2,370	—
MSC Adviser I, LLC					Member Units	(8)	—	23,638	6,216	116,760	23,640	—	140,400
Mystic Logistics Holdings, LLC	12.00%				Secured Debt	(6)	—	1	820	6,723	10	355	6,378
					Common Stock	(6)	—	(150)	1,271	8,990	—	150	8,840
OMi Holdings, Inc.	12.00%				Secured Debt	(8)	—	169	1,109	—	18,000	—	18,000
					Preferred Member Units	(8)	—	(170)	1,578	20,380	—	170	20,210
PPL RVs, Inc.	7.50%	L+	7.00%		Secured Debt	(8)	—	(25)	957	11,806	801	225	12,382
					Common Stock	(8)	—	2,860	555	11,500	2,860	—	14,360
Principle Environmental, LLC	13.00%				Secured Debt	(8)	—	(62)	929	6,397	2,938	2,062	7,273
					Common Stock	(8)	—	(490)	—	—	1,200	490	710
					Preferred Member Units	(8)	—	(449)	—	10,500	1,109	449	11,160
					Warrants	(8)	—	330	—	870	330	1,200	—
Quality Lease Service, LLC					Member Units	(7)	—	(461)	—	4,460	—	2,312	2,148
Robbins Bros. Jewelry, Inc.	12.00%	L+	11.00%		Secured Debt	(9)	—	—	621	—	35,956	—	35,956
					Preferred Equity	(9)	—	—	—	—	11,070	—	11,070
Trantech Radiator Topco, LLC	12.00%				Secured Debt	(7)	—	49	1,084	8,644	68	—	8,712
					Common Stock	(7)	—	2,630	116	6,030	2,630	—	8,660
Ziegler's NYPD, LLC	12.00%				Secured Debt	(8)	—	—	76	625	—	—	625
	14.00%				Secured Debt	(8)	—	—	390	2,750	—	—	2,750
	6.50%				Secured Debt	(8)	—	21	66	979	21	—	1,000
					Preferred Member Units	(8)	—	350	—	1,780	350	—	2,130

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2021
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2020 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2021 Fair Value
Other controlled investments													
2717 MH, L.P.					LP Interests (2717 HPP-MS, L.P.)	(8)	—	—	—	250	—	250	—
					LP Interests (2717 MH, L.P.)	(8)	—	1,165	—	2,702	1,269	—	3,971
ASC Interests, LLC	13.00%				Secured Debt	(8)	—	—	261	1,715	121	—	1,836
					Member Units	(8)	—	(400)	—	1,120	—	400	720
ATS Workholding, LLC	5.00%				Secured Debt	(9)	—	(154)	—	3,347	—	342	3,005
Barfly Ventures, LLC	7.00%				Secured Debt	(5)	—	—	49	343	367	—	710
					Member Units	(5)	—	346	—	1,584	346	—	1,930
Bolder Panther Group, LLC	10.50%	L+	9.00%		Secured Debt	(9)	—	313	3,686	27,225	12,275	500	39,000
					Class A Preferred Member Units	(9)	—	—	1,427	10,194	—	—	10,194
					Class B Preferred Member Units	(9)	—	9,170	3,100	14,000	9,170	—	23,170
Bond-Coat, Inc.					Common Stock	(8)	(2,320)	4,310	—	2,040	4,310	6,350	—
Bridge Capital Solutions Corporation	13.00%				Preferred Member Units	(6)	—	—	1,705	9,401	412	—	9,813
					Preferred Member Units	(6)	—	—	100	1,000	—	—	1,000
					Warrants	(6)	—	840	—	3,220	840	—	4,060
CBT Nuggets, LLC					Member Units	(9)	—	4,540	2,308	46,080	4,540	—	50,620
Centre Technologies Holdings, LLC	12.00%	L+	10.00%		Secured Debt	(8)	—	(507)	1,266	11,549	33	2,718	8,864
					Preferred Member Units	(8)	—	(320)	120	6,160	—	320	5,840
Chamberlin Holding LLC	9.00%	L+	8.00%		Secured Debt	(8)	—	2	1,544	15,212	4,001	1,396	17,817
					Member Units	(8)	—	(3,660)	3,922	29,340	270	3,930	25,680
Charps, LLC	10.00%				Unsecured Debt	(5)	—	260	1,007	8,475	559	3,340	5,694
	15.00%				Secured Debt	(5)	—	—	4	669	—	669	—
					Preferred Member Units	(5)	—	1,907	4,839	10,520	3,470	—	13,990
Colonial Electric Company LLC	12.00%				Secured Debt	(6)	—	—	2,705	—	24,981	630	24,351
					Preferred Member Units	(6)	—	1,450	1,480	—	9,130	—	9,130
Copper Trail Energy Fund I, LP - CTMH					LP Interests (CTMH, LP)	(9)	—	—	—	747	—	37	710
Digital Products Holdings LLC	11.00%	L+	10.00%		Secured Debt	(5)	—	—	1,978	18,077	44	1,320	16,801
					Preferred Member Units	(5)	—	—	200	9,835	—	—	9,835
Garreco, LLC	9.00%	L+	8.00%		Secured Debt	(8)	—	—	405	4,519	—	323	4,196

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2021
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2020 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2021 Fair Value
					Member Units	(8)	—	860	300	1,410	860	—	2,270
Gulf Manufacturing, LLC					Member Units	(8)	—	1,130	2,109	4,510	1,130	—	5,640
Gulf Publishing Holdings, LLC	10.50%	L+	9.50%		Secured Debt	(8)	—	—	21	250	14	7	257
	12.50%			6.25%	Secured Debt	(8)	—	(2,757)	1,282	12,044	849	3,176	9,717
Harrison Hydra-Gen, Ltd.					Common Stock	(8)	—	(1,920)	—	5,450	—	1,920	3,530
J&J Services, Inc.	11.50%				Secured Debt	(7)	—	(103)	1,264	12,800	103	12,903	—
					Preferred Stock	(7)	10,952	(5,595)	—	12,680	—	12,680	—
Johnson Downie Opco, LLC	13.00%	L+	11.50%		Secured Debt	(8)	—	—	208	—	11,344	—	11,344
					Preferred Equity	(8)	—	—	—	—	3,150	—	3,150
KBK Industries, LLC					Member Units	(5)	—	420	992	13,200	420	—	13,620
MS Private Loan Fund	5.00%				Unsecured Debt	(8)	—	—	1,402	—	66,726	3,575	63,151
					LP Interests	(8)	—	81	—	—	2,581	—	2,581
MSC Income Fund Inc.	5.00%				Unsecured Debt	(8)	—	—	2,179	—	60,000	60,000	—
NAPCO Precast, LLC					Member Units	(8)	—	(2,540)	1,553	16,100	—	2,540	13,560
Nebraska Vet AcquireCo, LLC (NVS)	12.00%				Secured Debt	(5)	—	—	1,466	10,395	4,846	—	15,241
					Preferred Member Units	(5)	—	713	—	6,500	1,200	—	7,700
NexRev LLC	11.00%				Secured Debt	(8)	—	(1,839)	1,883	16,727	38	2,720	14,045
					Preferred Member Units	(8)	—	1,220	80	1,470	1,220	—	2,690
NRI Clinical Research, LLC	9.00%				Secured Debt	(9)	—	(48)	380	5,620	48	5,668	—
					Member Units	(9)	8,787	(4,835)	2,805	5,600	(749)	4,851	—
					Warrants	(9)	—	(1,238)	—	1,490	—	1,490	—
NRP Jones, LLC	12.00%				Secured Debt	(5)	—	—	253	2,080	—	—	2,080
					Member Units	(5)	—	3,619	(45)	2,821	3,619	—	6,440
NuStep, LLC	11.00%				Secured Debt	(5)	—	4	1,991	17,193	47	—	17,240
	7.50%	L+	6.50%		Secured Debt	(5)	—	—	58	—	2,120	400	1,720
					Preferred Member Units	(5)	—	2,720	—	10,780	2,720	—	13,500
Orttech Holdings, LLC	12.00%	L+	11.00%		Secured Debt	(5)	—	—	1,522	—	24,151	—	24,151
					Preferred Stock	(5)	—	—	130	—	12,600	2,600	10,000
Pearl Meyer Topco LLC	12.00%				Secured Debt	(6)	—	236	4,259	37,201	311	4,838	32,674

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2021
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2020 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2021 Fair Value
					Member Units	(6)	—	11,030	3,599	15,940	11,030	—	26,970
Pegasus Research Group, LLC					Member Units	(8)	—	(1,550)	—	8,830	—	1,550	7,280
River Aggregates, LLC					Member Units	(8)	—	40	125	3,240	40	—	3,280
Tedder Industries, LLC	12.00%				Secured Debt	(9)	—	—	2,009	16,301	2,280	2,400	16,181
					Preferred Member Units	(9)	—	—	—	8,136	443	—	8,579
UnionRock Energy Fund II, LP					LP Interests	(9)	—	2,295	273	2,894	3,669	440	6,123
Vision Interests, Inc.	13.00%				Secured Debt	(9)	—	—	244	2,028	—	2,028	—
					Series A Preferred Stock	(9)	—	(160)	—	3,160	—	160	3,000
VVS Holdco LLC	11.50%				Secured Debt	(5)	—	—	913	—	30,100	—	30,100
	7.00%	L+	6.00%		Secured Debt	(5)	—	—	7	—	1,169	—	1,169
					Preferred Equity	(5)	—	—	—	—	11,840	—	11,840
Other							—	—	—	—	—	—	—
Amounts related to investments transferred to or from other 1940 Act classification during the period							—	—	—	—	—	—	—
Total Control investments							$ 6,494	$ 99,420	$ 122,277	$ 1,113,725	$ 592,022	$ 216,490	$ 1,489,257
Affiliate Investments													
AAC Holdings, Inc.	18.00%			8.00%	Secured Debt	(7)	—	(217)	1,817	9,187	1,095	488	9,794
					Common Stock	(7)	$ —	$ (1,069)	$ —	$ 3,148	$ —	$ 1,069	$ 2,079
					Warrants	(7)	—	(998)	—	2,938	—	998	1,940
AFG Capital Group, LLC	10.00%				Secured Debt	(8)	—	—	31	491	—	347	144
					Preferred Member Units	(8)	—	1,930	200	5,810	1,930	—	7,740
ATX Networks Corp.	10.00%			10.00%	Unsecured Debt	(6)	—	—	—	—	1,963	—	1,963
	8.50%	L+	7.50%		Secured Debt	(6)	—	—	168	—	7,092	—	7,092
	8.75%	L+	6.25%	1.50%	Secured Debt	(6)	(4,528)	1,133	—	12,263	1,521	13,784	—
BBB Tank Services, LLC	12.00%	L+	11.00%		Unsecured Debt	(8)	—	(2,242)	612	4,722	27	2,242	2,507
					Member Units	(8)	—	(280)	—	280	—	280	—
					Preferred Stock (non-voting)	(8)	—	(162)	11	151	11	162	—
Boccella Precast Products LLC	10.00%				Secured Debt	(6)	—	—	9	—	320	—	320
					Member Units	(6)	—	(1,210)	398	6,040	—	1,210	4,830

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2021
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2020 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2021 Fair Value
Brightwood Capital Fund Investments - Fund V					LP Interests (Brightwood Capital Fund V, LP)	(6)	—	—	—	—	1,000	—	1,000
Buca C, LLC	10.25%	L+	9.25%		Secured Debt	(7)	—	(373)	1,782	14,256	487	373	14,370
CAI Software LLC	12.50%				Secured Debt	(6)	—	(340)	7,570	47,474	23,940	71,414	—
					Member Units	(6)	10,252	(5,095)	2,380	7,190	—	7,190	—
Career Team Holdings, LLC	12.50%				Secured Debt	(6)	—	—	513	—	20,050	—	20,050
					Class A Common Units	(6)	—	—	—	—	4,500	—	4,500
Chandler Signs Holdings, LLC					Class A Units	(8)	—	(1,000)	—	1,460	—	1,000	460
Charlotte Russe, Inc					Common Stock	(9)	(3,141)	3,141	—	—	3,141	3,141	—
Classic H&G Holdings, LLC	7.00%	L+	6.00%		Secured Debt	(6)	—	—	83	—	4,000	—	4,000
	8.00%				Secured Debt	(6)	—	(82)	2,210	24,800	82	5,608	19,274
					Preferred Member Units	(6)	—	5,750	1,070	9,510	5,750	—	15,260
Congruent Credit Opportunities Funds					LP Interests (Congruent Credit Opportunities Fund III, LP)	(8)	—	(96)	776	11,540	—	1,581	9,959
					LP Interests (Congruent Credit Opportunities Fund II, LP)	(8)	(4,449)	4,355	—	94	4,355	4,449	—
Copper Trail Energy Fund I, LP					LP Interests (Copper Trail Energy Fund I, LP)	(9)	(203)	379	378	1,782	379	2,161	—
DMA Industries, LLC	12.00%				Secured Debt	(7)	—	—	521	—	20,993	—	20,993
					Preferred Equity	(7)	—	—	—	—	5,944	—	5,944
Dos Rios Partners					LP Interests (Dos Rios Partners - A, LP)	(8)	715	1,560	—	1,720	1,560	—	3,280
					LP Interests (Dos Rios Partners, LP)	(8)	2,252	4,912	—	5,417	4,912	—	10,329
Dos Rios Stone Products LLC					Class A Preferred Units	(8)	—	(610)	—	1,250	—	610	640
East Teak Fine Hardwoods, Inc.					Common Stock	(7)	(80)	180	100	300	180	480	—
EIG Fund Investments					LP Interests (EIG Global Private Debt Fund-A, L.P.)	(8)	9	166	53	526	200	179	547
Flame King Holdings, LLC	12.00%	L+	11.00%		Secured Debt	(9)	—	—	884	—	20,996	—	20,996
	7.50%	L+	6.50%		Secured Debt	(9)	—	—	77	—	6,324	—	6,324
					Preferred Equity	(9)	—	—	—	—	10,400	—	10,400
Freeport Financial SBIC Fund LP					LP Interests (Freeport Financial SBIC Fund LP)	(5)	—	814	—	5,264	814	—	6,078
					LP Interests (Freeport First Lien Loan Fund III LP)	(5)	—	66	751	10,321	66	3,156	7,231
GFG Group, LLC.	12.00%				Secured Debt	(5)	—	110	1,601	—	15,745	3,200	12,545
					Preferred Member Units	(5)	—	2,090	629	—	6,990	—	6,990

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2021
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2020 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2021 Fair Value
Hawk Ridge Systems, LLC	7.00%	L+	6.00%		Secured Debt	(9)	—	—	70	—	2,585	—	2,585
	8.00%				Secured Debt	(9)	—	94	2,023	18,400	16,400	—	34,800
					Preferred Member Units	(9)	—	7,000	1,914	8,450	7,000	—	15,450
Houston Plating and Coatings, LLC	8.00%				Unsecured Convertible Debt	(8)	—	60	243	2,900	60	—	2,960
					Member Units	(8)	—	(1,870)	261	5,080	—	1,870	3,210
HPEP 3, L.P.					LP Interests (HPEP 3, L.P.)	(8)	—	1,332	177	3,258	1,706	252	4,712
I-45 SLF LLC					Member Units (Fully diluted 20.0%; 24.40% profits interest)	(8)	—	(202)	1,861	15,789	800	2,202	14,387
Iron-Main Investments, LLC	12.50%				Secured Debt	(5)	—	—	201	—	3,170	—	3,170
	12.50%			12.50%	Secured Debt	(5)	—	—	408	—	9,088	144	8,944
	12.50%				Secured Debt	(5)	—	—	731	—	19,805	—	19,805
	13.00%				Secured Debt	(5)	—	—	346	—	4,557	—	4,557
					Common Stock	(5)	—	—	—	—	1,798	—	1,798
L.F. Manufacturing Holdings, LLC					Member Units	(8)	—	510	—	2,050	510	—	2,560
					Preferred Member Units (non-voting)	(8)	—	—	14	93	14	—	107
Meisler Operating LLC					Common Stock	(5)	17,048	(7,413)	—	16,010	(550)	15,460	—
OnAsset Intelligence, Inc.	10.00%			10.00%	Unsecured Debt	(8)	—	—	11	64	139	11	192
	12.00%			12.00%	Secured Debt	(8)	—	—	930	7,299	930	—	8,229
					Common Stock	(8)	—	(830)	—	—	830	830	—
					Warrants	(8)	—	830	—	—	830	830	—
Oneliance, LLC	12.00%	L+	11.00%		Secured Debt	(7)	—	—	335	—	5,547	—	5,547
					Preferred Stock	(7)	—	—	—	—	1,056	—	1,056
PCI Holding Company, Inc.					Preferred Stock	(9)	—	(203)	2,852	4,130	—	4,130	—
SI East, LLC (Stavig)	10.25%				Secured Debt	(7)	—	(90)	4,032	32,962	36,765	3,877	65,850
					Preferred Member Units	(7)	—	6,572	2,340	9,780	6,572	4,782	11,570
Slick Innovations, LLC	13.00%				Secured Debt	(6)	—	(42)	731	5,720	42	442	5,320
					Common Stock	(6)	—	180	—	1,330	180	—	1,510
					Warrants	(6)	—	40	—	360	40	—	400
Sonic Systems International, LLC	8.50%	L+	7.50%		Secured Debt	(8)	—	—	394	—	11,757	—	11,757
					Common Stock	(8)	—	—	37	—	1,070	—	1,070
Superior Rigging & Erecting Co.	12.00%				Secured Debt	(7)	—	—	2,650	21,298	34	—	21,332

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2021
(dollars in thousands)

Company	Total Rate	Base Rate	Spread	PIK Rate	Type of Investment(1)(10)(11)	Geography	Amount of Realized Gain/(Loss)	Amount of Unrealized Gain/(Loss)	Amount of Interest, Fees or Dividends Credited to Income(2)	December 31, 2020 Fair Value	Gross Additions(3)	Gross Reductions(4)	December 31, 2021 Fair Value
					Preferred Member Units	(7)	—	—	—	4,500	—	—	4,500
The Affiliati Network, LLC	11.83%				Secured Debt	(9)	—	—	842	—	13,873	1,039	12,834
	7.00%				Secured Debt	(9)	—	—	9	—	1,462	1,200	262
					Preferred Stock	(9)	—	—	270	—	6,400	—	6,400
UniTek Global Services, Inc.	15.00%			15.00%	Secured Convertible Debt	(6)	—	1,178	151	—	2,461	86	2,375
	8.50%	L+	5.50%	2.00%	Secured Debt	(6)	—	115	236	2,425	259	462	2,222
					Preferred Stock	(6)	—	807	315	3,208	1,439	316	4,331
Volusion, LLC	11.50%				Secured Debt	(8)	—	991	2,248	19,243	991	2,800	17,434
	8.00%				Unsecured Convertible Debt	(8)	—	118	33	291	118	—	409
					Preferred Member Units	(8)	—	—	—	5,990	—	—	5,990
Other							—	—	—	—	—	—	—
Amounts related to investments transferred to or from other 1940 Act classification during the period							(694)	—	(11)	(12,263)	—	—	—
Total Affiliate investments							$ 17,181	$ 21,989	$ 51,278	$ 366,301	$ 336,505	$ 165,855	$ 549,214

(1) The principal amount, the ownership detail for equity investments and if the investment is income producing is included in the Consolidated Schedule of Investments included in *Item 8. Consolidated Financial Statements* of this Annual Report on Form 10-K.

(2) Represents the total amount of interest, fees and dividends credited to income for the portion of the period for which an investment was included in Control or Affiliate categories, respectively. For investments transferred between Control and Affiliate categories during the period, any income or investment balances related to the time period it was in the category other than the one shown at period end is included in “Amounts from investments transferred from other 1940 Act classifications during the period.”

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest, and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in net unrealized depreciation as well as the movement of an existing portfolio company into this category and out of a different category.

(4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments or sales and the exchange of one or more existing securities for one or more new securities. Gross reductions also include net increases in net unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.

(5) Portfolio company located in the Midwest region as determined by location of the corporate headquarters. The fair value as of December 31, 2021 for control investments located in this region was $297,953. This represented 25.9% of net assets as of December 31, 2021. The fair value as of December 31, 2021 for affiliate investments located in this region was $41,535. This represented 13.9% of net assets as of December 31, 2021.

MAIN STREET CAPITAL CORPORATION
Consolidated Schedule of Investments In and Advances to Affiliates (Continued)
December 31, 2021
(dollars in thousands)

(6) Portfolio company located in the Northeast region as determined by location of the corporate headquarters. The fair value as of December 31, 2021 for control investments located in this region was $117,017. This represented 10.8% of net assets as of December 31, 2021. The fair value as of December 31, 2021 for affiliate investments located in this region was $144,241. This represented 21.7% of net assets as of December 31, 2021.

(7) Portfolio company located in the Southeast region as determined by location of the corporate headquarters. The fair value as of December 31, 2021 for control investments located in this region was $44,538. This represented 1.2% of net assets as of December 31, 2021. The fair value as of December 31, 2021 for affiliate investments located in this region was $134,602. This represented 40.5% of net assets as of December 31, 2021.

(8) Portfolio company located in the Southwest region as determined by location of the corporate headquarters. The fair value as of December 31, 2021 for control investments located in this region was $573,437. This represented 44.4% of net assets as of December 31, 2021. The fair value as of December 31, 2021 for affiliate investments located in this region was $109,522. This represented 20.5% of net assets as of December 31, 2021.

(9) Portfolio company located in the West region as determined by location of the corporate headquarters. The fair value as of December 31, 2021 for control investments located in this region was $303,273. This represented 37.3% of net assets as of December 31, 2021. The fair value as of December 31, 2021 for affiliate investments located in this region was $55,239. This represented 17.3% of net assets as of December 31, 2021.

(10) All of the Company’s portfolio investments are generally subject to restrictions on resale as “restricted securities,” unless otherwise noted.

(11) This schedule should be read in conjunction with the Consolidated Schedule of Investments and Notes to the Consolidated Financial Statements included in *Item 8. Consolidated Financial Statements* of this Annual Report on Form 10-K. Supplemental information can be located within the Consolidated Schedule of Investments including end of period interest rate, preferred dividend rate, maturity date, investments not paid currently in cash and investments whose value was determined using significant unobservable inputs.

(12) Investment has an unfunded commitment as of December 31, 2021 (see *Note K — Commitments and Contingencies* in *Item 8. Consolidated Financial Statements* of this Annual Report on Form 10-K). The fair value of the investment includes the impact of the fair value of any unfunded commitments.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***Controls and Procedures***

(a) *Evaluation of Disclosure Controls and Procedures.* As of the end of the period covered by this annual report on Form 10-K, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer, President, Chief Financial Officer, Chief Compliance Officer and Chief Accounting Officer, of our disclosure controls and procedures (as defined in Rule 13a-15 of the Exchange Act). Based on that evaluation, our Chief Executive Officer, President, Chief Financial Officer, Chief Compliance Officer and Chief Accounting Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them of material information relating to us that is required to be disclosed in the reports we file or submit under the Exchange Act.

(b) *Management's Report on Internal Control Over Financial Reporting.* The management of Main Street Capital Corporation and its subsidiaries (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the Company's evaluation under the framework in Internal Control — Integrated Framework, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2022. Grant Thornton LLP, the Company's independent registered public accounting firm, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2022, as stated in its report which is included herein.

(c) *Attestation Report of the Registered Public Accounting Firm.* Our independent registered public accounting firm, Grant Thornton LLP, has issued an attestation report on the effectiveness of our internal control over financial reporting, which is set forth above in *Reports of Independent Registered Public Accounting Firm* in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

(d) *Changes in Internal Control over Financial Reporting.* There have been no changes in our internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

Fees and Expenses

The following table is being provided to update, as of December 31, 2022, certain information in the Company's effective shelf registration statement on Form N-2 (File No. 333-263258) filed with the SEC on March 3, 2022 as supplemented by the prospectus supplements relating to our ATM Program and to the direct stock purchase feature of the Plan. The information is intended to assist you in understanding the costs and expenses that an investor in the Company will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this Annual Report on Form 10-K contains a reference to fees or expenses paid by “you,” “us” or “Main Street,” or that “we” will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in us.

Stockholder Transaction Expenses:	
Sales load (as a percentage of offering price)	—% (1)
Offering expenses (as a percentage of offering price)	—% (2)
Dividend reinvestment and direct stock purchase plan expenses	—% (3)
Total stockholder transaction expenses (as a percentage of offering price)	—% (4)
Annual Expenses of the Company (as a percentage of net assets attributable to common stock):	
Operating expenses	3.14% (5)
Interest payments on borrowed funds	4.41% (6)
Income tax expense	1.11% (7)
Acquired fund fees and expenses	0.26% (8)
Total annual expenses	8.92%

(1) The maximum agent commission with respect to the shares of our common stock sold by us in the ATM Program is 1.00%. Purchasers of shares of common stock through the direct stock purchase feature of the Plan will not pay any sales load. In the event that our securities are sold to or through underwriters, a corresponding prospectus or prospectus supplement will disclose the applicable sales load.

(2) Estimated offering expenses payable by us for the estimated duration of the ATM Program are $0.8 million. In the event that we conduct an offering of our securities, a corresponding prospectus or prospectus supplement will disclose the estimated offering expenses.

(3) The expenses of administering the Plan are included in operating expenses. Additional costs may be charged to participants in the direct stock purchase feature of the plan for certain types of transactions.

(4) Total stockholder transaction expenses may include sales load and will be disclosed in a future prospectus or prospectus supplement, if any.

(5) Operating expenses in this table represent our estimated expenses.

(6) Interest payments on borrowed funds represent our estimated annual interest payments on borrowed funds based on current debt levels as adjusted for projected increases (but not decreases) in debt levels over the next twelve months.

(7) Income tax expense relates to the accrual of (a) deferred tax provision (benefit) primarily related to loss carryforwards, timing differences in net unrealized appreciation or depreciation and other temporary book-tax differences from our portfolio investments held in Taxable Subsidiaries and (b) excise, state and other taxes. Deferred taxes are non-cash in nature and may vary significantly from period to period. We are required to include deferred taxes in calculating our annual expenses even though deferred taxes are not currently payable or receivable. Due to the variable nature of deferred tax expense, which can be a large portion of the income tax expense, and the difficulty in providing an estimate for future periods, this income tax expense estimate is based upon the actual amount of income tax expense for the year ended December 31, 2022.

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

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage and that our annual operating expenses would remain at the levels set forth in the table above and that you would pay either no sales load or a sales load of up to 1.00% (the commission to be paid by us with respect to common stock sold by us in the ATM Program).

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return and no sales load	$ 87	$ 252	$ 404	$ 735
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return and a 1.00% sales load	$ 97	$ 262	$ 414	$ 745

The example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. In addition, while the example assumes reinvestment of all dividends at NAV, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by (i) the market price per share of our common stock at the close of trading on a valuation date determined by our Board of Directors for each dividend in the event that we use newly issued shares to satisfy the share requirements of the dividend reinvestment plan or (ii) the average purchase price of all shares of common stock purchased by the plan administrator in the event that shares are purchased in the open market to satisfy the share requirements of the dividend reinvestment plan, which may be at, above or below NAV. See the description in *Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Common Stock and Holders* for additional information regarding our dividend reinvestment plan.

Executive Officers

On February 21, 2023, our Board appointed Ryan R. Nelson to serve as our Vice President, Chief Accounting Officer and Assistant Treasurer, effective as of March 13, 2023.

Mr. Nelson, age 40, a certified public accountant, is currently our Vice President of Finance and has served in this role since joining Main Street in December 2022. Prior to joining Main Street, Mr. Nelson spent four years with Conn's, Inc. (Nasdaq: CONN), a furniture, mattress, electronics and appliance store chain, where he worked in several leadership roles, including Vice President and Chief Accounting Officer. Prior to joining Conn's, Mr. Nelson spent seven years with EnLink Midstream Partners, a midstream energy services company, where he worked in several leadership roles in their accounting group. Mr. Nelson started his career at KPMG LLP.

There is no arrangement or understanding between Mr. Nelson and any other persons pursuant to which he is being appointed as our Vice President, Chief Accounting Officer and Assistant Treasurer. There are no current or proposed transactions between us and Mr. Nelson or his immediate family members that would require disclosure under Item 404(a) of Regulation S-K promulgated by the SEC.

In connection with the promotion of Mr. Nelson, and in accordance with the transition previously disclosed, Mr. Lance A. Parker's role as the Company's Vice President, Chief Accounting Officer and Assistant Treasurer will cease, effective as of March 13, 2023, while he will continue to assist in the transitioning his duties and responsibilities for a period of time thereafter.

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required by this Item will be contained in the definitive proxy statement relating to our 2023 Annual Meeting of Stockholders (the "Proxy Statement") under the headings "Election of Directors," "Corporate Governance" and "Executive Officers" to be filed with the Securities and Exchange Commission on or prior to April 30, 2023, and is incorporated herein by reference.

We have adopted a code of business conduct and ethics that applies to directors, officers and employees of Main Street. This code of ethics is published on our website at *www.mainstcapital.com*. We intend to disclose any substantive amendments to, or waivers from, this code of conduct within four business days of the waiver or amendment through a website posting.

Item 11. ***Executive Compensation***

The information required by this Item will be contained in the Proxy Statement under the headings "Compensation of Executive Officers," "Compensation of Directors," "Compensation Discussion and Analysis," "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report," to be filed with the Securities and Exchange Commission on or prior to April 30, 2023, and is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The following table provides information regarding our equity compensation plans as of December 31, 2022:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column)
Equity compensation plans approved by security holders(1)	$ —	$ —	$ 5,281,165
Equity compensation plans not approved by security holders(2)	165,248	—	—
Total	$ 165,248	$ —	$ 5,281,165

(1) Consists of our Main Street Capital Corporation 2022 Equity and Incentive Plan and our Main Street Capital Corporation 2022 Non-Employee Director Restricted Stock Plan. As of December 31, 2022, we had issued 18,835 shares of restricted stock pursuant to these plans, of which no shares had vested or were forfeited. Pursuant to each of these plans, if any award issued thereunder shall for any reason expire or otherwise terminate or be forfeited, in whole or in part, the shares of stock not acquired under such award shall revert to and again become available for issuance under such plan. For more information regarding these plans, see *Note J — Share-Based Compensation* to the consolidated financial statements included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

(2) Consists of our 2015 Deferred Compensation Plan. For more information regarding this plan, see *Note L — Related Party Transactions* to the consolidated financial statements included in *Item 8. Consolidated Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

The other information required by this Item will be contained in the Proxy Statement under the heading "Security Ownership of Certain Beneficial Owners and Management," to be filed with the Securities and Exchange Commission on or prior to April 30, 2023, and is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this Item will be contained in the Proxy Statement under the headings "Certain Relationships and Related Party Transactions" and "Corporate Governance," to be filed with the Securities and Exchange Commission on or prior to April 30, 2023, and is incorporated herein by reference.

Item 14. ***Principal Accountant Fees and Services***

The information required by this Item will be contained in the Proxy Statement under the heading "Ratification of Appointment of Independent Registered Public Accounting Firm for Year Ending December 31, 2023," to be filed with the Securities and Exchange Commission on or prior to April 30, 2023, and is incorporated herein by reference.

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PART IV

Item 15. *Exhibits and Consolidated Financial Statement Schedules*

The following documents are filed or incorporated by reference as part of this Annual Report:

1. Consolidated Financial Statements

2. Consolidated Financial Statement Schedule

3. Exhibits

Listed below are the exhibits which are filed as part of this report (according to the number assigned to them in Item 601 of Regulation S-K):

Exhibit Number	Description
3.1*	Articles of Amendment and Restatement of Main Street Capital Corporation (previously filed as Exhibit (a) to Main Street Capital Corporation's Pre-Effective Amendment No. 2 to the Registration Statement on Form N-2 filed on August 15, 2007 (Reg. No. 333-142879))
3.2*	Amended and Restated Bylaws of Main Street Capital Corporation (previously filed as Exhibit 3.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on March 6, 2013 (File No. 1-33723))
4.1*	Form of Common Stock Certificate (previously filed as Exhibit (d) to Main Street Capital Corporation's Pre-Effective Amendment No. 2 to the Registration Statement on Form N-2 filed on August 15, 2007 (Reg. No. 333-142879))
4.2*	Dividend Reinvestment and Direct Stock Purchase Plan, effective May 10, 2019 (previously filed as Exhibit 99.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on May 10, 2019 (File No. 1-33723))
4.3*	Main Street Mezzanine Fund, LP SBIC debentures guaranteed by the SBA (previously filed as Exhibit (f)(1) to Main Street Capital Corporation's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 filed on June 22, 2007 (Reg. No. 333-142879))
4.4*	Main Street Capital III, LP SBIC debentures guaranteed by the SBA (see Exhibit (f)(1) to Main Street Capital Corporation's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 filed on June 22, 2007 for a substantially identical copy of the form of debentures)
4.5*	Form of Indenture between Main Street Capital Corporation and The Bank of New York Mellon Trust Company, N.A. (previously filed as Exhibit (d)(6) to Main Street Capital Corporation's Post-Effective Amendment No. 2 to the Registration Statement on Form N-2 filed on March 28, 2013 (Reg. No. 333-183555))
4.6*	Form of Fourth Supplemental Indenture relating to the May 2024 Notes, between Main Street Capital Corporation and The Bank of New York Mellon Trust Company, N.A. (previously filed as Exhibit (d)(11) to Main Street Capital Corporation's Post-Effective Amendment No. 7 to the Registration Statement on Form N-2 filed on April 18, 2019 (Reg. No. 333-223483))
4.7*	Form of May 2024 Notes (incorporated by reference to Exhibit 4.8)

Exhibit Number	Description
4.8*	Fifth Supplemental Indenture relating to the July 2026 Notes, between Main Street Capital Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (previously filed as Exhibit 4.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on January 14, 2021 (File No. 1-33723))
4.9*	Form of July 2026 Notes (incorporated by reference to Exhibit 4.10)
4.10*	Description of Main Street Capital Corporation's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (previously filed as Exhibit 4.11 to Main Street Capital Corporation's Annual Report on Form 10-K filed on February 28, 2020 (File No. 1-33723))
10.1*	Omnibus Amendment No. 1, dated as of April 7, 2021, by and among Main Street, the guarantors party thereto, Truist Bank, as administrative agent, solely with respect to Section 2 thereof, the withdrawing lender, and the lenders party thereto (previously filed as Exhibit 10.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on April 8, 2021 (File No. 1-33723))
10.2*	Third Amended and Restated General Security Agreement dated June 5, 2018 (previously filed as Exhibit 10.2 to Main Street Capital Corporation's Current Report on Form 8-K filed on June 6, 2018 (File No. 1-33723))
10.3*	Third Amended and Restated Equity Pledge Agreement dated June 5, 2018 (previously filed as Exhibit 10.3 to Main Street Capital Corporation's Current Report on Form 8-K filed on June 6, 2018 (File No. 1-33723))
10.4*	Amended and Restated Custodial Agreement dated September 20, 2010 (previously filed as Exhibit 10.3 to Main Street Capital Corporation's Current Report on Form 8-K filed September 21, 2010 (File No. 1-33723))
10.5*	Third Amendment to Amended and Restated Credit Agreement and First Amendment to Amended and Restated Custodial Agreement dated November 21, 2011 (previously filed as Exhibit 10.1 to Main Street Capital Corporation's Current Report on Form 8-K filed November 22, 2011 (File No. 1-33723))
10.6*	Third Amendment, dated as of August 4, 2022, to the Third Amended and Restated Credit Agreement by and among Main Street, the guarantors party thereto, Truist Bank, as administrative agent, and the lenders party thereto (previously filed as Exhibit 10.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on August 4, 2022 (File No. 1-33723))
10.7*	Fourth Amendment, dated as of December 22, 2022, to the Third Amended and Restated Credit Agreement by and among Main Street, the guarantors party thereto, Truist Bank, as administrative agent, and the lenders party thereto (previously filed as Exhibit 10.2 to Main Street Capital Corporation's Current Report on Form 8-K filed on December 27, 2022 (File No. 1-33723))
10.8	Joinder Agreement and Supplement, dated January 13, 2023, to the Third Amended and Restated Credit Agreement
10.9*	Revolving Credit and Security Agreement, dated as of November 22, 2022, among MSCC Funding I, LLC, as the borrower, Main Street Capital Corporation, as the collateral manager, the lenders party from time to time thereto, Truist Bank, as administrative agent and swingline lender, Citibank N.A., as collateral agent, document custodian and custodian and Virtus Group, L.P. as collateral administrator (previously filed as Exhibit 10.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on November 28, 2022 (File No. 1-33723))
10.10*	Purchase and Contribution Agreement, dated as of November 22, 2022, among Main Street Capital Corporation, as the seller, and MSCC Funding I, LLC, as the buyer (previously filed as Exhibit 10.2 to Main Street Capital Corporation's Current Report on Form 8-K filed on November 28, 2022 (File No. 1-33723))
10.11*	Lender Joinder Agreement, dated December 6, 2022, to the Revolving Credit and Security Agreement (previously filed as Exhibit 10.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on December 6, 2022 (File No. 1-33723))
10.12	First Amendment to Credit Agreement, dated as of February 2, 2023, among MSCC Funding I, LLC, as the borrower, Main Street Capital Corporation, as the collateral manager, the lenders party thereto, Truist Bank, as administrative agent and swingline lender, Citibank N.A., as collateral agent document custodian and custodian and Virtus Group, L.P., as collateral administrator
10.13*	Note Purchase Agreement, dated as of December 23, 2022, by and among Main Street Capital Corporation and the Purchasers party thereto (previously filed as Exhibit 10.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on December 27, 2022 (File No. 1-33723))
10.14	First Supplement to Note Purchase Agreement, dated as of February 2, 2023, by and among Main Street Capital Corporation and the Purchasers party thereto
10.15*†	Main Street Capital Corporation 2022 Equity and Incentive Plan (previously filed as Exhibit 4.4 to Main Street Capital Corporation's Registration Statement on Form S-8 filed on May 3, 2022 (Reg. No. 333-264643))

Exhibit Number	Description
10.16*†	Main Street Capital Corporation 2022 Non-Employee Director Restricted Stock Plan (previously filed as Exhibit 4.5 to Main Street Capital Corporation's Registration Statement on Form S-8 filed on May 3, 2022 (Reg. No. 333-264643))
10.17*†	Form of Restricted Stock Agreement for Executive Officers — Main Street Capital Corporation 2022 Equity and Incentive Plan (previously filed as Exhibit 4.6 to Main Street Capital Corporation's Registration Statement on Form S-8 filed on May 3, 2022 (Reg. No. 333-264643))
10.18*†	Form of Restricted Stock Agreement for Non-Employee Directors — Main Street Capital Corporation 2022 Non-Employee Director Restricted Stock Plan (previously filed as Exhibit 4.7 to Main Street Capital Corporation's Registration Statement on Form S-8 filed on May 3, 2022 (Reg. No. 333-264643))
10.19*	Custody Agreement (previously filed as Exhibit (j) to Main Street Capital Corporation's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 filed on September 21, 2007 (Reg. No. 333-142879))
10.20*†	Form of Confidentiality and Non-Compete Agreement by and between Main Street Capital Corporation and Vincent D. Foster (previously filed as Exhibit (k)(12) to Main Street Capital Corporation's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 filed on September 21, 2007 (Reg. No. 333-142879))
10.21*†	Form of Indemnification Agreement by and between Main Street Capital Corporation and each executive officer and director (previously filed as Exhibit (k)(13) to Main Street Capital Corporation's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 filed on September 21, 2007 (Reg. No. 333-142879))
10.22*	Investment Advisory and Administrative Services Agreement dated October 30, 2020 by and among MSC Adviser I, LLC and MSC Income Fund, Inc. (previously filed as Exhibit 10.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on November 3, 2020 (File No. 1-33723))
10.23*†	Main Street Capital Corporation Deferred Compensation Plan Adoption Agreement and Plan Document (previously filed as Exhibit 4.1 to Main Street Capital Corporation's Registration Statement on Form S-8 filed on December 18, 2015 (File No. 333-208643))
10.24*	Form of Equity Distribution Agreement dated March 3, 2022 (previously filed as Exhibit 1.1 to Main Street Capital Corporation's Current Report on Form 8-K filed on March 3, 2022 (File No. 1-33723))
14.1**	Code of Business Conduct and Ethics
21.1**	List of Subsidiaries
23.1**	Consent of Grant Thornton LLP, independent registered public accounting firm
31.1**	Rule 13a-14(a)/15d-14(a) certification of Chief Executive Officer
31.2**	Rule 13a-14(a)/15d-14(a) certification of Chief Financial Officer
32.1**	Section 1350 certification of Chief Executive Officer
32.2**	Section 1350 certification of Chief Financial Officer

* Exhibit previously filed with the Securities and Exchange Commission, as indicated, and incorporated herein by reference.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MAIN STREET CAPITAL CORPORATION

By: /s/ DWAYNE L. HYZAK
Dwayne L. Hyzak
Chief Executive Officer and Director

Date: February 24, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ DWAYNE L. HYZAK Dwayne L. Hyzak	Chief Executive Officer and Director (principal executive officer)	February 24, 2023
/s/ JESSE E. MORRIS Jesse E. Morris	Chief Financial Officer, Chief Operating Officer (principal financial officer)	February 24, 2023
/s/ LANCE A. PARKER Lance A. Parker	Vice President, Chief Accounting Officer (principal accounting officer)	February 24, 2023
/s/ VINCENT D. FOSTER Vincent D. Foster	Chairman of the Board	February 24, 2023
/s/ J. KEVIN GRIFFIN J. Kevin Griffin	Director	February 24, 2023
/s/ JOHN E. JACKSON John E. Jackson	Director	February 24, 2023
/s/ BRIAN E. LANE Brian E. Lane	Director	February 24, 2023
/s/ KAY MATTHEWS Kay Matthews	Director	February 24, 2023
/s/ DUNIA A. SHIVE Dunia A. Shive	Director	February 24, 2023
/s/ STEPHEN B. SOLCHER Stephen B. Solcher	Director	February 24, 2023