Main Street Capital CORP
Form 497
October 18, 2011

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Filed pursuant to Rule 497
Registration Statement No. 333-173674

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

SUBJECT TO COMPLETION, DATED OCTOBER 18, 2011

PRELIMINARY PROSPECTUS SUPPLEMENT
(to Prospectus dated July 20, 2011)

Shares

Main Street Capital Corporation

Common Stock

We are offering for sale shares of our common stock.

We are a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies, which we generally define as companies with annual revenues between $10 million and $100 million that operate in diverse industries. We seek to fill the current financing gap for LMM businesses, which, historically, have had more limited access to financing from commercial banks and other traditional sources. The LMM companies in which we invest generally will not be rated by any rating agency and, if they were rated, they may be referred to as "below investment grade" or "junk." Investing in such LMM companies is speculative.

In addition to our primary investment strategy of investing in LMM companies, we opportunistically pursue investments in privately placed debt securities. Our private placement investment portfolio primarily consists of direct or secondary private placements of interest bearing debt securities in companies that are generally larger in size than the LMM companies included in our investment portfolio.

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

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

Our common stock is listed on the New York Stock Exchange under the symbol "MAIN." On October 17, 2011, the last reported sale price of our common stock on the New York Stock Exchange was $18.37 per share.

Shares of closed-end investment companies such as ours frequently trade at a discount to their net asset value. This risk is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our common stock will trade above, at or below net asset value. In this regard, on June 15, 2011, our common stockholders voted to allow us to issue common stock at a price below net asset value per share for a period of one year ending on June 14, 2012. Our stockholders did not specify a maximum discount below net asset value at which we are able to issue our common stock; however, we cannot issue shares of our common stock below net asset value unless our Board of Directors determines that it would be in our and our stockholders' best interests to do so. Sales of common stock at prices below net asset value per share dilute the interests of existing stockholders, have the effect of reducing our net asset value per share and may reduce our market price per share. In addition, continuous sales of common stock below net asset value may have a negative impact on total returns and could have a negative impact on the market price of our shares of common stock. See "Sales of Common Stock Below Net Asset Value" in the accompanying prospectus.

Investing in our common stock involves a high degree of risk, and should be considered highly speculative. See "Risk Factors" beginning on page 12 of the accompanying prospectus to read about factors you should consider, including the risk of leverage and dilution, before investing in our common stock.

This prospectus supplement and the accompanying prospectus contain important information about us that a prospective investor should know before investing in our common stock. Please read this prospectus supplement and the accompanying prospectus before investing and keep them for future reference. We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. This information is available free of charge by contacting us at 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056 or by telephone at (713) 350-6000 or on our website at *www.mainstcapital.com*. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus. The SEC also maintains a website at *www.sec.gov* that contains such information.

	Per Share	Total
Public offering price	$	$
Underwriting discount (4.50%)	$	$
Proceeds, before expenses, to us(1)	$	$

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

The underwriters have the option to purchase up to an additional shares of common stock at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement solely to cover any over-allotments. If the over-allotment option is exercised in full, the total public offering price will be $, the total underwriting discount (4.50%) will be $, and the total proceeds to us, before deducting estimated expenses payable by us of $200,000, will be $.

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

The underwriters expect to deliver the shares on or about October , 2011.

Morgan Keegan

Baird

BB&T Capital Markets
A Division of Scott & Stringfellow, LLC

Janney Montgomery Scott

Ladenburg Thalmann & Co. Inc.

Sanders Morris Harris

D.A. Davidson & Co.

Wunderlich Securities

The date of this prospectus supplement is October , 2011

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ABOUT THE PROSPECTUS

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

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

Forward-Looking Statements

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

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PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. To understand the terms of the common stock offered hereby, you should read the entire prospectus supplement and the accompanying prospectus carefully. Together, these documents describe the specific terms of the shares we are offering. You should carefully read the sections titled "Selected Financial Data," "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" and the documents identified in the section titled "Available Information" in this prospectus supplement, as well as the section titled "Risk Factors" in the accompanying prospectus. Except as otherwise noted, all information in this prospectus supplement and the accompanying prospectus assumes no exercise of the underwriters' over-allotment option.

Organization

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

On January 7, 2010, MSCC consummated transactions (the "Exchange Offer") to exchange 1,239,695 shares of its common stock for approximately 88% of the total dollar value of the limited partner interests in Main Street Capital II, LP ("MSC II" and, together with MSMF, the "Funds"). Pursuant to the terms of the Exchange Offer, 100% of the membership interests in the general partner of MSC II, Main Street Capital II GP, LLC ("MSC II GP"), were also transferred to MSCC for no consideration. MSC II commenced operations in January 2006, is an investment fund that operates as an SBIC and is also managed by the Investment Manager. The Exchange Offer and related transactions, including the transfer of the MSC II GP interests, are collectively termed the "Exchange Offer Transactions" (see Note I to the consolidated financial statements included in this prospectus supplement). As of June 30, 2011, an approximately 12% minority ownership in the total dollar value of the MSC II limited partnership interests remained outstanding, including approximately 5% owned by affiliates of MSCC. We have submitted an exemptive relief application to the SEC to permit us to acquire the approximately 5% ownership in the total dollar value of the MSC II limited partnership interests held by affiliates of MSCC using the same valuation formula utilized in the Exchange Offer. There can be no assurance that we will obtain the exemptive relief or that if we do obtain such relief it will be obtained on the terms we have outlined in our request.

MSCC has direct or indirect subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of these entities is to hold certain investments that generate "pass through" income for tax purposes. The Taxable Subsidiaries are each taxed at their normal corporate tax rates based on their taxable income.

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

Overview

We are a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies, which we generally define as companies with annual revenues between $10 million and $100 million that operate in diverse industries. We invest primarily in secured debt instruments, equity investments, warrants and other securities of LMM companies based in the United States. Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity and equity related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. Our LMM portfolio investments generally range in size from $5 million to $25 million.

We seek to fill the current financing gap for LMM businesses, which, historically, have had more limited access to financing from commercial banks and other traditional sources. The underserved nature of the lower middle market creates the opportunity for us to meet the financing needs of LMM companies while also negotiating favorable transaction terms and equity participations. Our ability to invest across a company's capital structure, from senior secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing solutions, or "one stop" financing. Providing customized, "one stop" financing solutions has become even more relevant to our LMM portfolio companies in the current investing environment. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. We believe that our LMM investment strategy has a lower correlation to the broader debt and equity markets.

As of June 30, 2011, we had debt and equity investments in 49 LMM portfolio companies with an aggregate fair value of $336.4 million and a weighted average effective yield on our LMM debt investments of approximately 14.8%. Approximately 76% of our total LMM portfolio investments at cost were in the form of debt investments and 92% of such debt investments at cost were secured by first priority liens on the assets of our LMM portfolio companies as of June 30, 2011. At June 30, 2011, we had equity ownership in approximately 92% of our LMM portfolio companies and the average fully diluted equity ownership in those portfolio companies was approximately 35%. The weighted average effective yield was computed using the effective interest rates for all debt investments at June 30, 2011, including amortization of deferred debt origination fees and accretion of original issue discount but excluding liquidation fees payable upon repayment and any debt investments on non-accrual status.

In addition to our LMM investment strategy, we opportunistically pursue investments in privately placed debt securities. Our private placement investment portfolio primarily consists of direct or secondary private placements of interest bearing debt securities in companies that are generally larger in size than the LMM companies included in our investment portfolio. As of June 30, 2011, we had privately placed portfolio investments in 23 companies collectively totaling approximately $133.3 million in fair value with a total cost basis of approximately $129.8 million. The weighted average revenues for the 23 privately placed portfolio company investments were approximately $399 million as of June 30, 2011. Our privately placed portfolio investments are primarily in the form of debt investments and 69% of such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average effective yield on our privately placed portfolio debt investments was approximately 11.0% as of June 30, 2011. The weighted average effective yield was computed using the effective interest rates for all debt investments at June 30, 2011, including amortization of deferred debt origination fees and accretion of original issue discount but excluding liquidation fees payable upon repayment and any debt investments on non-accrual status.

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Our portfolio investments are generally made through MSCC and the Funds. MSCC and the Funds share the same investment strategies and criteria, although they are subject to different regulatory regimes. See "Regulation" in the accompanying prospectus. An investor's return in MSCC will depend, in part, on the Funds' investment returns as MSMF is a wholly owned subsidiary of MSCC and MSC II is a majority owned subsidiary of MSCC.

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

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

Our principal executive offices are located at 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056, and our telephone number is (713) 350-6000. We maintain a website at *http://www.mainstcapital.com*. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus.

Business Strategies

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

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

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

- *Leveraging 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.

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

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

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

Investment Criteria

Our investment team has identified the following investment criteria that it believes are important in evaluating prospective portfolio companies. Our investment team uses these criteria in evaluating investment opportunities. However, not all of these criteria have been, or will be, met in connection with each of our investments. Please see "Business Investment Criteria" in the accompanying prospectus for a more complete discussion of our investment criteria.

Proven Management Team with Meaningful Equity Stake. We look for operationally-oriented management with direct industry experience and a successful track record. In addition, we expect the management team of each portfolio company to have meaningful equity ownership in the portfolio company to better align our respective economic interests.

Established Companies with Positive Cash Flow. We seek to invest in established companies with sound historical financial performance.

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

Exit Alternatives. We exit our debt investments primarily through the repayment of our investment from internally generated cash flow of the portfolio company and/or refinancing. In addition, we seek to invest in companies whose business models and expected future cash flows may provide alternative methods of repaying our investment.

Recent Developments

Preliminary Estimate of Third Quarter 2011 Results

Today we announced preliminary estimated ranges for distributable net investment income per share(1)(2) during the quarter ended September 30, 2011 of $0.43 to $0.46 per share and for net investment income per share(2) during the quarter ended September 30, 2011 of $0.41 to $0.44 per share. The estimated distributable net investment income per share and estimated net investment income per share ranges represent 43% to 53% and 46% to 57% increases, respectively, over the corresponding amounts for the third quarter 2010. In addition, we announced a preliminary estimate that our net asset value per share as of September 30, 2011 increased between 0.5% and 1.5% from our net asset value per share as of June 30, 2011.

The information furnished above is based on our management's preliminary determinations and current expectations, and such information is inherently uncertain. The preliminary estimates are subject to completion of our customary quarterly closing and review procedures, including the determination of the fair value of our portfolio investments by our Board of Directors, and have not yet been approved by our Board of Directors. As a result, actual results could differ materially from the current preliminary estimates based on adjustments made during our quarterly closing and review procedures and our reported information in our quarterly report on Form 10-Q for the quarter ended September 30, 2011 may differ from this information, and any such differences may be material. In addition, the information furnished above does not include all of the information regarding our

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financial condition and results of operations for the quarter ended September 30, 2011 that may be important to readers. As a result, readers are cautioned not to place undue reliance on this preliminary information and should view this information in the context of our full third quarter 2011 results when we disclose such results in our quarterly report on Form 10-Q for the quarter ended September 30, 2011. This preliminary information is based on our current management expectations that involve substantial risks and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, such information.

(1) Distributable net investment income per share is net investment income per share as determined in accordance with U.S. Generally Accepted Accounting Principles, or GAAP, excluding the per share impact of share-based compensation expense, which is non-cash in nature. We believe presenting distributable net investment income per share is a useful and appropriate supplemental disclosure for analyzing our financial performance since share-based compensation does not require settlement in cash. However, distributable net investment income per share is a non-GAAP measure and should not be considered as a replacement to net investment income per share and other earnings measures presented in accordance with GAAP. Instead, distributable net investment income per share should be reviewed only in connection with such GAAP measures in analyzing our financial performance. In order to reconcile estimated distributable net investment income per share to estimated net investment income per share in accordance with GAAP, $0.02 to $0.03 per share of estimated share-based compensation expense is added back to estimated net investment income per share.

(2) Per share amounts exclude the earnings attributable to the remaining noncontrolling equity interest in MSC II not owned by us.

Other Recent Developments

During September 2011, we completed an LMM portfolio investment in Integrated Printing Solutions, L.L.C. ("IPS"). This investment supported the recapitalization of IPS and provided additional growth financing. Our investment in IPS consists of $10.0 million in first lien secured debt with equity warrant participation. Headquartered in Centennial, Colorado, IPS is a provider of print, data programming and management, and specialty marketing strategies. IPS specializes in card and card personalization services, on-demand digital card printing and fulfillment, distribution and warehousing, commercial printing and direct mail, as well as print management for the retail, health care, prepaid card, financial and advertising industries.

During September 2011, we completed an LMM portfolio investment in NRI Clinical Research, LLC ("NRI"). This investment supported the acquisition of the assets and business of a dedicated investigative facility that conducts clinical trials for the pharmaceutical industry by a group of private investors. Our investment in NRI consists of $6.3 million in first lien secured debt and a $0.5 million direct equity investment. Staffed by physicians and support personnel, NRI recruits and treats patients with later stage drugs in development by its pharmaceutical company clients. NRI's primary focus is on Phase II and Phase III metabolic disease trials, principally in diabetes, hypertension and obesity. NRI is headquartered in California.

During August 2011, our Board of Directors increased its size from six to seven directors and appointed J. Kevin Griffin as a director to fill the vacancy created by the increase until our 2012 annual meeting of stockholders. Mr. Griffin was also appointed to serve on the Audit Committee of the Board of Directors.

During August 2011, the Board of Directors appointed Dwayne L. Hyzak as Chief Financial Officer and Senior Managing Director, Curtis L. Hartman as Chief Credit Officer and Senior Managing Director, and David L. Magdol as Chief Investment Officer and Senior Managing Director of Main Street. Each of these executives had been a Senior Vice President of Main Street since 2007 and served as a managing director or in other executive roles of our predecessor funds since at least 2002. Each of these executives assumed his new executive role while also maintaining his current portfolio investment responsibilities. In his new role as Chief Credit Officer, Mr. Hartman chairs our Credit Committee, which is responsible for oversight of the investment process with respect to our private placement and marketable securities investment portfolio. In his new role as Chief Investment Officer, Mr. Magdol chairs our Investment Committee, which is responsible for oversight of the investment process with respect to our LMM investment portfolio. Vincent D. Foster, our Chairman and Chief Executive Officer, and Todd A. Reppert, our President, are also members of both the Credit Committee and the Investment Committee. In connection with Mr. Hyzak's appointment as Chief Financial Officer, he assumed responsibilities as our principal financial officer. Mr. Reppert, who was previously the Chief Financial Officer of Main Street, retained the title of President and the ongoing responsibilities over operational and administrative aspects of our business.

During August 2011, we declared monthly dividends of $0.135 per share for each of October, November and December 2011. These monthly dividends equal a total of $0.405 per share for the fourth quarter of 2011. Because the record date for the November 2011 dividend payment is prior to the date of this offering, investors who purchase shares of our common stock in this offering will not be entitled to receive such dividend. However, investors who purchase shares of our common stock in this offering will be entitled to receive the December 2011 dividend payment and subsequent monthly dividends provided that they continue to hold such shares.

During July 2011, we completed an LMM portfolio investment in SYNEO, LLC. This investment facilitated the merger of Technical Innovations, LLC ("TI"), an existing portfolio company of ours, and ASG Medical Systems, LLC ("ASG"). The SYNEO investment consists of $5.5 million in first lien secured debt and a $1.0 million direct equity investment. TI designs and manufactures manual, semi-automated, pneumatic and computer numerically controlled (CNC) machines and tools used by medical device manufacturers to place holes in catheters and for tissue cutting applications. ASG is a leader in the automation of catheter and guidewire manufacturing.

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The Offering

Common stock offered by us	shares
Common stock outstanding prior to this offering	shares
Common stock to be outstanding after this offering	shares
Over-allotment option	shares
Use of proceeds	The net proceeds from this offering (without exercise of the over-allotment option and before deducting estimated expenses payable by us of approximately $200,000) will be $.
	We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our $155 million credit facility. However, through re-borrowing of the initial repayments under our $155 million credit facility, we intend to use the net proceeds from this offering to make investments in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus, to make investments in marketable securities and idle funds investments, which may include investments in secured intermediate term bank debt, rated debt securities and other income producing investments, to pay our operating expenses and other cash obligations, and for general corporate purposes. See "Use of Proceeds" below.
Dividends and distributions	Our dividends and other distributions, if any, will be determined by our Board of Directors from time to time.
	Our ability to declare dividends depends on our earnings, our overall financial condition (including our liquidity position), maintenance of our regulated investment company ("RIC") status under Subchapter M of the Internal Revenue Code (the "Code") and such other factors as our Board of Directors may deem relevant from time to time. From our IPO through the third quarter of 2008 we paid quarterly dividends, but in the fourth quarter of 2008 we began paying, and we intend to continue paying, monthly dividends to our stockholders. When we make monthly distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated earnings, recognized capital gains or capital. To the extent there is a return of capital, investors will be required to reduce their basis in our stock for federal tax purposes. In the future, our distributions may include a return of capital.

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	In August 2011, we declared monthly dividends of $0.135 per share for each of October, November and December 2011. These monthly dividends equate to a total of $0.405 per share for the fourth quarter of 2011. Because the record date for the November 2011 dividend payment is prior to the date of this offering, investors who purchase shares of our common stock in this offering will not be entitled to receive such dividend. However, investors who purchase shares of our common stock in this offering will be entitled to receive the December 2011 dividend payment and subsequent monthly dividends provided that they continue to hold such shares.
Taxation	MSCC has elected to be treated for federal income tax purposes as a RIC under Subchapter M of the Code. Accordingly, we generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that we distribute to our stockholders as dividends. To maintain our RIC tax treatment, we must meet specified source-of-income and asset diversification requirements and distribute annually at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any.
	Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income. Any such undistributed taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income. See "Material U.S. Federal Income Tax Considerations" in the accompanying prospectus.
Risk factors	See "Risk Factors" beginning on page 12 of the accompanying prospectus for a discussion of risks you should carefully consider before deciding to invest in shares of our common stock.
New York Stock Exchange symbol	"MAIN"

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus supplement contains a reference to fees or expenses paid by "you," "us" or "Main Street," or that "we" will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in us.

Stockholder Transaction Expenses:	
Sales load (as a percentage of offering price)	4.50%(1)
Offering expenses (as a percentage of offering price)	%(2)
Dividend reinvestment plan expenses	(3)
Total stockholder transaction expenses (as a percentage of offering price)	%
Annual Expenses (as a percentage of net assets attributable to common stock):	
Operating expenses	3.67%(4)
Interest payments on borrowed funds	3.84%(5)
Income tax expense	0.28%(6)
Acquired fund fees and expenses	0.02%(7)
Total annual expenses	7.81%(8)

(1) Represents the underwriting discount with respect to the shares sold by us in this offering.

(2) The offering expenses of this offering borne by us are estimated to be approximately $200,000. If the underwriters exercise their over-allotment option in full, the offering expenses borne by us (as a percentage of the offering price) will be approximately %.

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

(4) Operating expenses represent the estimated annual expenses of MSCC and its consolidated subsidiaries, including MSC II. There is a 12% minority ownership interest in MSC II not held by MSCC or its subsidiaries. The ratio of operating expenses to net assets, net of the expenses related to the noncontrolling interest in MSC II, would be 3.63%.

(5) Interest payments on borrowed funds represent our estimated annual interest payments on borrowed funds.

(6) Income tax expense primarily relates to the accrual of deferred taxes on the net unrealized appreciation from portfolio investments held in Taxable Subsidiaries, which is 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 these deferred taxes are not currently payable. Due to the variable nature of this 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, 2010. The ratio of total annual expenses to net assets, before income tax expense, would be 7.53%.

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

(8) The total annual expenses are the sum of operating expenses, interest payments on borrowed funds, income tax expenses and acquired fund fees and expenses.

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Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage and that our annual operating expenses would remain at the levels set forth in the table above, and that you would pay a sales load of 4.50% (the underwriting discount to be paid by us with respect to common stock sold by us in this offering).

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$ 80.1	$ 233.0	$ 376.9	$ 700.5

The example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. In addition, while the example assumes reinvestment of all dividends at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by (i) the market price per share of our common stock at the close of trading on the dividend payment date in the event that we use newly issued shares to satisfy the share requirements of the dividend reinvestment plan or (ii) the average purchase price of all shares of common stock purchased by the administrator of the dividend reinvestment plan in the event that shares are purchased in the open market to satisfy the share requirements of the dividend reinvestment plan, which may be at, above or below net asset value. See "Dividend Reinvestment Plan" in the accompanying prospectus for additional information regarding our dividend reinvestment plan.

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USE OF PROCEEDS

The net proceeds from the sale of the shares of common stock in this offering are $, and $ if the underwriter's over-allotment option is exercised in full, after deducting the underwriting discount and estimated offering expenses of approximately $200,000 payable by us.

We intend to initially use the net proceeds from this offering to repay outstanding debt borrowed under our $155 million credit facility. However, through re-borrowing of the initial repayments under our $155 million credit facility, we intend to use the net proceeds from this offering to make investments in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus, to make investments in marketable securities and idle funds investments, which may include investments in secured intermediate term bank debt, rated debt securities and other income producing investments, to pay our operating expenses and other cash obligations, and for general corporate purposes. Our ability to achieve our investment objective may be limited to the extent that the net proceeds from an offering, pending full investment, are held in interest bearing deposits or other short-term instruments. See "Risk Factors Risks Relating to Our Common Stock We may be unable to invest a significant portion of the net proceeds from an offering or from exiting an investment or other capital on acceptable terms, which could harm our financial condition and operating results" in the accompanying prospectus.

At October 18, 2011, we had approximately $114 million outstanding under our $155 million credit facility. Our credit facility matures on September 20, 2014, unless extended, and bears interest, at our election, on a per annum basis equal to (i) the applicable LIBOR rate plus 2.50% or (ii) the applicable base rate plus 1.50%. Amounts repaid under our $155 million credit facility will remain available for future borrowings.

Affiliates of Morgan Keegan & Company, Inc. and BB&T Capital Markets, each an underwriter in this offering, act as lenders and/or agents under our $155 million credit facility. As described above, we intend to use net proceeds of this offering to repay the outstanding indebtedness under this credit facility, and those affiliates therefore may receive a portion of the proceeds from this offering through the repayment of those borrowings. See "Underwriting Conflicts of Interest" below.

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CAPITALIZATION

The following table sets forth our capitalization:

- on an actual basis as of June 30, 2011; and
- on an as-adjusted basis giving effect to the sale of shares of our common stock in this offering at the public offering price of $ per share, less estimated underwriting discounts and offering expenses payable by us.

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

	As of June 30, 2011	
	Actual	As-adjusted for this Offering
	(Unaudited)	
Cash and cash equivalents	$ 14,132,738	$ 14,132,738
Marketable securities and idle funds investments	120,299,248	(1)
Total cash and cash equivalents, marketable securities and idle funds investments	$ 134,431,986	$
SBIC debentures (par: $210,000,000; of which $72,637,267 is recorded at fair value)	$ 187,637,267	$ 187,637,267
Credit facility	73,000,000	
Net asset value:		
Common stock, $0.01 par value per share (150,000,000 shares authorized; 23,182,600 and issued and outstanding, actual and as adjusted for this offering, respectively)	231,826	
Additional paid-in capital	300,130,851	
Accumulated net investment income	7,435,312	7,435,312
Accumulated net realized loss from investments	(20,499,798)	(20,499,798)
Net unrealized appreciation, net of income taxes	42,833,531	42,833,531
Total net asset value	330,131,722	
Total capitalization	$ 590,768,989	$

(1) This table assumes that we will use any proceeds from this offering that are not used to repay outstanding indebtedness under our $155 million credit facility to invest in marketable securities and idle funds investments until such time as we are able to invest such proceeds in lower middle market companies and privately placed debt securities.

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SELECTED FINANCIAL DATA

The selected financial data below reflects the combined operations of MSMF and MSMF GP for the year ended December 31, 2006 and the consolidated operations of Main Street and its subsidiaries for the years ended December 31, 2007, 2008, 2009, and 2010 and for the six months ended June 30, 2010 and 2011. The selected financial data at December 31, 2006, 2007, 2008, 2009, and 2010 and for the years ended December 31, 2006, 2007, 2008, 2009, and 2010, have been derived from combined/consolidated financial statements that have been audited by Grant Thornton LLP, an independent registered public accounting firm. The selected financial data at June 30, 2011, and for the six months ended June 30, 2010 and 2011, have been derived from unaudited financial data but, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the financial condition and operating results for such interim periods. Interim results as of and for the six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. You should read this selected financial data in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and the financial statements and related notes thereto in the accompanying prospectus and "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" in this prospectus supplement.

	Six Months Ended June 30,		Years Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006
	(dollars in thousands)						
	(Unaudited)						
Statement of operations data:							
Investment income:							
Total interest, fee and dividend income	$ 25,057	$ 14,440	$ 33,525	$ 14,283	$ 16,123	$ 11,312	$ 9,013
Interest from idle funds and other	4,446	1,385	2,983	1,719	1,172	1,163	749
Total investment income	29,503	15,825	36,508	16,002	17,295	12,475	9,762
Expenses:							
Interest	(6,166)	(4,105)	(9,058)	(3,791)	(3,778)	(3,246)	(2,717)
General and administrative	(1,107)	(672)	(1,437)	(1,351)	(1,684)	(512)	(198)
Expenses reimbursed to Investment Manager	(4,337)	(2,483)	(5,263)	(570)	(1,007)		
Share-based compensation	(886)	(603)	(1,489)	(1,068)	(511)		
Management fees to affiliate						(1,500)	(1,942)
Professional costs related to initial public offering						(695)	
Total expenses	(12,496)	(7,863)	(17,247)	(6,780)	(6,980)	(5,953)	(4,857)
Net investment income	17,007	7,962	19,261	9,222	10,315	6,522	4,905
Total net realized gain (loss) from investments	250	(1,405)	(2,880)	(7,798)	1,398	4,692	2,430
Net realized income	17,257	6,557	16,381	1,424	11,713	11,214	7,335
Total net change in unrealized appreciation (depreciation)	14,012	7,312	19,639	8,242	(3,961)	(5,406)	8,488
Income tax benefit (provision)	(3,163)	(421)	(941)	2,290	3,182	(3,263)	
Bargain purchase gain		4,890	4,891				
Net increase (decrease) in net assets resulting from operations	28,106	18,338	39,970	11,956	10,934	2,545	15,823
Noncontrolling interest	(157)	(409)	(1,226)				
Net increase (decrease) in net assets resulting from operations attributable to common stock	$ 27,949	$ 17,929	$ 38,744	$ 11,956	$ 10,934	$ 2,545	$ 15,823

Net investment income per share basic and diluted	$	0.79	$	0.53	$	1.16	$	0.92	$	1.13	$	0.76	N/A
Net realized income per share basic and diluted	$	0.80	$	0.44	$	0.99	$	0.14	$	1.29	$	1.31	N/A
Net increase in net assets resulting from operations attributable to common stock per share basic and diluted	$	1.32	$	1.22	$	2.38	$	1.19	$	1.20	$	0.30	N/A
Weighted average shares outstanding basic and diluted		21,128,360		14,754,121		16,292,846		10,042,639		9,095,904		8,587,701	N/A

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	As of June 30, 2011 (Unaudited)	As of December 31, 2010	2009	2008	2007	2006
		(dollars in thousands)				
Balance sheet data:						
Assets:						
Total portfolio investments at fair value	$ 471,729	$ 348,811	$ 156,740	$ 127,007	$ 105,650	$ 73,711
Marketable securities and idle funds investments	120,299	68,753	3,253	4,390	24,063	
Cash and cash equivalents	14,133	22,334	30,620	35,375	41,889	13,769
Deferred tax asset		1,958	2,716	1,121		
Interest receivable and other assets	7,377	4,524	1,510	1,101	1,576	630
Deferred financing costs, net of accumulated amortization	3,715	2,544	1,611	1,635	1,670	1,333
Total assets	$ 617,253	$ 448,924	$ 196,450	$ 170,629	$ 174,848	$ 89,443
Liabilities and net assets:						
SBIC debentures	$ 187,637	$ 155,558	$ 65,000	$ 55,000	$ 55,000	$ 45,100
Credit facility	73,000	39,000				
Payable for securities purchased	10,805					
Deferred tax liability	954				3,026	
Interest payable	3,717	3,195	1,069	1,108	1,063	855
Dividend payable	3,014			726		
Accounts payable and other liabilities	3,499	1,188	721	1,439	610	216
Total liabilities	282,626	198,941	66,790	58,273	59,699	46,171
Total net asset value	330,132	245,535	129,660	112,356	115,149	43,272
Noncontrolling interest	4,495	4,448				
Total liabilities and net assets	$ 617,253	$ 448,924	$ 196,450	$ 170,629	$ 174,848	$ 89,443
Other data:						
Weighted average effective yield on LMM debt investments(1)	14.8%	14.5%	14.3%	14.0%	14.3%	15.0%
Number of LMM portfolio companies(2)	49	44	35	31	27	24
Weighted average effective yield on privately placed debt investments(1)	11.0%	12.5%	14.4%	N/A	N/A	N/A
Number of privately placed portfolio companies	23	15	4	N/A	N/A	N/A
Expense ratios (as percentage of average net assets):						
Total expenses, including income tax expense	5.1%(4)(5)	8.8%(5)	5.6%	6.1%	16.2%(3)	12.5%
Operating expenses	4.1%(4)(5)	8.3%(5)	5.6%	6.1%	10.5%(3)	12.5%
Operating expenses, excluding interest expense	2.1%(4)(5)	4.0%(5)	2.5%	2.8%	4.8%(3)	5.5%

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

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

(3)

The ratio for the year ended December 31, 2007 reflects the impact of professional costs related to the IPO. These costs were 25.7% of operating expenses for the year.

(4) Not annualized.

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

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

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

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

ORGANIZATION

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

On January 7, 2010, MSCC consummated transactions (the "Exchange Offer") to exchange 1,239,695 shares of its common stock for approximately 88% of the total dollar value of the limited partner interests in Main Street Capital II, LP ("MSC II" and, together with MSMF, the "Funds"). Pursuant to the terms of the Exchange Offer, 100% of the membership interests in the general partner of MSC II, Main Street Capital II GP, LLC ("MSC II GP"), were also transferred to MSCC for no consideration. MSC II commenced operations in January 2006, is an investment fund that operates as an SBIC, and is also managed by the Investment Manager. The Exchange Offer and related transactions, including the transfer of the MSC II GP interests, are collectively termed the "Exchange Offer Transactions" (see Note I to the consolidated financial statements). As of June 30, 2011, an approximately 12% minority ownership in the total dollar value of the MSC II limited partnership interests remained outstanding, including approximately 5% owned by affiliates of MSCC. We have submitted an exemptive relief application to the SEC to permit us to acquire the approximately 5% ownership in the total dollar value of the MSC II limited partnership interests held by affiliates of MSCC using the same valuation formula utilized in the Exchange Offer. There can be no assurance that we will obtain the exemptive relief or that if we do obtain such relief it will be obtained on the terms we have outlined in our request.

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

MSCC has direct or indirect subsidiaries that have elected to be taxable entities (the "Taxable Subsidiaries"). The primary purpose of these entities is to hold certain investments that generate "pass through" income for tax purposes. The Taxable Subsidiaries are each taxed at their normal corporate tax rates based on their taxable income.

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

OVERVIEW

We are a principal investment firm primarily focused on providing customized debt and equity financing to lower middle market ("LMM") companies, which we generally define as companies with annual revenues between $10 million and $100 million that operate in diverse industries. We invest primarily in secured debt instruments, equity investments, warrants and other securities of LMM companies based in the United States. Our principal investment objective is to maximize our portfolio's total return by generating current income from our debt investments and capital appreciation from our equity and equity related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company. Our LMM portfolio investments generally range in size from $5 million to $25 million.

We seek to fill the current financing gap for LMM businesses, which, historically, have had more limited access to financing from commercial banks and other traditional sources. The underserved nature of the lower middle market creates the opportunity for us to meet the financing needs of LMM companies while also negotiating favorable transaction terms and equity participations. Our ability to invest across a company's capital structure, from senior secured loans to equity securities, allows us to offer portfolio companies a comprehensive suite of financing solutions, or "one stop" financing. Providing customized, "one stop" financing solutions has become even more relevant to our LMM portfolio companies in the current investing environment. We generally seek to partner directly with entrepreneurs, management teams and business owners in making our investments. We believe that our LMM investment strategy has a lower correlation to the broader debt and equity markets.

In addition to our LMM investment strategy, we opportunistically pursue investments in privately placed debt securities. Our private placement investment portfolio primarily consists of direct or secondary private placements of interest bearing debt securities in companies that are generally larger in size than the LMM companies included in our investment portfolio. As of June 30, 2011, we had privately placed portfolio investments in 23 companies collectively totaling approximately $133.3 million in fair value with a total cost basis of approximately $129.8 million. The weighted average revenues for the 23 privately placed portfolio company investments were approximately $399 million as of June 30, 2011. Our privately placed portfolio investments are primarily in the form of debt investments and 69% of such debt investments at cost were secured by first priority liens on portfolio company assets. The weighted average effective yield on our privately placed portfolio debt investments was approximately 11.0% as of June 30, 2011.

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

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

For the six months ended June 30, 2011, we paid dividends on a monthly basis totaling $0.765 per share, or $16.0 million. In June 2011, we declared monthly dividends for the third quarter of 2011 totaling $0.39 per share, and in August 2011, we declared monthly dividends for the fourth quarter of 2011 totaling $0.405 per share. During 2010, we paid monthly dividends of $0.125 per share, or $1.50 per share for the entire year. Including the dividends declared for the third and fourth quarters of 2011, we will have paid approximately $6.32 per share in cumulative dividends since our October 2007 initial public offering.

At June 30, 2011, we had $134.4 million in cash and cash equivalents, marketable securities, and idle funds investments. In June 2011, we closed an expansion of the three-year credit facility (the "Credit Facility") from $100 million to $155 million to provide additional liquidity in support of future investment and operational activities. The $55 million increase in total commitments included commitment increases by all six lenders currently participating in the Credit Facility. In addition to the $55 million increase in total commitments, we extended the maturity of the Credit Facility by one year to September 2014. In March 2011, we completed a follow-on public stock offering in which we sold 4,025,000 shares of common stock, including the underwriters' full exercise of the over-allotment option, at a price to the public of $18.35 per share (or approximately 141% of the then latest reported Net Asset Value per share), resulting in total net proceeds of approximately $70.3 million, after deducting underwriters' commissions and offering costs.

CRITICAL ACCOUNTING POLICIES

Basis of Presentation

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). For the three and six months ended June 30, 2011 and 2010, our consolidated financial statements include the accounts of MSCC and its consolidated subsidiaries, including the Funds. Portfolio investments, as used herein, refers to all of our portfolio investments in LMM companies, private placement portfolio investments, and our investment in the Investment Manager but excludes all of our "Marketable securities and idle funds investments." Private placement portfolio investments include investments made through direct or secondary purchases of interest-bearing debt securities in companies that are generally larger in size than the LMM companies included as part of our portfolio investments. "Marketable securities and idle funds investments" are classified as financial instruments and are reported separately on our Consolidated Balance Sheets and Consolidated Schedule of Investments due to the nature of such investments. Our results of operations and cash flows for the three and six months ended June 30, 2011 and 2010, and financial position as of June 30, 2011 and December 31, 2010, are presented on a consolidated basis. The effects of all intercompany transactions between Main Street and its consolidated subsidiaries have been eliminated in consolidation. Certain reclassifications have been made to prior period balances to conform with the current financial statement presentation.

The accompanying unaudited consolidated financial statements of Main Street are presented in conformity with U.S. GAAP for interim financial information and pursuant to the requirements of Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, the unaudited consolidated financial results included herein contain all adjustments, consisting solely of normal

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recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods included herein. The results of operations for the three and six months ended June 30, 2011 are not necessarily indicative of the operating results to be expected for the full year. Also, the unaudited financial statements and notes should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2010. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Under the investment company rules and regulations pursuant to Article 6 of Regulation S-X and the Audit and Accounting Guide for Investment Companies issued by the American Institute of Certified Public Accountants (the "AICPA Guide"), we are precluded from consolidating portfolio company investments, including those in which we have a controlling interest, unless the portfolio company is another investment company. An exception to this general principle in the AICPA Guide occurs if we own a controlled operating company that provides all or substantially all of its services directly to us, or to an investment company of ours. None of the investments made by us qualify for this exception. Therefore, our portfolio investments are carried on the balance sheet at fair value, as discussed further in Note B to our consolidated financial statements, with any adjustments to fair value recognized as "Net Change in Unrealized Appreciation (Depreciation)" on our Statement of Operations until the investment is exited, resulting in any gain or loss on exit being recognized as a "Net Realized Gain (Loss) from Investments."

Portfolio Investment Valuation

The most significant estimate inherent in the preparation of our consolidated financial statements is the valuation of our portfolio investments and the related amounts of unrealized appreciation and depreciation. As of June 30, 2011 and December 31, 2010, approximately 76% and 78%, respectively, of our total assets represented investments in portfolio companies valued at fair value (including our investment in the Investment Manager). We are required to report our investments at fair value. We follow the provisions of the Accounting Standards Codification ("Codification" or "ASC") 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements.

Our portfolio strategy calls for us to invest primarily in illiquid securities issued by private, LMM companies as well as privately placed debt securities issued by private, middle market companies that are generally larger in size than the LMM companies. These portfolio investments may be subject to restrictions on resale. LMM companies generally have no established trading market while privately placed debt securities generally have established markets that are not active. We determine in good faith the fair value of our portfolio investments 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. For LMM investments, we review external events, including private mergers, sales and acquisitions involving comparable companies, and include these events in the valuation process. For private placement portfolio investments, we generally use observable inputs such as quoted prices in the valuation process. Our valuation policy and process is intended to provide a consistent basis for determining the fair value of the portfolio.

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

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

Our private placement portfolio investments primarily consist of direct or secondary purchases of interest-bearing debt securities in companies that are generally larger in size than the LMM companies included in our investment portfolio. For valuation purposes, all of our private placement portfolio investments are non-control investments and are composed of debt securities for which we do not have a controlling interest in the portfolio company, or the ability to nominate a majority of the portfolio company's board of directors. We primarily use observable inputs to determine the fair value of these investments through obtaining third party quotes or independent pricing.

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

Revenue Recognition

Interest and Dividend Income

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

Fee Income

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

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

We hold debt and preferred equity instruments in our investment portfolio that contain payment-in-kind ("PIK") interest and cumulative dividend provisions. The PIK interest, computed at the contractual rate specified in each debt agreement, is periodically added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. Cumulative dividends are recorded as dividend income, and any dividends in arrears are added to the balance of the preferred equity investment. The actual collection of dividends in arrears may be deferred until such time as the preferred equity is redeemed. To maintain RIC tax treatment (as discussed below), these non-cash sources of income may need to be paid out to stockholders in the form of distributions, even though we may not have collected the PIK interest and cumulative dividends in cash. We will stop accruing PIK interest and cumulative dividends and will write off any accrued and uncollected interest and dividends in arrears when it is determined that such PIK interest and dividends in arrears are no longer collectible.

Share-Based Compensation

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

Income Taxes

MSCC has elected to be, and intends to continue to qualify for the tax treatment applicable to, a RIC under the Code, and, among other things, intends to make the required distributions to its

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stockholders as specified therein. In order to qualify as a RIC, MSCC is required to timely distribute to its stockholders at least 90% of investment company taxable income, as defined by the Code, each year. Depending on the level of taxable income earned in a tax year, MSCC may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income. Any such carryover taxable income must be distributed through a dividend declared prior to filing the final tax return related to the year which generated such taxable income.

The Taxable Subsidiaries hold certain portfolio investments of Main Street. The Taxable Subsidiaries are consolidated for U.S. GAAP reporting purposes, and the portfolio investments held by them are included in Main Street's consolidated financial statements. The Taxable Subsidiaries permit Main Street to hold equity investments in portfolio companies which are "pass through" entities for tax purposes in order to comply with the "source income" requirements contained in the RIC tax provisions. The Taxable Subsidiaries are not consolidated with Main Street for income tax purposes and may generate income tax expense, or benefit, as a result of their ownership of certain portfolio investments. This income tax expense, or benefit, is reflected in Main Street's Consolidated Statement of Operations.

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

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

LMM PORTFOLIO COMPOSITION

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

Summaries of the composition of our LMM investment portfolio at cost and fair value as a percentage of total LMM portfolio investments are shown in the following table:

Cost:	**June 30, 2011**	**December 31, 2010**
First lien debt	69.4%	70.6%
Equity	19.4%	17.7%
Second lien debt	6.1%	6.7%
Equity warrants	5.1%	5.0%
	100.0%	100.0%

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Fair Value:	June 30, 2011	December 31, 2010
First lien debt	59.1%	62.6%
Equity	27.6%	21.9%
Second lien debt	5.6%	6.5%
Equity warrants	7.7%	9.0%
	100.0%	100.0%

The following table shows the LMM portfolio composition by geographic region of the United States at cost and fair value as a percentage of total LMM portfolio investments. The geographic composition is determined by the location of the corporate headquarters of the portfolio company:

Cost:	June 30, 2011	December 31, 2010
Southwest	51.3%	50.5%
West	29.0%	29.3%
Southeast	8.8%	7.0%
Midwest	6.0%	7.2%
Northeast	4.9%	6.0%
	100.0%	100.0%

Fair Value:	June 30, 2011	December 31, 2010
Southwest	54.5%	51.8%
West	26.4%	28.4%
Southeast	7.9%	6.4%
Midwest	6.1%	7.2%
Northeast	5.1%	6.2%
	100.0%	100.0%

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Main Street's LMM portfolio investments are in companies conducting business in a variety of industries. Set forth below are tables showing the composition of Main Street's LMM portfolio investments by industry at cost and fair value as of June 30, 2011 and December 31, 2010:

Cost:	**June 30, 2011**	**December 31, 2010**
Professional services	15.2%	15.4%
Media/Marketing	8.6%	6.6%
Information services	8.3%	7.8%
Equipment rental	7.6%	8.4%
Retail	6.5%	7.4%
Industrial equipment	6.0%	7.2%
Health care services	5.6%	5.0%
Industrial services	5.2%	7.2%
Electronics manufacturing	4.4%	5.2%
Transportation/Logistics	4.0%	1.3%
Energy Services	3.9%	0.0%
Metal fabrication	3.8%	6.3%
Precast concrete manufacturing	3.8%	4.4%
Restaurant	2.8%	3.3%
Custom wood products	2.7%	3.0%
Agricultural services	2.4%	2.8%
Consumer Products	2.2%	2.6%
Manufacturing	2.0%	2.4%
Infrastructure products	2.0%	0.7%
Governmental services	1.5%	1.8%
Health care products	1.5%	1.2%
	100.0%	100.0%

Fair Value:	**June 30, 2011**	**December 31, 2010**
Professional services	13.3%	14.3%
Information services	11.8%	8.5%
Media/Marketing	7.5%	5.9%
Health care services	7.3%	7.1%
Industrial services	6.4%	7.8%
Equipment rental	6.2%	7.3%
Retail	5.9%	6.6%
Industrial equipment	5.6%	6.3%
Metal fabrication	4.7%	6.5%
Transportation/Logistics	4.2%	1.8%
Precast concrete manufacturing	3.8%	4.9%
Electronics manufacturing	3.7%	5.0%
Energy Services	3.4%	0.0%
Restaurant	3.3%	3.7%
Agricultural services	3.1%	3.3%
Custom wood products	2.7%	3.0%
Manufacturing	2.3%	2.7%
Governmental services	1.4%	1.8%
Health care products	1.3%	1.1%
Infrastructure products	1.2%	0.1%
Consumer Products	0.9%	2.3%
	100.0%	100.0%

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Our LMM portfolio investments carry a number of risks including, but not limited to: (1) investing in LMM companies which may have limited operating histories and financial resources; (2) holding investments that 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 private, smaller companies.

PORTFOLIO ASSET QUALITY

We utilize an internally developed investment rating system to rate the performance of each portfolio company. Investment Rating 1 represents a portfolio company that is performing in a manner which significantly exceeds expectations and projections. Investment Rating 2 represents a portfolio company that, in general, is performing above expectations. Investment Rating 3 represents a portfolio company that is generally performing in accordance with expectations. Investment Rating 4 represents a portfolio company that is underperforming expectations. Investments with such a rating require increased monitoring and scrutiny by us. Investment Rating 5 represents a portfolio company that is significantly underperforming. Investments with such a rating require heightened levels of monitoring and scrutiny by us and involve the recognition of significant unrealized depreciation on such investment. All new portfolio investments receive an initial 3 rating.

The following table shows the distribution of our LMM and privately placed portfolio investments (excluding the investment in our affiliated Investment Manager) on the 1 to 5 investment rating scale at fair value as of June 30, 2011 and December 31, 2010:

	June 30, 2011		December 31, 2010	
Investment Rating	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
	(Unaudited) (dollars in thousands)			
1	$ 93,597	19.9%	$ 52,147	15.0%
2	236,729	50.4%	153,408	44.2%
3	122,310	26.0%	122,249	35.3%
4	16,878	3.6%	17,705	5.1%
5	250	0.1%	1,250	0.4%
Totals	$ 469,764	100.0%	$ 346,759	100.0%

Based upon our investment rating system, the weighted average rating of our portfolio was approximately 2.1 as of June 30, 2011 and approximately 2.3 as of December 31, 2010. As of June 30, 2011, we had two investments on non-accrual status, which comprised approximately 1.6% of the total portfolio investments at fair value and 3.7% of the total portfolio investments at cost (or 1.2% and 2.8%, respectively with the inclusion of marketable securities and idle funds investments), in each case excluding the investment in the affiliated Investment Manager. As of December 31, 2010, we had two investments on non-accrual status, which comprised approximately 2.6% of the total portfolio investments at fair value and 3.6% of the total portfolio investments at cost (or 2.2% and 3.0%, respectively with the inclusion of marketable securities and idle funds investments), in each case excluding the investment in the affiliated Investment Manager.

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

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DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2011 and June 30, 2010

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Net Change Amount	Net Change %
	(dollars in millions)			
Total investment income	$ 16.1	$ 8.7	$ 7.4	85%
Total expenses	(6.5)	(4.0)	(2.5)	63%
Net investment income	9.6	4.7	4.9	103%
Net realized gain from investments	0.3	2.7	(2.4)	-91%
Net realized income	9.9	7.4	2.5	33%
Net change in unrealized appreciation	9.9	1.8	8.1	447%
Income tax provision	(2.0)		(2.0)	NM
Noncontrolling interest	(0.2)	(0.3)	0.1	47%
Net increase in net assets resulting from operations attributable to common stock	$ 17.6	$ 8.9	$ 8.7	99%

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Net Change Amount	Net Change %
	(dollars in millions)			
Net investment income	$ 9.6	$ 4.7	$ 4.9	103%
Share-based compensation expense	0.4	0.3	0.1	47%
Distributable net investment income(a)	10.0	5.0	5.0	99%
Net realized gain from investments	0.3	2.7	(2.4)	-91%
Distributable net realized income(a)	$ 10.3	$ 7.7	$ 2.6	34%
Distributable net investment income per share Basic and diluted(a)(b)	$ 0.43	$ 0.33	$ 0.10	30%
Distributable net realized income per share Basic and diluted(a)(b)	$ 0.44	$ 0.51	$ (0.07)	-14%

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

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(b) Per share amounts exclude the earnings attributable to the remaining noncontrolling equity interests in MSC II not owned by Main Street.

Investment Income

For the three months ended June 30, 2011, total investment income was $16.1 million, an 85% increase over the $8.7 million for the corresponding period of 2010. This comparable period increase was principally attributable to (i) a $5.9 million increase in interest income from higher average levels of both portfolio debt investments and interest-bearing marketable securities and idle funds investments and (ii) a $1.7 million increase in dividend income from portfolio equity investments. The increase in investment income included $0.5 million of non-recurring income associated with prepayment and repricing activity for certain debt investments and a $0.3 million special dividend from one portfolio equity investment.

Expenses

For the three months ended June 30, 2011, total expenses increased by approximately $2.5 million to $6.5 million from $4.0 million in the corresponding period of 2010. This comparable period increase in expenses was principally attributable to (i) higher interest expense of $1.2 million as a result of the issuance of an additional $65 million in SBIC debentures subsequent to the second quarter of 2010 and increased borrowing activity under the Credit Facility, (ii) higher share-based compensation expense of $0.1 million related to non-cash amortization for restricted share grants, and (iii) higher compensation and other operating expenses of $1.2 million as a result of the significant increase in investment income and portfolio investments compared to the corresponding period of 2010.

Distributable Net Investment Income

Distributable net investment income for the three months ended June 30, 2011 increased 99% to $10.0 million, or $0.43 per share, compared with $5.0 million, or $0.33 per share, in the corresponding period of 2010. The increase in distributable net investment income was primarily due to the higher level of total investment income partially offset by higher interest and other operating expenses, due to the changes discussed above. Distributable net investment income on a per share basis for the second quarter of 2011 reflects (i) approximately $0.02 per share of non-recurring investment income associated with the prepayment and repricing activity discussed above, (ii) $0.01 per share of investment income due to the special dividend discussed above, and (iii) a greater number of average shares outstanding compared to the corresponding period in 2010 primarily due to the March 2011 and August 2010 follow-on stock offerings.

Net Investment Income

Net investment income for the three months ended June 30, 2011 was $9.6 million, or a 103% increase, compared to net investment income of $4.7 million during the corresponding period of 2010. The increase in net investment income was principally attributable to the increase in total investment income partially offset by the higher interest and other operating expenses discussed above.

Distributable Net Realized Income

Distributable net realized income increased to $10.3 million, or $0.44 per share, in the second quarter of 2011 compared with distributable net realized income of $7.7 million, or $0.51 per share, in the corresponding period of 2010. The increase was due to the higher level of total distributable net investment income in 2011, partially offset by the higher level of total net realized gain from investments in the corresponding period of 2010. The $2.7 million net realized gain during the second quarter of 2010 was primarily attributable to realized gains recognized on two partial exits and one full exit of portfolio company equity investments.

Net Realized Income

The higher level of net investment income partially offset by the change in net realized gain from investments during the three months ended June 30, 2011 resulted in a $2.5 million increase in net realized income compared with the corresponding period of 2010.

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

For the three months ended June 30, 2011, the $9.9 million net change in unrealized appreciation was principally attributable to (i) unrealized appreciation on 39 portfolio investments totaling $17.8 million, partially offset by unrealized depreciation on 15 portfolio investments totaling $6.2 million, (ii) $0.5 million of net unrealized appreciation on investments in marketable securities and idle funds investments, and (iii) $2.1 million of net unrealized depreciation attributable to our SBIC debentures. For the second quarter of 2011, we also recognized a net income tax provision of $2.0 million principally related to deferred taxes on net unrealized appreciation of certain portfolio investments held in our Taxable Subsidiaries. The noncontrolling interest of $0.2 million recognized in the second quarter of 2011 reflects the pro rata portion of MSC II net earnings attributable to the equity interests in MSC II not owned by Main Street.

As a result of these events, our net increase in net assets resulting from operations attributable to common stock during the three months ended June 30, 2011 was $17.6 million, or $0.77 per share, compared with a net increase in net assets resulting from operations attributable to common stock of $8.9 million, or $0.59 per share, in the corresponding period of 2010.

Comparison of the six months ended June 30, 2011 and June 30, 2010

	Six Months Ended June 30,		Net Change	
	2011	2010	Amount	%
	(dollars in millions)			
Total investment income	$ 29.5	$ 15.8	$ 13.7	86%
Total expenses	(12.5)	(7.9)	(4.6)	59%
Net investment income	17.0	7.9	9.1	114%
Net realized gain (loss) from investments	0.3	(1.4)	1.7	118%
Net realized income	17.3	6.5	10.8	163%
Net change in unrealized appreciation from investments	14.0	7.3	6.7	92%
Income tax provision	(3.2)	(0.4)	(2.8)	-651%
Bargain purchase gain		4.9	(4.9)	NM
Noncontrolling interest	(0.2)	(0.4)	0.2	61%
Net increase in net assets resulting from operations attributable to common	$ 27.9	$ 17.9	$ 10.0	56%

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	Six Months Ended June 30, 2011	2010	Net Change Amount	%
	(dollars in millions)			
Net investment income	$ 17.0	$ 7.9	$ 9.1	114%
Share-based compensation expense	0.9	0.6	0.3	47%
Distributable net investment income(a)	17.9	8.5	9.4	109%
Net realized gain (loss) from investments	0.3	(1.4)	1.7	118%
Distributable net realized income(a)	$ 18.2	$ 7.1	$ 11.1	153%
Distributable net investment income per share Basic and diluted(a)(b)	$ 0.83	$ 0.57	$ 0.26	46%
Distributable net realized income per share Basic and diluted(a)(b)	$ 0.84	$ 0.48	$ 0.36	74%

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

(b) Per share amounts exclude the earnings attributable to the remaining noncontrolling equity interests in MSC II not owned by Main Street.

Investment Income

For the six months ended June 30, 2011, total investment income was $29.5 million, an 86% increase over the $15.8 million in the corresponding period of 2010. This comparable period increase was principally attributable to (i) an $11.1 million increase in interest income from higher average levels of both portfolio debt investments and interest-bearing marketable securities and idle funds investments and (ii) a $2.3 million increase in dividend income from portfolio equity investments. The increase in investment income included $1.1 million of non-recurring income associated with prepayment and repricing activity for certain debt investments and a $0.3 million special dividend from one portfolio equity investment.

Expenses

For the six months ended June 30, 2011, total expenses increased by approximately $4.6 million to $12.5 million from $7.9 million in the corresponding period of 2010. This comparable period increase in expenses was principally attributable to (i) higher interest expense of $2.1 million as a result of the issuance of an additional $65 million in SBIC debentures subsequent to the second quarter of 2010 and increased borrowing activity under the Credit Facility, (ii) higher share-based compensation expense of

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$0.3 million related to non-cash amortization for restricted share grants, and (iii) higher compensation and other operating expenses of $2.2 million as a result of the significant increase in investment income and portfolio investments compared to the corresponding period of 2010.

Distributable Net Investment Income

Distributable net investment income for the six months ended June 30, 2011 increased 109% to $17.9 million, or $0.83 per share, compared with $8.5 million, or $0.57 per share, in the corresponding period of 2010. The increase in distributable net investment income was primarily due to the higher level of total investment income partially offset by higher interest and other operating expenses, due to the changes discussed above. Distributable net investment income on a per share basis for the first six months of 2011 reflects (i) approximately $0.05 per share of non-recurring investment income associated with the prepayment and repricing activity discussed above, (ii) $0.01 per share of investment income due to the special dividend discussed above, and (iii) a greater number of average shares outstanding compared to the corresponding period in 2010 primarily due to the March 2011 and August 2010 follow-on stock offerings.

Net Investment Income

Net investment income for the six months ended June 30, 2011 was $17.0 million, or a 114% increase, compared to net investment income of $7.9 million during the corresponding period of 2010. The increase in net investment income was principally attributable to the increase in total investment income partially offset by higher interest and other operating expenses as discussed above.

Distributable Net Realized Income

Distributable net realized income increased to $18.2 million, or $0.84 per share, in the first six months of 2011 compared with distributable net realized income of $7.1 million, or $0.48 per share, in the corresponding period of 2010. The increase was primarily attributable to the higher level of distributable net investment income as well as the change from net realized loss to net realized gain from investments. The $1.4 million net realized loss during the first six months of 2010 was primarily attributable to $4.0 million of realized loss from our debt and equity investment in one portfolio company, partially offset by $2.3 million of realized gain on two partial exits and one full exit of portfolio company equity investments.

Net Realized Income

The higher level of net investment income and the change from net realized loss to net realized gain from investments during the six months ended June 30, 2011 resulted in a $10.8 million increase in net realized income compared with the corresponding period of 2010.

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

For the six months ended June 30, 2011, the $14.0 million net change in unrealized appreciation was principally attributable to (i) unrealized appreciation on 45 portfolio investments totaling $25.4 million, partially offset by unrealized depreciation on 13 portfolio investments totaling $9.9 million, (ii) $0.6 million of net unrealized appreciation on investments in marketable securities and idle funds investments and, (iii) $2.1 million of net unrealized depreciation attributable to our SBIC debentures. For the six months ended June 30, 2011, we also recognized a net income tax provision of $3.2 million principally related to deferred taxes on net unrealized appreciation of certain portfolio investments held in our Taxable Subsidiaries. The noncontrolling interest of $0.2 million recognized during the first six months of 2011 reflects the pro rata portion of MSC II net earnings attributable to the equity interests in MSC II not owned by Main Street.

As a result of these events, our net increase in net assets resulting from operations attributable to common stock during the six months ended June 30, 2011 was $27.9 million, or $1.32 per share, compared with a net increase in net assets resulting from operations attributable to common stock of $17.9 million, or $1.22 per share, in the corresponding period of 2010.

Liquidity and Capital Resources

Cash Flows

For the six months ended June 30, 2011, we experienced a net decrease in cash and cash equivalents in the amount of $8.2 million. During that period, we generated $15.4 million of cash from our operating activities, primarily from distributable net investment income partially offset by accretion of unearned income, net payment-in-kind interest income, and increases in interest receivable and other assets. We used $144.8 million in net cash from investing activities for the six months ended June 30, 2011, principally including the funding of $116.1 million for LMM and private placement portfolio investments and the funding of $78.0 million for marketable securities and idle funds investments, partially offset by (i) $29.3 million of cash proceeds from the sale of marketable securities and idle funds investments and (ii) $19.6 million in cash proceeds from the repayment of LMM and private placement portfolio debt investments. For the first six months of 2011, $121.2 million in cash was provided by financing activities, which principally consisted of (i) $70.3 million in net cash proceeds from a public stock offering in March 2011, (ii) $30.0 million in cash proceeds from the issuance of SBIC debentures, and (iii) $34.0 million in net borrowings under the Credit Facility, partially offset by (i) $11.6 million in cash dividends paid to stockholders and (ii) $1.5 million in deferred loan costs paid in connection with the Credit Facility and the issuance of additional SBIC debentures.

For the six months ended June 30, 2010, we experienced a net decrease in cash and cash equivalents in the amount of $25.9 million. During that period, we generated $7.4 million of cash from our operating activities, primarily from distributable net investment income partially offset by accretion of unearned income and increases in interest receivable and other assets. We used $88.7 million in net cash from investing activities for the six months ended June 30, 2010, principally including the funding of $85.7 million for LMM and private placement portfolio investments and the funding of $30.7 million for marketable securities and idle funds investments, partially offset by (i) $19.5 million of cash proceeds from the sale of marketable securities and idle funds investments, (ii) $2.5 million in cash acquired as part of the Exchange Offer, (iii) $3.2 million from the full and partial exits of equity investments and (iv) $2.7 million in cash proceeds from the repayment of LMM and private placement portfolio debt investments. For the first six months of 2010, $55.4 million in cash was provided by financing activities, which principally consisted of (i) $40.1 million in net cash proceeds from a January 2010 public stock offering, (ii) $10.0 million in cash proceeds from the issuance of SBIC debentures, and (iii) $12.5 million in net borrowings under the Credit Facility, partially offset by (i) $7.0 million in cash dividends paid to stockholders and (ii) $0.3 million in deferred loan costs paid in connection with the issuance of additional SBIC debentures.

Capital Resources

As of June 30, 2011, we had $134.4 million in cash and cash equivalents, marketable securities, and idle funds investments, and our net asset value totaled $330.1 million, or $14.24 per share. In June 2011, we expanded the Credit Facility from $100 million to $155 million to provide additional liquidity in support of future investment and operational activities. The $55 million increase in total commitments included commitment increases by all six lenders currently participating in the Credit Facility. In addition to the $55 million increase in total commitments, we extended the maturity of the Credit Facility by one year to September 2014. The amended Credit Facility also contains an accordion feature that allows for a further increase in total commitments under the facility to $200 million on the same terms and conditions as the existing lender commitments. Borrowings under the Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable LIBOR rate plus 2.50% or (ii) the applicable base rate plus 1.50%. We pay unused commitment fees of 0.375% per annum on the average unused lender commitments under the Credit Facility. The Credit Facility is secured by a first lien on the assets of MSCC and its subsidiaries, excluding the assets of the Funds. The Credit Facility contains certain affirmative and negative covenants, including but not limited to: (i) maintaining an interest coverage ratio of at least 2.0 to 1.0, (ii) maintaining an asset coverage ratio of at least 2.5 to 1.0, and (iii) maintaining a minimum tangible net worth. At June 30, 2011, we had $73.0 million in borrowings outstanding under the Credit Facility, bearing interest at an interest rate of 2.69%. As of June 30, 2011, we were in compliance with all financial covenants of the Credit Facility.

In March 2011, we completed a follow-on public stock offering in which we sold 4,025,000 shares of common stock, including the underwriters' full exercise of the over-allotment option, at a price to the public of $18.35 per share (or approximately 141% of the then latest reported Net Asset Value per share), resulting in total net proceeds of approximately $70.3 million, after deducting underwriters' commissions and offering costs.

Due to each of the Funds' status as a licensed SBIC, we have the ability to issue, through the Funds, debentures guaranteed by the SBA at favorable interest rates. Under the regulations applicable to SBIC funds, an SBIC can have outstanding debentures guaranteed by the SBA generally in an amount up to twice its regulatory capital, which effectively approximates the amount of its equity capital. Debentures guaranteed by the SBA have fixed interest rates that equal prevailing 10-year Treasury Note rates plus a market spread and have a maturity of ten years with interest payable semi-annually. The principal amount of the debentures is not required to be paid before maturity but may be pre-paid at any time. Debentures issued prior to September 2006 were subject to pre-payment penalties during their first five years. Those pre-payment penalties no longer apply to debentures issued after September 1, 2006. On June 30, 2011, we, through the Funds, had $210 million of outstanding indebtedness guaranteed by the SBA, which carried a weighted average fixed interest rate of approximately 5.1%. The first maturity related to the SBIC debentures does not occur until 2013, and the weighted average duration is approximately 7.0 years as of June 30, 2011.

The American Recovery and Reinvestment Act of 2009 enacted in February 2009 (the "Stimulus Bill") contained several provisions applicable to SBIC funds, including the Funds. One of the key SBIC-related provisions included in the Stimulus Bill increased the maximum amount of combined SBIC leverage (or SBIC leverage cap) to $225 million for affiliated SBIC funds. The prior maximum amount of SBIC leverage available to affiliated SBIC funds was approximately $137 million, subject to annual escalation. Since the increase in the SBIC leverage cap applies to affiliated SBIC funds, Main Street is required to allocate such increased borrowing capacity between the Funds.

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

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

If our common stock trades below our net asset value per share, we will generally not be able to issue additional common stock at the market price unless our stockholders approve such a sale and our Board of Directors makes certain determinations. A proposal, approved by our stockholders at our June 2011 annual meeting of stockholders, authorizes us to sell shares of our common stock below the then current net asset value per share of our common stock in one or more offerings for a period of one year ending on June 15, 2012. We would need similar future approval from our stockholders to issue shares below the then current net asset value per share any time after the expiration of the current approval.

In order to satisfy the Code requirements applicable to a RIC, we intend to distribute to our stockholders substantially all of our taxable income, but we may also elect to periodically spillover certain excess undistributed taxable income from one tax year into the next tax year. In addition, as a BDC, we generally are required to meet a coverage ratio of total assets to total senior securities, which include borrowings and any preferred stock we may issue in the future, of at least 200%. This requirement limits the amount that we may borrow. In January 2008, we received exemptive relief from the SEC that permits us to exclude SBA-guaranteed debt issued by our wholly owned SBIC subsidiary, MSMF, from our asset coverage ratio, which, in turn, enables us to fund more investments with debt capital. We expect to obtain similar relief from the SEC with respect to SBIC debt securities issued by MSC II, including the $95 million of currently outstanding debt related to its participation in the SBIC program.

Although we have been able to secure access to additional liquidity, including our expanded $155 million Credit Facility, recent public stock offerings, and the increase in available leverage through the SBIC program as part of the Stimulus Bill, there is no assurance that debt or equity capital will be available to us in the future on favorable terms, or at all.

Recently Issued Accounting Standards

In May 2011, the FASB issued Accounting Standards Update ("ASU") 2011-04, Fair Value Measurements (Topic 820), *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* ("ASU 2011-04"). ASU 2011-04 results in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. ASU 2011-04 is effective for interim and annual reporting periods beginning after December 15, 2011. The adoption of ASU 2011-04 is not expected to have a significant impact on Main Street's financial condition and results of operations.

In February 2011, the FASB issued ASU 2011-02, Receivables (Topic 310): *A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring* ("ASU 2011-02"). ASU 2011-02 clarifies which loan modifications constitute troubled debt restructurings. It is intended to assist creditors in determining whether a modification of the terms of a receivable meets the criteria to be considered a troubled debt restructuring, both for purposes of recording an impairment loss and for disclosure of troubled debt restructurings. In evaluating whether a restructuring constitutes a troubled debt restructuring, a creditor must separately conclude that both of the following exist: (a) the restructuring constitutes a concession; and (b) the debtor is experiencing financial difficulties. ASU 2011-02 provides guidance to clarify whether the creditor has granted a concession and whether a debtor is experiencing financial difficulties. The new guidance is effective for interim and annual periods beginning on or after June 15, 2011, and applies retrospectively to restructurings occurring on or after the beginning of the fiscal year of adoption. The adoption of ASU 2011-02 did not have a significant impact on Main Street's financial condition and results of operations.

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In January 2010, the FASB issued ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820), *Improving Disclosures About Fair Value Measurements* ("ASU 2010-06"). ASU 2010-06 adds new requirements for disclosures about transfers into and out of Level 1 and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation, inputs and valuation techniques. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010. The adoption of ASU 2010-06 did not have a significant impact on Main Street's financial condition and results of operations.

Inflation

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

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. At June 30, 2011, we had seven outstanding commitments to fund unused revolving loans for up to $20.0 million in total.

Contractual Obligations

As of June 30, 2011, our future fixed commitments for cash payments on contractual obligations for each of the next five years and thereafter are as follows:

	Total	2011	2012	2013	2014	2015	2016 and thereafter
	(dollars in thousands)						
SBIC debentures	$ 210,000	$	$	$ 4,000	$ 18,000	$ 23,100	$ 164,900
Interest due on SBIC debentures	75,456	5,338	10,833	10,803	10,497	9,411	28,574
Total	$ 285,456	$ 5,338	$ 10,833	$ 14,803	$ 28,497	$ 32,511	$ 193,474

MSC II is obligated to make payments under an investment advisory agreement with the Investment Manager, MSCC's wholly owned subsidiary. The payments due under the investment advisory agreement were fixed for the first five years at $3.3 million per year, paid quarterly, until September 30, 2010. Subsequent to September 30, 2010, under the investment advisory agreement, MSC II is obligated to pay a 2% annualized management fee based upon MSC II assets under management.

MSCC is obligated to make payments under a support services agreement with the Investment Manager. The Investment Manager is reimbursed for its excess operating expenses associated with providing investment management and other services to MSCC and its subsidiaries, as well as MSC II and third parties. Each quarter, as part of the support services agreement, MSCC makes payments to cover all cash operating expenses incurred by the Investment Manager, less the recurring management fees that the Investment Manager receives from MSC II pursuant to a long-term investment advisory services agreement and any other fees received from third parties for providing external services. For the six months ended June 30, 2011 and 2010, the expenses reimbursed by MSCC to the Investment Manager and management fees paid by MSC II were $4.3 million and $2.5 million, respectively.

Related Party Transactions

As discussed further in Note D to the accompanying consolidated financial statements, subsequent to the completion of the Formation Transactions, the Investment Manager is a wholly owned portfolio company of MSCC. At June 30, 2011, the Investment Manager had a receivable of $2.2 million due from MSCC related to operating expenses incurred by the Investment Manager required to support Main Street's business.

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UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated , 2011, the underwriters named below, for whom Morgan Keegan & Company, Inc. is acting as representative, have severally agreed to purchase, and we have agreed to sell to them, the number of shares of common stock indicated below:

Underwriter	Number of Shares
Morgan Keegan & Company, Inc.	
Robert W. Baird & Co. Incorporated	
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	
Janney Montgomery Scott LLC	
Ladenburg Thalmann & Co. Inc.	
Sanders Morris Harris Inc.	
D.A. Davidson & Co.	
Wunderlich Securities, Inc.	
Total	

The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the shares of common stock offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are severally obligated to take and pay for all shares of common stock offered hereby (other than those covered by the underwriters' over-allotment option described below) if any such shares are taken. We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

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

Over-Allotment Option

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to an aggregate of additional shares of common stock at the public offering price set forth on the cover page hereof, less the underwriting discount. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered hereby. To the extent such option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of such additional shares of common stock as the number set forth next to such underwriter's name in the preceding table bears to the total number of shares set forth next to the names of all underwriters in the preceding table.

Lock-Up Agreements

We, and certain of our executive officers and directors, have agreed, subject to certain exceptions, not to issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, transfer, grant any option to purchase, establish an open put equivalent position or otherwise dispose of or agree to dispose of directly or indirectly, any shares of our common stock, or any securities convertible into or exercisable or exchangeable for any shares of our common stock or any right to acquire shares of our common stock, for 45 days from the date of this prospectus supplement, subject to extension upon material announcements or earnings releases. The representative, at any time and without notice, may release all or any portion of the common stock subject to the foregoing lock-up agreements.

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Underwriting Discounts

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

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

	Per Share	Total without Exercise of Over-allotment	Total with Full Exercise of Over-allotment
Underwriting discount payable by us on shares sold to the public	$	$	$

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

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

Price Stabilization, Short Positions and Penalty Bids

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

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

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

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

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

Conflicts of Interest

Affiliates of Morgan Keegan & Company, Inc. and BB&T Capital Markets, underwriters in this offering, act as lenders and/or agents under our $155 million credit facility. Certain of the net proceeds from the sale of our common stock, not including underwriting compensation, may be paid to affiliates of Morgan Keegan & Company, Inc. and BB&T Capital Markets in connection with the repayment of debt owed under our $155 million credit facility. As a result, Morgan Keegan & Company, Inc. and BB&T Capital Markets and/or their affiliates may receive more than 5% of the net proceeds of this offering, not including underwriting compensation.

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

In addition, the underwriters and/or their affiliates may from time to time refer investment banking clients to us as potential portfolio investments. If we invest in those clients, we may utilize net proceeds from this offering to fund such investments, and the referring underwriter or its affiliate may receive placement fees from its client in connection with such financing, which placement fees may be paid out of the amount funded by us.

The addresses of the underwriters are: Morgan Keegan & Company, Inc., 50 N. Front St., 19th Floor, Memphis, Tennessee 38103; BB&T Capital Markets, 901 East Byrd Street, Suite 410, Richmond, Virginia 23219; Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202; Janney Montgomery Scott LLC, 1801 Market Street, Philadelphia, Pennsylvania 19103; Ladenburg Thalmann & Co. Inc., 520 Madison Avenue, 9th Floor, New York, New York 10022; Sanders Morris Harris Inc., 600 Travis, Suite 5800, Houston, Texas 77002; D.A. Davidson & Co., 8 Third Street North, Great Falls, Montana 59401; and Wunderlich Securities, Inc., 6000 Poplar Avenue, Suite 150, Memphis, Tennessee 38119.

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LEGAL MATTERS

Certain legal matters regarding the shares of common stock offered hereby will be passed upon for us by Sutherland Asbill & Brennan LLP, Washington D.C., and certain legal matters in connection with this offering will be passed upon for the underwriters by Bass, Berry & Sims PLC, Memphis, Tennessee.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements, Schedule 12-14 and the schedule of Senior Securities of Main Street Capital Corporation, included in the accompanying prospectus have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in giving said reports. Grant Thornton LLP's principal business address is 333 Clay Street, 2700 Three Allen Center, Houston, Texas 77002.

AVAILABLE INFORMATION

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our shares of common stock offered by this prospectus supplement. The registration statement contains additional information about us and our shares of common stock being offered by this prospectus supplement.

We file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act of 1934. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at *www.sec.gov*. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: *publicinfo@sec.gov*, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

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INTERIM FINANCIAL STATEMENTS

MAIN STREET CAPITAL CORPORATION

Consolidated Balance Sheets

	June 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Portfolio investments at fair value:		
Control investments (cost: $187,884,250 and $161,009,443 as of June 30, 2011 and December 31, 2010, respectively)	$ 206,162,509	$ 174,596,394
Affiliate investments (cost: $79,599,578 and $65,650,789 as of June 30, 2011 and December 31, 2010, respectively)	103,864,454	80,206,804
Non-Control/Non-Affiliate investments (cost: $157,923,128 and $91,911,304 as of June 30, 2011 and December 31, 2010, respectively)	159,737,085	91,956,221
Investment in affiliated Investment Manager (cost: $4,284,042 as of June 30, 2011 and December 31, 2010)	1,964,649	2,051,655
Total portfolio investments (cost: $429,690,998 and $322,855,578 as of June 30, 2011 and December 31, 2010, respectively)	471,728,697	348,811,074
Marketable securities and idle funds investments (cost: $118,916,360 and $67,970,907 as of June 30, 2011 and December 31, 2010, respectively)	120,299,248	68,752,858
Total investments (cost: $548,607,358 and $390,826,485 as of June 30, 2011 and December 31, 2010, respectively)	592,027,945	417,563,932
Cash and cash equivalents	14,132,738	22,334,340
Deferred tax asset		1,958,593
Interest receivable and other assets	7,377,424	4,523,792
Deferred financing costs (net of accumulated amortization of $1,810,987 and $1,504,584 as of June 30, 2011 and December 31, 2010, respectively)	3,715,272	2,543,645
Total assets	$ 617,253,379	$ 448,924,302
LIABILITIES		
SBIC debentures (par: $210,000,000 and $180,000,000 as of June 30, 2011 and December 31, 2010, respectively; of which $72,637,267 and $70,557,975 are recorded at fair value as of June 30, 2011 and December 31, 2010, respectively)	$ 187,637,267	$ 155,557,975
Credit facility	73,000,000	39,000,000
Payable for securities purchased	10,805,000	
Interest payable	3,717,072	3,194,870
Dividend payable	3,013,738	
Deferred tax liability	953,719	
Payable to affiliated Investment Manager	2,237,417	15,124
Accounts payable and other liabilities	1,261,674	1,173,295
Total liabilities	282,625,887	198,941,264
Commitments and contingencies		
NET ASSETS		
Common stock, $0.01 par value per share (150,000,000 shares authorized; 23,182,600 and 18,797,444 issued and outstanding as of June 30, 2011 and December 31, 2010, respectively)	231,826	187,975
Additional paid-in capital	300,130,851	224,485,165
Accumulated net investment income	7,435,312	9,261,405
Accumulated net realized loss from investments	(20,499,798)	(20,541,897)
Net unrealized appreciation, net of income taxes	42,833,531	32,141,997
Total Net Asset Value	330,131,722	245,534,645
Noncontrolling interest	4,495,770	4,448,393

Total net assets including noncontrolling interests	334,627,492	249,983,038
Total liabilities and net assets	$ 617,253,379	$ 448,924,302
NET ASSET VALUE PER SHARE	$ 14.24	$ 13.06

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Operations

(Unaudited)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
INVESTMENT INCOME:				
Interest, fee and dividend income:				
Control investments	$ 6,491,097	$ 4,532,343	$ 12,140,859	$ 8,127,651
Affiliate investments	3,113,091	1,953,832	5,259,510	3,762,445
Non-Control/Non-Affiliate investments	4,325,520	1,686,032	7,656,629	2,549,428
Total interest, fee and dividend income	13,929,708	8,172,207	25,056,998	14,439,524
Interest from marketable securities, idle funds and other	2,199,054	560,012	4,446,336	1,385,534
Total investment income	16,128,762	8,732,219	29,503,334	15,825,058
EXPENSES:				
Interest	(3,263,807)	(2,111,868)	(6,166,012)	(4,105,105)
General and administrative	(599,361)	(246,194)	(1,106,543)	(671,898)
Expenses reimbursed to affiliated Investment Manager	(2,207,606)	(1,330,611)	(4,337,412)	(2,482,798)
Share-based compensation	(442,897)	(301,458)	(885,794)	(602,916)
Total expenses	(6,513,671)	(3,990,131)	(12,495,761)	(7,862,717)
NET INVESTMENT INCOME	9,615,091	4,742,088	17,007,573	7,962,341
NET REALIZED GAIN (LOSS) FROM INVESTMENTS:				
Control investments		2,301,745		(1,719,173)
Marketable securities and idle funds investments	249,654	353,487	249,654	313,948
Total net realized gain (loss) from investments	249,654	2,655,232	249,654	(1,405,225)
NET REALIZED INCOME	9,864,745	7,397,320	17,257,227	6,557,116
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):				
Portfolio investments	11,524,983	957,432	15,543,567	6,072,091
Marketable securities and idle funds investments	519,734	(484,585)	634,477	(231,281)
SBIC debentures	(2,117,924)	1,475,861	(2,079,292)	1,757,054
Investment in affiliated Investment Manager	(45,700)	(141,117)	(87,006)	(286,196)
Total net change in unrealized appreciation	9,881,093	1,807,591	14,011,746	7,311,668
Income tax provision	(1,962,206)	(36,686)	(3,162,612)	(421,260)
Bargain purchase gain				4,890,582
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	17,783,632	9,168,225	28,106,361	18,338,106
Noncontrolling interest	(157,600)	(295,559)	(157,600)	(408,895)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO COMMON STOCK	$ 17,626,032	$ 8,872,666	$ 27,948,761	$ 17,929,211
NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED	$ 0.41	$ 0.31	$ 0.79	$ 0.53

NET REALIZED INCOME PER SHARE BASIC AND DILUTED	$ 0.42	$ 0.49	$ 0.80	$ 0.44
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ATTRIBUTABLE TO COMMON STOCK PER SHARE BASIC AND DILUTED	$ 0.77	$ 0.59	$ 1.32	$ 1.22
DIVIDENDS PAID PER SHARE	$ 0.39	$ 0.38	$ 0.77	$ 0.75
WEIGHTED AVERAGE SHARES OUTSTANDING BASIC AND DILUTED	23,015,718	15,147,091	21,128,360	14,754,121

The accompanying notes are an integral part of these financial statements

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MAIN STREET CAPITAL CORPORATION

Consolidated Statements of Changes in Net Assets

(Unaudited)

	Common Stock Number of Shares	Common Stock Par Value	Additional Paid-In Capital	Accumulated Net Investment Income	Accumulated Net Realized Loss From Investments	Net Unrealized Appreciation from Investments, Net of Income Taxes	Total Net Asset Value	Noncontrolling Interest	Total Net Assets Including Noncontrolling Interest
Balances at December 31, 2009	10,842,447	$ 108,425	$ 123,534,156	$ 7,269,866	$ (15,922,020)	$ 14,669,704	$ 129,660,131	$	$ 129,660,131
MSC II exchange offer and related transactions	1,246,803	12,468	20,080,623	4,890,582			24,983,673	3,237,210	28,220,883
Public offering of common stock, net of offering costs	2,875,000	28,750	40,079,845				40,108,595		40,108,595
Share-based compensation			602,916				602,916		602,916
Dividend reinvestment	248,803	2,487	3,793,741				3,796,228		3,796,228
Adjustment to investment in Investment Manager related to the MSC II Exchange Offer			(13,715,958)				(13,715,958)		(13,715,958)
Dividends to stockholders				(11,331,527)	(1,349,863)		(12,681,390)		(12,681,390)
Net increase resulting from operations				7,962,341	(1,405,225)	6,890,408	13,447,524		13,447,524
Noncontrolling interest						(408,895)	(408,895)	408,895	