

Main Street Capital CORP  
Form 497  
July 18, 2017

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

**PROSPECTUS SUPPLEMENT  
(to Prospectus dated April 26, 2017)**

## **Up to 1,000,000 Shares Common Stock**

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This prospectus supplement describes our Dividend Reinvestment and Direct Stock Purchase Plan, or the Plan, and 1,000,000 shares of our common stock, par value \$0.01 per share, to be offered for purchase under the direct stock purchase feature of the Plan. The direct share purchase feature of the Plan is designed to provide new investors and existing holders of our common stock with a convenient and economical method to purchase shares of our common stock. American Stock Transfer & Trust Company will act as the administrator for the Plan (the "Plan Administrator").

Key aspects of the direct stock purchase feature of the Plan include:

Any holder of our common stock may elect to participate in the direct stock purchase feature of the Plan.

Interested new investors who are not currently holders of our common stock may make their initial purchase through the direct stock purchase feature of the Plan.

Optional cash investments of up to \$25,000 per month for the purchase of additional shares of our common stock.

We may, in the future, offer a discount from the market price of our common stock ranging from 0% to 5% (exclusive of any applicable sales or brokerage fees we pay on your behalf), at our sole discretion.

Optional one-time debit or monthly automatic deductions from your bank account.

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You may build your investment over time, starting with an initial investment of as little as \$250, or \$100 if you authorize automatic monthly cash investments.

You may access your account online to review and manage your investment.

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

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

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

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

Our common stock is listed on the NYSE under the symbol "MAIN." On July 17, 2017, the last reported sale price of our common stock on the NYSE was \$38.72 per share, and the net asset value per share of our common stock on March 31, 2017 (the last date prior to the date of this prospectus supplement on which we determined our net asset value per share) was \$22.44.

**Investing in our common stock involves a high degree of risk, and should be considered highly speculative. See "Supplementary Risk Factors" beginning on page S-6 on this prospectus supplement and "Risk Factors" beginning on page 14 of the accompanying prospectus to read about factors you should consider, including the risk of leverage and dilution, before investing in our common stock.**

This prospectus supplement and the accompanying prospectus contain important information about us that a prospective investor should know before investing in our common stock. Please read this prospectus supplement and the accompanying prospectus before investing and keep them for future reference. We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. This information is available free of charge by contacting us at 1300 Post Oak Boulevard, 8th Floor, Houston, Texas 77056 or by telephone at (713) 350-6000 or on our website at [www.mainstreetcapital.com](http://www.mainstreetcapital.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](http://www.sec.gov) that contains such information.

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

**The date of this prospectus supplement is July 18, 2017**

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**ABOUT THIS DOCUMENT**

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 us and related matters. 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. We have not 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 sections titled "Supplementary Risk Factors" in this prospectus supplement and "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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**SUMMARY OF THE DIRECT STOCK PURCHASE FEATURE OF THE PLAN**

*The following summary highlights selected information about the direct stock purchase feature of the Plan, but may not contain all of the information that may be important to you. You should carefully read the detailed description of the direct stock purchase feature of the Plan contained in this prospectus supplement before you decide to participate in the direct stock purchase feature of the Plan.*

**Participation**

**Current Stockholders.** If you currently own shares in the Company, you can participate in the direct stock purchase feature of the Plan by completing an authorization form and submitting it to American Stock Transfer & Trust Company LLC, the Plan Administrator. The initial investment for existing record holders is \$100. Please see Question 6 under the section entitled "Terms and Conditions of the Direct Stock Purchase Feature of the Plan" for more detailed information.

**New Investors.** If you do not own any shares in the Company, you can participate in the direct stock purchase feature of the Plan by enrolling in the Plan and making an initial purchase of the Company's shares through the direct stock purchase feature of the Plan with a minimum initial investment of at least \$250 (or \$100 if you sign up for automatic monthly investments), but not more than \$25,000. Once you are a stockholder, the minimum purchase amount is reduced to \$100. Please see Question 6 under the section entitled "Terms and Conditions of the Direct Stock Purchase Feature of the Plan" for more detailed information.

**Advantages and Disadvantages**

The primary advantages of the direct stock purchase feature of the Plan are as follows:

**Direct Purchase of Initial Shares:** New investors may enroll in the direct stock purchase feature of the Plan by making an initial investment in shares of at least \$250 (or \$100 if you sign up for automatic monthly investments), but not more than \$25,000.

**Direct Purchase of Additional Shares through Optional Cash Investments:** Participants may purchase additional shares of our common stock by making optional cash investments of at least \$100 per investment, with a maximum allowable investment of \$25,000 per month. You can make optional cash investments by check or by authorizing a one-time debit or automatic monthly deductions from your bank checking or savings account. For automatic monthly deductions, bank accounts are debited on the 10th day of each month (or, if that day is not a business day, then on the prior business day), and funds will be invested beginning on the next applicable Cash Purchase Investment Date (as defined under Question 10 under the section entitled "Terms and Conditions of the Direct Stock Purchase Feature of the Plan" below).

**Discount:** If we issue new shares of our common stock to participants in the Plan, we may sell them, at our discretion, at a discount from 0% to 5% from the market price of our common stock (exclusive of any applicable fees we may pay on your behalf). If the Plan Administrator acquires our shares in the open market or in privately-negotiated transactions for participants in the Plan, we may discount such shares by paying from 0% to 5% of the purchase price for such shares (exclusive of any applicable brokerage or other fees we may pay on your behalf). Any such discounts will be made at our sole discretion.

**Reduced Fees:** The direct stock purchase feature of the Plan provides participants with the opportunity to acquire additional shares of our common stock directly from us without having to pay the trading fees or service charges associated with an independent purchase.

**Sale or Transfer of Shares:** Participants may request the sale of a portion or all of their Plan shares. Participants may direct the Plan Administrator to transfer to another participant all or a



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portion of their Plan shares provided that all transfer requirements have been met. The proceeds of the sale, less an administrative fee of \$15.00 and commission of \$0.10 per share, will be sent to you by check (generally within four days following the sale). A Form 1099-B will be mailed to you in February of each year related to your sales of shares in the prior year for income tax purposes. Participants may also direct the Plan Administrator to transfer to a brokerage account or to another participant or any other person or entity, at no cost to the participant, all or a portion of their Plan shares provided that all transfer requirements have been met.

***Simplified Recordkeeping:*** The Plan Administrator will mail Plan statements after each dividend. In addition, a notice will be mailed to you after each purchase, which will include the number of shares purchased and the purchase price. You may also view your transaction history online by logging into your account. Details available online include stock price, transaction type and date.

The risks associated with participating in the direct stock purchase feature of the Plan are described under the heading "Supplementary Risk Factors" beginning on page S-6 of this prospectus supplement.

**Source of Shares**

The Plan Administrator will purchase shares directly from us as newly issued common stock, in the open market or in privately negotiated transactions with third parties. Please see Questions 10 and 12 under the section entitled "Terms and Conditions of the Direct Stock Purchase Feature of the Plan" for more detailed information.

**Purchase Price**

The purchase price for shares under the direct stock purchase feature of the Plan depends on whether the Plan Administrator obtains your shares by purchasing them directly from us, in the open market or in privately negotiated transactions with third parties:

If the shares of our common stock are purchased directly from us, the purchase price will be the closing sales price per share reported on the NYSE on the Cash Purchase Investment Date (as defined below), subject to any discount rate (ranging from 0% to 5%) as we shall determine in our sole discretion. You will not be charged any fees or commissions with respect to such purchases. Any discount rate will apply uniformly to all optional cash investments by participants on any given Cash Purchase Investment Date.

If the shares of our common stock are purchased in the open market or in privately negotiated transactions, the purchase price will be the weighted average price paid per share for all the shares purchased in connection with such purchases, subject to any discount rate (ranging from 0% to 5%, exclusive of any applicable sales or brokerage fees we pay on your behalf) as we shall determine in our sole discretion. Any discount rate will apply uniformly to all optional cash investments by participants on any given Cash Purchase Investment Date. We will pay on your behalf any and all brokerage commissions incurred with respect to such purchases.

**Tracking Your Investments**

As a participant in the direct stock purchase feature of the Plan, you will receive periodic statements showing the details of each transaction and the share balance in your Plan account. Please see Question 22 under the section entitled "Terms and Conditions of the Direct Stock Purchase Feature of the Plan" for more detailed information.

**Plan Administrator**

We have appointed American Stock Transfer & Trust Company LLC as the administrator of the Plan. Please see Question 2 under the section entitled "Terms and Conditions of the Direct Stock Purchase Feature of the Plan" for more detailed information.



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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.

<b>Stockholder Transaction Expenses:</b>	
Sales load (as a percentage of offering price)	(1)
Offering expenses (as a percentage of offering price)	0.19%(2)
Dividend reinvestment and direct stock purchase plan expenses	%(3)
<b>Total stockholder transaction expenses (as a percentage of offering price)</b>	<b>0.19%</b>
<b>Annual Expenses (as a percentage of net assets attributable to common stock):</b>	
Operating expenses	2.88%(4)
Interest payments on borrowed funds	2.74%(5)
Income tax expense	%(6)
Acquired fund fees and expenses	0.40%(7)
<b>Total annual expenses</b>	<b>6.02%</b>

- (1) Purchasers of shares of common stock through the direct stock purchase feature of the Plan will not pay any sales load.
- (2) The percentage reflects estimated offering expenses payable by us of approximately \$75,000 for the estimated duration of this offering.
- (3) The expenses of administering our dividend reinvestment and direct stock purchase plan are included in operating expenses. Additional costs may be charged to participants in the Plan for certain types of transactions described in Question 21 under the section entitled "Terms and Conditions of the Direct Stock Purchase Feature of the Plan."
- (4) Operating expenses in this table represent the estimated expenses of Main Street and its consolidated subsidiaries.
- (5) Interest payments on borrowed funds represent our estimated annual interest payments on borrowed funds based on current debt levels as adjusted for projected increases (but not decreases) in debt levels over the next twelve months.
- (6) Income tax expense relates to the accrual of (a) deferred tax provision (benefit) on the net unrealized appreciation (depreciation) from portfolio investments held in certain of our subsidiaries and (b) excise, state and other taxes. Deferred taxes are non-cash in nature and may vary significantly from period to period. We are required to include deferred taxes in calculating our annual expenses even though deferred taxes are not currently payable or receivable. Due to the variable nature of deferred tax expense, which can be a large portion of the income tax expense, and the difficulty in providing an estimate for future periods, this income tax expense estimate is based upon the actual amount of income tax expense for the year ended December 31, 2016. However, since the income tax benefit at December 31, 2016 was \$1.2 million, which would have resulted in a (0.10%) percentage of net assets attributable to common stock, 0.00% was used.
- (7) Acquired fund fees and expenses represent the estimated indirect expense incurred due to investments in other investment companies and private funds.

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*Example*

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed we would have no additional leverage and that our annual operating expenses would remain at the levels set forth in the table above.

	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	\$ 62	\$ 180	\$ 295	\$ 574

**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 and direct stock purchase 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 weighted purchase price of all shares of common stock purchased by the Plan Administrator in the event that shares are purchased in the open market to satisfy the share requirements of the dividend reinvestment feature of the dividend reinvestment and direct stock purchase plan, which may be at, above or below net asset value. See "Dividend Reinvestment Plan" in the accompanying prospectus for additional information regarding the dividend reinvestment feature of the Plan.

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**SUPPLEMENTARY RISK FACTORS**

*Investing in our common stock through the direct stock purchase feature of the Plan involves a number of significant risks. In addition to the other information contained in this prospectus supplement and the accompanying prospectus, you should carefully consider the following supplementary risk factors together with the risk factors set forth in the accompanying prospectus before making an investment in our common stock through the direct stock purchase feature of the Plan. The risks set out below and in the accompanying prospectus are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the events described herein or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, the market price of our common stock could decline, and you may lose part or all of your investment.*

***No interest will be paid on funds pending investment.***

If you wish to make regular periodic purchases without writing checks, you can authorize automatic monthly withdrawals from your U.S. bank account. Participants' bank accounts are debited on the 10th day of each month (or, if that day is not a business day, then on the prior business day) and funds will be invested beginning on the next applicable Cash Purchase Investment Date. Pending such investment, no interest is paid on optional cash investments held by the Plan Administrator. In addition, optional cash payments of less than the amounts required by the Plan and that portion of any optional cash payment which exceeds the maximum monthly purchase limit of \$25,000, are subject to return to you without interest.

***Participants will have no control over the purchase or sale price for shares acquired or disposed of through the Plan.***

Participants have no control over the share price or the timing of the purchase or sale of Plan shares. Participants cannot designate a specific price or a specific date at which to purchase or sell shares of our common stock or the selection of a broker/dealer through or from whom purchases or sales are made. Participants will not know the exact number of shares purchased until after any particular Cash Purchase Investment Date. In addition, because the Plan Administrator must receive funds for a cash purchase prior to the actual Cash Purchase Investment Date of the common stock, your investments may be exposed to changes in market conditions.

***No assurance of a profit or protection from losses on Shares purchased under the direct stock purchase feature of the Plan.***

Other than as described above, the risks related to your investment in the direct stock purchase feature of the Plan is no different from any investment in shares of our common stock held by you. If you choose to participate in the direct stock purchase feature of the Plan, then you should recognize that none of us, our subsidiaries and affiliates, nor the Plan Administrator can assure you of a profit or protect you against loss on the shares that you purchase under the direct stock purchase feature of the Plan. You bear the risk of loss in value and enjoy the benefits of gains with respect to all of your shares.

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**USE OF PROCEEDS**

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

On July 17, 2017, we had approximately \$298.0 million outstanding under our Credit Facility. Our Credit Facility matures in September 2021, unless extended, and bears interest, at our election, on a per annum basis equal to (A)(i) the applicable LIBOR rate plus 1.875% or (ii) the applicable base rate plus 0.875% so long as we maintain an investment grade rating and satisfy certain agreed upon excess collateral and leverage requirements, (B) 0.125% higher in each case so long as we maintain an investment grade rating but not the agreed upon excess collateral and/or leverage requirements, and (C) 0.375% higher in each case so long as we do not maintain an investment grade rating. Amounts repaid under our Credit Facility will remain available for future borrowings.

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The selected financial and other data below reflects the consolidated financial condition and the consolidated statement of operations of Main Street and its subsidiaries as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012, and as of March 31, 2017 and for the three months ended March 31, 2017 and 2016. The selected financial data as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 have been derived from consolidated financial statements that have been audited by Grant Thornton LLP, an independent registered public accounting firm. The selected financial data as of March 31, 2017, and for the three months ended March 31, 2017 and 2016, 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 three months ended March 31, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. You should read this selected financial and other data in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and the financial statements and related notes thereto in the accompanying prospectus and "Interim Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Interim Financial Statements" in this prospectus supplement.

	Three Months Ended March 31,		Twelve Months Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(dollars in thousands, except per share amounts)						
	(Unaudited)						
<b>Statement of operations data:</b>							
Investment income:							
Total interest, fee and dividend income	\$ 47,889	\$ 41,875	\$ 178,165	\$ 163,603	\$ 139,939	\$ 115,158	\$ 88,858
Interest from idle funds and other		131	174	986	824	1,339	1,662
<b>Total investment income</b>	<b>47,889</b>	<b>42,006</b>	<b>178,339</b>	<b>164,589</b>	<b>140,763</b>	<b>116,497</b>	<b>90,520</b>
Expenses:							
Interest	(8,608)	(8,182)	(33,630)	(32,115)	(23,589)	(20,238)	(15,631)
Compensation	(4,430)	(3,820)	(16,408)	(14,852)	(12,337)	(8,560)	
General and administrative	(2,940)	(2,405)	(9,284)	(8,621)	(7,134)	(4,877)	(2,330)
Share-based compensation	(2,269)	(1,589)	(8,304)	(6,262)	(4,215)	(4,210)	(2,565)
Expenses allocated to the External Investment Manager	1,524	1,154	5,089	4,335	2,048		
Expenses reimbursed to MSCP(1)						(3,189)	(10,669)
<b>Total expenses</b>	<b>(16,723)</b>	<b>(14,842)</b>	<b>(62,537)</b>	<b>(57,515)</b>	<b>(45,227)</b>	<b>(41,074)</b>	<b>(31,195)</b>