Section 1: 497 (497)

PROSPECTUS SUPPLEMENT
(To Prospectus dated October 31, 2018)

$175,000,000

Prospect Capital Corporation

6.375% Convertible Notes due 2025

This is an offering by Prospect Capital Corporation of $175,000,000 aggregate principal amount of its 6.375% Convertible Notes due 2025 (the "Notes"). The Notes will be convertible, at your option, into shares of our common stock initially at a conversion rate of 110.7420 shares per $1,000 principal amount of Notes (equivalent to an initial conversion price of approximately $9.03 per share), subject to adjustment as described in this prospectus supplement, at any time on or prior to the close of business on the business day immediately preceding the maturity date.

In the case of Notes that are converted in connection with certain types of fundamental changes, we will, in certain circumstances, increase the conversion rate by a number of additional shares.

We may not redeem the Notes prior to December 1, 2024. On or after December 1, 2024, we may redeem the Notes for cash, in whole or from time to time in part, at our option at a redemption price equal to the sum of (i) 100% of the principal amount of the Notes to be redeemed, (ii) accrued and unpaid interest thereon to, but excluding, the redemption date and (iii) the make-whole premium, each as further discussed in "Description of the Notes-Redemption During Final Three Month Term of the Notes." No sinking fund will be provided for the Notes.

The Notes will bear interest at a rate of 6.375% per year, payable on March 1 and September 1 of each year, commencing September 1, 2019. The Notes will mature on March 1, 2025, unless earlier converted, repurchased or redeemed.

You may require us to repurchase all or a portion of your Notes upon a fundamental change at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest (including additional interest, if any) to, but excluding, the repurchase date. See "Description of the Notes - Fundamental Change Put."

The Notes will be among our senior unsecured obligations. As of February 25, 2019, we and our subsidiaries had approximately $2.2 billion of unsecured senior indebtedness outstanding and $358.0 million of secured indebtedness outstanding.

Our common stock is listed on The Nasdaq Global Select Market under the symbol "PSEC." The last reported sale price of our common stock on February 26, 2019 was $6.91 per share. Our most recently estimated NAV per share is $9.02 on an as adjusted basis solely to give effect to our issuance of common stock since December 31, 2018 in connection with our dividend reinvestment plan, consistent with the $9.02 determined by us as of December 31, 2018.

We do not intend to apply for listing of the Notes on any securities exchange or for inclusion of the Notes in any automated quotation system.

Investing in the Notes involves certain risks, including those described in the "Risk Factors" section beginning on page S-11 of this prospectus supplement and page 12 of the accompanying prospectus.

	Per Note	Total[2]
Public offering price[1]	98.0%	$ 171,500,000
Underwriting discounts and commissions (sales load)	1.0%	$ 1,750,000
Proceeds to Prospect Capital Corporation (before expenses)[3]	97.0%	$ 169,750,000

(1) Plus accrued and unpaid interest, if any, from March 1, 2019.
(2) Assumes no exercise of the underwriters' option to purchase additional Notes solely to cover over-allotments as described below.
(3) Expenses payable by us related to this offering are estimated to be $500,000.

The underwriters may also purchase up to an additional $26,250,000 total aggregate principal amount of Notes solely to cover over-allotments, if any, within 13 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total public offering price will be $197,225,000, the total underwriting discount (sales load) paid by us will be $2,012,500 and total proceeds before expenses will be $195,212,500.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our securities. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission, or the "SEC." This information is available free of charge by contacting us at 10 East 40th Street, 42nd Floor, New York, NY 10016 or by telephone at (212) 448-0702. The SEC maintains a website at www.sec.gov where such information is available without charge upon written or oral request. Our internet website address is www.prospectstreet.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Obligations of Prospect Capital Corporation and any subsidiary of Prospect Capital Corporation are not guaranteed by the full faith and credit of the United States of America. Neither Prospect Capital Corporation nor any subsidiary of Prospect Capital Corporation is a government-sponsored enterprise or an instrumentality of the United States of America.

The underwriters expect to deliver the Notes on or about March 1, 2019.

Goldman Sachs & Co. LLC **Barclays** **RBC Capital Markets**

Prospectus Supplement dated February 27, 2019.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus may contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the "Exchange Act," which involve substantial risks and uncertainties. Forward-looking statements predict or describe our future operations, business plans, business and investment strategies and portfolio management and the performance of our investments and our investment management business. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about our industry, our beliefs, and our assumptions. Words such as "intends," "intend," "intended," "goal," "estimate," "estimates," "expects," "expect," "expected," "project," "projected," "projections," "plans," "seeks," "anticipates," "anticipated," "should," "could," "may," "will," "designed to," "foreseeable future," "believe," "believes" and "scheduled" and variations of these words and similar expressions are intended to identify forward-looking statements. Our actual results or outcomes may differ materially from those anticipated. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statement was made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- our future operating results,
- our business prospects and the prospects of our portfolio companies,
- the impact of investments that we expect to make,
- our contractual arrangements and relationships with third parties,
- the dependence of our future success on the general economy and its impact on the industries in which we invest,
- the ability of our portfolio companies to achieve their objectives,
- difficulty in obtaining financing or raising capital, especially in the current credit and equity environment,
- the level and volatility of prevailing interest rates and credit spreads, magnified by the current turmoil in the credit markets,
- adverse developments in the availability of desirable loan and investment opportunities whether they are due to competition, regulation or otherwise,
- a compression of the yield on our investments and the cost of our liabilities, as well as the level of leverage available to us,
- our regulatory structure and tax treatment, including our ability to operate as a business development company and a regulated investment company,
- the adequacy of our cash resources and working capital,
- the timing of cash flows, if any, from the operations of our portfolio companies,
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments,
- authoritative generally accepted accounting principles or policy changes from such standard-setting bodies as the Financial Accounting Standards Board, the SEC, the Internal Revenue Service (the "IRS"), the NASDAQ Global Select Market, and other authorities that we are subject to, as well as their counterparts in any foreign jurisdictions where we might do business, and
- the risks, uncertainties and other factors we identify in "Risk Factors" and elsewhere in this prospectus supplement and the accompanying prospectus and in our filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new loans and investments, ability to obtain certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this prospectus supplement and the accompanying prospectus, respectively, should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in "Risk Factors" and elsewhere in this prospectus supplement and the accompanying prospectus, respectively. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this prospectus supplement or the accompanying prospectus, as applicable. These forward-looking statements do not meet the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933, as amended, or the "Securities Act."

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not, and the agent(s) or dealer(s) has not, authorized any other person to provide you with information that is different 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. We are not, and the agents are not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates and we assume no obligation to update any such information. Our business, financial condition and results of operations may have changed since those dates. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in that prospectus.

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PROSPECTUS SUMMARY

This section summarizes the legal and financial terms of the Notes that are described in more detail in "Description of the Notes" beginning on page S-18. It does not contain all the information that may be important to an investor. For a more complete understanding of this offering, we encourage you to read the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus.

The terms "we," "us," "our" and "Company" refer to Prospect Capital Corporation; "Prospect Capital Management," "Investment Adviser" and "PCM" refer to Prospect Capital Management L.P.; and "Prospect Administration" and the "Administrator" refer to Prospect Administration LLC.

Our $101.6 million aggregate principal amount of 5.875% Senior Convertible Notes due 2019 are referred to as the "2019 Notes." Our $378.5 million aggregate principal amount of 4.75% Senior Convertible Notes due 2020 are referred to as the "2020 Notes." Our $328.5 million aggregate principal amount of 4.95% Convertible Notes due 2022 are referred to as the "2022 Notes" and, collectively with the 2019 Notes and the 2020 Notes, the "Convertible Notes." Our $320.0 million aggregate principal amount of 5.875% Senior Notes due 2023 are referred to as the "2023 Notes." Our $219.3 million aggregate principal amount of 6.250% Notes due 2024 are referred to as the "2024 Notes." Our $67.4 million aggregate principal amount of 6.250% Senior Notes due 2028 are referred to as the "2028 Notes." Our $50.0 million aggregate principal amount of 6.875% Notes due 2029 are referred to as the "2029 Notes." Our $100.0 million aggregate principal amount of 6.375% Notes due 2024 are referred to as the "6.375% 2024 Notes." The 2023 Notes, 2024 Notes, 2028 Notes, 2029 Notes and the 6.375% 2024 Notes, are collectively referred to as the "Public Notes." Any Prospect Capital InterNotes® issued pursuant to our medium term notes program are referred to as the "Prospect Capital InterNotes." The Convertible Notes, the Public Notes and the Prospect Capital InterNotes are referred to as the "Unsecured Notes."

The Company

Prospect Capital Corporation is a financial services company that primarily lends to and invests in middle market privately-held companies. We are a closed-end investment company incorporated in Maryland. We have elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940 (the "1940 Act"). As a BDC, we have elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986 (the "Code"). We were organized on April 13, 2004 and were funded in an initial public offering completed on July 27, 2004. We are one of the largest BDCs with approximately $6.0 billion of total assets as of December 31, 2018.

We are externally managed by our investment adviser, Prospect Capital Management. Prospect Administration provides administrative services and facilities necessary for us to operate.

On May 15, 2007, we formed a wholly-owned subsidiary Prospect Capital Funding LLC ("PCF"), a Delaware limited liability company and a bankruptcy remote special purpose entity, which holds certain of our portfolio loan investments that are used as collateral for the revolving credit facility at PCF. Our wholly-owned subsidiary Prospect Small Business Lending, LLC ("PSBL") was formed on January 27, 2014 and purchases small business whole loans on a recurring basis from online small business loan originators, including On Deck Capital, Inc. ("OnDeck"). On September 30, 2014, we formed a wholly-owned subsidiary Prospect Yield Corporation, LLC ("PYC") and effective October 23, 2014, PYC holds our investments in collateralized loan obligations ("CLOs"). Each of these subsidiaries have been consolidated since operations commenced.

We currently have nine strategies that guide our origination of investment opportunities: (1) lending to companies controlled by private equity sponsors, (2) lending to companies not controlled by private equity sponsors, (3) purchasing controlling equity positions and lending to operating companies, (4) purchasing controlling equity positions and lending to financial services companies, (5) purchasing controlling equity positions and lending to real estate companies, (6) purchasing controlling equity positions and lending to aircraft leasing companies, (7) investing in structured credit, (8) investing in syndicated debt and (9) investing in consumer and small business loans and asset-backed securitizations. We may also invest in other strategies and opportunities from time to time that we view as attractive. We continue to evaluate other origination strategies in the ordinary course of business with no specific top-down allocation to any single origination strategy.

Lending to Companies Controlled by Private Equity Sponsors - We make agented loans to companies which are controlled by private equity sponsors. This debt can take the form of first lien, second lien, unitranche or unsecured loans. These loans typically have equity subordinate to our loan position. Historically, this strategy has comprised approximately 40%-60% of our portfolio.

Lending to Companies not Controlled by Private Equity Sponsors - We make loans to companies which are not controlled by private equity sponsors, such as companies that are controlled by the management team, the founder, a family or public shareholders. This origination strategy may have less competition to provide debt financing than the private-equity-sponsor origination strategy because such company financing needs are not easily addressed by banks and often require more diligence preparation. This origination strategy can result in investments with higher returns or lower leverage than the private-equity-sponsor origination strategy. Historically, this strategy has comprised up to approximately 15% of our portfolio.

Purchasing Controlling Equity Positions and Lending to Operating Companies - This strategy involves purchasing yield-producing debt and controlling equity positions in non-financial-services operating companies. We believe that we can provide enhanced certainty of closure and liquidity to sellers and we look for management to continue on in their current roles. This strategy has comprised approximately 5%-15% of our portfolio.

Purchasing Controlling Equity Positions and Lending to Financial Services Companies - This strategy involves purchasing yield-producing debt and controlling equity investments in financial services companies, including consumer direct lending, sub-prime auto lending and other strategies. These investments are often structured in tax-efficient partnerships, enhancing returns. This strategy has comprised approximately 5%-15% of our portfolio.

Purchasing Controlling Equity Positions and Lending to Real Estate Companies - We purchase debt and controlling equity positions in tax-efficient real estate investment trusts ("REIT" or "REITs"). National Property REIT Corp.'s ("NPRC"), an operating company and the surviving entity of the May 23, 2016 merger with American Property REIT Corp. ("APRC") and United Property REIT Corp. ("UPRC"), real estate investments are in various classes of developed and occupied real estate properties that generate current yields, including multi-family properties, student housing, and self-storage. NPRC seeks to identify properties that have historically significant occupancy rates and recurring cash flow generation. NPRC generally co-invests with established and experienced property management teams that manage such properties after acquisition. Additionally, NPRC purchases loans originated by certain consumer loan facilitators. It purchases each loan in its entirety (i.e., a "whole loan"). The borrowers are consumers, and the loans are typically serviced by the facilitators of the loans. This investment strategy has comprised approximately 10%-20% of our business.

Purchasing Controlling Equity Positions and Lending to Aircraft Leasing Companies - We invest in debt as well as equity in companies with aircraft assets subject to commercial leases to airlines across the globe. We believe that these investments can present attractive return opportunities due to cash flow consistency from long-term leases coupled with hard asset residual value. We believe that these investment companies seek to deliver risk-adjusted returns with strong downside protection by analyzing relative value characteristics across a variety of aircraft types and vintages. This strategy historically has comprised less than 5% of our portfolio.

Investing in Structured Credit - We make investments in CLOs, often taking a significant position in the subordinated interests (equity) and debt of the CLOs. The underlying portfolio of each CLO investment is diversified across approximately 100 to 200 broadly syndicated loans and does not have direct exposure to real estate, mortgages, or consumer-based credit assets. The CLOs in which we invest are managed by established collateral management teams with many years of experience in the industry. This strategy has comprised approximately 10%-20% of our portfolio.

Investing in Syndicated Debt - On a primary or secondary basis, we purchase primarily senior and secured loans and high yield bonds that have been sold to a club or syndicate of buyers. These investments are often purchased with a long term, buy-and-hold outlook, and we often look to provide significant input to the transaction by providing anchoring orders. This strategy has comprised approximately 5%-10% of our portfolio.

Investing in Consumer and Small Business Loans and Asset-Backed Securitizations - We purchase loans originated by certain consumer and small-and-medium-sized business ("SME") loan platforms. We generally purchase each loan in its entirety (i.e., a "whole loan") and we invest in asset-backed securitizations collateralized by consumer or small business loans. The borrowers are consumers and SMEs and the loans are typically serviced by the platforms of the loans. This investment strategy has comprised up to approximately 0% of our portfolio.

Typically, we concentrate on making investments in companies with annual revenues of less than $750 million and enterprise values of less than $1 billion. Our typical investment involves a secured loan of less than $250 million. We also acquire controlling interests in companies in conjunction with making secured debt investments in such companies. In most cases, companies in which we invest are privately held at the time we invest in them. We refer to these companies as "target" or "middle market" companies and these investments as "middle market investments."

We seek to maximize total returns to our investors, including both current yield and equity upside, by applying rigorous credit analysis and asset-based and cash-flow based lending techniques to make and monitor our investments. We are constantly pursuing multiple investment opportunities, including purchases of portfolios from private and public companies, as well as originations and secondary purchases of particular securities. We also regularly evaluate control investment opportunities in a range of industries, and some of these investments could be material to us. There can be no assurance that we will successfully consummate any investment opportunity we are currently pursuing. If any of these opportunities are consummated, there can be no assurance that investors will share our view of valuation or that any assets acquired will not be subject to future write downs, each of which could have an adverse effect on our stock price.

As of December 31, 2018, we had investments in 139 portfolio companies and CLOs. The aggregate fair value as of December 31, 2018 of investments in these portfolio companies held on that date is approximately $5.8 billion. Our portfolio across all our performing interest-bearing investments had an annualized current yield of 13.1% as of December 31, 2018. Our annualized current yield was 10.7% as of December 31, 2018 across all investments.

Recent Developments

Investment Activity

During the period from January 23, 2019 to February 22, 2019, we sold $46.0 million, or 16.96%, of the outstanding principal balance of the senior secured note investment in Broder Bros., Co.

Debt and Equity

During the period from January 1, 2019 through February 25, 2019 we issued $29.2 million in aggregate principal amount of Prospect Capital InterNotes® for net proceeds of $28.7 million.

During the period from January 1, 2019 through February 25, 2019, we issued $5.0 million in aggregate principal amount of our 2024 Notes for net proceeds of $4.9 million, issued $0.4 million in aggregate principal amount of our 2028 Notes for net proceeds of $0.4 million, and have issued $3.9 million in aggregate principal amount of our 2029 Notes for net proceeds of $3.9 million.

On January 4, 2019, we repurchased $2.0 million in aggregate principal amount of our 2020 Notes at a price of 99.375, including commission.

On January 15, 2019, we repaid the remaining outstanding principal amount of $101.6 million of the 2019 Notes, plus interest. No gain or loss was realized on the transaction.

Pursuant to notice to call provided on December 14, 2018, we redeemed $24.0 million of our Prospect Capital InterNotes® at par maturing on July 15, 2020, with a weighted average rate of 4.71%. Settlement of the call occurred on January 15, 2019.

Dividends

On February 6, 2019, we announced the declaration of monthly dividends in the following amounts and with the following dates:

- $0.06 per share for February 2019 to holders of record on February 28, 2019 with a payment date of March 21, 2019.
- $0.06 per share for March 2019 to holders of record on March 29, 2019 with a payment date of April 18, 2019.
- $0.06 per share for April 2019 to holders of record on April 30, 2019 with a payment date of May 23, 2019.

The Offering

Issuer	Prospect Capital Corporation
Securities Offered	6.375% Convertible Notes due 2025, which we refer to as Notes.
Initial aggregate principal amount	$175.0 million
Option to purchase additional Notes	The underwriters may also purchase from us up to an additional $26,250,000 aggregate principal amount of Notes solely to cover over-allotments within 13 days of the date of this prospectus supplement.
Price at Issuance	98.0%
Maturity	March 1, 2025, unless earlier converted, repurchased or redeemed.
Interest Rate	6.375% per year. Interest will be payable in cash on March 1, and September 1 of each year, beginning September 1, 2019.
Ranking	The Notes will be our general, unsecured obligations and will rank equal in right of payment with all of our existing and future senior, unsecured indebtedness (including the Unsecured Notes) and senior in right of payment to any of our subordinated indebtedness. As a result, the Notes will be effectively subordinated to ou existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to any existing and future liabilities and other indebtedness of our consolidated subsidiaries. As of February 25, 2019, we and our subsidiaries had approximately $2.2 billion of unsecured senior indebtedness outstanding and $358.0 million of secured indebtedness outstanding.
Redemption During Final Three Month Term of the Notes	We may not redeem the Notes prior to December 1, 2024. On or after December 1, 2024, we may redeem the Notes for cash, in whole or from time to time in part, at our option at a redemption price equal to the sum of (i) 100% of the principal amount of the Notes to be redeemed, (ii) accrued and unpaid interest (including additional interest, if any) to, but excluding, the redemption date and (iii) the make-whole premium. We will give notice of any redemption not less than 10 nor more than 30 calendar days before the redemption date by mail or electronic delivery to the trustee, the paying agent and each holder of Notes. See “Description of the Notes-Redemption During Final Three Month Term of the Notes.” No sinking fund will be provided for the Notes, which means that we are not required to redeem or retire the Notes periodically.
Conversion Rights	You may convert your Notes into shares of our common stock at any time on or prior to the close of business on the business day immediately preceding the maturity date. The Notes will be convertible at an initial conversion rate of 110.7420 shares of common stock per $1,000 principal amount of the Notes (equivalent to an initial conversion price of approximately $9.03 per share). The conversion rate, and thus the conversion price, may be adjusted under certain circumstances as described under “Description of the Notes - Conversion Rights - Conversion Rate Adjustments.” Upon any conversion, unless you convert after a record date for an interest payment but prior to the corresponding interest payment date, you will receive a cash payment representing accrued and unpaid interes to, but not including, the conversion date. See “Description of the Notes - Conversion Rights.”
Limitation on Beneficial Ownership	Notwithstanding the foregoing, no holder of Notes will be entitled to receive shares of our common stock upon conversion to the extent (but only to the extent) that such receipt would cause such converting holder to become, directly or indirectly, a “beneficial owner” (within the meaning of Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder) of more than 5.0% of the shares of our common stock outstanding at such time (the “Limitation”). Any purported delivery of shares of our common stock upon conversion of Notes shall be void and have no effect to the extent (but only to the extent) that such delivery would result in the converting holder becoming the beneficial owner of more than 5.0% of the shares of commo stock outstanding at such time. If any delivery of shares of our common stock owed to a holder upon conversion of Notes is not made, in whole or in part, as a result of the Limitation, our obligation to make such delivery shall not be extinguished and we shall deliver such shares as promptly as practicable after any such converting holder gives notice to us that such delivery would not result in it being the beneficial owner of more than 5.0% of the shares of common stock outstanding at such time. The Limitation shall no longer apply following the effective date of any Fundamental Change, as defined in “Description of the Notes - Fundamental Change Put.”

Adjustment to Conversion Rate Upon a Non-Stock Change of Control	If and only to the extent holders elect to convert the Notes in connection with a transaction described under clause (1), (3) (without reference to the third bullet thereunder) or (4) of the definition of fundamental change as described in “Description of the Notes - Fundamental Change Put” pursuant to which 10% or more of the consideration for our common stock (other than cash payments for fractional shares and cash payments made in respect of dissenters’ appraisal rights) consists of cash or securities (or other property) that are not shares o common stock traded or scheduled to be traded immediately following such transaction on the New York Stock Exchange, the NASDAQ Global Market or the NASDAQ Global Select Market (or their respective successors), which we refer to as a “non-stock change of control,” we will increase the conversion rate by a number of additional shares determined by reference to the table in “Description of the Notes - Conversion Rights - Adjustment to Conversion Rate Upon a Non-Stock Change of Control,” based on the effective date and the price paid per share of our common stock in such non-stock change of control. If the price paid per share of ou common stock in a non-stock change of control is less than $6.91 or more than $10.50 (subject to adjustment), there will be no such adjustment. If holders of our common stock receive only cash in the type of transaction described above, the price paid per share will be the cash amount paid per share. Otherwise, the stock price shall be the average of the last reported sale prices of our common stock over the five trading-day period ending on, and including, the trading day immediately preceding the effective date of the non-stock change of control.
Fundamental Change Repurchase Right of Holders	If we undergo a fundamental change (as defined in this prospectus supplement) prior to maturity, you will have the right, at your option, to require us to repurchase for cash some or all of your Notes at a repurchase price equal to 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date. See “Description of the Notes - Fundamental Change Put.”
Events of Default	If an event of default on the Notes occurs, the principal amount of the Notes, plus accrued and unpaid interest (including additional interest, if any) may be declared immediately due and payable, subject to certain conditions set forth in the indenture (as defined in this prospectus supplement). These amounts automatically become due and payable in the case of certain types of bankruptcy or insolvency events of default involving the Company.
Absence of a Public Market for the Notes	The Notes will be a new issue of securities. We cannot assure you that any active or liquid market will develop for the Notes. See “Plan of Distribution.”
The NASDAQ Global Select Market Symbol for Our Common Stock	Our common stock is traded on the NASDAQ Global Select Market under the symbol “PSEC.”
Trustee, Paying Agent and Conversion Agent	U.S. Bank National Association
Use of Proceeds	We estimate that the net proceeds from this offering will be approximately $169.25 million (or approximately $194.7125 million if the option to purchase up to an additional $26.25 million aggregate principal amount of Notes solely to cover over-allotments, if any, is exercised in full) after deducting fees and estimated offering expenses of approximately $500,000 payable by us. We expect to use a portion of the net proceeds from the sale of the Notes to repurchase from time to time a portion of our 2020 Notes. We intend to use the remainder of the net proceeds of the offering to repay debt under our credit facility and to invest in high quality short term debt investments, and/or to make long term investments in accordance with our investment objective. See “Use of Proceeds.”
U.S. Federal Income Tax Considerations	You should consult your tax advisor with respect to the U.S. federal income tax consequences of the holding, disposition or conversion of the Notes and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See “Supplement to Material U.S. Federal Income Tax Considerations” and “Material U.S. Federal Income Tax Considerations” in this prospectus supplement and the accompanying prospectus.

FEES AND EXPENSES

The following tables are intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly on an as converted basis. We caution you that some of the percentages indicated in the table below are estimates and may vary. In these tables, we assume that we have borrowed $3.4 billion. Except where the context suggests otherwise, whenever this prospectus supplement or the accompanying prospectus contains a reference to fees or expenses paid by "you" or "us" or that "we" will pay fees or expenses, the Company will pay such fees and expenses out of our net assets and, consequently, you will indirectly bear such fees or expenses as an investor in the Company. However, you will not be required to deliver any money or otherwise bear personal liability or responsibility for such fees or expenses.

Stockholder transaction expenses:	
Sales load (as a percentage of offering price)[(1)]	1.00%
Offering expenses borne by us (as a percentage of offering price)[(2)]	0.29%
Dividend reinvestment plan expenses[(3)]	None
Total stockholder transaction expenses (as a percentage of offering price)	1.29%
Annual expenses (as a percentage of net assets attributable to common stock)[(4)]:	
Management Fees[(5)]	4.10%
Incentive fees payable under Investment Advisory Agreement (20% of realized capital gains and 20% of pre-incentive fee net investment income)[(6)]	2.51%
Total advisory fees	6.61%
Total interest expense (other than the Notes offered hereby)[(7)]	5.50%
Interest payments on the Notes offered hereby	0.34%
Acquired Fund Fees and Expenses[(8)]	0.89%
Other expenses[(9)]	1.15%
Total annual expenses[(6)(9)]	14.49%

(1) Represents the commission with respect to our Notes being sold in this offering, which we will pay to the underwriters in connection with sales of Notes effected by the underwriters in this offering.

(2) The expenses of this offering are estimated to be approximately $500,000.

(3) The expenses of the dividend reinvestment plan are included in "other expenses."

(4) Net assets attributable to our common stock equal net assets (i.e., total assets less liabilities other than liabilities for money borrowed for investment purposes) at December 31, 2018. See "Capitalization" in this prospectus supplement.

(5) Our base management fee is 2% of our gross assets (which include any amount borrowed, i.e., total assets without deduction for any liabilities, including any borrowed amounts for non-investment purposes, for which purpose we have not borrowed and have no intention of borrowing). Although we have no intent to borrow the entire amount available under our line of credit, assuming that we borrowed $3.4 billion, the 2% management fee of gross assets equals approximately 4.10% of net assets. Based on our borrowings as of February 25, 2019 of $2.7 billion, the 2% management fee of gross assets equals approximately 3.70% of net assets. See "Business - Management Services - Investment Advisory Agreement" in the accompanying prospectus and footnote 6 below.

(6) Based on an annualized incentive fee paid during our six months ended December 31, 2018, all of which consisted of an income incentive fee. The capital gain incentive fee is paid without regard to pre-incentive fee income. For a more detailed discussion of the calculation of the two-part incentive fee, see "Business - Management Services - Investment Advisory Agreement" in the accompanying prospectus.

(7) As of February 25, 2019, we have $2.2 billion outstanding of our Unsecured Notes in various maturities, ranging from January 15, 2020 to October 15, 2043, and interest rates, ranging from 4.00% to 7.00%, some of which are convertible into shares of our common stock at various conversion rates. See "Business - Convertible Notes, Business - Public Notes," "Business - Prospect Capital InterNotes®," and "Risk Factors - Risks Related to Our Business" in the accompanying prospectus for more details on the Unsecured Notes.

(8) Our stockholders indirectly bear the expenses of underlying investment companies in which we invest. This amount includes the fees and expenses of investment companies in which we are invested in as of December 31, 2018. When applicable, fees and expenses are based on historic fees and expenses for the investment companies and for those investment companies with little or no operating history, fees and expenses are based on expected fees and expenses stated in the investment companies' prospectus or other similar communication without giving effect to any performance. Future fees and expenses for certain investment companies may be substantially higher or lower because certain fees and expenses are based on the performance of the investment companies, which may fluctuate over time. The amount of our average net assets used in calculating this percentage was based on net assets of approximately $3.3 billion as of December 31, 2018. Amount reflects the estimated annual asset management fees incurred indirectly by us in connection with our investment in CLOs during the next 12 months, including asset management fees payable to the collateral managers of CLO equity tranches and incentive fees due to the collateral managers of CLO equity tranches. As a percent of the Company's net assets, the CLO acquired fund fees are 0.88%. The 0.88% is based on 3.29% of fees for the CLO equity portfolio. The 3.29% is composed of 3.25% of collateral manager fees and 0.04% of incentive fees. The 3.25% of collateral manager fees are determined by multiplying 0.3940% (collateral managers fees historically paid) by 8.2 (the average leverage in such CLOs). The 0.04% of incentive fees are determined by multiplying 0.04% (an estimate if the CLOs were redeemed in the next 12 months and the underlying portfolios were liquidated) by 100% (the assumed amount of total assets invested in equity tranches of CLOs). However, such amounts are uncertain and difficult to predict. Future fees and expenses may be substantially higher or lower because certain fees and expenses are based on the performance of the CLOs, which may fluctuate over time. As a result of such investments, our stockholders may be required to pay two levels of fees in connection with their investment in our shares, including fees payable under our Investment Advisory Agreement, and fees charged to us on such investments.

(9) "Other expenses" are based on estimated amounts for the current fiscal year. The amount shown above represents annualized expenses during our six months ended December 31, 2018 representing all of our estimated recurring operating expenses (except fees and expenses reported in other items of this table) that are deducted from its operating income and reflected as expenses in our Statement of Operations. The estimate of our overhead expenses, including payments under an administration agreement with Prospect Administration, or the "Administration Agreement," based on our projected allocable portion of overhead and other expenses incurred by Prospect Administration in performing its obligations under the Administration Agreement. "Other expenses" does not include non-recurring expenses. See "Business - Management Services - Administration Agreement" in the accompanying prospectus.

Example

The following table demonstrates the projected dollar amount of cumulative expenses we would pay out of net assets and that you would indirectly bear 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 borrowed $3.4 billion, that its annual operating expenses would remain at the levels set forth in the table above and that we would pay the costs shown in the table above. You would pay the following expenses on a $1,000 investment, assuming a 5% annual return:

	1 Years	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return[(1)]	**$ 131**	**$ 344**	**$ 527**	**$ 886**
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return[(2)]	**$ 141**	**$ 371**	**$ 569**	**$ 954**

(1) Assumes that we will not realize any capital gains computed net of all realized capital losses and unrealized capital depreciation

(2) Assumes no unrealized capital depreciation and 5% annual return resulting entirely from net realized capital gains (and therefore subject to the capital gains incentive fee).

The foregoing table is to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, if our board of directors authorizes and we declare a cash dividend, participants in our dividend reinvestment plan who have not otherwise elected to receive cash 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 the market price per share of our common stock at the close of trading on the valuation date for the dividend. See “Dividend Reinvestment and Direct Stock Purchase Plan” in the accompanying prospectus for additional information regarding our dividend reinvestment plan.

This example and the expenses in the table above should not be considered a representation of our future expenses. Actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.

SELECTED CONDENSED FINANCIAL DATA

You should read the condensed consolidated financial information below with the Consolidated Financial Statements and notes thereto included in this prospectus supplement and the accompanying prospectus. Financial information below for the years ended June 30, 2018, 2017, 2016, 2015, and 2014 has been derived from the financial statements that were audited by our independent registered public accounting firm. The selected consolidated financial data at and for the three and six months ended December 31, 2018 and 2017 has been derived from unaudited financial data. Interim results for the three and six months ended December 31, 2018 are not necessarily indicative of the results that may be expected for the year ending June 30, 2019. Certain reclassifications have been made to the prior period financial information to conform to the current period presentation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" starting on page S-37 of this prospectus supplement for more information.

	For the Three Months Ended December 31,		For the Six Months Ended December 31,		For the Year Ended June 30,				
	2018	2017	2018	2017	2018	2017	2016	2015	2014
	(in thousands except data relating to shares, per share and number of portfolio companies)								
Performance Data:									
Total interest income	$ 157,994	$ 153,382	$ 317,436	$ 301,467	$ 607,012	$ 668,717	$ 731,618	$ 748,974	$ 613,741
Total dividend income	13,266	326	28,193	870	13,046	5,679	26,501	7,663	26,837
Total other income	16,623	8,692	22,676	18,642	37,787	26,650	33,854	34,447	71,713
Total Investment Income	187,883	162,400	368,305	320,979	657,845	701,046	791,973	791,084	712,291
Interest and credit facility expenses	(40,656)	(39,347)	(78,564)	(80,382)	(155,039)	(164,848)	(167,719)	(170,660)	(130,103)
Investment advisory expense	(53,390)	(47,857)	(104,637)	(93,953)	(189,759)	(199,394)	(219,305)	(225,277)	(198,296)
Other expenses	(13,026)	(2,004)	(19,134)	(9,720)	(26,197)	(30,722)	(33,821)	(32,400)	(26,669)
Total Operating Expenses	(107,072)	(89,208)	(202,335)	(184,055)	(370,995)	(394,964)	(420,845)	(428,337)	(355,068)
Net Investment Income	80,811	73,192	165,970	136,924	286,850	306,082	371,128	362,747	357,223
Net realized and change in unrealized gains (losses)	(148,200)	48,535	(149,564)	(3,224)	13,013	(53,176)	(267,766)	(16,408)	(38,203)
Net increase in Net Assets from Operations	$ (67,389)	$ 121,727	$ 16,406	$ 133,700	$ 299,863	$ 252,906	$ 103,362	$ 346,339	$ 319,020
Per Share Data:									
Net Increase in Net Assets from Operations(1)	$ (0.18)	$ 0.34	$ 0.04	$ 0.37	$ 0.83	$ 0.70	$ 0.29	$ 0.98	$ 1.06
Dividends declared per share	$ (0.18)	$ (0.18)	$ (0.36)	$ (0.41)	$ (0.77)	$ (1.00)	$ (1.00)	$ (1.19)	$ (1.32)
Weighted average shares of common stock outstanding	365,591,722	360,473,705	365,187,429	360,322,770	361,456,075	358,841,714	356,134,297	353,648,522	300,283,941
Assets and Liabilities Data:									
Investments at Fair Value	$ 5,842,570	$ 5,421,132	$ 5,842,570	$ 5,421,132	5,727,279	$ 5,838,305	$ 5,897,708	$ 6,609,558	$ 6,253,739
Other Assets(4)	127,297	496,381	127,297	496,381	111,541	334,484	338,473	144,356	166,520
Total Assets(4)	5,969,867	5,917,513	5,969,867	5,917,513	5,838,820	6,172,789	6,236,181	6,753,914	6,420,259
Revolving Credit Facility	297,000	—	297,000	—	37,000	—	—	368,700	92,000
Convertible notes(4)	798,011	889,233	798,011	889,233	809,073	937,641	1,074,361	1,218,226	1,219,676
Public notes (4)	742,762	739,318	742,762	739,318	716,810	738,300	699,368	541,490	637,584
Prospect Capital InterNotes®(4)	714,018	824,383	714,018	824,383	748,926	966,254	893,210	811,180	766,781
Due to Prospect Administration and Prospect Capital Management	53,086	49,564	53,086	49,564	51,257	50,159	55,914	6,788	2,211
Other liabilities	61,815	66,603	61,815	66,603	68,707	125,483	77,411	104,481	83,825
Total Liabilities(4)	2,666,692	2,569,101	2,666,692	2,569,101	2,431,773	2,817,837	2,800,264	3,050,865	2,802,077
Net Assets	$ 3,303,175	$ 3,348,412	$ 3,303,175	$ 3,348,412	$ 3,407,047	$ 3,354,952	$ 3,435,917	$ 3,703,049	$ 3,618,182
Investment Activity Data:									
No. of portfolio companies at period end	139	122	139	122	135	121	125	131	142
Acquisitions	$ 226,252	$ 738,737	$ 480,894	$ 960,888	$ 1,730,657	$ 1,489,470	$ 979,102	$ 1,867,477	$ 2,933,365
Sales, repayments, and other disposals	$ 163,502	$ 1,042,269	$ 220,110	$ 1,353,163	$ 1,831,286	$ 1,413,882	$ 1,338,875	$ 1,411,562	$ 767,978
Total return based on market value(2)	(11.54)%	3.01%	(0.90)%	(11.82)%	(7.42)%	16.80%	21.84%	(20.84)%	10.88%
Total return based on net asset value(2)	(1.29)%	4.51%	1.67 %	5.78 %	12.39 %	8.98%	7.15%	11.47 %	10.97%
Weighted average yield on debt portfolio at period end(3)	13.1 %	12.5%	13.1 %	12.5 %	13.0 %	12.2%	13.2%	12.7 %	12.1%
Weighted average yield on									

total portfolio at period end	10.7 %	10.3%	10.7 %	10.3 %	10.5 %	10.4%	12.0%	11.9 %	11.9%

(1) Per share data is based on the weighted average number of common shares outstanding for the year/period presented (except for dividends to shareholders which is based on actual rate per share).

(2) Total return based on market value is based on the change in market price per share between the opening and ending market prices per share in each year/period and assumes that dividends are reinvested in accordance with our dividend reinvestment plan. Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in each year/period and assumes that dividends are reinvested in accordance with our dividend reinvestment plan. For a period less than a year, the return is not annualized.

(3) Excludes equity investments and non-performing loans.

(4) We have changed our method of presentation relating to debt issuance costs in accordance with ASU 2015-03, *Interest - Imputation of Interest* (Subtopic 835-30). Unamortized deferred financing costs of $40,526, $44,140, and $57,010 previously reported as an asset on the *Consolidated Statements of Assets and Liabilities* as of June 30, 2016, 2015, and 2014, respectively, have been reclassified as a direct deduction to the respective Unsecured Notes. See *Critical Accounting Policies and Estimates* for further discussion.

(5) Includes equity investments and non-performing loans.

RISK FACTORS

Investing in our Notes involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus supplement and the accompanying prospectus, before you decide whether to make an investment in the Notes. If any of the adverse events or conditions described below or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value, or NAV, and the value of the Notes and the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Relating to the Notes

Our amount of debt outstanding will increase as a result of this offering. Our current indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under the Notes and our other debt.

As of February 25, 2019, we and our subsidiaries had approximately $2.2 billion of unsecured senior indebtedness outstanding and $358.0 million of secured indebtedness outstanding.

The use of debt could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under the Notes and our other outstanding debt;
- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in substantially all of our debt becoming immediately due and payable;
- reducing the availability of our cash flow to fund investments, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- subjecting us to the risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our credit facility; and
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the Notes and our other debt.

Our ability to meet our payment and other obligations under our debt instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our credit facility or otherwise, in an amount sufficient to enable us to meet our payment obligations under the Notes and our other debt and to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, including the Notes, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the Notes and our other debt.

An increase in market interest rates could result in a decrease in the market value of the Notes.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the Notes. In general, as market interest rates rise, debt securities bearing interest at fixed rates of interest decline in value. Consequently, if you purchase notes bearing interest at fixed rates of interest and market interest rates increase, the market values of those notes may decline. We cannot predict the future level of market interest rates.

The Notes will be effectively subordinated to any existing and future secured indebtedness and structurally subordinated to existing and future liabilities and other indebtedness of our subsidiaries, and are due after certain of our other outstanding notes.

The Notes will be our general, unsecured obligations and will rank equally in right of payment with all of our existing and future unsubordinated, unsecured senior indebtedness, including without limitation, the Unsecured Notes. As a result, the Notes will be effectively subordinated to our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness and structurally subordinated to any existing and future liabilities and other indebtedness of our subsidiaries. Effective subordination means that in any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors. Structural subordination means that creditors of a parent entity are subordinate to creditors of a subsidiary entity with respect to the subsidiary's assets. These liabilities may include indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations. The Notes do not restrict us or our subsidiaries from incurring indebtedness, including senior secured indebtedness in the future, nor do they limit the amount of indebtedness we can issue that is equal in right of payment to the Notes. As of February 25, 2019, we had $358.0 million outstanding borrowings under our credit facility. Our credit facility is secured by certain of our assets and the indebtedness thereunder is therefore effectively senior to the Notes to the extent of the value of such assets.

Certain of our Unsecured Notes will be due prior to the maturity of the Notes. We do not currently know whether we will be able to replace any such notes upon their respective maturities, or if we do, whether we will be able to do so on terms that are as favorable as such notes. In the event that we are not able to replace such notes at the time of their respective maturities, this could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders, our ability to repay the Notes and our ability to qualify as a regulated investment company, or "RIC."

The indenture governing the Notes will not contain restrictive covenants and will provide only limited protection, in the event of a change of control.

The base indenture and supplemental indenture (collectively, the "indenture") under which the Notes will be issued will not contain any financial or operating covenants or any other restrictive covenants that would limit our ability to engage in certain transactions that may adversely affect you. In particular, the indenture will not contain covenants that limit our ability to pay dividends or make distributions on or redeem our capital stock or that limit our ability to incur additional indebtedness, including in a highly leveraged transaction or other similar transaction. We will only be required to offer to repurchase the Notes upon a change of control in the case of the transactions specified in the definition of a "fundamental change" under "Description of the Notes - Fundamental Change Put." Similarly, we will only be required to adjust the conversion rate upon the occurrence of a "non-stock change of control" in circumstances where a Note is converted in connection with such a transaction as set forth under "Description of the Notes - Conversion Rights - Adjustment to Conversion Rate Upon a Non-Stock Change of Control."

Accordingly, subject to restrictions contained in our other debt agreements, we will be permitted to engage in certain transactions, such as acquisitions, refinancings or recapitalizations, that could affect our capital structure and the value of the Notes and our common stock but would not constitute a fundamental change or a non-stock change of control under the Notes.

The conversion rate of the Notes may not be adjusted for all dilutive events that may adversely affect the trading price of the Notes or the common stock issuable upon conversion of the Notes.

The conversion rate of the Notes is subject to adjustment upon certain events, including the issuance of certain stock dividends on our common stock, certain issuance of rights or warrants, subdivisions, combinations, certain distributions of capital stock, indebtedness or assets, certain cash dividends and certain issuer tender or exchange offers as described under "Description of the Notes - Conversion Rights - Conversion Rate Adjustments." The conversion rate will not be adjusted for certain other events, including cash dividends below the dividend threshold amount (as defined clause (4) of "Description of the Notes - Conversion Rights - Conversion Rate Adjustments"), that may adversely affect the trading price of the Notes or the common stock issuable upon conversion of the Notes.

We may be unable to repurchase the Notes following a fundamental change.

Holders of the Notes have the right to require us to repurchase their Notes prior to their maturity upon the occurrence of a fundamental change as described under "Description of the Notes - Fundamental Change Put." Any of our future debt agreements may contain similar provisions. We may not have sufficient funds or the ability to arrange necessary financing on acceptable terms at the time we are required to make repurchases of tendered Notes. In addition, our ability to repurchase the Notes may be limited by law or the terms of other agreements relating to our debt outstanding at the time, including our credit facility. If we fail to repurchase the Notes as required by the indenture, it would constitute an event of default under the indenture governing the Notes, which, in turn, would constitute an event of default under our credit facility.

Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the Notes.

Upon the occurrence of a fundamental change, you have the right to require us to offer to repurchase the Notes. However, the fundamental change provisions will not afford protection to holders of the Notes in the event of certain transactions. For example, transactions such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us would not constitute a fundamental change event which may require us to repurchase the Notes. In the event of any such transaction, the holders would not have the right to require us to repurchase the Notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of the Notes.

Provisions of the Notes could discourage an acquisition of us by a third party.

Certain provisions of the Notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change, holders of the Notes will have the right, at their option, to require us to repurchase all of their Notes or any portion of the principal amount of such Notes in integral multiples of $1,000. We may also be required to increase the conversion rate or provide for conversion into the acquirer's capital stock in the event of certain fundamental changes constituting a non-stock change of control. These provisions could discourage an acquisition of us by a third party.

The adjustment to the conversion rate upon the occurrence of certain types of fundamental changes may not adequately compensate you for the lost option time value of your Notes as a result of such fundamental change.

If certain types of fundamental changes constituting a non-stock change of control occur on or prior to the maturity date of the Notes, we may increase the conversion rate by an additional number of shares for holders that elect to convert their Notes in connection with the non-stock change of control. The number of additional shares to be added to the conversion rate will be determined based on the date on which a non-stock change of control becomes effective and the price paid per share of our common stock in the non-stock change of control as described under "Description of the Notes - Conversion Rights - Adjustment to Conversion Rate Upon a Non-Stock Change of Control." Although this adjustment is designed to compensate you for the lost option value of your Notes as a result of a non-stock change of control, the adjustment is only an approximation of such lost value based upon assumptions made on the date of this prospectus supplement and may not adequately compensate you for such loss. In addition, if the price paid per share of our common stock in the non-stock change of control is less than $6.91 or more than $10.50 (subject to adjustment), there will be no such adjustment.

There is currently no public market for the Notes, and an active trading market may not develop for the Notes. The failure of a market to develop for the Notes could adversely affect the liquidity and value of your Notes.

The Notes are a new issue of securities, and there is no existing market for the Notes. We do not intend to apply for listing of the Notes on any securities exchange or for quotation of the Notes on any automated dealer quotation system. We have been advised by the underwriters that following the completion of the offering, the underwriters currently intend to make a market in the Notes. However, the underwriters are not obligated to do so, and any market-making activities with respect to the Notes may be discontinued by them at any time without notice. In addition, any market-making activity will be subject to limits imposed by law. A market may not develop for the Notes, and there can be no assurance as to the liquidity of any market that may develop for the Notes. If an active, liquid market does not develop for the Notes, the market price and liquidity of the Notes may be adversely affected. If any of the Notes are traded after their initial issuance, they may trade at a discount from their initial discounted offering price.

The liquidity of the trading market, if any, and the future trading prices of the Notes will depend on many factors, including, among other things, the market price of our common stock, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the Notes will be subject to disruptions which may have a negative effect on the holders of the Notes, regardless of our operating results, financial performance or prospects.

Regulatory actions and the inability of investors in the Notes to borrow our common stock may adversely affect the trading price and liquidity of the Notes.

We expect that many investors in, and potential purchasers of, the Notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the Notes. Investors would typically implement this strategy by selling short the common stock underlying the Notes and dynamically adjusting their short position while they hold the Notes. Investors may also implement this strategy by entering into swaps on our common stock in lieu of or in addition to short selling the common stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and may adopt additional rules in the future that may impact those engaging in short selling activity involving equity securities (including our common stock), including Rule 201 of SEC regulation SHO, the Financial Industry Regulatory Authority, Inc.'s "Limit Up-Limit Down" program, market-wide circuit breaker systems that halt trading of securities for certain periods following specific market declines, and rules stemming from the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Past regulatory actions, including emergency actions or regulations have had a significant impact on the trading prices and liquidity of equity-linked instruments. Any governmental action that similarly restricts the ability of investors in, or potential purchasers of, the Notes to effect short sales of our common stock or enter into swaps on our common stock could similarly adversely affect the trading price and the liquidity of the Notes.

In addition, if investors and potential purchasers seeking to employ a convertible arbitrage strategy are unable to borrow or enter into swaps on our common stock, in each case on commercially reasonable terms, the trading price and liquidity of the Notes may be adversely effected.

The accounting for convertible debt securities is subject to uncertainty.

The accounting for convertible debt securities is subject to frequent scrutiny by the accounting regulatory bodies and is subject to change. We cannot predict if or when any such change could be made and any such change could have an adverse impact on our reported or future financial results. Any such impacts could adversely affect the market price of our common stock and in turn negatively impact the trading price of the Notes.

The price of our common stock and of the Notes may fluctuate significantly, and this may make it difficult for you to resell the Notes or common stock issuable upon conversion of the Notes when you want or at prices you find attractive.

The price of our common stock on The NASDAQ Global Select Market constantly changes. We expect that the market price of our common stock will continue to fluctuate. In addition, because the Notes are convertible into our common stock, volatility or depressed prices for our common stock could have a similar effect on the trading price of the Notes.

Our stock price may fluctuate as a result of a variety of factors, many of which are beyond our control. These factors include:

- quarterly variations in our investment results;
- operating results that vary from the expectations of management, securities analysts and investors;
- changes in expectations as to our future financial performance;
- the operating and securities price performance of other companies that investors believe are comparable to us;
- future sales of our equity or equity-related securities;
- changes in general conditions in our industry and in the economy and the financial markets; and

- departures of key personnel.

In addition, in recent years, the stock market in general has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons often unrelated to their operating performance. These broad market fluctuations may adversely affect our stock price, regardless of our operating results.

Future sales of our common stock in the public market or the issuance of securities senior to our common stock could adversely affect the trading price of our common stock and the value of the Notes and our ability to raise funds in new stock offerings.

Future sales of substantial amounts of our common stock or equity-related securities in the public market, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common stock and the value of the Notes and could impair our ability to raise capital through future offerings of equity or equity-related securities. Upon completion of this offering, we may not, unless otherwise agreed to by the underwriters, commence any sales of shares of our common stock until 30 days following the date of this prospectus supplement. No prediction can be made as to the effect, if any, that future sales of shares of common stock or the availability of shares of common stock for future sale, will have on the trading price of our common stock or the value of the Notes.

Holders of the Notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to our common stock.

Holders of the Notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights or rights to receive any dividends or other distributions on our common stock), but will be subject to all changes affecting our common stock. Holders will only be entitled to rights in respect of our common stock if and when we deliver shares of our common stock upon conversion for their Notes and, to a limited extent, under the conversion rate adjustments applicable to the Notes. For example, in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to a holder’s conversion of Notes, the holder will not be entitled to vote on the amendment, although the holder will nevertheless be subject to any changes in the powers, preferences or rights of our common stock that result from such amendment.

The Notes may be issued with original issue discount for U.S. federal income tax purposes.

The Notes will be issued with original issue discount (“OID”) for U.S. federal income tax purposes if the difference between their stated principal amount and their “issue price” (the first price at which a substantial amount of the Notes is sold for cash, other than to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) exceeds a statutorily defined de minimis threshold. If the Notes are issued with OID, a U.S. Holder (as defined in “Supplement to Material U.S. Federal Income Tax Considerations”), as well as a Non-U.S. Holder (as defined in “Supplement to Material U.S. Federal Income Tax Considerations”) that is subject to U.S. federal income taxation on a net basis, generally will be required to include the OID in gross income as ordinary interest income in advance of the receipt of cash attributable to that income and regardless of such holder’s regular method of tax accounting. See “Supplement to Material U.S. Federal Income Tax Considerations.”

You may be deemed to receive a taxable distribution without the receipt of any cash or property.

The conversion rate of the Notes will be adjusted in certain circumstances. See the discussion under the headings “Description of the Notes - Conversion Rights - Conversion Rate Adjustments” and “- Adjustment to Conversion Rate Upon a Non-Stock Change of Control.” Adjustments to the conversion rate of the Notes that have the effect of increasing your proportionate interest in our assets or earnings may in some circumstances result in a taxable constructive distribution to you for U.S. federal income tax purposes, notwithstanding the fact that you do not receive an actual distribution of cash or property. In addition, if you are a Non-U.S. Holder, you may be subject to U.S. federal withholding taxes in connection with such a constructive distribution. If we pay withholding taxes on your behalf as a result of an adjustment to the conversion rate of the Notes, we may, at our option, set off such payments against payments of cash and common stock on the Notes. You are urged to consult your tax advisors with respect to the U.S. federal income tax consequences resulting from an adjustment to the conversion rate of the Notes. See the discussions under the headings “Supplement to Material U.S. Federal Income Tax Considerations - The Notes - Consequences to U.S. Holders - Constructive distributions” and “- Consequences to Non-U.S. Holders - Constructive distributions.”

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to us or the Notes, if any, could cause the liquidity or market value of the Notes to decline significantly.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the Notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. We do not undertake any obligation to maintain our rating, if any, or to advise holders of Notes of any changes in ratings.

The Notes will be rated by Standard & Poor's Ratings Services, or "S&P," Moody's Investors Service, or "Moody's," and Kroll Bond Rating Agency, Inc., or "Kroll." There can be no assurance that their rating will remain for any given period of time or that such rating will not be lowered or withdrawn entirely by S&P, Moody's or Kroll if in their respective judgment future circumstances relating to the basis of the rating, such as adverse changes in our company, so warrant.

We may be subject to certain corporate-level taxes, which could adversely affect our cash flow and consequently adversely affect our ability to make payments on the Notes.

We may be subject to certain corporate-level taxes regardless of whether we continue to qualify as a regulated investment company, or RIC. Additionally, should we fail to qualify as a RIC, we would be subject to corporate-level taxes on all of our taxable income. The imposition of corporate-level taxes could adversely affect our cash flow and consequently adversely affect our ability to make payments on the Notes.

The indenture under which the Notes will be issued will contain limited protection for holders of the Notes.

The indenture under which the Notes will be issued will offer limited protection to holders of the Notes. The terms of the indenture and the Notes do not restrict our or our consolidated subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on your investment in the Notes. In particular, the terms of the indenture and the Notes will not place any restrictions on our or our consolidated subsidiaries' ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18 (a)(1)(A) as modified by Section 61(a) of the 1940 Act or any successor provisions;

- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the Notes;

- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);

- enter into transactions with affiliates;

- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;

- make investments; or

- create restrictions on the payment of dividends or other amounts to us from our consolidated subsidiaries.

Furthermore, the terms of the indenture and the Notes do not protect holders of the Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity other than certain limited restrictions on dividends and certain board structures or default provisions mandated by the 1940 Act.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the Notes may have important consequences for you as a holder of the Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes or negatively affecting the trading value of the Notes.

Certain of our current debt instruments include more protections for their holders than the indenture and the Notes. In addition, other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the Notes.

Our most recent NAV was calculated on December 31, 2018 and our NAV when calculated effective March 31, 2019 and thereafter may be higher or lower.

Our NAV per share is $9.02 as of December 31, 2018. NAV per share as of March 31, 2019 may be higher or lower than $9.02 based on potential changes in valuations, issuances of securities, repurchases of securities, dividends paid and earnings for the quarter then ended. Our Board of Directors has not yet determined the fair value of portfolio investments at any date subsequent to December 31, 2018. Our Board of Directors determines the fair value of our portfolio investments on a quarterly basis in connection with the preparation of quarterly financial statements and based on input from independent valuation firms, the Investment Adviser, the Administrator and the Audit Committee of our Board of Directors.

DESCRIPTION OF THE NOTES

The Notes will be issued under an indenture, dated as of February 16, 2012, between the Company and U.S. Bank National Association, as trustee (the "trustee"), as amended by that certain Agreement of Resignation, Appointment and Acceptance, dated March 12, 2012, by and among the Company, the trustee, and American Stock Transfer & Trust Company, LLC (so amended, the "base indenture"), as supplemented by a supplemental indenture establishing the terms of the Notes, to be dated as of March 1, 2019 (the "supplemental indenture" and, together with the base indenture, the "indenture"). The terms of the Notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

The following description is only a summary of the material provisions of the Notes and the indenture. We urge you to read the indenture in its entirety because it, and not this description, defines your rights as a holder of the Notes. You may request copies of these documents as set forth under the caption "Available Information". Our other senior unsecured indebtedness are described under the headings "Business - Convertible Notes, Business - Public Notes and Business - Prospect Capital InterNotes®."

When we refer to "Prospect Capital Corporation," the "Company," "we," "our" or "us" in this section, we refer only to Prospect Capital Corporation and not its consolidated subsidiaries. In addition, all references to interest in this prospectus supplement include additional interest, if any, payable as the sole remedy relating to the failure to comply with our reporting obligations pursuant to the provisions set forth below under the heading "- Events of Default; Notice and Waiver."

Brief Description of the Notes

The Notes will:

- initially be limited to $175.0 million aggregate principal amount ($201.25 million if the option to purchase up to an additional $26.25 million aggregate principal amount of Notes solely to cover over-allotments, if any, is exercised in full);

- bear interest at a rate of 6.375% per year, payable semi-annually in arrears, on March 1 and September 1 of each year, commencing on September 1, 2019;

- be our general unsecured obligations, ranking equally with all of our other unsecured senior indebtedness (including the Unsecured Notes) and senior in right of payment to any of our subordinated indebtedness, effectively subordinated in right of payment to our existing and future secured indebtedness and structurally subordinated to all existing and future debt of our subsidiaries;

- be convertible by you at any time on or prior to 5:00 p.m., New York City time, on the business day immediately preceding the maturity date, into shares of our common stock (together with cash in lieu of fractional shares) initially at a conversion rate of 110.7420 shares of our common stock per $1,000 principal amount of Notes (subject to adjustment as set forth in this prospectus supplement), which represents an initial conversion price of approximately $9.03 per share. In the event of a non-stock change of control, we will, in certain circumstances, increase the conversion rate as described herein;

- be subject to redemption at our option, in whole or from time to time in part, on or after December 1, 2024 at a redemption price equal to the sum of (i) 100% of the principal amount of the Notes to be redeemed, (ii) accrued and unpaid interest (including additional interest, if any) to, but not including, the redemption date and (iii) the make-whole premium;

- be subject to repurchase by us at your option if a fundamental change occurs, at a cash repurchase price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest (including additional interest, if any) to, but not including, the repurchase date; and

- be due on March 1, 2025, unless earlier converted, repurchased or redeemed.

Neither we nor any of our subsidiaries will be subject to any financial covenants under the indenture. In addition, neither we nor our consolidated subsidiaries will be restricted under the indenture from paying dividends, incurring debt or issuing or repurchasing our securities. You are not afforded protection under the indenture in the event of a highly leveraged transaction or a change in control of us, except to the extent described below under "- Adjustment to Conversion Rate Upon a Non-Stock Change of Control" and "- Fundamental Change Put."

No sinking fund is provided for the Notes, and the Notes will not be subject to defeasance.

The Notes initially will be issued in book-entry form only in denominations of $1,000 principal amount and integral multiples thereof. Beneficial interests in the Notes will be shown on, and transfers of beneficial interests in the Notes will be effected only through, records maintained by The Depository Trust Company, or DTC, or its nominee, and any such interests may not be exchanged for certificated Notes except in limited circumstances. For information regarding conversion, registration of transfer and exchange of global Notes held in DTC, see "- Form, Denomination and Registration - Global Notes Book-Entry Form."

If certificated Notes are issued, you may present them for conversion, registration of transfer and exchange, without service charge, at our office or agency in New York City, which will initially be the office or agency of the trustee in New York City.

Additional Notes

We may, without the consent of the holders of the Notes, increase the principal amount of the Notes by issuing additional Notes in the future on the same terms and conditions, except for any differences in the issue price and interest accrued prior to the issue date of the additional Notes; provided that such differences do not cause the additional Notes to constitute a different class of securities than the Notes for U.S. federal income tax purposes. The Notes offered by this prospectus supplement and any additional Notes would rank equally and ratably and would be treated as a single class for all purposes under the indenture. No additional Notes may be issued if any event of default has occurred with respect to the Notes.

Payment at Maturity

On the maturity date, each holder will be entitled to receive on such date $1,000 in cash for each $1,000 in principal amount of Notes, together with accrued and unpaid interest (including additional interest, if any) to, but not including, the maturity date. With respect to global Notes, principal and interest (including additional interest, if any) will be paid to DTC in immediately available funds. With respect to any certificated Notes, principal and interest (including additional interest, if any) will be payable at our office or agency in New York City, which initially will be the office or agency of the trustee in New York City.

Interest

The Notes will bear interest at a rate of 6.375% per year. Interest will accrue from the date of original issuance of the Notes or from the most recent date to which interest has been paid or duly provided for. We will pay interest (including additional interest, if any) semi-annually, in arrears on March 1 and September 1 of each year, commencing on September 1, 2019, to holders of record at 5:00 p.m., New York City time, on the preceding February 15 and August 15, respectively. However, there are two exceptions to the preceding sentence:

- holders will be entitled to a cash payment representing accrued and unpaid interest to, but not including, the conversion date on any Notes unless the Notes are converted after a record date for an interest payment but prior to the corresponding interest payment date, as described under "- Conversion Rights;" and

- on the matom:16px;text-align:left;text-indent:48px;font-size:10pt;">We may, without the consent of the holders of the Notes, increase the principal amount of the Notes by issuing additional Notes in the future on the same terms and conditions, except for any differences in the issue price and interest accrued prior to the issue date of the additional Notes; provided that such differences do not cause the additional Notes to constitute a different class of securities than the Notes for U.S. federal income tax purposes. The Notes offered by this prospectus supplement and any additional Notes would rank equally and ratably and would be treated as a single class for all purposes under the indenture. No additional Notes may be issued if any event of default has occurred with respect to the Notes.

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