

REFINITIV

DELTA REPORT

10-Q

PSEC PR A - PROSPECT CAPITAL CORP

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - MARCH 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 3618

 CHANGES 881

 DELETIONS 1435

 ADDITIONS 1302

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For the quarterly period ended **March 31, 2023** **September 30, 2023**

OR

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

Commission File Number: 814-00659

PROSPECT CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

43-2048643

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

10 East 40th Street, 42nd Floor

New York, New York

10016

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (212) 448-0702

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

| <u>Title of each class</u> | <u>Trading symbols</u> | <u>Name of each exchange on which registered</u> |
|---|------------------------|--|
| Common Stock, \$0.001 par value | PSEC | NASDAQ Global Select Market |
| 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock, par value \$0.001 | PSEC PRA | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

(Do not check if a smaller reporting company)

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

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

As of **May 8, 2023** **November 7, 2023**, there were **402,169,399** **410,385,847** shares of the registrant's common stock, \$0.001 par value per share, outstanding.

Table of Contents

| | Page |
|---|--------|
| Forward-Looking Statements | 3 |
| PART I FINANCIAL INFORMATION | |
| Item 1. Financial Statements | |
| Consolidated Statements of Assets and Liabilities as of March 31, 2023 September 30, 2023 (audited) and June 30, 2022 June 30, 2023 | 4 |
| Consolidated Statements of Operations for the three and nine months ended March 31, 2023 September 30, 2023 and March 31, 2022 September 30, 2022 (audited) | 5 |
| Consolidated Statements of Changes in Net Assets and Temporary Equity for the three and nine months ended March 31, 2023 September 30, 2023 and March 31, 2022 September 30, 2022 (audited) | 6 |
| Consolidated Statements of Cash Flows for the nine three months ended March 31, 2023 September 30, 2023 and March 31, 2022 September 30, 2022 (audited) | 87 |
| Consolidated Schedules of Investments as of March 31, 2023 September 30, 2023 (audited) and June 30, 2022 June 30, 2023 | 98 |
| Notes to Consolidated Financial Statements (audited) | 4546 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 113108 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 142137 |
| Item 4. Controls and Procedures | 144139 |
| PART II OTHER INFORMATION | |
| Item 1. Legal Proceedings | 145140 |
| Item 1A. Risk Factors | 145140 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 148142 |
| Item 3. Defaults Upon Senior Securities | 148143 |
| Item 4. Mine Safety Disclosures | 148143 |
| Item 5. Other Information | 149144 |
| Item 6. Exhibits | 154148 |
| Signatures | |

FORWARD-LOOKING STATEMENTS

This report contains information that may constitute "forward-looking statements." Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will," "should," "could," "may," "plan" and similar expressions identify forward-looking statements, which generally are not historical in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future—including statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results—are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when 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, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part II, "Item 1A. Risk Factors" and elsewhere in this report and in our Annual Report on Form 10-K for the year ended **June 30, 2022** **June 30, 2023**, and those described from time to time in reports that we have filed or in the future may file with the Securities and Exchange Commission.

The forward-looking statements contained in this report involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies', future operating results;
- our business prospects and the prospects of our portfolio companies;
- the return or impact of current or future 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 impact of global **health epidemics, wars and civil disorder and other events outside** **of** our control, including, **but not limited to**, the **consequences of** **renewed hostilities in the ongoing Middle East and the conflict between Russia and Ukraine**, on our and our portfolio companies' **business** **businesses** and the global economy;
- uncertainty surrounding inflation and the financial stability of the United States, Europe, and China;
- the financial condition of, and ability of our current and prospective portfolio companies to, achieve their objectives;

- difficulty in obtaining financing or raising capital, especially in the current credit and equity environment, and the impact of a protracted decline in the liquidity of credit markets on our and our portfolio companies' business;
- the level, duration and volatility of prevailing interest rates and credit spreads, magnified by the current turmoil in the credit markets;
- the phase-out and the cessation of the London Interbank Offered Rate ("LIBOR") and the use of the Secured Overnight Financing Rate ("SOFR") as a replacement rate on our operating results;
- 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;
- the impact of changes in laws or regulations governing our operations or the operations of our portfolio companies;
- 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;
- the timing, form and amount of any dividend distributions;
- authoritative generally accepted accounting principles or policy changes from such standard-setting bodies as the Financial Accounting Standards Board, the Securities and Exchange Commission, Internal Revenue Service, the NASDAQ Global Select Market, the New York Stock Exchange LLC, and other authorities that we are subject to, as well as their counterparts in any foreign jurisdictions where we might do business; and
- any of the other risks, uncertainties and other factors we identify herein or in our Annual Report on Form 10-K for the year ended **June 30, 2022** **June 30, 2023**.

PART I

Item 1. Financial Statements

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES (in thousands, except share and per share data)

| | March 31, 2023 | June 30, 2022 |
|--|------------------|------------------|
| | (Unaudited) | |
| Assets | | |
| Investments at fair value: | | |
| Control investments (amortized cost of \$2,884,591 and \$2,732,906, respectively) | \$ 3,480,094 | \$ 3,438,317 |
| Affiliate investments (amortized cost of \$8,996 and \$242,101, respectively) | 7,944 | 393,264 |
| Non-control/non-affiliate investments (amortized cost of \$4,671,607 and \$4,221,824, respectively) | 4,104,739 | 3,770,929 |
| Total investments at fair value (amortized cost of \$7,565,194 and \$7,196,831, respectively)(Note 3) | 7,592,777 | 7,602,510 |
| Cash and cash equivalents (restricted cash of \$4,442 and \$4,197, respectively) | 65,092 | 35,364 |
| Receivables for: | | |
| Interest, net | 27,029 | 12,925 |
| Other | 1,063 | 745 |
| Deferred financing costs on Revolving Credit Facility (Note 4) | 14,842 | 10,801 |
| Due from broker | 400 | — |
| Prepaid expenses | 329 | 1,078 |
| Due from Affiliate (Note 13) | 1 | — |
| Total Assets | 7,701,533 | 7,663,423 |
| Liabilities | | |
| Revolving Credit Facility (Notes 4 and 8) | 888,405 | 839,464 |
| Public Notes (less unamortized discount and debt issuance costs of \$18,265 and \$22,281, respectively) (Notes 6 and 8) | 1,062,975 | 1,343,178 |
| Prospect Capital InterNotes® (less unamortized debt issuance costs of \$6,817 and \$7,122, respectively) (Notes 7 and 8) | 348,647 | 340,442 |
| Convertible Notes (less unamortized debt issuance costs of \$1,802 and \$2,477, respectively) (Notes 5 and 8) | 154,366 | 214,192 |
| Due to Prospect Capital Management (Note 13) | 59,542 | 58,100 |
| Dividends payable | 24,219 | 23,657 |
| Interest payable | 19,989 | 26,669 |
| Accrued expenses | 5,595 | 3,309 |
| Due to Prospect Administration (Note 13) | 10,128 | 2,281 |
| Other liabilities | 613 | 932 |
| Total Liabilities | 2,574,479 | 2,852,224 |
| Commitments and Contingencies (Note 3) | | |

Preferred Stock, par value \$0.001 per share (447,900,000 and 227,900,000 shares of preferred stock authorized, with 72,000,000 and 60,000,000 as Series A1, 72,000,000 and 60,000,000 as Series M1, 72,000,000 and 60,000,000 as Series M2, 20,000,000 and 20,000,000 as Series AA1, 20,000,000 and 20,000,000 as Series MM1, 1,000,000 and 1,000,000 as Series A2, 6,900,000 and 6,900,000 as Series A, 72,000,000 and 0 as Series A3, 72,000,000 and 0 as Series M3, 20,000,000 and 0 as Series AA2, and 20,000,000 and 0 as Series MM2, each as of March 31, 2023 and June 30, 2022; 31,091,585 and 20,794,645 Series A1 shares issued and outstanding; 3,922,740 and 2,626,238 Series M1 shares issued and outstanding; 0 and 0 Series M2 shares issued and outstanding; 0 and 0 Series AA1 shares issued and outstanding; 0 and 0 Series MM1 shares issued and outstanding; 164,000 and 187,000 Series A2 shares issued and outstanding; 6,000,000 and 6,000,000 Series A shares issued and outstanding; 15,058,173 and 0 Series A3 shares issued and outstanding; 1,816,637 and 0 Series M3 shares issued and outstanding; 0 and 0 Series AA2 shares issued and outstanding; and 0 and 0 Series MM2 shares issued and outstanding as of March 31, 2023 and June 30, 2022, respectively) at carrying value plus cumulative accrued and unpaid dividends (Note 9)

1,327,760 692,076

Net Assets Applicable to Common Shares

\$ 3,799,294 \$ 4,119,123

Components of Net Assets Applicable to Common Shares and Net Assets, respectively

Common stock, par value \$0.001 per share (1,552,100,000 and 1,772,100,000 common shares authorized; 400,833,873 and 393,164,437 issued and outstanding, respectively) (Note 9)

401 393

Paid-in capital in excess of par (Note 9 and 12)

4,103,778 4,050,370

Total distributable (loss) earnings (Note 12)

(304,885) 68,360

Net Assets Applicable to Common Shares

\$ 3,799,294 \$ 4,119,123

Net Asset Value Per Common Share (Note 16)

\$ 9.48 \$ 10.48

See notes to consolidated financial statements.

4

| PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except share and per share data) (Unaudited) | | | | | | | | | September 30, 2023 | June 30, 2023 |
|--|---------------------------------------|-----------|-----------|------------|------------|--|--|--|---|----------------|
| Assets | | | | | | | | | (Unaudited) | (Audited) |
| Investments at fair value: | | | | | | | | | | |
| Control investments (amortized cost of \$3,060,201 and \$2,988,496, respectively) | | | | | | | | | \$ 3,625,608 | \$ 3,571,697 |
| Affiliate investments (amortized cost of \$10,162 and \$8,855, respectively) | | | | | | | | | Three Months Ended September 30, 12,541 | 10,397 |
| Non-control/non-affiliate investments (amortized cost of \$4,543,490 and \$4,803,245, respectively) | | | | | | | | | 2023 4,098,668 | 2022 4,142,837 |
| Investment | Investment | | | | | | | | Investment | |
| Total Investments at fair value (amortized cost of \$7,613,853 and \$7,800,596, respectively) (Note 3) | | | | | | | | | 7,736,817 | 7,724,931 |
| Income | Income | | | | | | | | Income | |
| Cash and cash equivalents (restricted cash of \$4,575 and \$5,074, respectively) | | | | | | | | | 68,907 | 95,646 |
| Interest income: | Interest income: | | | | | | | | | |
| Receivable for: | Interest income: | | | | | | | | | |
| Control, net investments | Control investments | \$ 64,496 | \$ 53,095 | \$ 187,579 | \$ 166,036 | | | | Control investments | |
| Other | | | | | | | | | \$ 73,243 | \$ 62,268 |
| Due from Affiliate | Revolving Credit Facility (Note 4) | | | | | | | | 1,057 | 51 |
| Dividends | Affiliate investments | — | 6,745 | 15,034 | 23,497 | | | | Affiliate investments | |
| Due from Broker | | | | | | | | | 14,906 | 15,569 |
| Non-operating expenses | Non-control/non-affiliate | | | | | | | | —435 | 7,461 |
| Due from Affiliate (Note 13) | | | | | | | | | 893 | 1,149 |
| Investments | Non-control/non-affiliate investments | 109,601 | 65,037 | 287,735 | 182,698 | | | | 17 | 2 |
| Total Assets | | | | | | | | | 112,517 | 81,698 |
| Structured credit securities | Structured credit securities | 24,039 | 17,612 | 72,982 | 58,702 | | | | 7,853,828 | 7,861,666 |
| Revolving Credit Facility (Notes 4 and 8) | | | | | | | | | | |
| Total interest | Total interest | | | | | | | | | |
| Public Notes (less unamortized discount and debt issuance costs of \$15,929 and \$17,103, respectively) (Notes 6 and 8) | | 198,136 | 142,489 | 563,330 | 430,933 | | | | Total interest income | |
| Borrowed Capital: Interest income (less unamortized debt issuance costs of \$6,510 and \$6,688, respectively) (Notes 7 and 8) | | | | | | | | | 2020 6,731 | 11,061,837 |
| Control | Control | | | | | | | | | |
| Convertible Notes (less unamortized debt issuance costs of \$1,350 and \$1,577, respectively) (Notes 5 and 8) | | 800 | 5,197 | 3,157 | 12,134 | | | | Dividend income: | |
| Due to Prospect Capital Management (Note 13) | Affiliate | | | | | | | | 352,324 | 351,417 |
| Affiliate | | | | | | | | | Control investments | |
| Dividends payable | Dividends payable investments | — | 95 | 1,374 | 95 | | | | 154,818 | 154,591 |
| Interest payable | Non-control/non-affiliate | | | | | | | | 227 | 1,187 |
| Non-control/non-affiliate | | | | | | | | | 64,906 | 61,651 |
| Accrued expenses | | | | | | | | | 24,798 | 31,033 |
| Due to Prospect Administration (Note 13) | Affiliate | 1,128 | 14 | 2,515 | 48 | | | | 1,307 | 1,374 |
| Investments | | | | | | | | | 20,303 | 22,684 |
| Due to Broker | Total dividend | | | | | | | | 3,590 | 4,926 |
| Total dividend | | | | | | | | | 1,521 | 340 |
| Due to Affiliate (Note 13) | income | 1,928 | 5,306 | 7,046 | 12,277 | | | | 1,525 | 4,066 |
| Other income: | Other income: | | | | | | | | 16 | 94 |
| Other liabilities | | | | | | | | | 3,059 | 2,901 |
| Other income: | Other income: | | | | | | | | — | 161 |
| Total Liabilities | | | | | | | | | 107 | 1,524 |
| Control | Control | | | | | | | | 2,602,715 | 2,710,987 |
| Commitments and Contingencies (Note 3 and Note 15) | Investments | 14,768 | 26,571 | 50,463 | 55,306 | | | | 29,745 | 20,665 |
| Affiliate | Affiliate | | | | | | | | — | 133 |
| investments | investments | — | 19 | 133 | 3,961 | | | | | |

| | | | | | | | |
|--|----------------|----------------|----------------|----------------|---|------------------|---------------------|
| Preferred Stock, par value \$0.001 per share (447,900,000 and 447,900,000 shares of preferred stock authorized, with 72,000,000 and 72,000,000 shares issued and outstanding) | | | | | | | |
| Investments | 288 | 7,046 | 9,738 | 23,804 | Investments | 994 | 4,657 |
| Total other income (Note 10) | | | | | Investments | | |
| Series MM1 shares issued and outstanding; 0 and 0 Series M2 shares issued and outstanding; 0 and 0 Series AA2 shares issued and outstanding; 0 and 0 Series AA1 shares issued and outstanding; 0 and 0 Series MM1 shares issued and outstanding; 33,649,000 and 164,000 Series A2 shares issued and outstanding; 0 and 0 Series A shares issued and outstanding; 21,611,105 and 18,829,837 Series A3 shares issued and outstanding; 0 and 0 Series AA2 shares issued and outstanding; and 0 and 0 Series MM2 shares issued and outstanding as of September 30, 2023 and June 30, 2023, respectively) at carrying value plus cumulative accrued and unpaid dividends (Note 9) | 15,056 | 33,630 | 60,324 | 82,071 | | 30,739 | 25,455 |
| Total Investment Income | 215,120 | 181,431 | 630,710 | 526,281 | Investment Income | 236,245 | 202,674 |
| Operating Expenses | | | | | Operating Expenses | 3,780,866 | \$ 3,732,665 |
| Net Assets Applicable to Common Shares | | | | | | | |
| Components of Net Assets Applicable to Common Shares and Net Assets, respectively | | | | | | | |
| Base management fees (Note 13) | 38,980 | 36,426 | 116,176 | 102,472 | Base management fees (Note 13) | 39,289 | 38,314 |
| Common stock, par value \$0.001 per share (1,552,100,000 and 1,552,100,000 common shares authorized; 408,618,704 and 404,033,549 issued and outstanding, respectively) (Note 9) | | | | | | 409 | 404 |
| Income incentive fee (Note 13) | 20,561 | 19,967 | 64,692 | 59,296 | Income incentive fee (Note 13) | 4,151,023 | 4,123,586 |
| Paid-in capital in excess of par (Note 9 and 12) | | | | | | 25,617 | 21,626 |
| Total distributable (loss) (Note 12) | | | | | | (370,566) | (391,325) |
| Interest and credit facility expenses | 37,517 | 29,235 | 109,170 | 86,952 | Interest and credit facility expenses | 3,780,866 | \$ 3,732,665 |
| Net Asset Value Per Common Share (Note 16) | | | | | | 40,593 | 33,3870 |
| Allocation of overhead from Prospect Administration | | | | | | | |
| (Note 13) (Note 13) | 9,773 | 4,126 | 16,490 | 10,891 | (Note 13) (Note 13) | 2,113 | 3,099 |
| Audit, compliance and tax related fees | | | | | Audit, compliance and tax related fees | | |
| Directors' fees | 1,495 | 994 | 4,032 | 1,940 | Directors' fees | 1,017 | 2,301 |
| Other general and administrative expenses | 131 | 131 | 393 | 360 | Other general and administrative expenses | 135 | 131 |
| Total Operating Expenses | 112,940 | 94,426 | 322,560 | 272,350 | Total Operating Expenses | 110,633 | 103,408 |
| Net Investment Income | 102,180 | 87,005 | 308,150 | 253,931 | Net Investment Income | 125,612 | 99,266 |
| Net Realized and Net Change in Unrealized (Losses) Gains from Investments | | | | | | | |
| Net realized (losses) gains | | | | | | | |
| Net Realized and Net Change in Unrealized Gains (Losses) from Investments | | | | | Net Realized and Net Change in Unrealized Gains (Losses) from Investments | | |
| Net realized losses | | | | | Net realized losses | | |
| Control investments | | | | | Control investments | | |
| Non-control/non-affiliate investments | | | | | Non-control/non-affiliate investments | | |
| Net realized losses | | | | | Net realized losses | | |
| Net change in unrealized gains (losses) | | | | | Net change in unrealized gains (losses) | | |
| Control investments | (800) | 5,298 | (2,512) | 5,304 | Control investments | (17,794) | (47,289) |
| Affiliate investments | — | — | 16,143 | — | Affiliate investments | 837 | (70,786) |

| | | | | | | | | |
|--|---|------------------|----------------|------------------|----------------|--|------------------|---------------------|
| Non-control/non-affiliate investments | Non-control/non-affiliate investments | (31,413) | (7,552) | (52,723) | (17,386) | Non-control/non-affiliate investments | 215,586 | (50,425) |
| Net realized losses | | (32,213) | (2,254) | (39,092) | (12,082) | | | |
| Net change in unrealized (losses) gains | | | | | | | | |
| Control investments | | (41,162) | 96,162 | (109,909) | 352,558 | | | |
| Affiliate investments | | — | (11,610) | (89,034) | 26,016 | | | |
| Non-control/non-affiliate investments | | (117,761) | (4,066) | (179,153) | 19,766 | | | |
| Net change in unrealized (losses) gains | | (158,923) | 80,486 | (378,096) | 398,340 | | | |
| Net Realized and Net Change in Unrealized (Losses) Gains from Investments | | (191,136) | 78,232 | (417,188) | 386,258 | | | |
| Net change in unrealized gains (losses) | | | | | | Net change in unrealized gains (losses) | 198,629 | (168,500) |
| Net Realized and Net Change in Unrealized Gains (Losses) from Investments | | | | | | Net Realized and Net Change in Unrealized Gains (Losses) from Investments | (8,860) | (191,677) |
| Net realized losses on extinguishment of debt | Net realized losses on extinguishment of debt | (58) | (941) | (138) | (10,149) | Net realized losses on extinguishment of debt | (91) | (28) |
| Net (Decrease) Increase in Net Assets Resulting from Operations | | (89,014) | 164,296 | (109,176) | 630,040 | | | |
| Preferred stock dividends | | 19,933 | 7,139 | 49,347 | 16,748 | | | |
| Net (Decrease) Increase in Net Assets Resulting from Operations applicable to Common Stockholders | \$ | (108,947) | \$ | 157,157 | \$ | (158,523) | \$ | 613,292 |
| Basic and diluted earnings per common share (Note 11) | | | | | | | | |
| Net Increase (Decrease) in Net Assets Resulting from Operations | | | | | | Net Increase (Decrease) in Net Assets Resulting from Operations | 116,661 | (92,439) |
| Preferred Stock dividends | | | | | | Preferred Stock dividends | (23,151) | (12,760) |
| Gain on repurchase of Preferred Stock | | | | | | Gain on repurchase of Preferred Stock | 501 | — |
| Net Increase (Decrease) in Net Assets Resulting from Operations applicable to Common Stockholders | | | | | | Net Increase (Decrease) in Net Assets Resulting from Operations applicable to Common Stockholders | \$ 94,011 | \$ (105,199) |
| Basic and diluted earnings (loss) per common share (Note 11) | | | | | | Basic and diluted earnings (loss) per common share (Note 11) | | |
| Basic | Basic | \$ (0.27) | \$ 0.40 | \$ (0.40) | \$ 1.57 | Basic | \$ 0.23 | \$ (0.27) |
| Diluted | Diluted | \$ (0.27) | \$ 0.38 | \$ (0.40) | \$ 1.50 | Diluted | \$ 0.18 | \$ (0.27) |

| Weighted-average shares of common stock outstanding (Note 11) | | Weighted-average shares of common stock outstanding (Note 11) | | Weighted-average shares of common stock outstanding (Note 11) | |
|---|---------|---|-------------|---|-------------|
| Basic | Basic | 399,732,263 | 391,091,485 | 397,233,468 | 389,981,608 |
| Diluted | Diluted | 399,732,263 | 432,808,120 | 397,233,468 | 419,914,712 |

See notes to consolidated financial statements.

5

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS AND TEMPORARY EQUITY
(in thousands, except share and per share data)
(Uaudited)

| | | Preferred Stock Classified as Temporary Equity | | Common Stock | | Preferred Stock Classified as Temporary Equity | | Common Stock | |
|---|---|---|--------------|---|----------|--|--------------|--------------|-----------|
| | | | | Paid-in capital in excess of par | | Distributable earnings (loss) | | | |
| Three Months Ended March 31, 2023 | | Carrying Shares | | Shares | Par | par(1) | (loss)(1) | Assets | |
| Balance as of December 31, 2022(1) | | 52,669,005 | \$ 1,207,553 | 398,852,478 | \$399 | \$ 4,089,950 | \$ (123,958) | \$ 3,966,391 | |
| Three Months Ended September 30, 2023 | | | | | | | | | |
| Balance as of June 30, 2023 | | | | | | | | | |
| Net Increase (Decrease) in Net Assets and Temporary Equity Resulting from Operations: | | Net Increase (Decrease) in Net Assets and Temporary Equity Resulting from Operations: | | | | Net Increase (Decrease) in Net Assets and Temporary Equity Resulting from Operations: | | | |
| Net investment income | Net investment income | | | 102,180 | 102,180 | income | | 125,612 | 125, |
| Net realized losses | Net realized losses | | | (32,271) | (32,271) | Net realized losses | | (207,079) | (207,079) |
| Net change in unrealized losses | | | | | | | | | |
| Net change in unrealized gains | | | | | | Net change in unrealized gains | | 198,629 | 198, |
| Distributions to Shareholders(1) | | Distributions to Shareholders(1) | | | | Distributions to Shareholders(1) | | | |
| Distributions from earnings (Note 16) | Distributions from earnings (Note 16) | | | (91,942) | (91,942) | Distributions from earnings (Note 16) | | (96,403) | (96, |
| Capital Transactions | | Capital Transactions | | | | Capital Transactions | | | |
| Issuance of preferred stock | Issuance of preferred stock | 5,539,836 | 123,915 | | | Issuance of preferred stock | 3,198,085 | 71,342 | |
| Repurchase of Preferred Stock | | | | | | Repurchase of Preferred Stock | (62,309) | (1,503) | |

| | | | | | | | | | | | | | | |
|---|---|--------------------|---------|--------------------|---------------|---------------------|---|---|--------------------|----------------------------------|--------------|--------------------|---------------------|-----------------|
| Shares issued through reinvestment of dividends | Shares issued through reinvestment of dividends | 16,826 | 420 | 1,399,596 | 1 | 9,757 | 9,758 | Shares issued through reinvestment of dividends | 29,413 | 709 | 1,538,258 | 2 | 9,162 | 9, |
| Conversion of preferred stock to common stock | Conversion of preferred stock to common stock | (172,533) | (4,101) | 581,799 | 1 | 4,100 | 4,101 | Conversion of preferred stock to common stock | (773,473) | (18,278) | 3,046,897 | 3 | 18,275 | 18, |
| Net decrease in preferred dividend accrual | | | (27) | | | | | — | | | | | | |
| Tax reclassifications of net assets (Note 12) | | | | | (29) | 29 | — | | | | | | | |
| Total increase (decrease) for the three months ended March 31, 2023 | | 5,384,129 | 120,207 | 1,981,395 | 2 | 13,828 | (180,927) | (167,097) | | | | | | |
| Balance as of March 31, 2023 | 58,053,134 | \$1,327,760 | | 400,833,873 | \$401 | \$4,103,778 | \$ (304,885) | \$3,799,294 | | | | | | |
| Net (decrease) in preferred dividend accrual | | | | | | | Net (decrease) in preferred dividend accrual | (37) | | | | | | |
| Total increase (decrease) for the three months ended September 30, 2023 | | | | | | | Total increase (decrease) for the three months ended September 30, 2023 | | | | | | | |
| Balance as of September 30, 2023 | 2,391,716 | 52,233 | | 4,585,155 | 5 | 27,437 | 20,759 | 48, | | | | | | |
| | | | | | | | Balance as of September 30, 2023 | 64,493,725 | \$1,470,247 | 408,618,704 | \$409 | \$4,151,023 | \$ (370,566) | \$3,780, |
| Preferred Stock Classified as Temporary Equity | | | | | | | | | | | | | | |
| Common Stock | | | | | | | | | | | | | | |
| Three Months Ended September 30, 2022 | | | | | | | | | | | | | | |
| Shares | | Carrying Value | | Shares | | Par | | Paid-in capital in excess of par(1) | | Distributable earnings (loss)(1) | | Total Net Assets | | |
| Balance as of June 30, 2022 | 29,607,882 | \$ 692,076 | | 393,164,437 | \$ 393 | \$ 4,050,370 | \$ 68,360 | \$ 4,119,123 | | | | | | |
| Net Increase in Net Assets and Temporary Equity Resulting from Operations: | | | | | | | | | | | | | | |
| Net investment income | | | | | | | | | | | | 99,266 | | 99,266 |
| Net realized losses | | | | | | | | | | | | (23,205) | | (23,205) |
| Net change in unrealized losses | | | | | | | | | | | | (168,500) | | (168,500) |
| Distributions to Shareholders(1) | | | | | | | | | | | | | | |
| Distributions from earnings (Note 16) | | | | | | | | | | | | (83,832) | | (83,832) |
| Capital Transactions | | | | | | | | | | | | | | |
| Issuance of Preferred Stock | 11,521,659 | 257,272 | | | | | | | | | | | | |
| Shares issued through reinvestment of dividends | 9,395 | 234 | | 2,154,958 | 2 | | 15,241 | | | | | 15,243 | | |
| Conversion of preferred stock to common stock | (274,644) | (6,324) | | 859,358 | 1 | | 6,323 | | | | | 6,324 | | |
| Conversion of convertible notes to common stock | | | | 300 | | | 3 | | | | | 3,000 | | |
| Total increase (decrease) for the three months ended September 30, 2022 | 11,256,410 | 251,182 | | 3,014,616 | 3 | 21,567 | (176,271) | (154,701) | | | | | | |
| Balance as of September 30, 2022 | 40,864,292 | \$ 943,258 | | 396,179,053 | \$ 396 | \$ 4,071,937 | \$ (107,911) | \$ 3,964,422 | | | | | | |

| | | | | |
|---|-------------------|-------------------------------------|----------------------------------|-------------------------|
| Preferred Stock Classified as Temporary Equity | Common Stock | Paid-in capital in excess of par(1) | Distributable earnings (loss)(1) | Total Net Assets |
| Shares | Shares | | | |
| Carrying Value | Par | | | |
| Three Months Ended March 31, 2022 | Shares | Par | (loss)(1) | Total Net Assets |
| Balance as of December 31, 2021(1) | 18,457,557 | \$ 440,661 | 390,584,255 | \$ 391 |
| Net Increase in Net Assets and Temporary Equity Resulting from Operations: | | | | |
| Net investment income | | | | 87,005 |
| | | | | 87,005 |

| | | | | | | | |
|--|-------------------|-------------------|--------------------|---------------|---------------------|-------------------|---------------------|
| Net realized losses | | | | | | (3,195) | (3,195) |
| Net change in unrealized gains | | | | | | 80,486 | 80,486 |
| Distributions to Shareholders(1) | | | | | | | |
| Distributions from earnings (Note 16) | | | | | | (77,578) | (77,578) |
| Capital Transactions | | | | | | | |
| Issuance of Preferred Stock | 5,504,190 | 124,221 | | | | | |
| Shares issued through reinvestment of dividends | 4,270 | 107 | 1,120,220 | 1 | | 9,049 | 9,050 |
| Conversion of preferred stock to common stock | (4,600) | (112) | 13,661 | | | 115 | 115 |
| Net increase in preferred dividend accrual | | 7 | | | | | |
| Tax reclassifications of net assets (Note 12) | | | | | 20 | (20) | — |
| Total increase for the three months ended March 31, 2022 | 5,503,860 | 124,223 | 1,133,881 | 1 | | 9,184 | 86,698 |
| Balance as of March 31, 2022 | 23,961,417 | \$ 564,884 | 391,718,136 | \$ 392 | \$ 4,039,944 | \$ 195,675 | \$ 4,236,011 |

(1)(1) Tax character of distributions is not yet finalized for the respective fiscal period and will not be finalized until we file our tax return for our tax year ending August 31, 2023. See Note 2 and Note 12 within the accompanying notes to consolidated financial statements for further discussion on tax reclassification of net assets and tax basis components of dividends.

See notes to consolidated financial statements.

6

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS AND TEMPORARY EQUITY (CONTINUED)
(in thousands, except share data)
(Uaudited)

| Nine Months Ended March 31, 2023 | Preferred Stock Classified as Temporary Equity | | Common Stock | | Paid-in capital in excess of par(1) | (loss)(1) | Total Net Assets |
|--|---|---------------------|--------------------|---------------|--|---------------------|---------------------|
| | Shares | Carrying Value | Shares | Par | | | |
| | | | | | | | |
| Balance as of June 30, 2022(1) | 29,607,882 | \$ 692,076 | 393,164,437 | \$ 393 | \$ 4,050,370 | \$ 68,360 | \$ 4,119,123 |
| Net Increase (Decrease) in Net Assets and Temporary Equity Resulting from Operations: | | | | | | | |
| Net investment income | | | | | | 308,150 | 308,150 |
| Net realized losses | | | | | | (39,230) | (39,230) |
| Net change in unrealized losses | | | | | | (378,096) | (378,096) |
| Distributions to Shareholders(1) | | | | | | | |
| Distributions from earnings (Note 16) | | | | | | (264,098) | (264,098) |
| Return of capital to common stockholders (Note 12) | | | | | | — | — |
| Capital Transactions | | | | | | | |
| Issuance of preferred stock | 28,965,017 | 647,715 | | | | | |
| Shares issued through reinvestment of dividends | 37,621 | 939 | 5,859,102 | 6 | 40,442 | | 40,448 |
| Conversion of preferred stock to common stock | (557,386) | (12,994) | 1,810,034 | 2 | 12,992 | | 12,994 |
| Net increase in preferred dividend accrual | | 24 | | | | | |
| Tax reclassifications of net assets (Note 12) | | | | | (29) | 29 | — |
| Conversion of Convertible Notes to common stock | | | 300 | | 3 | | 3 |
| Total increase (decrease) for the nine months ended March 31, 2023 | 28,445,252 | 635,684 | 7,669,436 | 8 | 53,408 | (373,245) | (319,829) |
| Balance as of March 31, 2023 | 58,053,134 | \$ 1,327,760 | 400,833,873 | \$ 401 | \$ 4,103,778 | \$ (304,885) | \$ 3,799,294 |

| Nine Months Ended March 31, 2022 | Preferred Stock Classified as Temporary Equity | | Preferred Stock | | Common Stock | | Paid-in capital in excess of par(1) | Distributable earnings (loss)(1) | Total Net Assets |
|---|---|----------------|-------------------|--------------------|---------------|---------------------|--|-------------------------------------|------------------|
| | Shares | Carrying Value | Liquidation Value | Shares | Par | | | | |
| | | | | | | | | | |
| Balance as of June 30, 2021 | — | \$ — | \$ 137,040 | 388,419,573 | \$ 388 | \$ 4,018,659 | \$ (210,570) | \$ 3,945,517 | |
| Net Increase in Net Assets and Temporary Equity Resulting from Operations: | | | | | | | | | |
| Net investment income | | | | | | | | 253,931 | 253,931 |

| | | | | | | | | |
|--|-------------------|-------------------|-------------|--------------------|---------------|---------------------|-------------------|---------------------|
| Net realized losses | | | | | | | (22,231) | (22,231) |
| Net change in unrealized gains | | | | | | | 398,340 | 398,340 |
| Distributions to Shareholders(1) | | | | | | | | |
| Distributions from earnings(Note 16) | | | | | | | (223,775) | (223,775) |
| Return of capital to common stockholders(Note 12) | | | | | | | (3,695) | (3,695) |
| Capital Transactions | | | | | | | | |
| Transfer of preferred stock to temporary equity(2) | 5,796,528 | 144,914 | (144,914) | | | | | (144,914) |
| Issuance of Preferred Stock | 18,166,948 | 430,621 | 7,866 | | | | (13,239) | (5,373) |
| Transfer of preferred stock issuance costs to temporary equity(3) | — | (11,970) | | | | | 11,970 | 11,970 |
| Shares issued through reinvestment of dividends | 8,292 | 208 | 8 | 3,268,814 | 4 | 25,970 | | 25,982 |
| Conversion of preferred stock to common stock | (10,351) | (256) | | 29,749 | | 259 | | 259 |
| Net increase in preferred dividend accrual | | 1,367 | | | | | | |
| Tax reclassification of net assets (Note 12) | | | | | | 20 | (20) | — |
| Total increase (decrease) for the nine months ended March 31, 2022 | 23,961,417 | 564,884 | (137,040) | 3,298,563 | 4 | 21,285 | 406,245 | 290,494 |
| Balance as of March 31, 2022(1) | 23,961,417 | \$ 564,884 | \$ — | 391,718,136 | \$ 392 | \$ 4,039,944 | \$ 195,675 | \$ 4,236,011 |

(1) See Note 2 and Note 12 within the accompanying notes to consolidated financial statements for further discussion on tax reclassification of net assets and tax basis components of dividends.

(2) Preferred Stock issued prior to our 5.35% Series A Preferred Stock issuance transferred to temporary equity. Refer to Note 9 within the accompanying notes to the consolidated financial statements for further discussion.

(3) Preferred stock issuance costs include offering costs and underwriting costs related to the issuance of preferred stock. During the nine months ended March 31, 2022, we have reclassified all preferred stock issuance costs related to preferred stock issued as temporary equity following our reclassification of preferred stock during the three months ended September 30, 2021. Refer to Note 9 within the accompanying notes to the consolidated financial statements for further discussion.

See notes to consolidated financial statements.

7

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands, except share data)

(Unaudited)

| | Nine Months Ended March 31, | | Three Months Ended September 30, | |
|--|--|-------------------|--|------------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Operating Activities | Operating Activities | | Operating Activities | |
| Net (decrease) increase in net assets resulting from operations | \$ (109,176) | \$ 630,040 | | |
| Net increase (decrease) in net assets resulting from operations | | | Net increase (decrease) in net assets resulting from operations | \$ 116,661 \$ (92,439) |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities: | | | Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities: | |
| Net realized losses on extinguishment of debt | Net realized losses on extinguishment of debt | 138 10,149 | Net realized losses on extinguishment of debt | 91 28 |
| Net realized losses on investments | Net realized losses on investments | 39,092 12,082 | Net realized losses on investments | 207,489 23,177 |
| Net change in unrealized losses (gains) on investments | Net change in unrealized losses (gains) on investments | 378,096 (398,340) | Net change in unrealized losses (gains) on investments | (198,629) 168,500 |
| Amortization of discounts (accretion of premiums), net | Amortization of discounts (accretion of premiums), net | (5,345) 62,435 | Amortization of discounts (accretion of premiums), net | (1,349) (1,567) |

| | | | | | | |
|--|--|-----------|-------------|--|-----------|-----------|
| Accretion of original issue discount | Accretion of original issue discount | 2,304 | 2,063 | Accretion of original issue discount | 716 | 1,692 |
| Amortization of deferred financing costs | Amortization of deferred financing costs | 5,255 | 6,242 | Amortization of deferred financing costs | 1,843 | 767 |
| Payment-in-kind interest | Payment-in-kind interest | (97,952) | (61,030) | Payment-in-kind interest | (23,103) | (24,194) |
| Structuring fees | Structuring fees | (8,705) | (16,437) | Structuring fees | (656) | (4,225) |
| Change in operating assets and liabilities: | Change in operating assets and liabilities: | | | Change in operating assets and liabilities: | | |
| Payments for purchases of investments | Payments for purchases of investments | (597,552) | (1,767,402) | Payments for purchases of investments | (107,315) | (276,111) |
| Proceeds from sale of investments and collection of investment principal | Proceeds from sale of investments and collection of investment principal | 302,099 | 940,539 | Proceeds from sale of investments and collection of investment principal | 93,454 | 127,286 |
| Decrease in due to broker | | — | (14,854) | | | |
| Decrease to Subordinated Structured Notes cost, net | | | | Decrease to Subordinated Structured Notes cost, net | 18,223 | 6,979 |
| Decrease in due from broker | | | | Decrease in due from broker | 182 | — |
| (Increase) in interest receivable, net | | | | (Increase) in interest receivable, net | (8,095) | (5,856) |
| (Increase) in other receivables | | | | (Increase) in other receivables | (6) | (564) |
| Decrease in prepaid expenses | | | | Decrease in prepaid expenses | 256 | 239 |
| (Increase) in due from affiliate | | | | (Increase) in due from affiliate | (15) | — |
| (Decrease) increase in due to broker | | | | (Decrease) increase in due to broker | (78) | 2,834 |
| Increase in due to Prospect Capital Management | Increase in due to Prospect Capital Management | 1,442 | 7,787 | Increase in due to Prospect Capital Management | 3,255 | 1,847 |
| Increase in interest receivable, net | (14,104) | (394) | | | | |
| Decrease in interest payable | (6,680) | (7,858) | | | | |
| Increase (decrease) in accrued expenses | 2,286 | (1,734) | | | | |
| (Increase) decrease in due from broker | (400) | 8,496 | | | | |
| Decrease in other liabilities | (319) | (144) | | | | |
| Increase in other receivables | (318) | (160) | | | | |
| Increase in due from affiliate | (1) | — | | | | |
| Decrease in prepaid expenses | 749 | 773 | | | | |
| Increase (decrease) in due to Prospect Administration | 7,847 | (1,980) | | | | |

| Net Cash Used In Operating Activities | | | | | |
|--|--|----------------------|-------------|--|------------------------|
| | | (101,244) | (589,727) | | |
| (Decrease) increase in accrued expenses | | | | (Decrease) increase in accrued expenses | (1,336) 1,466 |
| (Decrease) in interest payable | | | | (Decrease) in interest payable | (2,381) (7,243) |
| (Decrease) in due to affiliates | | | | (Decrease) in due to affiliates | (161) — |
| (Decrease) increase in due to Prospect | | | | (Decrease) increase in due to Prospect | |
| Administration | | | | Administration | (2,545) 188 |
| (Decrease) increase in other liabilities | | | | (Decrease) increase in other liabilities | (1,417) 297 |
| Net Cash (Used in) Provided by Operating Activities | | | | Net Cash (Used in) Provided by Operating Activities | 95,084 (76,899) |
| Financing Activities | | Financing Activities | | Financing Activities | |
| Borrowings under Revolving Credit Facility (Note 4) | Borrowings under Revolving Credit Facility (Note 4) | 1,224,900 | 1,627,051 | Borrowings under Revolving Credit Facility (Note 4) | 219,000 262,300 |
| Principal payments under Revolving Credit Facility (Note 4) | Principal payments under Revolving Credit Facility (Note 4) | (1,175,959) | (1,284,548) | Principal payments under Revolving Credit Facility (Note 4) | (318,682) (301,913) |
| Issuances of Public Notes, net of original issue discount (Note 6) | | — | 294,798 | | |
| Redemptions of Public Notes (Note 6) | Redemptions of Public Notes (Note 6) | (284,218) | (69,319) | Redemptions of Public Notes (Note 6) | — (341) |
| Redemptions of Convertible Notes, net (Note 5) | | (60,501) | (51,872) | | |
| Redemptions of Convertible Notes (Note 5) | | | | Redemptions of Convertible Notes (Note 5) | — (60,501) |
| Issuances of Prospect Capital InterNotes® (Note 7) | Issuances of Prospect Capital InterNotes® (Note 7) | 13,333 | 155,909 | Issuances of Prospect Capital InterNotes® (Note 7) | 3,976 2,624 |
| Redemptions of Prospect Capital InterNotes®, net (Note 7) | Redemptions of Prospect Capital InterNotes®, net (Note 7) | (5,433) | (323,846) | Redemptions of Prospect Capital InterNotes®, net (Note 7) | (3,247) (1,144) |
| Financing costs paid and deferred | Financing costs paid and deferred | (6,742) | (11,206) | Financing costs paid and deferred | (409) (5,187) |
| Repurchase of Preferred Stock | | | | Repurchase of Preferred Stock | (1,001) — |
| Proceeds from issuance of preferred stock, net of underwriting costs | Proceeds from issuance of preferred stock, net of underwriting costs | 657,479 | 429,433 | Proceeds from issuance of preferred stock, net of underwriting costs | 72,651 261,625 |

| | | | | | | |
|--|---|------------------|------------------|--|------------------|------------------|
| Offering costs from issuance of preferred stock | Offering costs from issuance of preferred stock | (9,764) | (4,184) | Offering costs from issuance of preferred stock | (1,309) | (4,353) |
| Dividends paid and distributions to stockholders | Dividends paid and distributions to stockholders | (222,123) | (199,697) | Dividends paid and distributions to stockholders | (92,802) | (68,176) |
| Net Cash Provided by Financing Activities | | 130,972 | 562,519 | | | |
| Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash | | 29,728 | (27,208) | | | |
| Net Cash Provided by (Used in) Financing Activities | | | | Net Cash Provided by (Used in) Financing Activities | | |
| | | | | | (121,823) | 84,934 |
| Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash | | | | Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash | | |
| | | | | | (26,739) | 8,035 |
| Cash, Cash Equivalents and Restricted Cash at beginning of period | Cash, Cash Equivalents and Restricted Cash at beginning of period | 35,364 | 63,610 | Cash, Cash Equivalents and Restricted Cash at beginning of period | 95,646 | 35,364 |
| Cash, Cash Equivalents and Restricted | Cash, Cash Equivalents and Restricted | | | Cash, Cash Equivalents and Restricted | | |
| Cash at End of Period | Cash at End of Period | \$ 65,092 | \$ 36,402 | Cash at End of Period | \$ 68,907 | \$ 43,399 |
| Supplemental Disclosures | Supplemental Disclosures | | | Supplemental Disclosures | | |
| Cash paid for interest | Cash paid for interest | \$ 108,291 | \$ 86,505 | Cash paid for interest | \$ 40,415 | \$ 38,654 |
| Non-Cash Financing Activities | Non-Cash Financing Activities | | | Non-Cash Financing Activities | | |
| Value of common shares issued through reinvestment of dividends | | \$ 41,386 | \$ 26,083 | | | |
| Value of shares issued through reinvestment of dividends | | | | Value of shares issued through reinvestment of dividends | \$ 9,873 | \$ 15,477 |
| Conversion of preferred stock to common stock | | | | Conversion of preferred stock to common stock | \$ 18,278 | \$ 6,324 |
| Conversion of Convertible Notes to common stock | | | | Conversion of Convertible Notes to common stock | \$ — | \$ 3,000 |

See notes to consolidated financial statements.

87

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Unaudited)
(in thousands, except share data)

March 31, 2023 (Unaudited)

See notes to consolidated financial statements.

8

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
|---|--|---|-------------|---|-------|----------------|-----------------|------------------|------------------|-------------------|
| | | | Date(44) | Coupon/Yield | Floor | Legal Maturity | | | | |
| Control Investments (greater than 25.00% voting control)(40) | | | | | | | | | | |
| National Property REIT Corp. (26) | Equity Real Estate Investment Trusts (REITs) / Online Lending / Structured Finance | First Lien Term Loan A | 12/31/2018 | 4.51% (3M SOFR+ 0.25%) plus 2.00% PIK | 3.75 | 3/31/2026 | \$579,462 | \$579,462 | \$579,462 | 15.3% (10)(39) |
| | | First Lien Term Loan B | 12/31/2018 | 7.65% (3M SOFR+ 2.00%) | 3.00 | 3/31/2026 | 20,630 | 20,630 | 20,630 | 0.5% (10)(39) |
| | | First Lien Term Loan C | 10/31/2019 | 15.65% (3M SOFR+ 10.00%) plus 2.25% PIK | 1.00 | 3/31/2026 | 200,600 | 200,600 | 200,600 | 5.3% (10)(39) |
| | | First Lien Term Loan D | 6/19/2020 | 4.51% (3M SOFR+ 0.25%) plus 2.00% PIK | 3.75 | 3/31/2026 | 183,425 | 183,425 | 183,425 | 4.9% (10)(39) |
| | | First Lien Term Loan E | 11/14/2022 | 7.26% (3M SOFR + 1.50%) plus 7.00% PIK | 5.50 | 3/31/2026 | 13,862 | 13,862 | 13,862 | 0.4% (10)(39) |
| | Residual Profit Interest | | | | — | N/A | — | — | 49,537 | 1.3% (35) |
| | | Common Stock (3,350,519 shares) | 12/31/2013 | | — | N/A | — | 15,430 | 582,226 | 15.4% (16)(45) |
| | | | | | | | | 1,013,409 | 1,629,742 | 43.1% |
| Nationwide Loan Company LLC (27) | Consumer Finance | First Lien Term Loan | 6/18/2014 | 10.00% plus 10.00% PIK | — | 6/18/2024 | 23,383 | 23,383 | 23,383 | 0.6% (14)(39) |
| | | Class A Units (38,550,460 units) | 1/31/2013 | | — | N/A | — | 20,846 | 22,299 | 0.6% (14)(16) |
| | | | | | | | | 44,229 | 45,682 | 1.2% |
| NMMB, Inc. (28) | Media | First Lien Term Loan | 12/30/2019 | 14.15% (3M SOFR+ 8.50%) | 2.00 | 3/31/2027 | 29,723 | 29,723 | 29,723 | 0.8% (3) (10) |
| | | Common Stock (21,418 shares) | 12/30/2019 | | — | N/A | — | — | 75,024 | 2.0% |
| | | | | | | | | 29,723 | 104,747 | 2.8% |
| Pacific World Corporation (36) | Personal Products | First Lien Revolving Line of Credit - \$26,000 Commitment | 9/26/2014 | 12.83% PIK (1M SOFR+ 7.25%) | 1.00 | 9/26/2025 | 31,451 | 31,451 | 31,451 | 0.8% (10)(15)(39) |
| | | First Lien Term Loan A | 12/31/2014 | 10.83% PIK (1M SOFR+ 5.25%) | 1.00 | 9/26/2025 | 60,456 | 60,456 | 31,772 | 0.8% (10)(39) |

| | | | | | | | | | | | |
|----------------------|---|---|------------|--|------|------------|----------------------------------|--------------------|--------------------|--------------------|--|
| | | Convertible Preferred Equity (350,517 shares) | 6/15/2018 | 6.50% PIK | — | N/A | — | 189,295 | — | —% (16) | |
| | | Common Stock (6,778,414 shares) | 9/29/2017 | | — | N/A | — | — | — | —% (16) | |
| 281,202 | | | | | | | | | | | |
| R-V Industries, Inc. | Machinery | First Lien Term Loan | 12/15/2020 | 14.65% (3M SOFR+ 9.00%) | 1.00 | 12/15/2028 | 37,322 | 37,322 | 37,322 | 1.0% (3) (10) | |
| | | Common Stock (745,107 shares) | 6/26/2007 | | — | N/A | — | 6,866 | 67,412 | 1.8% (16) | |
| 44,188 | | | | | | | | | | | |
| (34) | Universal Turbine Parts, LLC Trading Companies & Distributors | First Lien Delayed Draw Term Loan - \$6,965 Commitment | 2/28/2019 | 13.40% (3M SOFR+ 7.75%) | 1.00 | 4/5/2025 | 3,100 | 3,100 | 3,100 | 0.1% (10) (15) | |
| | | First Lien Term Loan A | 7/22/2016 | 11.40% (3M SOFR+ 5.75%) | 1.00 | 4/5/2025 | 29,575 | 29,575 | 29,575 | 0.8% (3) (10) | |
| | | Preferred Units (64,946,647 units) | 3/31/2021 | | — | N/A | — | 32,500 | 16,190 | 0.4% (16) | |
| | | Common Stock (10,000 units) | 12/10/2018 | | — | N/A | — | — | — | —% (16) | |
| 65,175 | | | | | | | | | | | |
| USES Corp. (30) | Commercial Services & Supplies | First Lien Term Loan | 12/30/2020 | 14.59% (1M SOFR + 9.00%) | 1.00 | 7/29/2024 | 2,000 | 2,000 | 2,000 | 0.1% (10) | |
| | | First Lien Equipment Term Loan | 8/3/2022 | 14.59% (1M SOFR + 9.00%) | 1.00 | 7/29/2024 | 10,942 | 10,942 | 10,942 | 0.3% (10) (39) | |
| | | First Lien Term Loan A | 3/31/2014 | 9.00% PIK | — | 7/29/2024 | 67,134 | 30,651 | 6,550 | 0.2% (9) | |
| | | First Lien Term Loan B | 3/31/2014 | 15.50% PIK | — | 7/29/2024 | 108,727 | 35,568 | — | —% (9) | |
| | | Common Stock (268,962 shares) | 6/15/2016 | | — | N/A | — | — | — | —% (16) | |
| 79,161 | | | | | | | | | | | |
| (31) | Valley Electric Company, Inc. Construction & Engineering | First Lien Term Loan to Valley Electric Co. of Mt. Vernon, Inc. | 12/31/2012 | 10.50% (3M SOFR+ 5.00%) plus 2.50% PIK | 3.00 | 12/31/2024 | 10,452 | 10,452 | 10,452 | 0.3% (3) (10) (39) | |
| | | First Lien Term Loan | 6/24/2014 | 8.00% plus 10.00% PIK | — | 4/30/2028 | 35,872 | 35,872 | 35,872 | 0.9% (3) (39) | |
| | | First Lien Term Loan B | 3/28/2022 | 4.50% plus 8.00% PIK | — | 4/30/2028 | 32,771 | 32,771 | 32,771 | 0.9% (3) (39) | |
| | | Consolidated Revenue Interest (2.00%) | 6/22/2018 | | — | N/A | — | — | 662 | —% (12) | |
| | | Common Stock (50,000 shares) | 12/31/2012 | | — | N/A | — | 12,053 | 109,735 | 2.9% | |
| 91,148 | | | | | | | | | | | |
| | | | | | | | Total Control Investments | \$3,060,201 | \$3,625,608 | 95.9% | |

See notes to consolidated financial statements.

9

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | March 31, 2023 (Unaudited) | | | | | | | | |
|---|------------------------------|--|---------------------------------|------------------------------------|--------------|------------|----------------|-----------------|----------------|------------------|-----------------|
| | | | Acquisition | | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| Control Investments (greater than 25.00% voting control)(40) | | | | | | | | | | | |
| (26) | National Property REIT Corp. | First Lien Term Loan A | 12/31/2018 | 6.60% (3ML+ 1.44%) plus 3.53% PIK | 3.00 | 12/31/2023 | \$473,847 | \$473,847 | \$473,847 | 12.5% (10) (39) | |
| | | First Lien Term Loan B | 12/31/2018 | 7.16% (3ML+ 2.00%) plus 5.50% PIK | 3.00 | 12/31/2023 | 21,580 | 21,580 | 21,580 | 0.6% (10) (39) | |
| | | Equity Real Estate Investment | First Lien Term Loan C | 15.16%(3ML+ 10.00%) plus 2.25% PIK | 1.00 | 12/31/2023 | 200,600 | 200,600 | 200,600 | 5.3% (10) (39) | |
| | | Trusts (REITs) / Online Lending / Structured Finance | First Lien Term Loan D | 5.66% (3ML+ 0.50%) plus 2.50% PIK | 3.00 | 12/31/2023 | 183,425 | 183,425 | 183,425 | 4.8% (10) (39) | |
| | | | First Lien Term Loan E | 7.16% (3ML + 2.00%) plus 7.00% PIK | 5.00 | 12/31/2023 | 13,384 | 13,384 | 13,384 | 0.4% (10) (39) | |
| | | | Residual Profit Interest | | — | N/A | — | — | 55,332 | 1.5% (35) | |
| | | | Common Stock (3,350,519 shares) | 12/31/2013 | | — | N/A | — | 15,430 | 646,505 | 16.9% (16) (45) |
| | | | | | | | | | 908,266 | 1,594,673 | 42.0% |
| LLC (27) | Nationwide Loan Company | First Lien Term Loan | 6/18/2014 | 10.00% plus 10.00% PIK | — | 6/18/2023 | 21,855 | 21,855 | 21,855 | 0.6% (14) (39) | |
| | | Class A Units (38,550,460 units) | 1/31/2013 | | — | N/A | — | 20,846 | 25,868 | 0.7% (14) | |
| 42,701 | | | | | | | | | | | |

| | | | | | | | | | | | |
|------------------------------------|----------------------------------|---|------------|------------------------------------|------|--|--------------------|--------------|--------|------|--------------|
| NMMB, Inc. (28) | Media | First Lien Term Loan | 12/30/2019 | 13.66% (3ML+ 8.50%) | 2.00 | 3/31/2027 | 29,723 | 29,723 | 29,723 | 0.8% | (3) (10) |
| | | Common Stock(21,418 shares) | 12/30/2019 | | — | N/A | — | — | 74,664 | 2.0% | |
| 29,723 | | | | | | | | | | | |
| | | First Lien Revolving Line of Credit - \$26,000 Commitment | 9/26/2014 | 12.09% PIK (1ML+ 7.25%) | 1.00 | 9/26/2025 | 29,534 | 29,534 | 29,534 | 0.8% | (10)(15)(39) |
| Pacific World Corporation (36) | Personal Products | First Lien Term Loan A | 12/31/2014 | 10.09% PIK (1ML+ 5.25%) | 1.00 | 9/26/2025 | 57,883 | 57,883 | 43,958 | 1.2% | (10)(39) |
| | | Convertible Preferred Equity(339,338 shares) | 6/15/2018 | 6.50% PIK | — | N/A | — | 189,294 | — | —% | (16) |
| | | Common Stock (6,778,414 shares) | 9/29/2017 | | — | N/A | — | — | — | —% | (16) |
| 276,711 | | | | | | | | | | | |
| R-V Industries, Inc. | Machinery | First Lien Term Loan | 12/15/2020 | 14.16% (3ML+ 9.00%) | 1.00 | 12/15/2028 | 33,622 | 33,622 | 33,622 | 0.9% | (3) (10) |
| | | Common Stock (745,107 shares) | 6/26/2007 | | — | N/A | — | 6,866 | 33,027 | 0.9% | (16) |
| 40,488 | | | | | | | | | | | |
| Universal Turbine Parts, LLC (34) | Trading Companies & Distributors | First Lien Delayed Draw Term Loan - \$6,965 Commitment | 2/28/2019 | 12.59% (1ML+ 7.75%) | 2.50 | 4/5/2025 | 3,117 | 3,117 | 3,117 | 0.1% | (10)(15) |
| | | First Lien Term Loan A | 7/22/2016 | 10.91% (3ML+ 5.75%) | 1.00 | 4/5/2025 | 29,575 | 29,575 | 29,575 | 0.8% | (10) |
| | | Preferred Units (59,051,156 units) | 3/31/2021 | | — | N/A | — | 32,500 | 9,849 | 0.3% | (16) |
| | | Common Stock (10,000 units) | 12/10/2018 | | — | N/A | — | — | — | —% | (16) |
| 65,192 | | | | | | | | | | | |
| USES Corp. (30) | Commercial Services & Supplies | First Lien Term Loan | 12/30/2020 | 13.84% (1ML + 9.00%) | 1.00 | 7/29/2024 | 2,000 | 2,000 | 1,953 | 0.1% | (10) |
| | | First Lien Equipment Term Loan | 8/3/2022 | 13.84% (1ML + 9.00%) | 1.00 | 7/29/2024 | 6,530 | 6,530 | 6,376 | 0.2% | (10)(39) |
| | | First Lien Term Loan A | 3/31/2014 | 9.00% PIK | — | 7/29/2024 | 64,624 | 30,651 | 7,938 | 0.2% | (9) |
| | | First Lien Term Loan B | 3/31/2014 | 15.50% PIK | — | 7/29/2024 | 101,840 | 35,568 | — | —% | (9) |
| | | Common Stock (268,962 shares) | 6/15/2016 | | — | N/A | — | — | — | —% | (16) |
| 74,749 | | | | | | | | | | | |
| Valley Electric Company, Inc. (31) | Construction & Engineering | First Lien Term Loan to Valley Electric Co. of Mt. Vernon, Inc. | 12/31/2012 | 10.16% (3ML+ 5.00%) plus 2.50% PIK | 3.00 | 12/31/2024 | 10,452 | 10,452 | 10,452 | 0.3% | (3) (10)(39) |
| | | First Lien Term Loan | 6/24/2014 | 8.00% plus 10.00% PIK | — | 6/23/2024 | 34,997 | 34,997 | 34,997 | 0.8% | (3) (39) |
| | | First Lien Term Loan B | 3/28/2022 | 8.00% plus 4.50% PIK | — | 6/23/2024 | 13,296 | 13,296 | 13,296 | 0.3% | (3) (39) |
| | | Consolidated Revenue Interest (2.00%) | 6/22/2018 | | — | N/A | — | — | 1,107 | —% | (12) |
| | | Common Stock (50,000 shares) | 12/31/2012 | | — | N/A | — | 12,053 | 81,712 | 2.2% | |
| 70,798 | | | | | | | | | | | |
| | | | | | | Total Control Investments (Level 3) | | | | | |
| | | | | | | \$2,884,591 | \$3,480,094 | 91.6% | | | |

| Portfolio Company | Industry | Investments(1)(37) | September 30, 2023 | | | | | | | | |
|---|----------------------------------|-----------------------------|--------------------|--|--------------|---------------------------------------|------------------|-----------------|----------------|---------------|-----------------|
| | | | Acquisition | | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| Affiliate Investments (5.00% to 24.99% voting control)(41) | | | | | | | | | | | |
| Nixon, Inc. (32) | Textiles, Apparel & Luxury Goods | Common Stock (857 units) | 5/12/2017 | | — | N/A | \$ | — \$ | — \$ | — | — % (16) |
| | | | | | | | | | | | |
| RGIS Services, LLC | Commercial Services & Supplies | Membership Interest (5.27%) | 6/25/2020 | | — | N/A | — | 10,162 | 12,541 | 0.3 % | |
| | | | | | | | | | | | |
| | | | | | | Total Affiliate Investments \$ | | | | | |
| | | | | | | 10,162 | \$ 12,541 | 0.3 % | | | |

See notes to consolidated financial statements.

10

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)

(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | March 31, 2023 (Unaudited) | | | | |
|---|----------------------------------|-----------------------------|-------------|--------------|-------|----------------------------|-----------------|----------------|---------------|---|
| | | | Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| Affiliate Investments (5.00% to 24.99% voting control)(41) | | | | | | | | | | |
| Nixon, Inc. (32) | Textiles, Apparel & Luxury Goods | Common Stock (857 units) | 5/12/2017 | — | N/A | \$ — | \$ — | \$ — | — | — % (16) |
| RGIS Services, LLC | Commercial Services & Supplies | Membership Interest (5.27%) | 6/25/2020 | — | N/A | — | 8,996 | 7,944 | 0.2 % | — % |
| | | | | | | | | | | 8,996 7,944 0.2 % |
| | | | | | | | | | | Total Affiliate Investments (Level 3) \$ 8,996 \$ 7,944 0.2 % |

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | September 30, 2023 | | | | |
|---|----------------------------------|--|-------------|---|-------|--------------------|-----------------|----------------|---------------|---------------------|
| | | | Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| 8th Avenue Food & Provisions, Inc. | Food Products | Second Lien Term Loan | 9/21/2018 | 13.19% (1M SOFR+ 7.75%) | — | 10/1/2026 | \$ 32,133 | \$ 32,015 | \$ 30,586 | 0.8 % (8)(10) |
| ABG Intermediate Holdings 2 LLC | Textiles, Apparel & Luxury Goods | Second Lien Term Loan | 12/20/2021 | 11.42% (1M SOFR+ 6.00%) | 0.50 | 12/20/2029 | 3,600 | 3,547 | 3,600 | 0.1 % (3)(8)(10) |
| Apidos CLO XI | Structured Finance | Subordinated Structured Note | 12/6/2012 | Residual interest, current yield 12.52% | — | 4/17/2034 | 67,783 | 39,061 | 30,815 | 0.8 % (5) (14) |
| Apidos CLO XII | Structured Finance | Subordinated Structured Note | 3/15/2013 | Residual interest, current yield 8.72% | — | 4/15/2031 | 52,203 | 32,531 | 27,302 | 0.7 % (5) (14) |
| Apidos CLO XV | Structured Finance | Subordinated Structured Note | 9/13/2013 | Residual interest, current yield 8.45% | — | 4/21/2031 | 48,515 | 33,621 | 27,673 | 0.7 % (5) (14) |
| Apidos CLO XXII | Structured Finance | Subordinated Structured Note | 9/16/2015 | Residual interest, current yield 11.18% | — | 4/21/2031 | 35,855 | 29,039 | 24,253 | 0.6 % (5) (14) |
| Atlantis Health Care Group (Puerto Rico), Inc. | Health Care Providers & Services | First Lien Revolving Line of Credit - \$2,000 Commitment | 2/21/2013 | 14.24% (3M SOFR+ 8.75%) | 2.00 | 5/15/2024 | 2,000 | 2,000 | 1,968 | 0.1 % (10)(15) |
| Aventiv Technologies, LLC | Communications Equipment | First Lien Term Loan | 8/2/2019 | 10.23% (6ML+ 4.50%) | 1.00 | 11/1/2024 | 9,569 | 9,260 | 9,387 | 0.2 % (3)(8)(10) |
| Barings CLO 2018-III | Structured Finance | Subordinated Structured Note | 10/9/2014 | Residual interest, current yield 0.00% | — | 7/20/2029 | 82,809 | 31,210 | 11,090 | 0.3 % (5) (14)(17) |
| Barracuda Parent, LLC | IT Services | Second Lien Term Loan | 8/15/2022 | 12.37% (3M SOFR+ 7.00%) | 0.50 | 8/15/2030 | 20,000 | 19,488 | 20,000 | 0.5 % (8)(10) |
| BCPE North Star US Holdco 2, Inc. | Food Products | Second Lien Delayed Draw Term Loan - \$5,185 Commitment | 6/7/2021 | 12.68% (1M SOFR+ 7.25%) | 0.75 | 6/11/2029 | 5,185 | 5,141 | 4,769 | 0.1 % (8)(10)(15) |
| BCPE Osprey Buyer, Inc. | Health Care Technology | First Lien Revolving Line of Credit - \$4,239 Commitment | 10/18/2021 | 11.18% (1M SOFR+ 5.75%) | 0.75 | 8/21/2026 | 659 | 659 | 659 | — % (8)(10)(15) |
| | | First Lien Term Loan | 10/18/2021 | 11.39% (3M SOFR+ 5.75%) | 0.75 | 8/23/2028 | 63,863 | 63,863 | 63,863 | 1.7 % (3)(8)(10) |
| | | | | | | | | | | 99,378 91,982 2.5 % |

| | | | | | | | | | | |
|---------------------------------------|----------------------------------|---|------------|--------------------------|------|-----------|---------|---------|----------------|-------------------|
| | | First Lien Delayed Draw Term Loan - \$22,609 Commitment | 10/18/2021 | 11.39% (3M SOFR+ 5.75%) | 0.75 | 8/23/2028 | 4,691 | 4,639 | 4,691 | 0.1 % (8)(10)(15) |
| | | | | | | | | | 69,161 | 69,213 |
| Belnick, LLC (d/b/a The Ubique Group) | Household Durables | First Lien Term Loan | 1/20/2022 | 13.15% (3M SOFR+ 7.50%) | 1.00 | 1/20/2027 | 88,516 | 88,516 | 88,516 | 2.3 % (3)(10) |
| | | | | | | | | | 88,516 | 88,516 |
| Boostability Parent, Inc. | IT Services | First Lien Term Loan | 1/31/2022 | 13.50% (3M SOFR + 8.00%) | 1.00 | 1/31/2027 | 50,184 | 50,184 | 49,646 | 1.3 % (3)(10) |
| | | | | | | | | | 50,184 | 49,646 |
| Broder Bros., Co. | Textiles, Apparel & Luxury Goods | First Lien Term Loan | 12/4/2017 | 11.65% (3M SOFR+ 6.00%) | 1.00 | 12/4/2025 | 157,497 | 157,497 | 157,497 | 4.2 % (3)(10) |
| | | | | | | | | | 157,497 | 157,497 |
| Burgess Point Purchaser Corporation | Automobile Components | Second Lien Term Loan | 7/25/2022 | 14.42% (1M SOFR+ 9.00%) | 0.75 | 7/25/2030 | 30,000 | 30,000 | 30,000 | 0.8 % (3)(8)(10) |
| | | | | | | | | | 30,000 | 30,000 |
| | | | | | | | | | | 0.8 % |

See notes to consolidated financial statements.

11

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | March 31, 2023 (Unaudited) | |
|---|----------------------------------|---|-------------|---|-------|----------------|-----------------|----------------|---------------|----------------------|----------------------------|--|
| | | | Date(44) | Coupon/Yield | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | |
| 8th Avenue Food & Provisions, Inc. | Food Products | Second Lien Term Loan | 9/21/2018 | 12.59% (1ML+ 7.75%) | — | 10/1/2026 | \$ 32,133 | \$ 31,995 | \$ 27,671 | 0.7 % (8)(10) | | |
| | | | | | | | | | 31,995 | 27,671 | 0.7 % | |
| ABG Intermediate Holdings 2 LLC | Textiles, Apparel & Luxury Goods | Second Lien Term Loan | 12/20/2021 | 10.91% (1M SOFR+ 6.00%) | 0.50 | 12/20/2029 | 9,000 | 8,943 | 8,850 | 0.2 % (3)(8)(10) | | |
| | | | | | | | | | 8,943 | 8,850 | 0.2 % | |
| Apidos CLO XI | Structured Finance | Subordinated Structured Note | 12/6/2012 | Residual Interest, current yield 12.02% | — | 4/17/2034 | 67,783 | 39,043 | 29,387 | 0.8 % (5) (14) | | |
| | | | | | | | | | 39,043 | 29,387 | 0.8 % | |
| Apidos CLO XII | Structured Finance | Subordinated Structured Note | 3/15/2013 | Residual Interest, current yield 14.59% | — | 4/15/2031 | 52,202 | 34,013 | 30,971 | 0.8 % (5) (14) | | |
| | | | | | | | | | 34,013 | 30,971 | 0.8 % | |
| Apidos CLO XV | Structured Finance | Subordinated Structured Note | 9/13/2013 | Residual Interest, current yield 13.73% | — | 4/21/2031 | 48,515 | 35,087 | 31,092 | 0.8 % (5) (14) | | |
| | | | | | | | | | 35,087 | 31,092 | 0.8 % | |
| Apidos CLO XXII | Structured Finance | Subordinated Structured Note | 9/16/2015 | Residual Interest, current yield 17.41% | — | 4/21/2031 | 35,855 | 29,568 | 26,350 | 0.7 % (5) (14) | | |
| | | | | | | | | | 29,568 | 26,350 | 0.7 % | |
| Atlantis Health Care Group (Puerto Rico), Inc. | Health Care Providers & Services | First Lien Revolving Line of Credit - \$3,000 Commitment First Lien Term Loan | 2/21/2013 | 13.91% (3ML+ 8.75%) | 2.00 | 4/22/2024 | — | — | — | — % (10)(15) | | |
| | | | | | | | | | | | | |
| | | | | | | | | | 61,204 | 59,441 | 1.6 % | |
| Aventiv Technologies, LLC (f/k/a Securus Technologies Holdings, Inc.) | Communications Equipment | First Lien Term Loan Second Lien Term Loan | 8/2/2019 | 9.66% (3ML+ 4.50%) | 1.00 | 11/1/2024 | 9,619 | 9,237 | 6,905 | 0.2 % (3)(8)(10)(47) | | |
| | | | | | | | | | 59,834 | 44,155 | 1.2 % | |
| B. Riley Financial, Inc. | Diversified Financial Services | Senior Unsecured Bond | 10/18/2022 | 6.75% | 0.00 | 5/31/2024 | 5,799 | 5,799 | 5,509 | 0.1 % (8)(47) | | |
| | | | | | | | | | 5,799 | 5,509 | 0.1% | |
| Barings CLO 2018-III | Structured Finance | Subordinated Structured Note | 10/9/2014 | Residual Interest, current yield 0.00% | — | 7/20/2029 | 83,098 | 33,395 | 17,222 | 0.4 % (5) (14)(17) | | |

| | | | | | | | | | | |
|---------------------------------------|----------------------------------|--|------------|-------------------------|------|-----------|---------|----------------|----------------|-------------------|
| | | | | | | | | 33,395 | 17,222 | 0.4 % |
| Barracuda Parent, LLC | IT Services | Second Lien Term Loan | 8/15/2022 | 11.68% (3M SOFR+ 7.00%) | 0.50 | 8/15/2030 | 20,000 | 19,450 | 19,424 | 0.5 % (8)(10) |
| | | | | | | | | 19,450 | 19,424 | 0.5 % |
| BCPE North Star US Holdco 2, Inc. | Food Products | Second Lien Delayed Draw Term Loan - \$5,185 Commitment | 6/7/2021 | 12.41% (3ML+ 7.25%) | 0.75 | 6/11/2029 | 5,185 | 5,137 | 4,888 | 0.1 % (8)(10)(15) |
| | | Second Lien Term Loan | 6/7/2021 | 12.41% (3ML+ 7.25%) | 0.75 | 6/11/2029 | 94,815 | 94,186 | 89,381 | 2.4 % (3)(8)(10) |
| | | | | | | | | 99,323 | 94,269 | 2.5 % |
| | | First Lien Revolving Line of Credit - \$4,239 Commitment | 10/18/2021 | 10.50% (3ML+ 5.75%) | 0.75 | 8/21/2026 | 942 | 942 | 922 | — % (8)(10)(15) |
| BCPE Osprey Buyer, Inc. | Health Care Technology | First Lien Term Loan | 10/18/2021 | 10.67% (3ML+ 5.75%) | 0.75 | 8/23/2028 | 64,188 | 64,188 | 62,837 | 1.7 % (8)(10) |
| | | Second Lien Delayed Draw Term Loan - \$22,609 Commitment | 10/18/2021 | 10.67% (3ML+ 5.75%) | 0.75 | 8/23/2028 | — | — | — | — % (8)(10)(15) |
| | | | | | | | | 65,130 | 63,759 | 1.7 % |
| Belnick, LLC (d/b/a The Ubique Group) | Household Durables | First Lien Term Loan | 1/20/2022 | 12.66% (3ML+ 7.50%) | 1.00 | 1/20/2027 | 89,672 | 89,672 | 89,672 | 2.4 % (3) (10) |
| | | | | | | | | 89,672 | 89,672 | 2.4 % |
| Broder Bros., Co. | Textiles, Apparel & Luxury Goods | First Lien Term Loan | 12/4/2017 | 11.16% (3ML+ 6.00%) | 1.00 | 12/4/2025 | 159,562 | 159,562 | 158,967 | 4.2 % (3) (10) |
| | | | | | | | | 159,562 | 158,967 | 4.2 % |
| Burgess Point Purchaser Corporation | Automobile Components | Second Lien Term Loan | 7/25/2022 | 13.91% (1M SOFR+ 9.00%) | 0.75 | 7/25/2030 | 30,000 | 30,000 | 30,000 | 0.8 % (8)(10) |
| | | | | | | | | 30,000 | 30,000 | 0.8 % |

| September 30, 2023 | | | | | | | | | | |
|---|--------------------------------|------------------------------|-------------|---|-------|------------|----------------|---------------|---------------|--------------------|
| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | Floor | Legal Maturity | Principal | Amortized | Fair |
| | | | Date(44) | Coupon/Yield | Value | | | Cost | Value(2) | % of Net Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| California Street CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 4/19/2012 | Residual Interest, current yield 4.58% | — | 7/16/2032 | \$ 58,915 | \$ 41,400 | \$ 26,206 | 0.7 % (5) (14) |
| | | | | | | | | 41,400 | 26,206 | 0.7 % |
| Capstone Logistics Acquisition, Inc. | Commercial Services & Supplies | Second Lien Term Loan | 11/12/2020 | 14.17% (1M SOFR+ 8.75%) | 1.00 | 11/13/2028 | 8,500 | 8,296 | 8,500 | 0.2 % (3)(8)(10) |
| | | | | | | | | 8,296 | 8,500 | 0.2 % |
| Carlyle C17 CLO Limited | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 4.27% | — | 4/30/2031 | 24,870 | 14,075 | 10,796 | 0.3 % (5) (14) |
| | | | | | | | | 14,075 | 10,796 | 0.3 % |
| Carlyle Global Market Strategies CLO 2014-4-R, Ltd. | Structured Finance | Subordinated Structured Note | 4/7/2017 | Residual Interest, current yield 9.67% | — | 7/15/2030 | 25,534 | 17,398 | 14,715 | 0.4 % (5) (14) |
| | | | | | | | | 17,398 | 14,715 | 0.4 % |
| Carlyle Global Market Strategies CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 8/9/2016 | Residual Interest, current yield 9.52% | — | 7/20/2034 | 32,200 | 31,029 | 24,708 | 0.7 % (5) (14) |
| | | | | | | | | 31,029 | 24,708 | 0.7 % |
| Cent CLO 21 Limited | Structured Finance | Subordinated Structured Note | 5/15/2014 | Residual Interest, current yield 0.00% | — | 7/29/2030 | 49,552 | 31,580 | 10,645 | 0.3 % (5) (14)(17) |
| | | | | | | | | 31,580 | 10,645 | 0.3 % |
| CIFC Funding 2013-III-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/2/2013 | Residual Interest, current yield 10.38% | — | 4/24/2031 | 44,100 | 26,581 | 20,752 | 0.5 % (5) (14) |
| | | | | | | | | 26,581 | 20,752 | 0.5 % |
| CIFC Funding 2013-IV, Ltd. | Structured Finance | Subordinated Structured Note | 10/22/2013 | Residual Interest, current yield 12.73% | — | 4/28/2031 | 45,500 | 31,282 | 27,139 | 0.7 % (5) (14) |
| | | | | | | | | 31,282 | 27,139 | 0.7 % |
| CIFC Funding 2014-IV-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/5/2014 | Residual Interest, current yield 13.79% | — | 10/17/2030 | 50,143 | 35,872 | 26,769 | 0.8 % (5) (14) |
| | | | | | | | | 35,872 | 26,769 | 0.8 % |
| CIFC Funding 2016-I, Ltd. | Structured Finance | Subordinated Structured Note | 12/9/2016 | Residual Interest, current yield 16.37% | — | 10/21/2031 | 34,000 | 32,438 | 29,599 | 0.8 % (5) (14) |
| | | | | | | | | 32,438 | 29,599 | 0.8 % |

| | | | | | | | | | | |
|---------------------------------------|--------------------------------|--|------------|---|------|------------|---------|----------------|----------------|----------------------|
| Collections Acquisition Company, Inc. | Diversified Financial Services | First Lien Term Loan | 12/3/2019 | 13.15% (3M SOFR+ 7.65%) | 2.50 | 6/3/2024 | 36,410 | 36,410 | 36,410 | 1.0 % (3) (10) |
| | | | | | | | | 36,410 | 36,410 | 1.0 % |
| Columbia Cent CLO 27 Limited | Structured Finance | Subordinated Structured Note | 12/18/2013 | Residual interest, current yield 14.19% | — | 1/25/2035 | 48,978 | 31,989 | 28,103 | 0.7 % (5) (14) |
| | | | | | | | | 31,989 | 28,103 | 0.7 % |
| CP IRIS Holdco I, Inc. (48) | Building Products | Second Lien Term Loan | 10/1/2021 | 12.42% (1M SOFR+ 7.00%) | 0.50 | 10/1/2029 | 35,000 | 35,000 | 32,984 | 0.9 % (3)(8)(10) |
| | | | | | | | | 35,000 | 32,984 | 0.9 % |
| Credit.com Holdings, LLC (6) | Diversified Consumer Services | First Lien Term Loan A | 9/28/2023 | 16.65% (3M SOFR + 11.00%) | 1.50 | 9/28/2028 | 29,366 | 29,366 | 29,366 | 0.8% (8)(10) |
| | | First Lien Term Loan B | 9/28/2023 | 17.65% (3M SOFR + 12.00%) | 1.50 | 9/28/2028 | 49,935 | 49,935 | 49,935 | 1.3% (8)(10) |
| | | Class B of PGX TopCo II LLC (999 Non-Voting Units) | 9/28/2023 | | — | N/A | — | — | 11,612 | 0.3% (16) |
| | | | | | | | | | 79,301 | 90,913 |
| Curo Group Holdings Corp. | Consumer Finance | First Lien Term Loan | 7/30/2021 | 7.50% | — | 8/1/2028 | 47,000 | 47,023 | 18,183 | 0.5 % (8)(14) |
| | | | | | | | | 47,023 | 18,183 | 0.5 % |
| DRI Holding Inc. | Commercial Services & Supplies | First Lien Term Loan | 12/21/2021 | 10.67% (1M SOFR+ 5.25%) | 0.50 | 12/21/2028 | 33,818 | 32,750 | 33,818 | 0.9 % (3)(8)(10) |
| | | Second Lien Term Loan | 12/21/2021 | 13.43% (1M SOFR+ 8.00%) | 0.50 | 12/21/2029 | 145,000 | 145,000 | 144,422 | 3.9 % (3) (10) |
| | | | | | | | | 177,750 | 178,240 | 4.8 % |
| DTI Holdco, Inc. | Professional Services | First Lien Term Loan | 4/26/2022 | 10.12%(3M SOFR+ 4.75%) | 0.75 | 4/26/2029 | 18,315 | 18,020 | 18,315 | 0.5 % (3)(8)(10)(47) |
| | | Second Lien Term Loan | 4/26/2022 | 13.12% (3M SOFR+ 7.75%) | 0.75 | 4/26/2030 | 75,000 | 75,000 | 75,000 | 2.0 % (3)(8)(10) |
| | | | | | | | | 93,020 | 93,315 | 2.5 % |

See notes to consolidated financial statements.

12

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | March 31, 2023 (Unaudited) | |
|---|--------------------------------|------------------------------|-------------|---|------|------------|----------------|-----------------|----------------|---------------|--------------------|----------------------------|--|
| | | | Date(44) | Coupon/Yield | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | | |
| California Street CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 4/19/2012 | Residual interest, current yield 11.71% | | — | 7/16/2032 | \$ 58,914 | \$ 43,492 | \$ 29,908 | 0.8 % (5) (14) | | |
| | | | | | | | | | 43,492 | 29,908 | 0.8 % | | |
| Capstone Logistics Acquisition, Inc. | Commercial Services & Supplies | Second Lien Term Loan | 11/12/2020 | 13.66% (1M SOFR+ 8.75%) | 1.00 | 11/13/2028 | 8,500 | 8,276 | 8,500 | 8,500 | 0.2 % (3)(8)(10) | | |
| | | | | | | | | | 8,276 | 8,500 | 0.2 % | | |
| Carlyle C17 CLO Limited | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual interest, current yield 14.36% | | — | 4/30/2031 | 24,870 | 15,100 | 13,438 | 0.4 % (5) (14) | | |
| | | | | | | | | | 15,100 | 13,438 | 0.4 % | | |
| Carlyle Global Market Strategies CLO 2014-4-R, Ltd. | Structured Finance | Subordinated Structured Note | 4/7/2017 | Residual interest, current yield 14.83% | | — | 7/15/2030 | 25,534 | 18,231 | 16,370 | 0.4 % (5) (14) | | |
| | | | | | | | | | 18,231 | 16,370 | 0.4 % | | |
| Carlyle Global Market Strategies CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 8/9/2016 | Residual interest, current yield 11.25% | | — | 7/20/2034 | 32,200 | 30,940 | 25,661 | 0.6 % (5) (14) | | |
| | | | | | | | | | 30,940 | 25,661 | 0.6 % | | |
| Cent CLO 21 Limited | Structured Finance | Subordinated Structured Note | 5/15/2014 | Residual interest, current yield 0.00% | | — | 7/29/2030 | 49,552 | 31,706 | 17,405 | 0.5 % (5) (14)(17) | | |
| | | | | | | | | | 31,706 | 17,405 | 0.5 % | | |
| CIFC Funding 2013-III-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/2/2013 | Residual interest, current yield 15.32% | | — | 4/24/2031 | 44,100 | 27,423 | 22,308 | 0.6 % (5) (14) | | |

| | | | | | | | | | | | |
|---------------------------------------|--------------------------------|--|------------|---|------|------------|---------|---------|---------|-------------------|-------------|
| | | | | | | | | | 27,423 | 22,308 | 0.6 % |
| CIFC Funding 2013-IV, Ltd. | Structured Finance | Subordinated Structured Note | 10/22/2013 | Residual Interest, current yield 16.84% | — | 4/28/2031 | 45,500 | 32,066 | 29,428 | 0.8 % (5) (14) | |
| | | | | | | | | | 32,066 | 29,428 | 0.8 % |
| CIFC Funding 2014-IV-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/5/2014 | Residual Interest, current yield 15.20% | — | 10/17/2030 | 50,142 | 34,660 | 27,622 | 0.7 % (5) (14) | |
| | | | | | | | | | 34,660 | 27,622 | 0.7 % |
| CIFC Funding 2016-I, Ltd. | Structured Finance | Subordinated Structured Note | 12/9/2016 | Residual Interest, current yield 16.22% | — | 10/21/2031 | 34,000 | 32,479 | 29,259 | 0.8 % (5) (14) | |
| | | | | | | | | | 32,479 | 29,259 | 0.8 % |
| Collections Acquisition Company, Inc. | Diversified Financial Services | First Lien Term Loan | 12/3/2019 | 13.31% (3ML+ 8.15%) | 2.50 | 6/3/2024 | 36,597 | 36,597 | 36,597 | 1.0 % (3) (10) | |
| | | | | | | | | | 36,597 | 36,597 | 1.0 % |
| Columbia Cent CLO 27 Limited | Structured Finance | Subordinated Structured Note | 12/18/2013 | Residual Interest, current yield 14.16% | — | 10/25/2028 | 48,978 | 32,229 | 28,306 | 0.7 % (5) (14) | |
| | | | | | | | | | 32,229 | 28,306 | 0.7 % |
| CP IRIS Holdco I, Inc. (48) | Building Products | Second Lien Term Loan | 10/1/2021 | 11.84% (1ML+ 7.00%) | 0.50 | 10/1/2029 | 35,000 | 35,000 | 33,849 | 0.9 % (3)(8)(10) | |
| | | | | | | | | | 35,000 | 33,849 | 0.9 % |
| Curo Group Holdings Corp. | Consumer Finance | First Lien Term Loan | 7/30/2021 | 7.50% | — | 8/1/2028 | 47,000 | 47,026 | 19,400 | 0.5 % (8)(14)(47) | |
| | | | | | | | | | 47,026 | 19,400 | 0.5 % |
| DRI Holding Inc. | Commercial Services & Supplies | First Lien Term Loan | 12/21/2021 | 10.09% (1ML+ 5.25%) | 0.50 | 12/21/2028 | 33,990 | 32,820 | 33,479 | 0.9 % (3)(8)(10) | |
| | | Second Lien Term Loan | 12/21/2021 | 12.84% (1ML+ 8.00%) | 0.50 | 12/21/2029 | 145,000 | 145,000 | 141,772 | 3.7 % (3) (10) | |
| | | | | | | | | | 177,820 | 175,251 | 4.6 % |
| DTI Holdco, Inc. | Professional Services | First Lien Term Loan | 4/26/2022 | 9.43%(3M SOFR+ 4.75%) | 0.75 | 4/26/2029 | 18,408 | 18,086 | 17,503 | 0.5 % (8)(10)(47) | |
| | | Second Lien Term Loan | 4/26/2022 | 12.43% (3M SOFR+ 7.75%) | 0.75 | 4/26/2030 | 75,000 | 75,000 | 71,998 | 1.9 % (8)(10) | |
| | | | | | | | | | 93,086 | 89,501 | 2.4 % |
| Dukes Root Control Inc. | Commercial Services & Supplies | First Lien Revolving Line of Credit - \$4,464 Commitment | 12/8/2022 | 11.56% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | 357 | 262 | 357 | —% | (8)(10)(15) |
| | | First Lien Delayed Draw Term Loan - \$8,929 Commitment | 12/8/2022 | 11.56% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | — | — | — | —% | (8)(10)(15) |
| | | First Lien Term Loan | 12/8/2022 | 11.56% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | 36,516 | 35,643 | 36,516 | 1.0% | (3)(8)(10) |

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | | September 30, 2023 | | | | |
|---|--------------------------------|--|-------------|--------------------------|-------|----------------|--------------------|----------------|---------------|------------------|-------------|
| | | | Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | |
| Dukes Root Control Inc. | Commercial Services & Supplies | First Lien Revolving Line of Credit - \$4,464 Commitment | 12/8/2022 | 11.56% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | \$ 357 | \$ 358 | \$ 357 | —% | (8)(10)(15) |
| | | First Lien Revolving Line of Credit - \$4,464 Commitment | 12/8/2022 | 12.04% (3M SOFR + 6.50%) | 1.00 | 12/8/2028 | 1,429 | 1,432 | 1,429 | —% | (8)(10)(15) |
| | | First Lien Delayed Draw Term Loan - \$8,929 Commitment | 12/8/2022 | 12.04% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | 2,048 | 2,048 | 2,048 | 0.1% | (8)(10)(15) |
| | | First Lien Term Loan | 12/8/2022 | 12.04% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | 36,333 | 36,367 | 36,333 | 1.0% | (3)(8)(10) |
| | | | | | | | | | 40,205 | 40,167 | 1.1% |
| Easy Gardener Products, Inc. | Household Durables | Class A Units of EZG Holdings, LLC (200 units) | 6/11/2020 | — | N/A | — | 313 | — | — | — % (16) | |
| | | Class B Units of EZG Holdings, LLC (12,525 units) | 6/11/2020 | — | N/A | — | 1,688 | — | — | — % (16) | |
| | | | | | | | | | 2,001 | — | — % |
| Engine Group, Inc. (7) | Media | First Lien Term Loan | 11/17/2020 | 16.50% (PRIME+ 8.00%) | 1.00 | 11/17/2023 | 2,731 | 2,539 | 474 | — % (8)(9)(10) | |
| | | Class B Common Units(1,039,554 units) | 11/17/2020 | — | N/A | — | 26,991 | — | — | — % (8)(16) | |
| | | | | | | | | | 29,530 | 474 | — % |
| Engineered Machinery Holdings, Inc. | Machinery | Incremental Amendment No. 2 Second Lien Term Loan | 5/6/2021 | 12.15% (3M SOFR+ 6.50%) | 0.75 | 5/21/2029 | 5,000 | 4,989 | 5,000 | 0.1 % (3)(8)(10) | |
| | | Incremental Amendment No. 3 Second Lien Term Loan | 8/6/2021 | 11.65% (3M SOFR+ 6.00%) | 0.75 | 5/21/2029 | 5,000 | 5,000 | 5,000 | 0.1 % (3)(8)(10) | |
| | | | | | | | | | 9,989 | 10,000 | 0.2 % |

| | | | | | | | | | | |
|---|-----------------------|--|------------|---|------|------------|--------|--------|--------|----------------------|
| Enseo Acquisition, Inc. | IT Services | First Lien Term Loan | 6/2/2021 | 13.50% (3M SOFR+ 8.00%) | 1.00 | 6/2/2026 | 53,666 | 53,666 | 53,666 | 1.4 % (3) (10) |
| 53,666 | | | | | | | | | | |
| Eze Castle Integration, Inc. | IT Services | First Lien Delayed Draw Term Loan - \$1,786 Commitment | 7/15/2020 | 14.70% (1M SOFR+ 9.25%) plus 0.75% PIK | 1.50 | 7/15/2025 | 1,782 | 1,782 | 1,778 | — % (10)(15)(39) |
| | | First Lien Term Loan | 7/15/2020 | 14.72% (1M SOFR+ 9.25%) plus 0.75% PIK | 1.50 | 7/15/2025 | 46,515 | 46,515 | 46,418 | 1.2 % (3) (10)(39) |
| 48,297 | | | | | | | | | | |
| Faraday Buyer, LLC | Electrical Equipment | First Lien Delayed Draw Term Loan - \$5,833 Commitment | 10/11/2022 | 12.39% (3M SOFR + 7.00%) | 1.00 | 10/11/2028 | 4,446 | 4,383 | 4,446 | 0.1 % (8)(10)(15) |
| | | First Lien Term Loan | 10/11/2022 | 12.39% (3M SOFR + 7.00%) | 1.00 | 10/11/2028 | 63,846 | 63,846 | 63,846 | 1.7 % (3)(8)(10) |
| 68,229 | | | | | | | | | | |
| First Brands Group | Automobile Components | First Lien Term Loan | 3/24/2021 | 10.88% (6M SOFR+ 5.00%) | 1.00 | 3/30/2027 | 22,240 | 22,187 | 22,129 | 0.6 % (3)(8)(10)(47) |
| | | Second Lien Term Loan | 3/24/2021 | 14.38% (6M SOFR+ 8.50%) | 1.00 | 3/30/2028 | 37,000 | 36,720 | 36,773 | 1.0 % (3)(8)(10) |
| 58,907 | | | | | | | | | | |
| Galaxy XV CLO, Ltd. | Structured Finance | Subordinated Structured Note | 2/13/2013 | Residual interest, current yield 8.11% | — | 10/15/2030 | 50,525 | 31,780 | 24,010 | 0.6 % (5) (14) |
| 31,780 | | | | | | | | | | |
| Galaxy XXVII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2013 | Residual interest, current yield 12.50% | — | 5/16/2031 | 24,575 | 15,920 | 12,359 | 0.3 % (5) (14) |
| 15,920 | | | | | | | | | | |
| Galaxy XXVIII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 5/30/2014 | Residual interest, current yield 12.21% | — | 7/15/2031 | 39,905 | 27,032 | 20,118 | 0.6 % (5) (14) |
| 27,032 | | | | | | | | | | |
| Halcyon Loan Advisors Funding 2014-2 Ltd. | Structured Finance | Subordinated Structured Note | 4/14/2014 | Residual interest, current yield 0.00% | — | 4/28/2025 | 41,164 | 21,322 | 15 | — % (5) (14)(17) |
| 21,322 | | | | | | | | | | |
| Halcyon Loan Advisors Funding 2015-3 Ltd. | Structured Finance | Subordinated Structured Note | 7/23/2015 | Residual interest, current yield 0.00% | — | 10/18/2027 | 39,598 | 29,557 | 108 | — % (5) (14)(17) |
| 29,557 | | | | | | | | | | |
| HarbourView CLO VII-R, Ltd. | Structured Finance | Subordinated Structured Note | 6/5/2015 | Residual interest, current yield 0.00% | — | 7/18/2031 | 19,025 | 13,448 | 6,467 | 0.2 % (5) (14)(17) |
| 13,448 | | | | | | | | | | |
| 13,448 | | | | | | | | | | |

See notes to consolidated financial statements.

13

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | Coupon/Yield | Floor | Legal Maturity | March 31, 2023 (Unaudited) | | |
|---|--------------------|---|-------------|-----------------------|--------------|------------|----------------|----------------------------|-------|------------------|
| | | | Date(44) | Principal | | | | Value | Cost | Value(2) |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| Easy Gardener Products, Inc. | Household Durables | Class A Units of EZG Holdings, LLC (200 units) | 6/11/2020 | — | N/A | \$ | — \$ | 313 \$ | — | — % (16) |
| | | Class B Units of EZG Holdings, LLC(12,525 units) | 6/11/2020 | — | N/A | — | — | 1,688 | — | — % (16) |
| 2,001 | | | | | | | | | | |
| Engine Group, Inc. (7) | Media | First Lien Term Loan | 11/17/2020 | 16.00% (PRIME+ 8.00%) | 1.00 | 11/17/2023 | 3,546 | 3,546 | 2,112 | 0.1 % (8)(9) |
| | | Class B Common Units(1,039,554 units) | 11/17/2020 | — | N/A | — | — | 26,991 | — | — % (8)(16) |
| 30,537 | | | | | | | | | | |
| Engineered Machinery Holdings, Inc. | Machinery | Incremental Amendment No. 2 Second Lien Term Loan | 5/6/2021 | 11.66% (3ML+ 6.50%) | 0.75 | 7/18/2025 | 5,000 | 4,986 | 5,000 | 0.1 % (3)(8)(10) |
| | | Incremental Amendment No. 3 Second Lien Term Loan | 8/6/2021 | 11.16% (3ML+ 6.00%) | 0.75 | 5/21/2029 | 5,000 | 5,000 | 4,939 | 0.1 % (3)(8)(10) |

| | | | | | | | | | | 9,986 | 9,939 | 0.2 % |
|--|-----------------------|--|------------|---|------|------------|--------|--------|--------|-------------------|-------|-------|
| Enseo Acquisition, Inc. | IT Services | First Lien Term Loan | 6/2/2021 | 13.16% (3ML+ 8.00%) | 1.00 | 6/2/2026 | 54,038 | 54,038 | 52,698 | 1.4 % (3) (10) | | |
| | | | | | | | 54,038 | | 52,698 | 1.4 % | | |
| Eze Castle Integration, Inc. | IT Services | First Lien Delayed Draw Term Loan - \$1,786 Commitment | 7/15/2020 | 13.82% (3ML+ 9.00%) plus 1.00% PIK | 1.50 | 7/15/2025 | 893 | 893 | 874 | — % (10)(15)(39) | | |
| | | First Lien Term Loan | 7/15/2020 | 13.82% (3ML+ 9.00%) plus 1.00% PIK | 1.50 | 7/15/2025 | 46,608 | 46,608 | 45,594 | 1.2 % (3)(10)(39) | | |
| | | | | | | | 47,501 | | 46,468 | 1.2 % | | |
| Faraday Buyer, LLC | Electrical Equipment | First Lien Delayed Draw Term Loan - \$5,833 Commitment | 10/11/2022 | 11.86% (6M SOFR + 7.00%) | 1.00 | 10/11/2028 | — | — | — | — % (8)(10)(15) | | |
| | | First Lien Term Loan | 10/11/2022 | 11.86% (6M SOFR + 7.00%) | 1.00 | 10/11/2028 | 64,167 | 64,167 | 64,167 | 1.7 % (3)(8)(10) | | |
| | | | | | | | 64,167 | | 64,167 | 1.7 % | | |
| First Brands Group, LLC | Automobile Components | First Lien Term Loan | 3/24/2021 | 10.25% (6M SOFR+ 5.00%) | 1.00 | 3/30/2027 | 22,354 | 22,267 | 21,930 | 0.6 % (3)(8)(10) | | |
| | | Second Lien Term Loan | 3/24/2021 | 13.60% (6ML+ 8.50%) | 1.00 | 3/30/2028 | 37,000 | 36,633 | 36,472 | 1.0 % (3)(8)(10) | | |
| | | | | | | | 58,900 | | 58,402 | 1.6 % | | |
| Forta, LLC (f/k/a Help/Systems Holdings, Inc.) | Software | Second Lien Term Loan | 11/14/2019 | 11.66% (1M SOFR+ 6.75%) | 0.75 | 11/19/2027 | 52,500 | 52,336 | 48,691 | 1.3 % (3)(8)(10) | | |
| | | | | | | | 52,336 | | 48,691 | 1.3 % | | |
| Galaxy XV CLO, Ltd. | Structured Finance | Subordinated Structured Note | 2/13/2013 | Residual interest, current yield 8.68% | — | 10/15/2030 | 50,524 | 33,305 | 24,543 | 0.5 % (5) (14) | | |
| | | | | | | | 33,305 | | 24,543 | 0.5 % | | |
| Galaxy XXVII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2013 | Residual interest, current yield 19.69% | — | 5/16/2031 | 24,575 | 16,429 | 13,686 | 0.4 % (5) (14) | | |
| | | | | | | | 16,429 | | 13,686 | 0.4 % | | |
| Galaxy XXVIII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 5/30/2014 | Residual interest, current yield 16.47% | — | 7/15/2031 | 39,905 | 27,415 | 19,609 | 0.5 % (5) (14) | | |
| | | | | | | | 27,415 | | 19,609 | 0.5 % | | |
| Halcyon Loan Advisors Funding 2012-1 Ltd. | Structured Finance | Subordinated Structured Note | 8/7/2012 | Residual interest, current yield 0.00% | — | 8/15/2023 | 23,188 | 3,704 | 1 | — % (5) (14)(17) | | |
| | | | | | | | 3,704 | | 1 | — % | | |
| Halcyon Loan Advisors Funding 2014-2 Ltd. | Structured Finance | Subordinated Structured Note | 4/14/2014 | Residual interest, current yield 0.00% | — | 4/28/2025 | 41,163 | 21,322 | 25 | — % (5) (14)(17) | | |
| | | | | | | | 21,322 | | 25 | — % | | |
| Halcyon Loan Advisors Funding 2015-3 Ltd. | Structured Finance | Subordinated Structured Note | 7/23/2015 | Residual interest, current yield 0.00% | — | 10/18/2027 | 39,598 | 29,557 | 139 | — % (5) (14)(17) | | |
| | | | | | | | 29,557 | | 139 | — % | | |
| HarbourView CLO VII-R, Ltd. | Structured Finance | Subordinated Structured Note | 6/5/2015 | Residual interest, current yield 5.06% | — | 7/18/2031 | 19,025 | 13,448 | 7,271 | 0.2 % (5) (14) | | |
| | | | | | | | 13,448 | | 7,271 | 0.2 % | | |

| | | | | | | | | | | September 30, 2023 | | |
|---|----------------------------------|--|------------|--------------------------|------|------------|----------------|-----------------|----------------|----------------------|-----------------|--|
| Portfolio Company | Industry | Acquisition | | | | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | |
| | | Investments(1)(37) | Date(44) | Coupon/Yield | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | |
| Help/Systems Holdings, Inc. (d/b/a Forta, LLC) | Software | Second Lien Term Loan | 11/14/2019 | 12.35% (6M SOFR+ 6.75%) | 0.75 | 11/19/2027 | \$ 52,500 | \$ 52,364 | \$ 52,102 | 1.4 % (3)(8)(10) | | |
| | | | | | | | | 52,364 | | 52,102 | 1.4 % | |
| The Hiller Companies, LLC | Commercial Services & Supplies | First Lien Term Loan | 10/11/2022 | 12.52% (6M SOFR + 7.00%) | 1.00 | 9/15/2028 | 37,000 | 37,000 | 37,000 | 1.0 % (3)(8)(10)(49) | | |
| | | | | | | | 37,000 | | 37,000 | 1.0% | | |
| Interventional Management Services, LLC | Health Care Providers & Services | First Lien Revolving Line of Credit - \$5,000 Commitment | 2/22/2021 | 14.64% (3M SOFR+ 9.00%) | 1.00 | 2/22/2025 | 5,000 | 5,000 | 5,000 | 0.1 % (10)(15) | | |
| | | First Lien Term Loan | 2/22/2021 | 14.64% (3M SOFR+ 9.00%) | 1.00 | 2/20/2026 | 66,623 | 66,623 | 66,623 | 1.8 % (3) (10) | | |
| | | | | | | | 71,623 | | 71,623 | 1.9 % | | |
| Japs-Olson Company, LLC (33) | Commercial Services & Supplies | First Lien Term Loan | 5/25/2023 | 12.14% (3M SOFR + 6.75%) | 2.00 | 5/25/2028 | 67,427 | 67,427 | 67,427 | 1.8 % (3) (10) | | |

| | | | | | | | | | | 67,427 | 67,427 | 1.8 % |
|--------------------------------------|----------------------------------|--|------------|--|------|------------|------------|---------|---------|------------------|--------------------|-------|
| Jefferson Mill CLO Ltd. | Structured Finance | Subordinated Structured Note | 6/26/2015 | Residual Interest, current yield 9.56% | | — | 10/20/2031 | 23,594 | 17,627 | 14,070 | 0.4 % (5) (14) | |
| | | | | | | | | | 17,627 | 14,070 | 0.4 % | |
| Julie Lindsey, Inc. | Textiles, Apparel & Luxury Goods | First Lien Revolving Line of Credit - \$2,000 Commitment | 7/27/2023 | 11.39% (3M SOFR + 6.00%) | 4.00 | 7/27/2027 | — | — | — | — | — % (10)(15) | |
| | | First Lien Term Loan | 7/27/2023 | 11.39% (3M SOFR + 6.00%) | 4.00 | 7/27/2028 | 19,900 | 19,900 | 19,900 | 19,900 | 0.5 % (3) (10) | |
| | | | | | | | | | 19,900 | 19,900 | 0.5 % | |
| K&N HoldCo, LLC | Automobile Components | Class A Common Units (84,553 units) | 2/14/2023 | — | N/A | — | 25,697 | 1,444 | — | — % (8)(16) | | |
| | | | | | | | 25,697 | 1,444 | — | — % | | |
| KM2 Solutions LLC | IT Services | First Lien Term Loan | 12/17/2020 | 14.39% (3M SOFR+ 9.00%) | 1.00 | 12/17/2025 | 23,613 | 23,613 | 23,368 | 0.6 % (3) (10) | | |
| | | | | | | | 23,613 | 23,368 | 0.6 % | | | |
| LCM XIV Ltd. | Structured Finance | Subordinated Structured Note | 6/25/2013 | Residual Interest, current yield 0.58% | | — | 7/21/2031 | 49,934 | 23,475 | 16,842 | 0.4 % (5) (14) | |
| | | | | | | | | 23,475 | 16,842 | 0.4 % | | |
| LGC US FINCO, LLC | Machinery | First Lien Term Loan | 1/17/2020 | 11.93% (1M SOFR+ 6.50%) | 1.00 | 12/20/2025 | 29,714 | 29,341 | 29,714 | 0.8 % (3)(8)(10) | | |
| | | | | | | | | 29,341 | 29,714 | 0.8 % | | |
| Lucky US BuyerCo LLC | Professional Services | First Lien Revolving Line of Credit - \$2,775 Commitment | 4/3/2023 | 12.82% (1M SOFR + 7.50%) | 1.00 | 4/1/2029 | — | — | — | — | — % (8)(10)(15) | |
| | | First Lien Term Loan | 4/3/2023 | 12.82% (1M SOFR + 7.50%) | 1.00 | 4/1/2029 | 21,620 | 21,620 | 21,620 | 21,620 | 0.6 % (3)(8)(10) | |
| | | | | | | | | 21,620 | 21,620 | 0.6 % | | |
| MAC Discount, LLC | Household Durables | First Lien Term Loan | 5/11/2023 | 13.64% (3M SOFR + 8.00%) | 1.50 | 5/11/2028 | 37,620 | 37,282 | 37,620 | 37,620 | 1.0 % (3) (10) | |
| | | Class A Senior Preferred Stock to MAC Discount Investments, LLC (1,500,000 shares) | 5/11/2023 | 12.00% | — | 5/11/2028 | — | 1,500 | 1,567 | — | — % (16) | |
| | | | | | | | | 38,782 | 39,187 | 1.0 % | | |
| Magnate Worldwide, LLC | Air Freight & Logistics | First Lien Delayed Draw Term Loan - \$2,357 Commitment | 3/11/2022 | 11.14% (3M SOFR+ 5.50%) | 0.75 | 12/30/2028 | 1,208 | 1,185 | 1,208 | — | — % (8)(10)(15) | |
| | | First Lien Term Loan | 3/11/2022 | 11.14% (3M SOFR+ 5.50%) | 0.75 | 12/30/2028 | 30,186 | 30,186 | 30,186 | 30,186 | 0.8 % (3)(8)(10) | |
| | | Second Lien Term Loan | 12/30/2021 | 14.04% (3M SOFR+ 8.50%) | 0.75 | 12/30/2029 | 95,000 | 95,000 | 95,000 | 95,000 | 2.5 % (3) (10) | |
| | | | | | | | | 126,371 | 126,394 | 3.3 % | | |
| Mamba Purchaser, Inc. | Health Care Providers & Services | Second Lien Term Loan | 9/29/2021 | 11.94% (1M SOFR+ 6.50%) | 0.50 | 10/14/2029 | 23,000 | 22,868 | 23,000 | 23,000 | 0.6 % (3)(8)(10) | |
| | | | | | | | | 22,868 | 23,000 | 0.6 % | | |
| Medical Solutions Holdings, Inc. (4) | Health Care Providers & Services | Second Lien Term Loan | 11/1/2021 | 12.52% (3M SOFR+ 7.00%) | 0.50 | 11/1/2029 | 54,463 | 54,429 | 54,463 | 54,463 | 1.5 % (3)(8)(10) | |
| | | | | | | | | 54,429 | 54,463 | 1.5 % | | |
| Mountain View CLO 2013-I Ltd. | Structured Finance | Subordinated Structured Note | 4/17/2013 | Residual Interest, current yield 0.00% | | — | 10/15/2030 | 43,650 | 20,710 | 12,898 | 0.3 % (5) (14)(17) | |
| | | | | | | | | 20,710 | 12,898 | 0.3 % | | |

See notes to consolidated financial statements.

14

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Portfolio Company | Industry | March 31, 2023 (Unaudited) | | | | | Portfolio Company | Industry | Investments(1) Acquisition | | | | | Legal | | | | |
|-------------------|-------------------|----------|----------------------------|----------|--------------|-------|----------|-------------------|----------|----------------------------|-----------|-----------|------|-----------------|-------|----------|--------------|-------|----------|
| | | | (37) | Date(44) | Coupon/Yield | Floor | Maturity | | | Legal | Principal | Amortized | Fair | % of Net Assets | (37) | Date(44) | Coupon/Yield | Floor | Maturity |
| | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | |
|--|--|--|-------------------------|--|------|------------|-----------|-----------|-----------|-------|--|--|--|--|
| Non- Control/Non- Affiliate Investments (less than 5.00% voting control) | Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | |
| | | | | | | | | | | | | | | |
| | | Commercial Services & Supplies | First Lien Term Loan | 11.89% (3M SOFR + 7.00%) | 1.00 | 9/15/2028 | \$ 20,000 | \$ 20,000 | \$ 20,000 | 0.5 | % (8) | | | |
| | | | | | | | | | | | (10) | | | |
| | | | | | | | | 20,000 | 20,000 | 0.5% | | | | |
| | | | | | | | | | | | | | | |
| Interventional Management Services, LLC | Health Care Providers & Services | First Lien Revolving Line of Credit - \$5,000 Commitment | 2/22/2021 | 14.16% (3ML+ 9.00%) | 1.00 | 2/22/2025 | 5,000 | 5,000 | 5,000 | 0.1 | % (10) | | | |
| | | | | | | | | | | | (15) | | | |
| | | | | | | | | | | | | | | |
| Jefferson Mill CLO Ltd. | Structured Finance | First Lien Term Loan | 2/22/2021 | 14.16% (3ML+ 9.00%) | 1.00 | 2/20/2026 | 67,328 | 67,328 | 67,328 | 1.8 | % (3) | | | |
| | | | | | | | | | | | (10) | | | |
| | | | | | | | | 72,328 | 72,328 | 1.9 % | | | | |
| | | | | | | | | | | | | | | |
| K&N HoldCo, LLC | Automobile Components | Subordinated Structured Note | 6/26/2015 | Residual Interest, current yield 10.49% | — | 10/20/2031 | 23,594 | 18,172 | 13,576 | 0.4 | % (5) | | | |
| | | | | | | | | | | | (14) | | | |
| | | | | | | | | 18,172 | 13,576 | 0.4 % | | | | |
| | | | | | | | | | | | | | | |
| KM2 Solutions LLC | IT Services | Class A Common Units (84,553 units) | 2/14/2023 | — | N/A | — | 25,697 | 1,188 | — | % (8) | | | | |
| | | | | | | | | 25,697 | 1,188 | — % | | | | |
| | | | | | | | | | | | | | | |
| LCM XIV Ltd. | Structured Finance | Subordinated Structured Note | 6/25/2013 | 14.05% (3M SOFR+ 9.00%) | 1.00 | 12/17/2025 | 23,738 | 23,738 | 23,194 | 0.6 | % (3) | | | |
| | | | | | | | | 23,738 | 23,194 | 0.6 % | | | | |
| | | | | | | | | | | | | | | |
| LGC US FINCO, LLC | Machinery | First Lien Term Loan | 1/17/2020 | 11.34% (1ML+ 6.50%) | 1.00 | 12/20/2025 | 30,154 | 29,696 | 28,602 | 0.8 | % (8) | | | |
| | | | | | | | | | | | (10) | | | |
| | | | | | | | | 29,696 | 28,602 | 0.8 % | | | | |
| | | | | | | | | | | | | | | |
| Magnate Worldwide, LLC | Air Freight & Logistics | First Lien Delayed Draw Term Loan - td,357 Commitment | 3/11/2022 | 10.23% (3ML+ 5.50%) | 0.75 | 12/30/2028 | — | — | — | — | % (10) | | | |
| | | | | | | | | | | | (15) | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Mamba Purchaser, Inc. | Health Care Providers & Services | Second Lien Term Loan | 9/29/2021 | 11.34% (1ML+ 6.50%) | 0.50 | 10/14/2029 | 23,000 | 22,857 | 23,000 | 0.6 | % (8) | | | |
| | | | | | | | | | | | (10) | | | |
| | | | | | | | | 22,857 | 23,000 | 0.6 % | | | | |
| | | | | | | | | | | | | | | |
| Medical Solutions Holdings, Inc. (4) | Health Care Providers & Services | Second Lien Term Loan | 11/1/2021 | 11.99% (3M SOFR+ 7.00%) | 0.50 | 11/1/2029 | 54,463 | 54,426 | 54,463 | 1.4 | % (8) | | | |
| | | | | | | | | | | | (10) | | | |
| | | | | | | | | 54,426 | 54,463 | 1.4 % | | | | |
| | | | | | | | | | | | | | | |
| Mountain View CLO 2013-I Ltd. | Structured Finance | Subordinated Structured Note | 4/17/2013 | Residual Interest, current yield 0.00% | — | 10/15/2030 | 43,650 | 22,848 | 14,745 | 0.4 | % (14) | | | |
| | | | | | | | | | | | (17) | | | |

| | | | | | |
|---|----------------------------|-------------------------------|-----------|------|------------|
| RC Buyer, Inc. | First Lien Term Loan | 12.67% (3M SOFR+ 7.00%) | 6/17/2022 | 1.00 | 12/13/2025 |
| Reception Purchaser, LLC | Automobile Components | Second Lien Term Loan | 7/26/2021 | 0.75 | 7/30/2025 |
| Redstone Holdco 2 LP (22) | Air Freight & Logistics | First Lien Term Loan | 4/28/2022 | 0.75 | 3/24/2025 |
| Redstone Holdco 2 LP (22) | IT Services | Second Lien Term Loan | 4/16/2021 | 0.75 | 4/27/2025 |
| Research Now Group, LLC and Dynata, LLC | Professional Services | First Lien Term Loan | 12/8/2017 | 1.00 | 12/20/2025 |
| | | Second Lien Term Loan | 12/8/2017 | 1.00 | 12/20/2025 |

See notes to consolidated financial statements.

15

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | March 31, 2023 (Unaudited) | |
|---|-------------------------------------|--|---|---|---------------------|---|-----------------------------|-----------------------------|-----------------------------|--------------------------|---------------------------------|--|
| | | | Date(44) | Coupon/Yield | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | |
| PeopleConnect Holdings, LLC (11) | Interactive Media & Services | First Lien Term Loan | 1/22/2020 | 13.41% (3ML+ 8.25%) | 1.75 | 1/22/2025 | \$ 211,754 | \$ 211,754 | \$ 211,754 | 5.6 % (3)(10) | | |
| | | | | | | | | | | | | |
| PetVet Care Centers, LLC (f/k/a Pearl Intermediate Parent LLC) | Health Care Providers & Services | Second Lien Term Loan | 2/1/2018 | 11.09% (1ML+ 6.25%) | — | 2/15/2026 | 16,000 | 15,953 | 15,509 | 0.4 % (3)(8)(10) | | |
| | | | | | | | | | | | | |
| PGX Holdings, Inc. (6) | Diversified Consumer Services | First Lien Term Loan Second Lien Delayed Draw Term Loan -\$30,000 Commitment Second Lien Term Loan Class B of PGX TopCo LLC (999 Non-Voting Units) | 7/21/2021 12/28/2022 7/21/2021 5/27/2020 | 12.91% (3M SOFR + 7.75%) 12.00% PIK 12.00% PIK N/A | 1.50 — — — | 7/21/2026 12/31/2025 7/27/2027 — | 70,639 — 179,986 — | 70,639 — 179,986 — | 70,639 — 114,017 — | 1.9% —% 3.0% —% | (8)(10) (15) (39) (16) | |
| | | | | | | | | | | | | |
| PlayPower, Inc. | Leisure Products | First Lien Term Loan | 5/7/2019 | 10.25% (3M SOFR+ 7.50%) | — | 5/10/2026 | 5,808 | 5,779 | 5,123 | 0.1 % (3)(8)(10) | | |
| | | | | | | | | | | | | |
| Precisely Software Incorporated (f/k/a Vision Solutions, Inc.) (29) | IT Services | Second Lien Term Loan | 4/23/2021 | 12.07% (3ML+ 7.25%) | 0.75 | 4/23/2029 | 80,000 | 79,302 | 67,796 | 1.8 % (3)(8)(10) | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

| | | | | | | | | | | |
|--|-------------------------------|--|------------|------------------------------|------|------------|--------|--------|--------|-----------------------|
| Preventics, Inc. (d/b/a Legere Health Care Providers & Pharmaceuticals) (46) | Services | First Lien Term Loan | 11/12/2021 | 15.66% (3ML+ 10.50%) | 1.00 | 11/12/2026 | 9,173 | 9,173 | 9,063 | 0.2 % (3) (10) |
| | | Series A Convertible Preferred Stock (320 units) | 11/12/2021 | 8.00% | — | N/A | — | 127 | 131 | — % (16) |
| | | Series C Convertible Preferred Stock (3,575 units) | 11/12/2021 | 8.00% | — | N/A | — | 1,419 | 1,461 | — % (16) |
| | | | | | | | | 10,719 | 10,655 | 0.2 % |
| Raisin Acquisition Co, Inc. | Pharmaceuticals | First Lien Revolving Line of Credit - \$3,583 Commitment | 6/17/2022 | 12.38% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | — | — | — | — % (8)(10)(15) |
| | | First Lien Delayed Draw Term Loan - \$1,554 Commitment | 6/17/2022 | 12.16% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | 1,523 | 1,489 | 1,485 | — % (8)(10)(15) |
| | | First Lien Term Loan | 6/17/2022 | 12.38% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | 24,365 | 23,740 | 23,754 | 0.6 % (3)(8)(10) |
| | | | | | | | | 25,229 | 25,239 | 0.6 % |
| RC Buyer, Inc. | Automobile Components | Second Lien Term Loan | 7/26/2021 | 11.34% (1ML+ 6.50%) | 0.75 | 7/30/2029 | 20,000 | 19,921 | 19,117 | 0.5 % (3)(8)(10) |
| | | | | | | | | 19,921 | 19,117 | 0.5 % |
| Reception Purchaser, LLC | Air Freight & Logistics | First Lien Term Loan | 4/28/2022 | 10.83% (1M SOFR+ 6.00%) | 0.75 | 3/24/2028 | 62,890 | 61,911 | 62,600 | 1.6 % (3)(8)(10) |
| | | | | | | | | 61,911 | 62,600 | 1.6 % |
| Redstone Holdco 2 LP (22) | IT Services | Second Lien Term Loan | 4/16/2021 | 12.56% (3ML+ 7.75%) | 0.75 | 4/27/2029 | 50,000 | 49,322 | 41,358 | 1.1 % (3)(8)(10) |
| | | | | | | | | 49,322 | 41,358 | 1.1 % |
| Research Now Group, Inc. & Survey Sampling International LLC | Professional Services | First Lien Term Loan | 12/8/2017 | 10.31% (3ML+ 5.50%) | 1.00 | 12/20/2024 | 9,500 | 9,359 | 8,345 | 0.2 % (3)(8)(10) |
| | | Second Lien Term Loan | 12/8/2017 | 14.31% (3ML+ 9.50%) | 1.00 | 12/20/2025 | 50,000 | 48,826 | 39,838 | 1.0 % (3)(8)(10) |
| | | | | | | | | 58,185 | 48,183 | 1.2 % |
| Rising Tide Holdings, Inc. | Diversified Consumer Services | First Lien Term Loan | 3/23/2023 | 13.39% PIK (3M SOFR+ 8.25%) | 0.75 | 6/1/2029 | 11,983 | 11,849 | 11,812 | 0.3 % (8)(10)(39)(50) |
| | | Second Lien Term Loan | 3/23/2023 | 13.39% PIK (3M SOFR + 8.25%) | 0.75 | 6/1/2029 | 11,763 | 11,630 | — | — % (8)(9)(10) |
| | | | | | | | | 23,479 | 11,812 | 0.3 % |

| September 30, 2023 | | | | | | | | | | |
|---|--------------------------------|--|-----------|---|-------|----------------|----------|-----------|-----------|------------------|
| Portfolio Company | Industry | Acquisition | | | Floor | Legal Maturity | Value | Principal | Amortized | Fair Value(2) |
| | | Investments(1)(37) | Date(44) | Coupon/Yield | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| Rising Tide Holdings, Inc. | Diversified Consumer Services | Exit Facility Term Loan | 9/25/2023 | 13.66% PIK (3M SOFR+ 8.00%) | 2.00 | 3/11/2024 | \$ 5,280 | \$ 4,800 | \$ 5,044 | 0.1 % (8)(10) |
| | | Class A Common Units to Marine One Holdco, LLC | 9/12/2023 | | — | N/A | — | 23,898 | 5,849 | 0.2 % (8)(16) |
| | | Warrants of Marine One Holdco, LLC | 9/12/2023 | | — | N/A | — | — | — | — % (8)(16) |
| | | | | | | | | 28,698 | 10,883 | 0.3 % |
| The RK Logistics Group, Inc. | Commercial Services & Supplies | First Lien Term Loan | 3/24/2022 | 16.15% (3M SOFR+ 10.50%) | 1.00 | 3/24/2027 | 5,728 | 5,728 | 5,728 | 0.2 % (3) (10) |
| | | Class A Common Units(263,000 units) | 3/24/2022 | | — | N/A | — | 263 | 2,548 | 0.1 % (16) |
| | | Class B Common Units(1,237,000 units) | 3/24/2022 | | — | N/A | — | 1,237 | 11,984 | 0.3 % (16) |
| | | | | | | | | 7,228 | 20,260 | 0.6 % |
| RME Group Holding Company | Media | First Lien Term Loan A | 5/4/2017 | 11.14% (3M SOFR+ 5.50%) | 1.00 | 5/6/2024 | 20,187 | 20,187 | 20,187 | 0.5 % (3) (10) |
| | | First Lien Term Loan B | 5/4/2017 | 16.64% (3M SOFR+ 11.00%) | 1.00 | 5/6/2024 | 20,670 | 20,670 | 20,670 | 0.5 % (3) (10) |
| | | | | | | | | 40,857 | 40,857 | 1.0 % |
| Romark WM-R Ltd. | Structured Finance | Subordinated Structured Note | 4/11/2014 | Residual Interest, current yield 11.15% | — | 4/21/2031 | 27,724 | 19,025 | 14,313 | 0.4 % (5) (14) |
| | | | | | | | | 19,025 | 14,313 | 0.4 % |
| Rosa Mexicano | Hotels, Restaurants & Leisure | First Lien Revolving Line of Credit - \$500 Commitment | 3/29/2018 | 13.15% (3M SOFR+ 7.50%) | 1.25 | 6/13/2024 | 147 | 147 | 139 | — % (10)(15) |
| | | First Lien Term Loan | 3/29/2018 | 13.15% (3M SOFR+ 7.50%) | 1.25 | 6/13/2024 | 21,109 | 21,109 | 19,959 | 0.5 % (10) |
| | | | | | | | | 21,256 | 20,098 | 0.5 % |
| Shearer's Foods, LLC | Food Products | Second Lien Term Loan | 9/15/2020 | 13.19% (1M SOFR+ 7.75%) | 0.75 | 9/23/2028 | 3,600 | 3,538 | 3,600 | 0.1 % (3)(8)(10) |
| | | | | | | | | 3,538 | 3,600 | 0.1 % |
| ShiftKey, LLC | Health Care Technology | First Lien Term Loan | 6/21/2022 | 11.40% (3M SOFR+ 5.75%) | 1.00 | 6/21/2027 | 64,188 | 63,762 | 64,188 | 1.7 % (3) (10) |
| | | | | | | | | 63,762 | 64,188 | 1.7 % |
| Shutterfly Finance, LLC | Internet & Direct | First Lien Term Loan | 6/5/2023 | 11.32% (1M SOFR + 6.00%) | 1.00 | 10/1/2027 | 2,406 | 2,411 | 2,406 | 0.1 % (8)(10) |

| | | | | | | | | | | |
|-----------------------------------|----------------------------------|------------------------------|----------------------|--|-------------------------|------------|-----------|--------|---------------|----------------------------|
| | Marketing Retail | Second Lien Term Loan | 6/6/2023 | 6.39% (3M SOFR + 1.00%) plus 4.00% PIK | 1.00 | 10/1/2027 | 18,306 | 18,306 | 14,125 | 0.4 % (8)(10)(39) |
| | | | | | | | | | 20,717 | 16,531 0.5 % |
| Sorenson Communications, LLC | Diversified Services | Telecommunication Services | First Lien Term Loan | 3/12/2021 | 10.93% (1M SOFR+ 5.50%) | 0.75 | 3/17/2026 | 30,167 | 29,870 | 30,167 0.8 % (3)(8)(10) |
| | | | | | | | | | 29,870 | 30,167 0.8 % |
| Southern Veterinary Partners | Health Care Providers & Services | Second Lien Term Loan | 10/2/2020 | 13.17% (1M SOFR+ 7.75%) | 1.00 | 10/5/2028 | 8,000 | 7,949 | 8,000 | 0.2 % (3)(8)(10) |
| | | | | | | | | | 7,949 | 8,000 0.2 % |
| Spectrum Vision Holdings, LLC | Health Care Providers & Services | First Lien Term Loan | 5/2/2023 | 12.15% (3M SOFR + 6.50%) | 1.00 | 11/17/2024 | 29,848 | 29,848 | 29,848 | 0.8 % (3)(8)(10) |
| | | | | | | | | | 29,848 | 29,848 0.8 % |
| Staples, Inc. | Distributors | First Lien Term Loan | 11/18/2019 | 10.63% (3ML+ 5.00%) | — | 4/16/2026 | 8,661 | 8,625 | 7,502 | 0.2 % (3)(8)(10)(47) |
| | | | | | | | | | 8,625 | 7,502 0.2 % |
| Strategic Materials Holding Corp. | Household Durables | Second Lien Term Loan | 10/27/2017 | 13.39% (3M SOFR+ 7.75%) | 1.00 | 11/1/2025 | 7,000 | 6,980 | 1,625 | — % (8)(9)(10) |
| | | | | | | | | | 6,980 | 1,625 — % |
| Stryker Energy, LLC | Energy Equipment & Services | Overriding Royalty Interest | 12/4/2006 | | — | N/A | — | — | — | — % (13) |
| | | | | | | | | | — | — — % |
| Symphony CLO XIV, Ltd. | Structured Finance | Subordinated Structured Note | 5/6/2014 | Residual Interest, current yield 0.00% | — | 7/14/2026 | 49,250 | — | — | — % (5) (14) |
| | | | | | | | | | — | — — % |
| Symphony CLO XV, Ltd. | Structured Finance | Subordinated Structured Note | 10/17/2014 | Residual Interest, current yield 0.00% | — | 1/19/2032 | 63,830 | 39,387 | 23,953 | 0.6 % (5) (14)(17) |
| | | | | | | | | | 39,387 | 23,953 0.6 % |

See notes to consolidated financial statements.

16

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | March 31, 2023 (Unaudited) | | | | |
|---|--------------------------------|--|-------------------------------------|---|----------------|----------------------------|-----------------------|-------------------------|----------------------------|--|
| | | | Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| The RK Logistics Group, Inc. | Commercial Services & Supplies | First Lien Term Loan Class A Common Units(263,000 units) Class B Common Units(1,237,000 units) | 3/24/2022 3/24/2022 3/24/2022 | 15.66% (3ML+ 10.50%) 10.66% (3ML+ 5.50%) 16.16% (3ML+ 11.00%) | 1.00 — — | 3/24/2027 N/A N/A | 5,925 263 1,237 | 5,925 2,049 9,636 | 5,925 17,610 17,610 | 0.2 % (3) (10) 0.1 % (16) 0.3 % (16) |
| RME Group Holding Company | Media | First Lien Term Loan A First Lien Term Loan B | 5/4/2017 5/4/2017 | 10.66% (3ML+ 5.50%) 16.16% (3ML+ 11.00%) | 1.00 1.00 | 5/6/2024 5/6/2024 | 23,131 21,302 | 23,131 21,302 | 23,131 44,433 44,433 | 0.6 % (3) (10) 0.6 % (3) (10) |
| Romark WM-R Ltd. | Structured Finance | Subordinated Structured Note | 4/11/2014 | Residual Interest, current yield 13.57% | — | 4/21/2031 | 27,725 | 19,992 | 15,337 | 0.4 % (5) (14) |
| | | | | | | | | | 19,992 | 15,337 0.4 % |
| Rosa Mexicano | Hotels, Restaurants & Leisure | First Lien Revolving Line of Credit - \$500 Commitment First Lien Term Loan | 3/29/2018 3/29/2018 | 12.66% (3ML+ 7.50%) 12.66% (3ML+ 7.50%) | 1.25 1.25 | 5/29/2024 5/29/2024 | 235 22,161 | 235 22,161 | 223 21,006 | — % (10)(15) 0.6 % (10) |
| SEOTownCenter, Inc. | IT Services | First Lien Term Loan | 1/31/2022 | 13.16% (3ML+ 8.00%) | 1.00 | 1/31/2027 | 51,350 | 51,350 | 49,608 | 1.3 % (3) (10) |
| | | | | | | | | | 22,396 | 21,229 0.6 % |

| | | | | | | | | | | | |
|-----------------------------------|--|---|------------|--|------|-----------|--------|--------|--------|----------------------|-------|
| | | | | | | | | | 51,350 | 49,608 | 1.3 % |
| Shearer's Foods, LLC | Food Products | Second Lien Term Loan | 9/15/2020 | 12.60% (1ML+ 7.75%) | 1.00 | 9/23/2028 | 4,000 | 3,931 | 4,000 | 0.1 % (3)(8)(10) | |
| | | | | | | | | | 3,931 | 4,000 | 0.1 % |
| ShiftKey, LLC | Health Care Technology | First Lien Term Loan | 6/21/2022 | 11.91% (3M SOFR+ 5.75%) | 1.00 | 6/21/2027 | 64,513 | 64,030 | 64,513 | 1.7 % (3)(10) | |
| | | | | | | | | | 64,030 | 64,513 | 1.7 % |
| Shutterfly, LLC | Internet & Direct Marketing Retail | 2021 Refinancing First Lien Term Loan B | 7/1/2021 | 9.84% (1ML+ 5.00%) | 0.75 | 9/25/2026 | 20,090 | 20,022 | 13,880 | 0.4 % (3)(8)(10) | |
| | | | | | | | | | 20,022 | 13,880 | 0.4 % |
| Sorenson Communications, LLC | Diversified Telecommunication Services | First Lien Term Loan | 3/12/2021 | 10.34% (1ML+ 5.50%) | 0.75 | 3/17/2026 | 32,052 | 31,694 | 31,797 | 0.8 % (3)(8)(10) | |
| | | | | | | | | | 31,694 | 31,797 | 0.8 % |
| Southern Veterinary Partners | Health Care Providers & Services | Second Lien Term Loan | 10/2/2020 | 12.59% (1ML+ 7.75%) | 1.00 | 10/5/2028 | 8,000 | 7,944 | 7,741 | 0.2 % (3)(8)(10) | |
| | | | | | | | | | 7,944 | 7,741 | 0.2 % |
| Spectrum Holdings III Corp | Health Care Equipment & Supplies | Second Lien Term Loan | 1/26/2018 | 11.84% (1ML+ 7.00%) | 1.00 | 1/31/2026 | 7,500 | 7,487 | 6,810 | 0.2 % (8)(10) | |
| | | | | | | | | | 7,487 | 6,810 | 0.2 % |
| Staples, Inc. | Distributors | First Lien Term Loan | 11/18/2019 | 9.81% (3ML+ 5.00%) | — | 4/16/2026 | 8,706 | 8,663 | 8,094 | 0.2 % (3)(8)(10)(47) | |
| | | | | | | | | | 8,663 | 8,094 | 0.2 % |
| Strategic Materials Holding Corp. | Household Durables | Second Lien Term Loan | 10/27/2017 | 12.56% (3ML+ 7.75%) | 1.00 | 11/1/2025 | 7,000 | 6,977 | 5,064 | 0.1 % (8)(10) | |
| | | | | | | | | | 6,977 | 5,064 | 0.1 % |
| Stryker Energy, LLC | Energy Equipment & Services | Overriding Royalty Interest | 12/4/2006 | | — | N/A | — | — | — | — % (13) | |
| | | | | | | | | | — | — | — % |
| Symphony CLO XIV, Ltd. | Structured Finance | Subordinated Structured Note | 5/6/2014 | Residual Interest, current yield 0.00% | — | 7/14/2026 | 49,250 | 23,941 | 8,046 | 0.2 % (5) (14)(17) | |
| | | | | | | | | | 23,941 | 8,046 | 0.2 % |
| Symphony CLO XV, Ltd. | Structured Finance | Subordinated Structured Note | 10/17/2014 | Residual Interest, current yield 8.97% | — | 1/19/2032 | 63,830 | 41,644 | 28,051 | 0.7 % (5) (14) | |
| | | | | | | | | | 41,644 | 28,051 | 0.7 % |

| September 30, 2023 | | | | | | | | | | | |
|---|----------------------------------|--|------------|--|-------|----------------|-----------------|----------------|---------------|--------------------|-------|
| Portfolio Company | Industry | Acquisition | | | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | |
| | | Investments(1)(37) | Date(44) | Coupon/Yield | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | |
| Town & Country Holdings, Inc. | Distributors | First Lien Term Loan | 1/26/2018 | 12.00% PIK | 12.00 | 2/27/2026 | \$ 180,513 | \$ 180,513 | \$ 180,513 | 4.8 % (39) | |
| | | First Lien Term Loan | 11/17/2022 | 12.00% PIK | 12.00 | 2/27/2026 | 15,547 | 15,547 | 15,547 | 0.4 % (39) | |
| | | Class W Interests of Town & Country Housewares Group, LP(188,105 Non-Voting Interests) | 8/31/2022 | 4.00% | — | N/A | — | — | 2 | — % (16) | |
| | | Class B of Town & Country TopCo LLC (999 Non-Voting Units) | 11/17/2022 | | — | N/A | — | — | 47,645 | 1.3 % (16) | |
| | | | | | | | | | | | |
| TPS, LLC | Machinery | First Lien Term Loan | 11/30/2020 | 14.65% (3M SOFR+ 9.00%) plus 1.50% PIK | 1.00 | 11/30/2025 | 23,280 | 23,280 | 23,280 | 0.6 % (3) (10)(39) | |
| | | | | | | | | | 23,280 | 23,280 | 0.6 % |
| United Sporting Companies, Inc. (18) | Distributors | Second Lien Term Loan | 9/28/2012 | 16.19% (1ML+ 11.00%) plus 2.00% PIK | 2.25 | 11/16/2019 | 130,140 | 89,178 | 7,227 | 0.2 % (9)(10) | |
| | | | | | | | | | 89,178 | 7,227 | 0.2 % |
| Upstream Newco, Inc. | Health Care Providers & Services | Second Lien Term Loan | 11/20/2019 | 13.92% (1M SOFR+ 8.50%) | — | 11/20/2027 | 22,000 | 21,893 | 20,278 | 0.5 % (3)(8)(10) | |
| | | | | | | | | | 21,893 | 20,278 | 0.5 % |

| | | | | | | | | | | |
|-------------------------------|--|--|------------|---|------|------------|---------|---------|---------|--------------------|
| | | First Lien Revolving Line of Credit - \$4,000 Commitment | 4/15/2015 | 14.67% (1M SOFR+ 9.25%) | 1.00 | 2/9/2028 | 4,000 | 4,000 | 4,000 | 0.1 % (10)(15) |
| USG Intermediate, LLC | Leisure Products | First Lien Term Loan B | 4/15/2015 | 17.17% (1M SOFR+ 11.75%) | 1.00 | 2/9/2028 | 59,694 | 59,694 | 59,694 | 1.6 % (3) (10) |
| | | Equity | 4/15/2015 | — | N/A | — | 1 | — | — | — % (16) |
| | | | | | | | 63,695 | 63,694 | 63,694 | 1.7 % |
| VC GB Holdings I Corp | Household Durables | Second Lien Term Loan | 6/30/2021 | 12.40% (3M SOFR+ 6.75%) | 0.50 | 7/23/2029 | 23,000 | 22,833 | 23,000 | 0.6 % (3)(8)(10) |
| | | | | | | | 22,833 | 23,000 | 23,000 | 0.6 % |
| ViaPath Technologies, Inc. | Diversified Telecommunication Services | First Lien Term Loan | 8/7/2019 | 9.77% (3M SOFR+ 4.25%) | — | 11/29/2025 | 9,572 | 9,430 | 9,318 | 0.2 % (3)(8)(10) |
| | | Second Lien Term Loan | 11/20/2018 | 15.52% (3M SOFR+ 10.00%) | — | 11/29/2026 | 122,670 | 122,008 | 122,670 | 3.2 % (3)(8)(10) |
| | | | | | | | 131,438 | 131,988 | 131,988 | 3.4 % |
| Victor Technology, LLC | Commercial Services & Supplies | First Lien Term Loan | 12/3/2021 | 13.15% (3M SOFR+ 7.50%) | 1.00 | 12/3/2028 | 19,475 | 19,475 | 19,475 | 0.5 % (3) (10) |
| | | | | | | | 19,475 | 19,475 | 19,475 | 0.5 % |
| | | | | | | | | | | |
| Voya CLO 2012-4, Ltd. | Structured Finance | Subordinated Structured Note | 11/5/2012 | Residual Interest, current yield 0.00% | — | 10/15/2030 | 40,613 | 24,866 | 17,449 | 0.5 % (5) (14)(17) |
| | | | | | | | 24,866 | 17,449 | 17,449 | 0.5 % |
| Voya CLO 2014-1, Ltd. | Structured Finance | Subordinated Structured Note | 2/5/2014 | Residual Interest, current yield 0.00% | — | 4/18/2031 | 40,773 | 22,266 | 14,324 | 0.4 % (5) (14)(17) |
| | | | | | | | 22,266 | 14,324 | 14,324 | 0.4 % |
| Voya CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2016 | Residual Interest, current yield 10.43% | — | 10/20/2031 | 28,100 | 23,473 | 17,957 | 0.5 % (5) (14) |
| | | | | | | | 23,473 | 17,957 | 17,957 | 0.5 % |
| Voya CLO 2017-3, Ltd. | Structured Finance | Subordinated Structured Note | 6/13/2017 | Residual Interest, current yield 12.58% | — | 4/20/2034 | 44,884 | 51,629 | 38,984 | 1.0 % (5) (14) |
| | | | | | | | 51,629 | 38,984 | 38,984 | 1.0 % |
| WatchGuard Technologies, Inc. | IT Services | First Lien Term Loan | 8/17/2022 | 10.72% (6M SOFR+ 5.25%) | 0.75 | 6/30/2029 | 34,650 | 34,650 | 34,321 | 0.9 % (3)(8)(10) |
| | | | | | | | 34,650 | 34,321 | 34,321 | 0.9 % |
| Wellful Inc. | Food & Staples Retailing | First Lien Term Loan | 5/26/2022 | 11.69% (1M SOFR+ 6.25%) | 0.75 | 4/21/2027 | 13,606 | 12,948 | 12,928 | 0.3 % (3)(8)(10) |
| | | Incremental First Lien Term Loan | 7/21/2022 | 11.69% (1M SOFR+ 6.25%) | 0.75 | 4/21/2027 | 14,625 | 14,092 | 13,896 | 0.4 % (3)(8)(10) |
| | | | | | | | 27,040 | 26,824 | 26,824 | 0.7 % |
| Wellpath Holdings, Inc. | Health Care Providers & Services | First Lien Term Loan | 5/13/2019 | 11.18% (3M SOFR+ 5.50%) | — | 10/1/2025 | 14,203 | 14,105 | 13,869 | 0.4 % (8)(10) |
| | | Second Lien Term Loan | 9/25/2018 | 14.68% (3M SOFR+ 9.00%) | — | 10/1/2026 | 37,000 | 36,732 | 33,998 | 0.9 % (8)(10) |
| | | | | | | | 50,837 | 47,867 | 47,867 | 1.3 % |

See notes to consolidated financial statements.

17

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, SEPTEMBER 30, 2023 (Continued)(Unaudited)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | March 31, 2023 (Unaudited) | | | | |
|---|--------------|--|-------------|------------------------------------|-------|----------------------------|-----------------|----------------|---------------|--------------------|
| | | | Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| Town & Country Holdings, Inc. | Distributors | First Lien Term Loan | 1/26/2018 | 12.00% PIK | — | 2/27/2026 | \$ 169,940 | \$ 169,940 | \$ 169,940 | 4.5 % (39) |
| | | First Lien Term Loan | 11/17/2022 | 12.00% PIK | — | 2/27/2026 | 14,636 | 14,636 | 14,636 | 0.4 % (39) |
| | | Class W Interests of Town & Country Housewares Group, LP(188,105 Non-Voting Interests) | 8/31/2022 | 4.00% | — | N/A | — | — | 15 | — % (16) |
| | | Class B of Town & Country TopCo LLC (999 Non-Voting Units) | 11/17/2022 | — | N/A | — | — | — | 38,355 | 1.0 % (16) |
| | | | | | | | | 184,576 | 222,946 | 5.9 % |
| TPS, LLC | Machinery | First Lien Term Loan | 11/30/2020 | 14.16% (3ML+ 9.00%) plus 1.50% PIK | 1.00 | 11/30/2025 | 23,393 | 23,393 | 23,393 | 0.6 % (3) (10)(39) |

| | | | | | | | | | | 23,393 | 23,393 | 0.6 % |
|---|--|--|------------|---|------|------------|---------|---------|---------|------------------|--------|-------|
| United Sporting Companies, Inc. (18) | Distributors | Second Lien Term Loan | 9/28/2012 | 13.25% (1ML+ 11.00%) plus 2.00% PIK | 2.25 | 11/16/2019 | 130,140 | 89,178 | 7,017 | 0.2 % (9)(10) | | |
| | | | | | | | | 89,178 | 7,017 | 0.2 % | | |
| Upstream Newco, Inc. | Health Care Providers & Services | Second Lien Term Loan | 11/20/2019 | 13.66% (3ML+ 8.50%) | — | 11/20/2027 | 22,000 | 21,881 | 20,965 | 0.6 % (3)(8)(10) | | |
| | | | | | | | | 21,881 | 20,965 | 0.6 % | | |
| | | First Lien Revolving Line of Credit - \$3,000 Commitment | 4/15/2015 | 14.09% (1ML+ 9.25%) | 1.00 | 2/9/2027 | 3,000 | 3,000 | 3,000 | 0.1 % (10)(15) | | |
| USG Intermediate, LLC | Leisure Products | First Lien Term Loan B | 4/15/2015 | 16.59% (1ML+ 11.75%) | 1.00 | 2/9/2027 | 50,966 | 50,966 | 50,966 | 1.3 % (3)(10) | | |
| | | Equity | 4/15/2015 | — | N/A | — | 1 | — | — | — % (16) | | |
| | | | | | | | | 53,967 | 53,966 | 1.4 % | | |
| VC GB Holdings I Corp | Household Durables | Second Lien Term Loan | 6/30/2021 | 11.59% (1ML+ 6.75%) | 0.50 | 7/23/2029 | 23,000 | 22,818 | 21,965 | 0.6 % (3)(8)(10) | | |
| | | | | | | | | 22,818 | 21,965 | 0.6 % | | |
| ViaPath Technologies, (f/k/a Global Tel*Link Corporation) | Diversified Telecommunication Services | First Lien Term Loan | 8/7/2019 | 9.08% (3M SOFR+ 4.25%) | — | 11/29/2025 | 9,647 | 9,473 | 9,110 | 0.2 % (3)(8)(10) | | |
| | | Second Lien Term Loan | 11/20/2018 | 14.83% (3M SOFR+ 10.00%) | — | 11/29/2026 | 122,670 | 121,903 | 116,672 | 3.1 % (3)(8)(10) | | |
| | | | | | | | | 131,376 | 125,782 | 3.3 % | | |
| Victor Technology, LLC | Commercial Services & Supplies | First Lien Term Loan | 12/3/2021 | 12.66% (3ML+ 7.50%) | 1.00 | 12/3/2028 | 29,625 | 29,625 | 27,827 | 0.7 % (3)(10) | | |
| | | | | | | | | 29,625 | 27,827 | 0.7 % | | |
| Voya CLO 2012-4, Ltd. | Structured Finance | Subordinated Structured Note | 11/5/2012 | Residual Interest, current yield 0.91% | — | 10/15/2030 | 40,613 | 27,041 | 21,546 | 0.5 % (5) (14) | | |
| | | | | | | | | 27,041 | 21,546 | 0.5 % | | |
| Voya CLO 2014-1, Ltd. | Structured Finance | Subordinated Structured Note | 2/5/2014 | Residual Interest, current yield 4.58% | — | 4/18/2031 | 40,773 | 24,228 | 17,409 | 0.5 % (5) (14) | | |
| | | | | | | | | 24,228 | 17,409 | 0.5 % | | |
| Voya CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2016 | Residual Interest, current yield 10.49% | — | 10/20/2031 | 28,100 | 23,533 | 19,211 | 0.5 % (5) (14) | | |
| | | | | | | | | 23,533 | 19,211 | 0.5 % | | |
| Voya CLO 2017-3, Ltd. | Structured Finance | Subordinated Structured Note | 6/13/2017 | Residual Interest, current yield 13.87% | — | 4/20/2034 | 44,885 | 51,611 | 40,238 | 1.1 % (5) (14) | | |
| | | | | | | | | 51,611 | 40,238 | 1.1 % | | |
| VT Topco, Inc. | Commercial Services & Supplies | Second Lien Term Loan | 8/14/2018 | 11.59% (1ML+ 6.75%) | — | 8/17/2026 | 12,000 | 11,939 | 11,683 | 0.3 % (3)(8)(10) | | |
| | | 2021 Second Lien Term Loan | 7/30/2021 | 11.59% (1ML+ 6.75%) | 0.75 | 8/17/2026 | 20,250 | 20,136 | 19,715 | 0.5 % (3)(8)(10) | | |
| | | | | | | | | 32,075 | 31,398 | 0.8 % | | |
| WatchGuard Technologies, Inc. | IT Services | First Lien Term Loan | 8/17/2022 | 10.11% (6M SOFR+ 2.25%) | 0.75 | 6/30/2029 | 34,913 | 34,913 | 34,264 | 0.9 % (8)(10) | | |
| | | | | | | | | 34,913 | 34,264 | 0.9 % | | |

| | | | | | | | | | | September 30, 2023 | | |
|---|----------|--------------------|-------------|--------------|-------|-----------------|----------------|---------------|-----------------|--|--------------|---------|
| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | |
| | | | Date(44) | Coupon/Yield | Floor | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | |
| | | | | | | | | | | Total Non-Control/Non-Affiliate Investments \$ 4,543,490 | \$ 4,098,668 | 108.4 % |
| | | | | | | | | | | Total Portfolio Investments \$ 7,613,853 | \$ 7,736,817 | 204.6 % |

See notes to consolidated financial statements.

18

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF MARCH 31, JUNE 30, 2023 (Unaudited) (Continued)
 (in thousands, except share data)

| March 31, 2023 (Unaudited) | | | | | | | | | | | |
|---|----------------------------------|----------------------------------|-------------|-------------------------|------|-----------|----------------|-----------------|----------------|------------------|-----------------|
| Portfolio Company | Industry | Investments(1)(37) | Acquisition | | | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| | | | Date(44) | Coupon/Yield | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | |
| Wellful Inc. (f/k/a KNS Acquisition Corp.) | Food & Staples Retailing | First Lien Term Loan | 5/26/2022 | 11.17% (1M SOFR+ 6.25%) | 0.75 | 4/21/2027 | \$ 13,785 | \$ 12,994 | \$ 13,244 | 0.3 % (8)(10) | |
| | | Incremental First Lien Term Loan | 7/21/2022 | 11.17% (1M SOFR+ 6.25%) | 0.75 | 4/21/2027 | 14,813 | 14,244 | 14,231 | 0.4 % (8)(10) | |
| | | | | | | | | | | | |
| Wellpath Holdings, Inc. (f/k/a CCS-CMGC Holdings, Inc.) | Health Care Providers & Services | First Lien Term Loan | 5/13/2019 | 10.33% (3ML+ 5.50%) | — | 10/1/2025 | 14,278 | 14,154 | 13,577 | 0.4 % (3)(8)(10) | |
| | | Second Lien Term Loan | 9/25/2018 | 13.83% (3ML+ 9.00%) | — | 10/1/2026 | 37,000 | 36,688 | 33,526 | 0.9 % (3)(8)(10) | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

| | | | | | | | | | |
|---------------------------|---|----------------------------|-----------|---|----------|-----------|--------|--------|-------------------|
| Kickapoo Ranch Pet Resort | Diversified Consumer Services | Membership Interest (100%) | 8/26/2019 | — | N/A | — | 2,378 | 3,242 | 0.1% |
| | | | | | | | 2,378 | 3,242 | 0.1% |
| MITY, Inc. (25) | Commercial Services & Supplies | First Lien Term Loan A | 9/19/2013 | 12.50% (3M SOFR+ 7.00%) | 3.00 | 4/30/2025 | 32,074 | 32,074 | 0.9% (3) (10)(39) |
| | | First Lien Term Loan B | 6/23/2014 | 12.50% (3M SOFR+ 7.00%) plus 10.00% PIK | 3.00 | 4/30/2025 | 18,274 | 18,274 | 0.5% (10)(39) |
| | Unsecured Note to Broda Enterprises ULC | 9/19/2013 | 10.00% | — | 1/1/2028 | 5,435 | 7,200 | 7,200 | 0.2% (14) |
| | Common Stock (42,053 shares) | 9/19/2013 | | — | N/A | — | 27,349 | 10,630 | 0.3% (16) |
| | | | | | | | 84,897 | 68,178 | 1.9% |

See notes to consolidated financial statements.

19

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(38) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | June 30, 2022 | | | % of Net Assets | | | | | | | |
|---|----------------------------------|---|----------------------|------------------------|-------|----------------|-----------------|----------------|----------------|-----------------|--|--|--|--|--|--|--|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | | | | | | | | |
| LEVEL 3 PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | | |
| Control Investments (greater than 25.00% voting control)(42) | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| CP Energy Services Inc. (20) | Energy Equipment & Services | First Lien Term Loan | 10/1/2017 | 13.25% (3ML+ 11.00%) | 1.00 | 4/4/2027 | \$ 46,698 | \$ 46,698 | \$ 46,698 | 1.1% (10)(39) | | | | | | | |
| | | First Lien Term Loan | 4/5/2022 | 11.25% (3ML+ 8.00%) | 1.00 | 4/4/2027 | 6,000 | 6,000 | 6,000 | 0.1% (10) | | | | | | | |
| | | First Lien Term Loan A to Spartan Energy Services, LLC | 10/20/2014 | 9.67% (1ML+ 8.00%) | 1.00 | 12/31/2022 | 26,648 | 26,648 | 26,648 | 0.6% (10)(39) | | | | | | | |
| | | Series A Preferred Units to Spartan Energy Holdings, Inc. (10,000 shares) | 9/25/2020 | | | N/A | 26,193 | 21,793 | 21,793 | 0.5% (16) | | | | | | | |
| | | Series B Convertible Preferred Stock (790 shares) | 10/30/2015 | | | N/A | 63,225 | 11,562 | 11,562 | 0.3% (16) | | | | | | | |
| | | Common Stock (102,924 shares) | 8/2/2013 | | | N/A | 86,240 | — | — | —% (16) | | | | | | | |
| | | | | | | | | 255,004 | 112,701 | 2.6% | | | | | | | |
| Credit Central Loan Company, LLC (21) | Consumer Finance | First Lien Term Loan | 12/28/2012 | 10.00% plus 10.00%PIK | — | 6/30/2025 | 75,832 | 73,902 | 75,832 | 1.9% (14)(39) | | | | | | | |
| | | Class A Units (14,867,312 units) | 12/28/2012 | | | N/A | 19,331 | 1,103 | — | —% (14)(16) | | | | | | | |
| | | Net Revenues Interest (25% of Net Revenues) | 1/28/2015 | | | N/A | — | — | — | —% (14)(16) | | | | | | | |
| | | | | | | | | 93,233 | 76,935 | 1.9% | | | | | | | |
| Echelon Transportation, LLC (22) | Aerospace & Defense | First Lien Term Loan | 3/31/2014 | 6.00% (1ML+ 4.00%) | 2.00 | 3/31/2024 | 53,209 | 53,209 | 53,209 | 1.3% (10) | | | | | | | |
| | | Membership Interest (100%) | 3/31/2014 | | | N/A | 22,738 | — | — | —% (16) | | | | | | | |
| | | Preferred Units (32,842,586 shares) | 1/31/2022 | | | N/A | 32,843 | 12,557 | 12,557 | 0.3% (16) | | | | | | | |
| | | | | | | | | 108,790 | 65,766 | 1.6% | | | | | | | |
| First Tower Finance Company LLC (23) | Consumer Finance | First Lien Term Loan to First Tower, LLC | 6/24/2014 | 10.00% plus 12.00% PIK | — | 2/18/2025 | 356,225 | 356,225 | 356,225 | 8.7% (14)(39) | | | | | | | |
| | | Class A Units (95,709,910 units) | 6/14/2012 | | | N/A | 31,146 | 251,058 | 251,058 | 6.1% (14)(16) | | | | | | | |
| | | | | | | | | 387,371 | 607,283 | 14.8% | | | | | | | |
| Freedom Marine Solutions, LLC (24) | Energy Equipment & Services | Membership Interest (100%) | 11/9/2006 | | | N/A | 45,492 | 13,899 | 13,899 | 0.3% (16) | | | | | | | |
| | | | | | | | | 45,492 | 13,899 | 0.3% | | | | | | | |
| InterDent, Inc. (25) | Health Care Providers & Services | First Lien Term Loan A/B | 8/1/2018 | 16.65% (1ML+ 14.65%) | 2.00 | 9/5/2025 | 14,249 | 14,249 | 14,249 | 0.3% (10) | | | | | | | |
| | | First Lien Term Loan A | 8/3/2012 | 7.17% (1ML+ 5.50%) | 1.00 | 9/5/2025 | 96,773 | 96,773 | 96,773 | 2.4% (3) (10) | | | | | | | |
| | | First Lien Term Loan B | 8/3/2012 | 12.00% PIK | — | 9/5/2025 | 162,426 | 162,426 | 162,426 | 3.9% (39) | | | | | | | |
| | | Common Stock (99,900 shares) | 5/3/2019 | | | N/A | 45,118 | 132,746 | 132,746 | 3.2% (16) | | | | | | | |

| | | | | | | | | | 318,566 | 406,194 | 9.8% |
|---------------------------|--------------------------------|---|-----------|-------------------------------------|------|-----------|--------|--------|---------|---------|----------|
| Kickapoo Ranch Pet Resort | Diversified Consumer Services | Membership Interest (100%) | 8/26/2019 | | N/A | 2,378 | 3,833 | 0.1% | | | |
| | | | | | | 2,378 | 3,833 | 0.1% | | | |
| | | First Lien Term Loan A | 9/19/2013 | 10.00% (3ML+ 7.00%) | 3.00 | 4/30/2025 | 32,210 | 32,210 | 32,210 | 0.8% | (10)(39) |
| MITY, Inc. (25) | Commercial Services & Supplies | First Lien Term Loan B | 6/23/2014 | 10.00% (3ML+ 7.00%) plus 10.00% PIK | 3.00 | 4/30/2025 | 18,711 | 18,711 | 18,711 | 0.5% | (10)(39) |
| | | Unsecured Note to Broda Enterprises ULC | 9/19/2013 | 10.00% | — | 1/1/2028 | 7,200 | 7,200 | 7,200 | 0.2% | (14) |
| | | Common Stock (42,053 shares) | 9/19/2013 | | | N/A | 27,349 | 1,878 | —% | (16) | |
| | | | | | | | 85,470 | 59,999 | 59,999 | 1.5% | |

| Portfolio Company | Industry | Investments(1)(37) | June 30, 2023 | | | | | | | | |
|---|---|---|----------------------|---|-------|----------------|-----------------|----------------|---------------|-----------------|-----------------|
| | | | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | |
| Control Investments (greater than 25.00% voting control)(40) | | | | | | | | | | | |
| National Property REIT Corp. (26) | Equity Real Estate | First Lien Term Loan A | 12/31/2018 | 6.94% (3M SOFR+ 1.44%) plus 3.53% PIK | 3.00 | 12/31/2023 | \$ 528,657 | \$ 528,657 | \$ 528,657 | 14.2% | (10)(39) |
| | | First Lien Term Loan B | 12/31/2018 | 7.50% (3M SOFR+ 2.00%) plus 5.50% PIK | 3.00 | 12/31/2023 | 21,580 | 21,580 | 21,580 | 0.6% | (10)(39) |
| | Investment Trusts (REITs) / Online Lending / Structured | First Lien Term Loan C | 10/31/2019 | 15.50% (3M SOFR+ 10.00%) plus 2.25% PIK | 1.00 | 12/31/2023 | 200,600 | 200,600 | 200,600 | 5.4% | (10)(39) |
| | | First Lien Term Loan D | 6/19/2020 | 6.00% (3M SOFR+ 0.50%) plus 2.50% PIK | 3.00 | 12/31/2023 | 183,425 | 183,425 | 183,425 | 4.9% | (10)(39) |
| | Finance | First Lien Term Loan E | 11/14/2022 | 7.50% (3M SOFR + 2.00%) plus 7.00% PIK | 5.00 | 12/31/2023 | 13,621 | 13,621 | 13,621 | 0.4% | (10)(39) |
| | | Residual Profit Interest | 12/31/2018 | | — | N/A | — | — | 56,254 | 1.5% | (35) |
| | | Common Stock (3,350,519 shares) | 12/31/2013 | | — | N/A | — | 15,430 | 655,839 | 17.5% | (16)(45) |
| | | | | | | | | | | 963,313 | 1,659,976 44.5% |
| Nationwide Loan Company LLC (27) | Consumer Finance | First Lien Term Loan | 6/18/2014 | 10.00% plus 10.00% PIK | — | 6/18/2024 | 22,597 | 22,597 | 22,597 | 0.6% | (14)(39) |
| | | Class A Units (38,550,460 units) | 1/31/2013 | | — | N/A | — | 20,846 | 24,975 | 0.7% | (14)(16) |
| | | | | | | | | | | 43,443 | 47,572 1.3% |
| NMMB, Inc. (28) | Media | First Lien Term Loan | 12/30/2019 | 14.00% (3M SOFR+ 8.50%) | 2.00 | 3/31/2027 | 29,723 | 29,723 | 29,723 | 0.8% | (3)(10) |
| | | Common Stock (21,418 shares) | 12/30/2019 | | — | N/A | — | — | 64,457 | 1.7% | |
| | | | | | | | | | | 29,723 | 94,180 2.5% |
| Pacific World Corporation (36) | Personal Products | First Lien Revolving Line of Credit - \$26,000 Commitment | 9/26/2014 | 12.61% PIK (1M SOFR+ 7.25%) | 1.00 | 9/26/2025 | 30,458 | 30,458 | 30,458 | 0.8% | (10)(15)(39) |
| | | First Lien Term Loan A | 12/31/2014 | 10.61% PIK (1M SOFR+ 5.25%) | 1.00 | 9/26/2025 | 59,122 | 59,122 | 35,288 | 0.9% | (10)(39) |
| | | Convertible Preferred Equity (344,882 shares) | 6/15/2018 | 6.50% PIK | — | N/A | — | 189,295 | — | —% | (16) |
| | | Common Stock (6,778,414 shares) | 9/29/2017 | | — | N/A | — | — | — | —% | (16) |
| | | | | | | | | | | 278,875 | 65,746 1.7% |
| R-V Industries, Inc. | Machinery | First Lien Term Loan | 12/15/2020 | 14.50% (3M SOFR+ 9.00%) | 1.00 | 12/15/2028 | 33,622 | 33,622 | 33,622 | 0.9% | (3)(10) |
| | | Common Stock (745,107 shares) | 6/26/2007 | | — | N/A | — | 6,866 | 47,886 | 1.3% | (16) |
| | | | | | | | | | | 40,488 | 81,508 2.2% |
| Universal Turbine Parts, LLC (34) | Trading Companies & Distributors | First Lien Delayed Draw Term Loan - \$6,965 Commitment | 2/28/2019 | 13.25% (3M SOFR+ 7.75%) | 2.50 | 4/5/2025 | 3,109 | 3,109 | 3,109 | 0.1% | (10)(15) |
| | | First Lien Term Loan A | 7/22/2016 | 11.25% (3M SOFR+ 5.75%) | 1.00 | 4/5/2025 | 29,575 | 29,575 | 29,575 | 0.8% | (3)(10) |
| | | Preferred Units(62,897,245 units) | 3/31/2021 | | — | N/A | — | 32,500 | 12,381 | 0.3% | (16) |
| | | Common Stock (10,000 units) | 12/10/2018 | | — | N/A | — | — | — | —% | (16) |
| | | | | | | | | 65,184 | 45,065 | 45,065 1.2% | |
| USES Corp. (30) | Commercial Services & Supplies | First Lien Term Loan | 12/30/2020 | 14.36% (1M SOFR + 9.00%) | 1.00 | 7/29/2024 | 2,000 | 2,000 | 1,922 | 0.1% | (10) |
| | | First Lien Equipment Term Loan | 8/3/2022 | 14.36% (1M SOFR + 9.00%) | 1.00 | 7/29/2024 | 10,674 | 10,674 | 10,257 | 0.3% | (10)(39) |
| | | First Lien Term Loan A | 3/31/2014 | 9.00% PIK | — | 7/29/2024 | 66,107 | 30,651 | 7,348 | 0.2% | (9) |
| | | First Lien Term Loan B | 3/31/2014 | 15.50% PIK | — | 7/29/2024 | 105,882 | 35,568 | — | —% | (9) |
| | | Common Stock (268,962 shares) | 6/15/2016 | | — | N/A | — | — | — | —% | (16) |
| | | | | | | | | | | 78,893 | 19,527 0.6% |

| | | | | | | | | |
|---|----------------------------|--|------------|-----------------------|------------------------------|-----------|--------------|----------------------|
| First Lien Term Loan to Valley Electric Co. of Mt. Vernon, Inc. | 12/31/2012 | 10.50% (3M SOFR+ 5.00%) plus 2.50% PIK | 3.00 | 12/31/2024 | 10,452 | 10,452 | 10,452 | 0.3% (3) (10)(39) |
| Valley Electric Company, Inc. (31) | Construction & Engineering | First Lien Term Loan | 6/24/2014 | 8.00% plus 10.00% PIK | — | 4/30/2028 | 35,872 | 35,872 1.0% (3) (39) |
| | | First Lien Term Loan B | 3/28/2022 | 4.50% plus 8.00% PIK | — | 4/30/2028 | 32,771 | 32,771 0.9% (3) (39) |
| | | Consolidated Revenue Interest (2.00%) | 6/22/2018 | — | N/A | — | — | 889 —% (12) |
| | | Common Stock (50,000 shares) | 12/31/2012 | — | N/A | — | 12,053 | 85,800 2.3% |
| | | | | | | | 91,148 | 165,784 4.5% |
| | | | | | Total Control Investments \$ | 2,988,496 | \$ 3,571,697 | 95.7% |

See notes to consolidated financial statements.

20

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(38) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | June 30, 2022 | | | | | | | | | |
|---|----------------------------------|---|------------------------|-------------------------------------|-------|----------------|-----------------|----------------|---------------|-------------------|--|--|--|--|--|--|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | | | | |
| LEVEL 3 PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | |
| Control Investments (greater than 25.00% voting control)(42) | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| National Property REIT Corp. (26) | Equity Real Estate | First Lien Term Loan A | 12/31/2018 | 4.44% (3ML+ 1.44%) plus 3.53% PIK | 3.00 | 12/31/2023 | \$ 448,061 | \$ 448,061 | \$ 448,061 | 10.9% (10)(39) | | | | | | |
| | | First Lien Term Loan B | 12/31/2018 | 5.00% (3ML+ 2.00%) plus 5.50% PIK | 3.00 | 12/31/2023 | 29,080 | 29,080 | 29,080 | 0.7% (10)(39) | | | | | | |
| | | Investment Trusts (REITs) / | First Lien Term Loan C | 12.25% (3ML+ 10.00%) plus 2.25% PIK | 1.00 | 12/31/2023 | 186,800 | 186,800 | 186,800 | 4.5% (10)(39) | | | | | | |
| | | Online Lending / Structured Finance | First Lien Term Loan D | 3.50% (3ML+ 0.50%) plus 2.50% PIK | 3.00 | 12/31/2023 | 183,425 | 183,425 | 183,425 | 4.5% (10)(39) | | | | | | |
| | | Residual Profit Interest | 12/31/2018 | — | N/A | — | 60,749 | 60,749 | 60,749 | 1.5% (35) | | | | | | |
| | | Common Stock (3,334,895 shares) | 12/31/2013 | — | N/A | — | 15,830 | 707,622 | 707,622 | 17.3% (45) | | | | | | |
| | | | | | | | 863,196 | 1,615,737 | 1,615,737 | 39.4% | | | | | | |
| Nationwide Loan Company LLC (27) | Consumer Finance | First Lien Term Loan | 6/19/2014 | 10.00% plus 10.00% PIK | — | 6/18/2022 | 20,260 | 20,260 | 20,260 | 0.5% (14)(39) | | | | | | |
| | | Class A Units (38,550,460 units) | 1/31/2013 | — | N/A | — | 20,846 | 30,140 | 30,140 | 0.7% (14) | | | | | | |
| | | | | | | | 41,106 | 50,400 | 50,400 | 1.2% | | | | | | |
| NMMB, Inc. (28) | Media | First Lien Term Loan | 12/30/2019 | 10.75% (3ML+ 8.50%) | 2.00 | 3/31/2027 | 29,723 | 29,723 | 29,723 | 0.7% (3) (10) | | | | | | |
| | | Common Stock (21,418 shares) | 12/30/2019 | — | N/A | — | — | 80,220 | 80,220 | 2.0% | | | | | | |
| | | | | | | | | | | | | | | | | |
| Pacific World Corporation (36) | Personal Products | First Lien Revolving Line of Credit - \$26,000 Commitment | 9/26/2014 | 8.92% PIK (1ML+ 7.25%) | 1.00 | 9/26/2025 | 26,743 | 26,743 | 26,743 | 0.6% (10)(15)(39) | | | | | | |
| | | First Lien Term Loan A | 12/31/2014 | 6.92% PIK (1ML+ 5.25%) | 1.00 | 9/26/2025 | 44,358 | 44,358 | 32,436 | 0.8% (10)(39) | | | | | | |
| | | Convertible Preferred Equity (323,235 shares) | 6/15/2018 | — | N/A | — | 189,295 | — | — | —% (16) | | | | | | |
| | | Common Stock (6,778,414 shares) | 9/29/2017 | — | N/A | — | — | — | — | —% (16) | | | | | | |
| | | | | | | | | | | | | | | | | |
| R-V Industries, Inc. | Machinery | First Lien Term Loan | 12/15/2020 | 11.25% (3ML+ 9.00%) | 1.00 | 12/15/2028 | 33,622 | 33,622 | 33,622 | 0.8% (3) (10) | | | | | | |
| | | Common Stock (745,107 shares) | 6/26/2007 | — | N/A | — | 6,866 | 23,301 | 23,301 | 0.6% | | | | | | |
| | | | | | | | 40,488 | 56,923 | 56,923 | 1.4% | | | | | | |
| Universal Turbine Parts, LLC (34) | Trading Companies & Distributors | First Lien Delayed Draw Term Loan - \$6,965 Commitment | 2/28/2019 | 10.25% (1ML+ 7.75%) | 2.50 | 4/5/2024 | 3,141 | 3,141 | 3,141 | 0.1% (10)(15) | | | | | | |
| | | First Lien Term Loan A | 7/22/2016 | 8.00% (3ML+ 5.75%) | 1.00 | 4/5/2024 | 29,575 | 29,575 | 28,006 | 0.7% (10) | | | | | | |
| | | Preferred Units (55,383,218 units) | 3/31/2021 | — | N/A | — | 32,500 | — | — | —% (16) | | | | | | |
| | | Common Stock (10,000 units) | 12/10/2018 | — | N/A | — | — | — | — | —% (16) | | | | | | |

| | | | | | | | | 65,216 | 31,147 | 0.8% |
|------------------------------------|--------------------------------|---|------------|-----------------------------------|------|------------|--|--------------|---------|-------------------|
| USES Corp. (30) | Commercial Services & Supplies | First Lien Term Loan A | 3/31/2014 | 9.00% PIK | — | 7/29/2024 | 60,362 | 30,651 | 20,395 | 0.5% (9) |
| | | First Lien Term Loan B | 3/31/2014 | 15.50% PIK | — | 7/29/2024 | 90,576 | 35,567 | — | —% (9) |
| | | First Lien Term Loan | 12/30/2020 | 10.67% (1ML+ 9.00%) | 1.00 | 7/29/2024 | 2,000 | 2,000 | 2,000 | —% (10) |
| | | Common Stock (268,962 shares) | 6/15/2016 | | | N/A | — | — | — | —% (16) |
| | | | | | | | 68,218 | 22,395 | 22,395 | 0.5% |
| Valley Electric Company, Inc. (31) | Construction & Engineering | First Lien Term Loan to Valley Electric Co. of Mt. Vernon, Inc. | 12/31/2012 | 8.00% (3ML+ 5.00%) plus 2.50% PIK | 3.00 | 12/31/2024 | 10,452 | 10,452 | 10,452 | 0.3% (3) (10)(39) |
| | | First Lien Term Loan | 6/24/2014 | 8.00% plus 10.00% PIK | — | 6/23/2024 | 33,301 | 33,301 | 33,301 | 0.8% (39) |
| | | First Lien Term Loan B | 3/28/2022 | 8.00% plus 4.50% PIK | — | 6/23/2024 | 13,000 | 13,000 | 13,000 | 0.3% (39) |
| | | Consolidated Revenue Interest (2.00%) | 6/22/2018 | | | N/A | — | 1,781 | —% | (12) |
| | | Common Stock (50,000 shares) | 12/31/2012 | | | N/A | 11,506 | 87,449 | 87,449 | 2.1% |
| | | | | | | | 68,259 | 145,983 | 145,983 | 3.5% |
| | | | | | | | Total Control Investments (Level 3) \$ | | | |
| | | | | | | | 2,732,906 | \$ 3,438,317 | 83.5% | |

| June 30, 2023 | | | | | | | | | | |
|---|----------------------------------|-----------------------------|----------------------|--------------|-------|----------------|--------------------------------|----------------|---------------|-----------------|
| Portfolio Company | Industry | Investments(1)(37) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| PORTFOLIO INVESTMENTS | | | | | | | | | | |
| Affiliate Investments (5.00% to 24.99% voting control)(43) | | | | | | | | | | |
| | | | | | | | | | | |
| Nixon, Inc. (32) | Textiles, Apparel & Luxury Goods | Common Stock (857 units) | 5/12/2017 | | | N/A | \$ — | \$ — | — | —% (16) |
| | | | | | | | — | — | — | —% |
| RGIS Services, LLC | Commercial Services & Supplies | Membership Interest (5.27%) | 6/25/2020 | | — | N/A | — | 8,855 | 10,397 | 0.3% |
| | | | | | | | 8,855 | 10,397 | 10,397 | 0.3% |
| | | | | | | | Total Affiliate Investments \$ | | | |
| | | | | | | | 8,855 | \$ 8,855 | 10,397 | 0.3% |

See notes to consolidated financial statements.

21

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| June 30, 2022 | | | | | | | | | | |
|---|----------------------------------|----------------------------------|----------------------|----------------------|-------|----------------|-----------------|----------------|---------------|-----------------|
| Portfolio Company | Industry | Investments(1)(38) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| LEVEL 3 PORTFOLIO INVESTMENTS | | | | | | | | | | |
| Affiliate Investments (5.00% to 24.99% voting control)(43) | | | | | | | | | | |
| | | | | | | | | | | |
| Nixon, Inc. (32) | Textiles, Apparel & Luxury Goods | Common Stock (857 units) | 5/12/2017 | | | N/A | \$ — | \$ — | — | —% (16) |
| | | | | | | | — | — | — | —% |
| PGX Holdings, Inc. (6) | Diversified Consumer Services | First Lien Term Loan | 7/21/2021 | 9.25% (6ML+ 7.75%) | 1.50 | 7/21/2026 | 71,382 | 71,382 | 71,382 | 1.7% (3)(8)(10) |
| | | Second Lien Term Loan | 7/21/2021 | 13.42% (1ML+ 11.75%) | 1.50 | 7/27/2027 | 153,931 | 153,931 | 153,931 | 3.7% (3) (10) |
| | | Common Stock (40,780,359 shares) | 5/27/2020 | | | N/A | — | 114,940 | 114,940 | 2.8% (16) |
| | | | | | | | 225,313 | 340,253 | 340,253 | 8.2% |
| RGIS Services, LLC | Commercial Services & Supplies | First Lien Term Loan | 6/25/2020 | 9.17% (1ML+ 7.50%) | 1.00 | 6/25/2025 | 3,680 | 3,680 | 3,680 | 0.1% (8)(10) |
| | | Membership Interest (5.27%) | 6/25/2020 | | | N/A | 10,303 | 10,303 | 13,324 | 0.3% |

| | | | | | | | 13,983 | 17,004 | 0.4% |
|-----------------------------------|----------------------------------|---------------------------------|-----------|--|--|------------|---------|--------|------|
| Targus Cayman HoldCo Limited (33) | Textiles, Apparel & Luxury Goods | Common Stock (7,383,395 shares) | 2/12/2016 | | N/A | 2,805 | 36,007 | 0.9% | (16) |
| | | | | | | 2,805 | 36,007 | 0.9% | |
| | | | | | Total Affiliate Investments (Level 3) \$ | 242,101 \$ | 393,264 | 9.5% | |
| June 30, 2023 | | | | | | | | | |

| Portfolio Company | Industry | Investments(1)(37) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
|---|----------------------------------|--|----------------------|---|-------|----------------|-----------------|----------------|---------------|--------------------|
| PORTFOLIO INVESTMENTS | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
| 8th Avenue Food & Provisions, Inc. | Food Products | Second Lien Term Loan | 9/21/2018 | 12.97% (1M SOFR+ 7.75%) | — | 10/1/2026 | \$ 32,133 | \$ 32,005 | \$ 28,810 | 0.8 % (8)(10) |
| | | | | | | | 32,005 | 28,810 | 28,810 | 0.8 % |
| ABG Intermediate Holdings 2 LLC | Textiles, Apparel & Luxury Goods | Second Lien Term Loan | 12/20/2021 | 11.20% (1M SOFR+ 6.00%) | 0.50 | 12/20/2029 | 9,000 | 8,945 | 9,000 | 0.2 % (3)(8)(10) |
| | | | | | | | 8,945 | 9,000 | 9,000 | 0.2 % |
| Apidos CLO XI | Structured Finance | Subordinated Structured Note | 12/6/2012 | Residual Interest, current yield 12.01% | — | 4/17/2034 | 67,782 | 39,008 | 29,875 | 0.8 % (5) (14) |
| | | | | | | | 39,008 | 29,875 | 29,875 | 0.8 % |
| Apidos CLO XII | Structured Finance | Subordinated Structured Note | 3/15/2013 | Residual Interest, current yield 12.24% | — | 4/15/2031 | 52,203 | 33,439 | 29,443 | 0.8 % (5) (14) |
| | | | | | | | 33,439 | 29,443 | 29,443 | 0.8 % |
| Apidos CLO XV | Structured Finance | Subordinated Structured Note | 9/13/2013 | Residual Interest, current yield 10.99% | — | 4/21/2031 | 48,515 | 34,686 | 29,537 | 0.9 % (5) (14) |
| | | | | | | | 34,686 | 29,537 | 29,537 | 0.9 % |
| Apidos CLO XXII | Structured Finance | Subordinated Structured Note | 9/16/2015 | Residual Interest, current yield 15.28% | — | 4/21/2031 | 35,855 | 29,588 | 25,578 | 0.7 % (5) (14) |
| | | | | | | | 29,588 | 25,578 | 25,578 | 0.7 % |
| Atlantis Health Care Group (Puerto Rico), Inc. | Health Care Providers & Services | First Lien Revolving Line of Credit - \$2,000 Commitment | 2/21/2013 | 14.24% (3M SOFR+ 8.75%) | 2.00 | 5/15/2024 | 2,000 | 2,000 | 1,874 | 0.1 % (10)(15) |
| | | First Lien Term Loan | 2/21/2013 | 14.24% (3M SOFR+ 8.75%) | 2.00 | 5/15/2024 | 61,000 | 61,000 | 57,165 | 1.5 % (3) (10) |
| | | | | | | | 63,000 | 59,039 | 59,039 | 1.6 % |
| Aventiv Technologies, LLC (If/ka Securus Technologies Holdings, Inc.) | Communications Equipment | First Lien Term Loan | 8/2/2019 | 10.23% (6ML+ 4.50%) | 1.00 | 11/1/2024 | 9,594 | 9,249 | 9,594 | 0.3 % (3)(8)(10) |
| | | Second Lien Term Loan | 6/20/2017 | 13.98% (6ML+ 8.25%) | 1.00 | 11/1/2025 | 50,662 | 50,603 | 50,083 | 1.3 % (3)(8)(10) |
| | | | | | | | 59,852 | 59,677 | 59,677 | 1.6 % |
| Barings CLO 2018-III | Structured Finance | Subordinated Structured Note | 10/9/2014 | Residual Interest, current yield 0.00% | — | 7/20/2029 | 82,808 | 32,226 | 12,544 | 0.3 % (5) (14)(17) |
| | | | | | | | 32,226 | 12,544 | 12,544 | 0.3 % |
| Barracuda Parent, LLC | IT Services | Second Lien Term Loan | 8/15/2022 | 12.05% (3M SOFR + 7.00%) | 0.50 | 8/15/2030 | 20,000 | 19,469 | 19,447 | 0.5 % (8)(10) |
| | | | | | | | 19,469 | 19,447 | 19,447 | 0.5 % |
| BCPE North Star US Holdco 2, Inc. | Food Products | Second Lien Delayed Draw Term Loan - \$5,185 Commitment | 6/7/2021 | 12.75% (3M SOFR+ 7.25%) | 0.75 | 6/11/2029 | 5,185 | 5,139 | 4,646 | 0.1 % (8)(10)(15) |
| | | Second Lien Term Loan | 6/7/2021 | 12.75% (3M SOFR+ 7.25%) | 0.75 | 6/11/2029 | 94,815 | 94,211 | 84,947 | 2.3 % (3)(8)(10) |
| | | | | | | | 99,350 | 89,593 | 89,593 | 2.4 % |
| BCPE Osprey Buyer, Inc. | Health Care Technology | First Lien Revolving Line of Credit - \$4,239 Commitment | 10/18/2021 | 10.90% (1ML+ 5.75%) | 0.75 | 8/21/2026 | 1,601 | 1,601 | 1,569 | — % (8)(10)(15) |
| | | First Lien Term Loan | 10/18/2021 | 11.14% (3ML+ 5.75%) | 0.75 | 8/23/2028 | 64,025 | 64,025 | 62,711 | 1.7 % (8)(10) |
| | | First Lien Delayed Draw Term Loan - \$22,609 Commitment | 10/18/2021 | 11.14% (3ML+ 5.75%) | 0.75 | 8/23/2028 | — | — | — | — % (8)(10)(15) |
| | | | | | | | 65,626 | 64,280 | 64,280 | 1.7 % |
| Belnick, LLC (d/b/a The Ubique Group) | Household Durables | First Lien Term Loan | 1/20/2022 | 13.00% (3M SOFR+ 7.50%) | 1.00 | 1/20/2027 | 89,094 | 89,094 | 89,094 | 2.4 % (3) (10) |
| | | | | | | | 89,094 | 89,094 | 89,094 | 2.4 % |

| | | | | | | | | | | |
|--|----------------------------------|-----------------------|-----------|--------------------------|------|-----------|---------|---------|---------|----------------|
| Boostability Parent, Inc. (f/k/a SEO Town Center, Inc.) | IT Services | First Lien Term Loan | 1/31/2022 | 13.50% (3M SOFR + 8.00%) | 1.00 | 1/31/2027 | 50,314 | 50,314 | 48,815 | 1.3 % (3) (10) |
| | | | | | | | 50,314 | 50,314 | 48,815 | 1.3 % |
| Broder Bros., Co. | Textiles, Apparel & Luxury Goods | First Lien Term Loan | 12/4/2017 | 11.50% (3M SOFR + 6.00%) | 1.00 | 12/4/2025 | 158,530 | 158,530 | 158,530 | 4.2 % (3) (10) |
| | | | | | | | 158,530 | 158,530 | 158,530 | 4.2 % |
| Burgess Point Purchaser Corporation | Automobile Components | Second Lien Term Loan | 7/25/2022 | 14.36% (3M SOFR + 9.00%) | 0.75 | 7/25/2030 | 30,000 | 30,000 | 30,000 | 0.8 % (3) (10) |
| | | | | | | | 30,000 | 30,000 | 30,000 | 0.8 % |

See notes to consolidated financial statements.

22

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(38) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | June 30, 2022 | | | | | | | | | |
|---|----------------------------------|---|----------------------|---|-------|----------------|-----------------|----------------|---------------|-------------------------|--|--|--|--|--|--|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | | | | |
| LEVEL 3 PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | | | | | |
| 8th Avenue Food & Provisions, Inc. | Food Products | Second Lien Term Loan | 9/21/2018 | 9.42% (1ML+ 7.75%) | — | 10/1/2026 | \$ 32,133 | \$ 31,966 | \$ 27,668 | 0.7 % (3) (8) (10) | | | | | | |
| | | | | | | | 31,966 | 31,966 | 27,668 | 0.7 % | | | | | | |
| ABG Intermediate Holdings 2 LLC | Textiles, Apparel & Luxury Goods | Second Lien Term Loan | 12/20/2021 | 7.63% (1M SOFR + 6.00%) | 0.80 | 12/20/2029 | 9,000 | 8,937 | 8,666 | 0.2 % (3) (8) (10) | | | | | | |
| | | | | | | | 8,937 | 8,937 | 8,666 | 0.2 % | | | | | | |
| AmeriLife Holdings, LLC | Insurance | Second Lien Term Loan | 3/18/2020 | 9.56% (1ML+ 8.50%) | 1.00 | 3/18/2028 | 22,280 | 21,966 | 22,280 | 0.5 % (3) (8) (10) | | | | | | |
| | | | | | | | 21,966 | 21,966 | 22,280 | 0.5 % | | | | | | |
| Apidos CLO XI | Structured Finance | Subordinated Structured Note | 12/6/2012 | Residual Interest, current yield 10.09% | — | 4/17/2034 | 67,782 | 37,155 | 29,691 | 0.7 % (5) (14) | | | | | | |
| | | | | | | | 37,155 | 37,155 | 29,691 | 0.7 % | | | | | | |
| Apidos CLO XII | Structured Finance | Subordinated Structured Note | 3/15/2013 | Residual Interest, current yield 6.72% | — | 4/15/2031 | 52,203 | 33,580 | 28,847 | 0.7 % (5) (14) | | | | | | |
| | | | | | | | 33,580 | 33,580 | 28,847 | 0.7 % | | | | | | |
| Apidos CLO XV | Structured Finance | Subordinated Structured Note | 9/13/2013 | Residual Interest, current yield 7.45% | — | 4/21/2031 | 48,515 | 34,910 | 28,370 | 0.7 % (5) (14) | | | | | | |
| | | | | | | | 34,910 | 34,910 | 28,370 | 0.7 % | | | | | | |
| Apidos CLO XXII | Structured Finance | Subordinated Structured Note | 9/16/2015 | Residual Interest, current yield 10.78% | — | 4/21/2031 | 35,855 | 28,563 | 25,318 | 0.6 % (5) (14) | | | | | | |
| | | | | | | | 28,563 | 28,563 | 25,318 | 0.6 % | | | | | | |
| Atlantis Health Care Group (Puerto Rico), Inc. | Health Care Providers & Services | First Lien Revolving Line of Credit - \$3,000 Commitment First Lien Term Loan | 2/21/2013 | 11.00% (3ML+ 8.75%) | 2.00 | 4/22/2024 | — | — | — | — % (10) (15) | | | | | | |
| | | | | | | | — | — | — | — % (10) (15) | | | | | | |
| | | | | | | | 61,815 | 61,815 | 61,815 | 1.5 % | | | | | | |
| Aventiv Technologies, LLC (f/k/a Securus Technologies Holdings, Inc.) | Communications Equipment | First Lien Term Loan Second Lien Term Loan | 8/2/2019 | 6.75% (3ML+ 4.50%) | 1.00 | 11/1/2024 | 9,695 | 9,202 | 8,962 | 0.2 % (3) (8) (10) (47) | | | | | | |
| | | | | | | | 10,000 | 10,000 | 8,962 | 0.2 % (3) (8) (10) (47) | | | | | | |
| | | | | | | | 50,662 | 50,578 | 48,594 | 1.2 % (3) (8) (10) | | | | | | |
| | | | | | | | 59,780 | 59,780 | 57,556 | 1.4 % | | | | | | |
| Barings CLO 2018-III | Structured Finance | Subordinated Structured Note | 10/9/2014 | Residual Interest, current yield 0.00% | — | 7/20/2029 | 83,097 | 36,316 | 24,262 | 0.6 % (5) (14) (17) | | | | | | |
| | | | | | | | 83,097 | 83,097 | 36,316 | 24,262 | | | | | | |
| | | | | | | | — | — | — | 0.6 % | | | | | | |
| BCPE North Star US Holdco 2, Inc. | Food Products | Second Lien Delayed Draw Term Loan - \$5,185 Commitment | 6/7/2021 | 9.50% (3ML+ 7.25%) | 0.75 | 6/10/2023 | — | — | — | — % (8) (10) (15) | | | | | | |
| | | | | | | | — | — | — | — % (8) (10) (15) | | | | | | |

| | | | | | | | | | | |
|-------------------------------|----------------------------------|--|------------|---|------|-----------|---------|---------|---------|-----------------------|
| | | Second Lien Term Loan | 6/7/2021 | 9.50% (3ML+ 7.25%) | 0.75 | 6/11/2029 | 94,815 | 94,110 | 94,815 | 2.3 % (3)(8)(10) |
| | | | | | | | | | | 94,110 94,815 2.3 % |
| BCPE Osprey Buyer, Inc. | Health Care Technology | First Lien Revolving Line of Credit - \$4,239 Commitment | 10/18/2021 | 7.25% (3ML+ 5.75%) | 0.75 | 8/21/2026 | — | — | — | — % (8)(10)(15) |
| | | Second Lien Delayed Draw Term Loan - \$22,609 Commitment | 10/18/2021 | 7.25% (3ML+ 5.75%) | 0.75 | 8/23/2028 | — | — | — | — % (8)(10)(15) |
| | | First Lien Term Loan | 10/18/2021 | 7.25% (3ML+ 5.75%) | 0.75 | 8/23/2028 | 64,675 | 64,675 | 64,675 | 1.6 % (8)(10) |
| | | | | | | | | | | 64,675 64,675 1.6 % |
| Belnick, LLC | Household Durables | First Lien Term Loan | 1/20/2022 | 10.25% (3ML+ 8.00%) | 1.00 | 1/20/2027 | 91,406 | 91,406 | 91,406 | 2.2 % (3) (10) |
| | | | | | | | | | | 91,406 91,406 2.2 % |
| Broder Bros., Co. | Textiles, Apparel & Luxury Goods | First Lien Term Loan | 12/4/2017 | 7.39% (6ML+ 6.00%) | 1.00 | 12/4/2025 | 166,686 | 166,686 | 166,686 | 4.0 % (3) (10) |
| | | | | | | | | | | 166,686 166,686 4.0 % |
| California Street CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 4/19/2012 | Residual Interest, current yield 10.82% | — | 7/16/2032 | 58,914 | 42,472 | 30,078 | 0.7 % (5) (14) |
| | | | | | | | | | | 42,472 30,078 0.7 % |
| Candle-Lite Company, LLC | Household Products | First Lien Term Loan A | 1/23/2018 | 7.10% (3ML+ 5.50%) | 1.25 | 4/30/2023 | 9,987 | 9,987 | 9,987 | 0.2 % (3) (10) |
| | | First Lien Term Loan B | 1/23/2018 | 11.10% (3ML+ 9.50%) | 1.25 | 4/30/2023 | 10,949 | 10,949 | 10,949 | 0.3 % (3) (10) |
| | | | | | | | | | | 20,936 20,936 0.5 % |

| Portfolio Company | Industry | Investments(1)(37) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | June 30, 2023 | | | | | | | | | |
|---|--------------------------------|------------------------------|----------------------|---|-------|----------------|-----------------|----------------|---------------|---------------------|--|--|--|--|--|--|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | | | | |
| PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| California Street CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 4/19/2012 | Residual Interest, current yield 10.08% | — | 7/16/2032 | \$ 58,914 | \$ 42,980 | \$ 29,417 | 0.8 % (5) (14) | | | | | | |
| | | | | | | | | | | 42,980 29,417 0.8 % | | | | | | |
| Capstone Logistics Acquisition, Inc. | Commercial Services & Supplies | Second Lien Term Loan | 11/12/2020 | 13.95% (1M SOFR+ 8.75%) | 1.00 | 11/13/2028 | 8,500 | 8,286 | 8,500 | 0.2 % (3)(8)(10) | | | | | | |
| | | | | | | | | | | 8,286 8,500 0.2 % | | | | | | |
| Carlyle C17 CLO Limited | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 6.02% | — | 4/30/2031 | 24,870 | 14,552 | 11,368 | 0.3 % (5) (14) | | | | | | |
| | | | | | | | | | | 14,552 11,368 0.3 % | | | | | | |
| Carlyle Global Market Strategies CLO 2014-4-R, Ltd. | Structured Finance | Subordinated Structured Note | 4/7/2017 | Residual Interest, current yield 13.35% | — | 7/15/2030 | 25,534 | 17,776 | 15,777 | 0.4 % (5) (14) | | | | | | |
| | | | | | | | | | | 17,776 15,777 0.4 % | | | | | | |
| Carlyle Global Market Strategies CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 8/9/2016 | Residual Interest, current yield 11.12% | — | 7/20/2034 | 32,200 | 30,919 | 25,873 | 0.7 % (5) (14) | | | | | | |
| | | | | | | | | | | 30,919 25,873 0.7 % | | | | | | |
| Cent CLO 21 Limited | Structured Finance | Subordinated Structured Note | 5/15/2014 | Residual Interest, current yield 0.00% | — | 7/29/2030 | 49,551 | 31,642 | 13,992 | 0.4 % (5) (14)(17) | | | | | | |
| | | | | | | | | | | 31,642 13,992 0.4 % | | | | | | |
| CIFC Funding 2013-III-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/2/2013 | Residual Interest, current yield 11.72% | — | 4/24/2031 | 44,100 | 26,972 | 20,853 | 0.6 % (5) (14) | | | | | | |
| | | | | | | | | | | 26,972 20,853 0.6 % | | | | | | |
| CIFC Funding 2013-IV, Ltd. | Structured Finance | Subordinated Structured Note | 10/22/2013 | Residual Interest, current yield 13.83% | — | 4/28/2031 | 45,500 | 31,675 | 27,752 | 0.7 % (5) (14) | | | | | | |
| | | | | | | | | | | 31,675 27,752 0.7 % | | | | | | |
| CIFC Funding 2014-IV-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/5/2014 | Residual Interest, current yield 13.50% | — | 10/17/2030 | 50,142 | 34,988 | 26,573 | 0.7 % (5) (14) | | | | | | |
| | | | | | | | | | | 34,988 26,573 0.7 % | | | | | | |

| | | | | | | | | | | |
|--|--------------------------------|------------------------------|------------|--|------|------------|--------|--------|--------|--|
| CIFC Funding 2016-I, Ltd. | Structured Finance | Subordinated Structured Note | 12/9/2016 | Residual Interest, current yield 15.95% | — | 10/21/2031 | 34,000 | 32,467 | 29,344 | 0.8 % (5) (14) |
| | | | | | | | | | | 32,467 29,344 0.8 % |
| Collections Acquisition Company, Inc. | Diversified Financial Services | First Lien Term Loan | 12/3/2019 | 13.15% (3M SOFR+ 7.65%) | 2.50 | 6/3/2024 | 36,504 | 36,504 | 36,504 | 1.0 % (3) (10) |
| | | | | | | | | | | 36,504 36,504 1.0 % |
| Columbia Cent CLO 27 Limited | Structured Finance | Subordinated Structured Note | 12/18/2013 | Residual Interest, current yield 13.14% | — | 1/25/2035 | 48,978 | 31,918 | 27,407 | 0.7 % (5) (14) |
| | | | | | | | | | | 31,918 27,407 0.7 % |
| CP IRIS Holdco I, Inc. (48) | Building Products | Second Lien Term Loan | 10/1/2021 | 12.20% (1M SOFR+ 7.00%) | 0.50 | 10/1/2029 | 35,000 | 35,000 | 33,120 | 0.9 % (3)(8)(10) |
| | | | | | | | | | | 35,000 33,120 0.9 % |
| Curo Group Holdings Corp. Consumer Finance | Consumer Finance | First Lien Term Loan | 7/30/2021 | 7.50% | — | 8/1/2028 | 47,000 | 47,024 | 17,039 | 0.5 % (8)(14) |
| | | | | | | | | | | 47,024 17,039 0.5 % |
| DRI Holding Inc. | Commercial Services & Supplies | First Lien Term Loan | 12/21/2021 | 10.45% (1M SOFR+ 5.25%) | 0.50 | 12/21/2028 | 33,990 | 32,871 | 33,787 | 0.9 % (3)(8)(10) |
| | | | | | | | | | | 33,787 141,817 3.8 % (3) (10) |
| | | | | | | | | | | 177,871 175,604 4.7 % |
| DTI Holdco, Inc. | Professional Services | First Lien Term Loan | 4/26/2022 | 9.80% (3M SOFR+ 4.75%) | 0.75 | 4/26/2029 | 18,361 | 18,053 | 17,604 | 0.5 % (3)(8)(10) |
| | | | | | | | | | | 12.80% (3M SOFR+ 7.75%) 75,000 71,712 1.9 % (3)(8)(10) |
| | | | | | | | | | | 93,053 89,316 2.4 % |

See notes to consolidated financial statements.

23

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(38) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | June 30, 2022 | | | | | | | | | |
|---|--------------------------------|------------------------------|----------------------|--|-------|----------------|-----------------|----------------|---------------|--|--|--|--|--|--|--|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | | | | |
| LEVEL 3 PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Capstone Logistics Acquisition, Inc. | Commercial Services & Supplies | Second Lien Term Loan | 11/12/2020 | 10.42% (1ML+ 8.75%) | 1.00 | 11/13/2028 | \$ 8,500 | \$ 8,246 | \$ 8,500 | 0.2 % (3)(8)(10) | | | | | | |
| | | | | | | | | | | 8,246 8,500 0.2 % | | | | | | |
| Carlyle C17 CLO Limited | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 12.57% | — | 4/30/2031 | 24,870 | 14,756 | 13,159 | 0.3 % (5) (14) | | | | | | |
| | | | | | | | | | | 14,756 13,159 0.3 % | | | | | | |
| Carlyle Global Market Strategies CLO 2014-4-R, Ltd. | Structured Finance | Subordinated Structured Note | 4/7/2017 | Residual Interest, current yield 10.02% | — | 7/15/2030 | 25,533 | 18,342 | 15,294 | 0.4 % (5) (14) | | | | | | |
| | | | | | | | | | | 18,342 15,294 0.4 % | | | | | | |
| Carlyle Global Market Strategies CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 8/9/2016 | Residual Interest, current yield 11.18% | — | 7/20/2034 | 32,200 | 29,777 | 26,223 | 0.6 % (5) (14) | | | | | | |
| | | | | | | | | | | 29,777 26,223 0.6 % | | | | | | |
| Cent CLO 21 Limited | Structured Finance | Subordinated Structured Note | 5/15/2014 | Residual Interest, current yield 0.00% | — | 7/29/2030 | 49,552 | 33,984 | 26,391 | 0.6 % (5) (14)(17) | | | | | | |
| | | | | | | | | | | 33,984 26,391 0.6 % | | | | | | |
| CIFC Funding 2013-III-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/2/2013 | Residual Interest, current yield 9.36% | — | 4/24/2031 | 44,100 | 26,776 | 20,566 | 0.5 % (5) (14) | | | | | | |
| | | | | | | | | | | 26,776 20,566 0.5 % | | | | | | |
| CIFC Funding 2013-IV, Ltd. | Structured Finance | Subordinated Structured Note | 10/22/2013 | Residual Interest, current yield 13.43% | — | 4/28/2031 | 45,500 | 30,747 | 28,087 | 0.7 % (5) (14) | | | | | | |

| | | | | | | | | | | |
|--|--------------------------------|---|------------|---|------|------------|---------|---------|---------|-------------------|
| | | | | | | | | 30,747 | 28,087 | 0.7 % |
| CIFC Funding 2014-IV-R, Ltd. | Structured Finance | Subordinated Structured Note | 8/5/2014 | Residual Interest, current yield 14.17% | — | 10/17/2030 | 50,143 | 32,368 | 27,115 | 0.7 % (5) (14) |
| | | | | | | | | 32,368 | 27,115 | 0.7 % |
| CIFC Funding 2016-I, Ltd. | Structured Finance | Subordinated Structured Note | 12/9/2016 | Residual Interest, current yield 14.47% | — | 10/21/2031 | 34,000 | 30,444 | 29,000 | 0.7 % (5) (14) |
| | | | | | | | | 30,444 | 29,000 | 0.7 % |
| Collections Acquisition Company, Inc. | Diversified Financial Services | First Lien Term Loan | 12/3/2019 | 10.65% (3ML+ 8.15%) | 2.50 | 6/3/2024 | 36,878 | 36,878 | 36,878 | 0.9 % (3) (10) |
| | | | | | | | | 36,878 | 36,878 | 0.9 % |
| Columbia Cent CLO 27 Limited | Structured Finance | Subordinated Structured Note | 12/18/2013 | Residual Interest, current yield 15.76% | — | 10/25/2028 | 48,977 | 29,834 | 28,052 | 0.7 % (5) (14) |
| | | | | | | | | 29,834 | 28,052 | 0.7 % |
| CP IRIS Holdco I, Inc. (48) | Building Products | Second Lien Term Loan | 10/1/2021 | 8.67% (1ML+ 7.00%) | 0.50 | 10/1/2029 | 35,000 | 35,000 | 34,697 | 0.8 % (3)(8)(10) |
| | | | | | | | | 35,000 | 34,697 | 0.8 % |
| Curo Group Holdings Corp. Consumer Finance | | First Lien Term Loan | 7/30/2021 | 7.50% | — | 8/1/2028 | 47,000 | 47,029 | 30,550 | 0.7 % (8)(14)(47) |
| | | | | | | | | 47,029 | 30,550 | 0.7 % |
| DRI Holding Inc. | Commercial Services & Supplies | First Lien Term Loan | 12/21/2021 | 6.92% (1ML+ 5.25%) | 0.50 | 12/21/2028 | 24,938 | 24,840 | 24,563 | 0.6 % (3)(8)(10) |
| | | Second Lien Term Loan | 12/21/2021 | 9.67% (1ML+ 8.00%) | 0.50 | 12/21/2029 | 145,000 | 145,000 | 143,550 | 3.5 % (3) (10) |
| | | | | | | | | 169,840 | 168,113 | 4.1 % |
| DTI Holdco, Inc. | Professional Services | First Lien Term Loan | 4/26/2022 | 6.28% (1M SOFR+ 4.75%) | 0.75 | 4/26/2029 | 18,500 | 18,139 | 18,440 | 0.4 % (8)(10) |
| | | Second Lien Term Loan | 4/26/2022 | 9.28% (1M SOFR+ 7.75%) | 0.75 | 4/26/2030 | 75,000 | 75,000 | 75,000 | 1.8 % (8)(10) |
| | | | | | | | | 93,139 | 93,440 | 2.2 % |
| Dunn Paper, Inc. | Paper & Forest Products | Second Lien Term Loan | 8/26/2016 | 10.31% (3ML+ 9.25%) | 1.00 | 8/26/2023 | 11,500 | 11,445 | 4,952 | 0.1 % (8)(9)(10) |
| | | | | | | | | 11,445 | 4,952 | 0.1 % |
| Easy Gardener Products, Inc. | Household Durables | Class A Units of EZG Holdings, LLC (200 units) | 6/11/2020 | | | N/A | | 313 | 781 | — % (16) |
| | | Class B Units of EZG Holdings, LLC (12,525 units) | 6/11/2020 | | | N/A | | 1,688 | 2,832 | 0.1 % (16) |
| | | | | | | | | 2,001 | 3,613 | 0.1 % |

| Portfolio Company | Industry | Investments(1)(37) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | June 30, 2023 | | | | | | | | | |
|---|--------------------------------|--|----------------------|--------------------------|-------|----------------|-----------------|----------------|---------------|-------------------|--|--|--|--|--|--|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | | | | |
| PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Dukes Root Control Inc. | Commercial Services & Supplies | First Lien Revolving Line of Credit - \$4,464 Commitment | 12/8/2022 | 11.56% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | \$ 357 | \$ 357 | \$ 357 | — % (8)(10)(15) | | | | | | |
| | | First Lien Revolving Line of Credit - \$4,464 Commitment | 12/8/2022 | 11.72% (3M SOFR + 6.50%) | 1.00 | 12/8/2028 | 1,429 | 1,429 | 1,429 | — % (8)(10)(15) | | | | | | |
| | | First Lien Delayed Draw Term Loan - \$8,929 Commitment | 12/8/2022 | 11.56% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | 2,054 | 2,054 | 2,054 | 0.1 % (8)(10)(15) | | | | | | |
| | | First Lien Term Loan | 12/8/2022 | 11.56% (6M SOFR + 6.50%) | 1.00 | 12/8/2028 | 36,424 | 36,424 | 36,424 | 1.0 % (3)(8)(10) | | | | | | |
| | | | | | | | | 40,264 | 40,264 | 1.1 % | | | | | | |
| Easy Gardener Products, Inc. | Household Durables | Class A Units of EZG Holdings, LLC (200 units) | 6/11/2020 | | — | N/A | — | 313 | — | — % (16) | | | | | | |
| | | Class B Units of EZG Holdings, LLC (12,525 units) | 6/11/2020 | | — | N/A | — | 1,688 | — | — % (16) | | | | | | |
| | | | | | | | | 2,001 | — | — % | | | | | | |
| Engine Group, Inc. (7) | Media | First Lien Term Loan | 11/17/2020 | 16.25% (PRIME+ 8.00%) | 1.00 | 11/17/2023 | 3,546 | 3,546 | 1,447 | — % (8)(9)(10) | | | | | | |
| | | Class B Common Units (1,039,554 units) | 11/17/2020 | | — | N/A | — | 26,991 | — | — % (8)(16) | | | | | | |
| | | | | | | | | 30,537 | 1,447 | — % | | | | | | |
| Engineered Machinery Holdings, Inc. | Machinery | Incremental Amendment No. 2 Second Lien Term Loan | 5/6/2021 | 12.04% (3ML+ 6.50%) | 0.75 | 7/18/2025 | 5,000 | 4,988 | 5,000 | 0.1 % (3)(8)(10) | | | | | | |
| | | Incremental Amendment No. 3 Second Lien Term Loan | 8/6/2021 | 11.54% (3ML+ 6.00%) | 0.75 | 5/21/2029 | 5,000 | 5,000 | 4,928 | 0.1 % (3)(8)(10) | | | | | | |

| | | | | | | | | | | | |
|---|-----------------------|--|------------|---|------|------------|--------|--------|--------|--------------------|-------|
| | | | | | | | | | 9,988 | 9,928 | 0.2 % |
| Enseo Acquisition, Inc. | IT Services | First Lien Term Loan | 6/2/2021 | 13.50% (3M SOFR+ 8.00%) | 1.00 | 6/2/2026 | 53,666 | 53,666 | 52,658 | 1.4 % (3) (10) | |
| | | | | | | | | | 53,666 | 52,658 | 1.4 % |
| | | First Lien Delayed Draw Term Loan - \$1,786 Commitment | 7/15/2020 | 15.22% (3ML+ 10.00%) plus 0.75% PIK | 1.50 | 7/15/2025 | 892 | 892 | 892 | — % (10)(15)(39) | |
| Eze Castle Integration, Inc. | IT Services | First Lien Term Loan | 7/15/2020 | 15.27% (3ML+ 10.00%) plus 0.75% PIK | 1.50 | 7/15/2025 | 46,547 | 46,547 | 46,547 | 1.2 % (3) (10)(39) | |
| | | | | | | | | | 47,439 | 47,439 | 1.2 % |
| | | First Lien Delayed Draw Term Loan - \$5,833 Commitment | 10/11/2022 | 11.86% (6M SOFR + 7.00%) | 1.00 | 10/11/2028 | 4,457 | 4,392 | 4,457 | 0.1 % (8)(10)(15) | |
| Faraday Buyer, LLC | Electrical Equipment | First Lien Term Loan | 10/11/2022 | 11.86% (6M SOFR + 7.00%) | 1.00 | 10/11/2028 | 64,007 | 64,007 | 64,007 | 1.7 % (3)(8)(10) | |
| | | | | | | | | | 68,399 | 68,464 | 1.8 % |
| | | First Lien Term Loan | 3/24/2021 | 10.25% (6M SOFR+ 5.00%) | 1.00 | 3/30/2027 | 22,354 | 22,284 | 22,209 | 0.6 % (3)(8)(10) | |
| First Brands Group | Automobile Components | Second Lien Term Loan | 3/24/2021 | 13.60% (6ML+ 8.50%) | 1.00 | 3/30/2028 | 37,000 | 36,676 | 36,807 | 1.0 % (3)(8)(10) | |
| | | | | | | | | | 58,960 | 59,016 | 1.6 % |
| Galaxy XV CLO, Ltd. | Structured Finance | Subordinated Structured Note | 2/13/2013 | Residual Interest, current yield 11.57% | — | 10/15/2030 | 50,524 | 32,622 | 25,211 | 0.8 % (5) (14) | |
| | | | | | | | | | 32,622 | 25,211 | 0.8 % |
| Galaxy XXVII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2013 | Residual Interest, current yield 18.59% | — | 5/16/2031 | 24,575 | 16,322 | 13,430 | 0.4 % (5) (14) | |
| | | | | | | | | | 16,322 | 13,430 | 0.4 % |
| Galaxy XXVIII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 5/30/2014 | Residual Interest, current yield 18.42% | — | 7/15/2031 | 39,905 | 27,431 | 20,825 | 0.6 % (5) (14) | |
| | | | | | | | | | 27,431 | 20,825 | 0.6 % |
| Halcyon Loan Advisors Funding 2012-1 Ltd. | Structured Finance | Subordinated Structured Note | 8/7/2012 | Residual Interest, current yield 0.00% | — | 8/15/2023 | 23,188 | 3,704 | — | — % (5) (14)(17) | |
| | | | | | | | | | 3,704 | — | — % |
| Halcyon Loan Advisors Funding 2014-2 Ltd. | Structured Finance | Subordinated Structured Note | 4/14/2014 | Residual Interest, current yield 0.00% | — | 4/28/2025 | 41,164 | 21,322 | 18 | — % (5) (14)(17) | |
| | | | | | | | | | 21,322 | 18 | — % |

See notes to consolidated financial statements.

24

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(38) | Acquisition Date(44) | | Coupon/Yield | Floor | Legal Maturity | June 30, 2022 | | | | |
|---|-------------|---|----------------------|---------------------|---------------|-----------------|----------------|---------------|--------|------------------|--|--|
| | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | | | | |
| LEVEL 3 PORTFOLIO INVESTMENTS | | | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | |
| Engine Group, Inc. (7) | Media | First Lien Term Loan | 11/17/2020 | 6.42% (1ML+ 4.75%) | 1.00 | 11/17/2023 | \$ 3,551 | \$ 3,551 | 3,400 | 0.1 % (8)(10) | | |
| | | Class B Common Units (1,039,554 units) | 11/17/2020 | | N/A | | 26,991 | | — | — % (8)(16) | | |
| | | | | | | | 30,542 | | 3,400 | 0.1 % | | |
| Engineered Machinery Holdings, Inc. | Machinery | Incremental Amendment No. 2 Second Lien Term Loan | 5/6/2021 | 8.75% (3ML+ 6.50%) | 0.75 | 5/21/2029 | 5,000 | 4,982 | 4,897 | 0.1 % (3)(8)(10) | | |
| | | Incremental Amendment No. 3 Second Lien Term Loan | 8/6/2021 | 8.25% (3ML+ 6.00%) | 0.75 | 5/21/2029 | 5,000 | 5,000 | 4,772 | 0.1 % (3)(9)(10) | | |
| | | | | | | | 9,982 | | 9,669 | 0.2 % | | |
| Enseo Acquisition, Inc. | IT Services | First Lien Term Loan | 6/2/2021 | 10.25% (3ML+ 8.00%) | 1.00 | 6/2/2026 | 54,450 | 54,450 | 54,450 | 1.3 % (3) (10) | | |
| | | | | | | | 54,450 | | 54,450 | 1.3 % | | |

| | | | | | | | | | | |
|---|--|--|------------|---|------|------------|--------|---------------|---------------|--------------------|
| Excelitas Technologies Corp. (f/k/a EXC Holdings III Corp.) | Technology Hardware, Storage & Peripherals | Second Lien Term Loan | 11/17/2017 | 8.50% (3ML+ 7.50%) | 1.00 | 12/1/2025 | 12,500 | 12,447 | 12,398 | 0.3 % (3)(8)(10) |
| | | | | | | | | 12,447 | 12,398 | 0.3 % |
| Eze Castle Integration, Inc. IT Services | | First Lien Delayed Draw Term Loan - \$1,786 Commitment | 7/15/2020 | 10.00% (3ML+ 8.50%) | 1.50 | 7/15/2025 | — | — | — | — % (10)(15) |
| | | First Lien Term Loan | 7/15/2020 | 10.00% (3ML+ 8.50%) | 1.50 | 7/15/2025 | 46,740 | 46,740 | 46,740 | 1.1 % (3) (10) |
| First Brands Group | Auto Components | First Lien Term Loan | 3/24/2021 | 6.29% (3M SOFR+ 5.00%) | 1.00 | 3/30/2027 | 22,525 | 22,388 | 22,210 | 0.5 % (3)(8)(10) |
| | | Second Lien Term Loan | 3/24/2021 | 9.74% (3ML+ 8.50%) | 1.00 | 3/30/2028 | 37,000 | 36,503 | 37,000 | 0.9 % (3)(8)(10) |
| | | | | | | | | 58,891 | 59,210 | 1.4 % |
| Galaxy XV CLO, Ltd. | Structured Finance | Subordinated Structured Note | 2/13/2013 | Residual Interest, current yield 12.12% | — | 10/15/2030 | 50,525 | 33,868 | 26,924 | 0.8 % (5) (14) |
| | | | | | | | | 33,868 | 26,924 | 0.8 % |
| Galaxy XXVII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2013 | Residual Interest, current yield 11.34% | — | 5/16/2031 | 24,575 | 15,963 | 11,898 | 0.3 % (5) (14) |
| | | | | | | | | 15,963 | 11,898 | 0.3 % |
| Galaxy XXVIII CLO, Ltd. | Structured Finance | Subordinated Structured Note | 5/30/2014 | Residual Interest, current yield 7.95% | — | 7/15/2031 | 39,905 | 27,017 | 17,407 | 0.4 % (5) (14) |
| | | | | | | | | 27,017 | 17,407 | 0.4 % |
| Halcyon Loan Advisors Funding 2012-1 Ltd. | Structured Finance | Subordinated Structured Note | 8/7/2012 | Residual Interest, current yield 0.00% | — | 8/15/2023 | 23,188 | 3,704 | 6 | — % (5) (14)(17) |
| | | | | | | | | 3,704 | 6 | — % |
| Halcyon Loan Advisors Funding 2013-1 Ltd. | Structured Finance | Subordinated Structured Note | 3/8/2013 | Residual Interest, current yield 0.00% | — | 4/15/2025 | 40,400 | 19,984 | 22 | — % (5) (14)(17) |
| | | | | | | | | 19,984 | 22 | — % |
| Halcyon Loan Advisors Funding 2014-1 Ltd. | Structured Finance | Subordinated Structured Note | 2/7/2014 | Residual Interest, current yield 0.00% | — | 4/20/2026 | 24,500 | 11,822 | 37 | — % (5) (14)(17) |
| | | | | | | | | 11,822 | 37 | — % |
| Halcyon Loan Advisors Funding 2014-2 Ltd. | Structured Finance | Subordinated Structured Note | 4/14/2014 | Residual Interest, current yield 0.00% | — | 4/28/2025 | 41,164 | 21,321 | 53 | — % (5) (14)(17) |
| | | | | | | | | 21,321 | 53 | — % |
| Halcyon Loan Advisors Funding 2015-3 Ltd. | Structured Finance | Subordinated Structured Note | 7/23/2015 | Residual Interest, current yield 0.00% | — | 10/18/2027 | 39,598 | 29,557 | 234 | — % (5) (14)(17) |
| | | | | | | | | 29,557 | 234 | — % |
| HarbourView CLO VII-R, Ltd. | Structured Finance | Subordinated Structured Note | 6/5/2015 | Residual Interest, current yield 0.00% | — | 7/18/2031 | 19,025 | 13,024 | 6,585 | 0.3 % (5) (14)(17) |
| | | | | | | | | 13,024 | 6,585 | 0.3 % |

| Portfolio Company | Industry | Investments(1)(37) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | June 30, 2023 | | | | | | | | | |
|---|--------------------|------------------------------|----------------------|--|-------|----------------|-----------------|----------------|---------------|--------------------|--|--|--|--|--|--|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | | | | |
| PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Halcyon Loan Advisors Funding 2015-3 Ltd. | Structured Finance | Subordinated Structured Note | 7/23/2015 | Residual Interest, current yield 0.00% | — | 10/18/2027 | 39,598 | 29,557 | 123 | — % (5) (14)(17) | | | | | | |
| | | | | | | | | 29,557 | 123 | — % | | | | | | |
| HarbourView CLO VII-R, Ltd. | Structured Finance | Subordinated Structured Note | 6/5/2015 | Residual Interest, current yield 0.00% | — | 7/18/2031 | 19,025 | 13,448 | 6,344 | 0.2 % (5) (14)(17) | | | | | | |
| | | | | | | | | 13,448 | 6,344 | 0.2 % | | | | | | |
| Help/Systems Holdings, Inc. (d/b/a Forta, LLC) | Software | Second Lien Term Loan | 11/14/2019 | 11.95% (1M SOFR+ 6.75%) | 0.75 | 11/19/2027 | 52,500 | 52,350 | 49,111 | 1.3 % (3)(8)(10) | | | | | | |
| | | | | | | | | 52,350 | 49,111 | 1.3 % | | | | | | |

| | | | | | | | | | | |
|---|----------------------------------|--|------------|---|------|------------|--------|--------|--------|----------------------|
| The Hiller Companies, LLC | Commercial Services & Supplies | First Lien Term Loan | 10/11/2022 | 12.52% (6M SOFR + 7.00%) | 1.00 | 9/15/2028 | 37,000 | 37,000 | 37,000 | 1.0 % (3)(8)(10)(49) |
| | | | | | | | | | | 37,000 |
| | | | | | | | | | | 37,000 |
| | | | | | | | | | | 1.0 % |
| Interventional Management Health Care Providers & Services, LLC | Services | First Lien Revolving Line of Credit - \$5,000 Commitment | 2/22/2021 | 14.49% (3M SOFR+ 9.00%) | 1.00 | 2/22/2025 | 5,000 | 5,000 | 5,000 | 0.1 % (10)(15) |
| | | First Lien Term Loan | 2/22/2021 | 14.49% (3M SOFR+ 9.00%) | 1.00 | 2/20/2026 | 66,975 | 66,975 | 66,975 | 1.8 % (3) (10) |
| | | | | | | | | | | 71,975 |
| | | | | | | | | | | 71,975 |
| Japs-Olson Company, LLC (33) | Commercial Services & Supplies | First Lien Term Loan | 5/25/2023 | 12.11% (3M SOFR + 6.75%) | 2.00 | 5/25/2028 | 70,852 | 70,852 | 70,852 | 1.9 % (3) (10) |
| | | | | | | | | | | 70,852 |
| | | | | | | | | | | 70,852 |
| | | | | | | | | | | 1.9 % |
| Jefferson Mill CLO Ltd. | Structured Finance | Subordinated Structured Note | 6/26/2015 | Residual Interest, current yield 12.33% | — | 10/20/2031 | 23,593 | 17,966 | 14,214 | 0.4 % (5) (14) |
| | | | | | | | | | | 17,966 |
| | | | | | | | | | | 14,214 |
| | | | | | | | | | | 0.4 % |
| K&N HoldCo, LLC | Automobile Components | Class A Common Units | 2/14/2023 | | — | N/A | — | 25,697 | 1,156 | — % (8)(16) |
| | | | | | | | | | | 25,697 |
| | | | | | | | | | | 1,156 |
| | | | | | | | | | | — % |
| KM2 Solutions LLC | IT Services | First Lien Term Loan | 12/17/2020 | 14.39% (3M SOFR+ 9.00%) | 1.00 | 12/17/2025 | 23,675 | 23,675 | 23,675 | 0.6 % (3) (10) |
| | | | | | | | | | | 23,675 |
| | | | | | | | | | | 23,675 |
| | | | | | | | | | | 0.6 % |
| LCM XIV Ltd. | Structured Finance | Subordinated Structured Note | 6/25/2013 | Residual Interest, current yield 10.64% | — | 7/21/2031 | 49,933 | 24,754 | 20,099 | 0.5 % (5) (14) |
| | | | | | | | | | | 24,754 |
| | | | | | | | | | | 20,099 |
| | | | | | | | | | | 0.5 % |
| LGC US FINCO, LLC | Machinery | First Lien Term Loan | 1/17/2020 | 11.72% (1M SOFR+ 6.50%) | 1.00 | 12/20/2025 | 29,876 | 29,460 | 29,876 | 0.8 % (3)(8)(10) |
| | | | | | | | | | | 29,460 |
| | | | | | | | | | | 29,876 |
| | | | | | | | | | | 0.8 % |
| Lucky US BuyerCo LLC | Professional Services | First Lien Revolving Line of Credit - \$2,775 Commitment | 4/3/2023 | 12.39% (3M SOFR + 7.50%) | 1.00 | 4/1/2029 | — | — | — | — % (8)(10)(15) |
| | | First Lien Term Loan | 4/3/2023 | 12.39% (3M SOFR + 7.50%) | 1.00 | 4/1/2029 | 21,674 | 21,674 | 21,674 | 0.6 % (3)(8)(10) |
| | | | | | | | | | | 21,674 |
| | | | | | | | | | | 21,674 |
| MAC Discount, LLC | Household Durables | First Lien Term Loan | 5/11/2023 | 13.49% (3M SOFR + 8.00%) | 1.50 | 5/11/2028 | 37,810 | 37,453 | 37,810 | 1.0 % (3) (10) |
| | | Class A Senior Preferred Stock to MAC Discount Investments, LLC (1,500,000 shares) | 5/11/2023 | 12.00% | — | 5/11/2028 | — | 1,500 | 1,523 | — % (16) |
| | | | | | | | | | | 38,953 |
| | | | | | | | | | | 39,333 |
| | | | | | | | | | | 1.0 % |
| Magnate Worldwide, LLC | Air Freight & Logistics | First Lien Delayed Draw Term Loan - \$2,357 Commitment | 3/11/2022 | 10.84% (3M SOFR+ 5.50%) | 0.75 | 12/30/2028 | 1,208 | 1,184 | 1,208 | — % (8)(10)(15) |
| | | First Lien Term Loan | 3/11/2022 | 10.84% (3M SOFR+ 5.50%) | 0.75 | 12/30/2028 | 30,186 | 30,186 | 30,186 | 0.8 % (3)(8)(10) |
| | | Second Lien Term Loan | 12/30/2021 | 13.89% (3M SOFR+ 8.50%) | 0.75 | 12/30/2029 | 95,000 | 95,000 | 95,000 | 2.5 % (3)(10) |
| | | | | | | | | | | 126,370 |
| | | | | | | | | | | 126,394 |
| | | | | | | | | | | 3.3 % |
| Mamba Purchaser, Inc. | Health Care Providers & Services | Second Lien Term Loan | 9/29/2021 | 11.72% (1M SOFR+ 6.50%) | 0.50 | 10/14/2029 | 23,000 | 22,863 | 23,000 | 0.6 % (3)(8)(10) |
| | | | | | | | | | | 22,863 |
| | | | | | | | | | | 23,000 |
| | | | | | | | | | | 0.6 % |

See notes to consolidated financial statements.

25

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| Portfolio Company | Industry | Investments(1)(38) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | June 30, 2022 | | | | | | | | | |
|---|----------|-----------------------|----------------------|-----------------------|-------|----------------|-----------------|----------------|---------------|------------------|--|--|--|--|--|--|
| | | | | | | | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets | | | | | | |
| LEVEL 3 PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | | | | | | | |
| Help/Systems Holdings, Inc. | Software | Second Lien Term Loan | 11/14/2019 | 7.56%(3M SOFR+ 6.75%) | 0.75 | 11/19/2027 | \$ 52,500 | \$ 52,295 | \$ 52,500 | 1.3 % (3)(8)(10) | | | | | | |
| | | | | | | | | | | 52,295 | | | | | | |
| | | | | | | | | | | 52,500 | | | | | | |
| | | | | | | | | | | 1.3 % | | | | | | |

| | | | | | | | | | | |
|---|----------------------------------|--|------------|---|------|------------|--------|--------|--------|------------------|
| Interventional Management Health Care Providers & Services, LLC | Services | First Lien Revolving Line of Credit - \$5,000 Commitment | 2/22/2021 | 11.25% (3ML+ 9.00%) | 1.00 | 2/22/2025 | 5,000 | 5,000 | 4,964 | 0.1 % (10)(15) |
| | | First Lien Term Loan | 2/22/2021 | 11.25% (3ML+ 9.00%) | 1.00 | 2/20/2026 | 68,385 | 68,385 | 67,897 | 1.6 % (3) (10) |
| | | | | | | | | | 73,385 | 72,861 |
| | | | | | | | | | | 1.7 % |
| Jefferson Mill CLO Ltd. | Structured Finance | Subordinated Structured Note | 6/26/2015 | Residual Interest, current yield 5.45% | — | 10/20/2031 | 23,594 | 18,172 | 12,879 | 0.4 % (5) (14) |
| | | | | | | | | | | 18,172 |
| | | | | | | | | | | 12,879 |
| | | | | | | | | | | 0.4 % |
| K&N Parent, Inc. | Auto Components | Second Lien Term Loan | 10/19/2016 | 11.00% (3ML+ 8.75%) | 1.00 | 10/21/2024 | 25,887 | 25,697 | 24,337 | 0.6 % (8)(10) |
| | | | | | | | | | | 25,697 |
| | | | | | | | | | | 24,337 |
| | | | | | | | | | | 0.6 % |
| KM2 Solutions LLC | IT Services | First Lien Term Loan | 12/17/2020 | 10.25% (3ML+ 8.00%) | 1.00 | 12/17/2025 | 23,925 | 23,925 | 23,925 | 0.6 % (3) (10) |
| | | | | | | | | | | 23,925 |
| | | | | | | | | | | 23,925 |
| KNS Acquisition Corp. | Food & Staples Retailing | First Lien Term Loan | 5/26/2022 | 8.50% (3ML+ 6.25%) | 0.75 | 4/21/2027 | 9,937 | 9,262 | 9,440 | 0.2 % (8)(10) |
| | | | | | | | | | | 9,262 |
| | | | | | | | | | | 9,440 |
| | | | | | | | | | | 0.2 % |
| LCM XIV Ltd. | Structured Finance | Subordinated Structured Note | 6/25/2013 | Residual Interest, current yield 7.15% | — | 7/21/2031 | 49,934 | 25,787 | 19,385 | 0.5 % (5) (14) |
| | | | | | | | | | | 25,787 |
| | | | | | | | | | | 19,385 |
| | | | | | | | | | | 0.5 % |
| LGC US FINCO, LLC | Machinery | First Lien Term Loan | 1/17/2020 | 8.17% (1ML+ 6.50%) | 1.00 | 12/20/2025 | 30,638 | 30,053 | 29,609 | 0.7 % (3)(8)(10) |
| | | | | | | | | | | 30,053 |
| | | | | | | | | | | 29,609 |
| | | | | | | | | | | 0.7 % |
| | | | | | | | | | | — % (8)(10)(15) |
| Magnate Worldwide, LLC | Air Freight & Logistics | First Lien Delayed Draw Term Loan - \$2,357 Commitment | 3/11/2022 | 7.75% (3ML+ 5.50%) | 0.75 | 12/30/2028 | — | — | — | — % (8)(10)(15) |
| | | First Lien Term Loan | 3/11/2022 | 7.75% (3ML+ 5.50%) | 0.75 | 12/30/2028 | 30,490 | 30,490 | 30,490 | 0.7 % (3)(8)(10) |
| | | Second Lien Term Loan | 12/30/2021 | 10.75% (3ML+ 8.50%) | 0.75 | 12/30/2029 | 95,000 | 95,000 | 95,000 | 2.3 % (3)(8)(10) |
| | | | | | | | | | | 125,490 |
| | | | | | | | | | | 125,490 |
| | | | | | | | | | | 3.0 % |
| Mamba Purchaser, Inc. | Health Care Providers & Services | Second Lien Term Loan | 9/29/2021 | 8.10% (1ML+ 6.50%) | 0.50 | 10/14/2029 | 23,000 | 22,840 | 23,000 | 0.6 % (3)(8)(10) |
| | | | | | | | | | | 22,840 |
| | | | | | | | | | | 23,000 |
| | | | | | | | | | | 0.6 % |
| Medical Solutions Holdings, Inc. (50) | Health Care Providers & Services | Second Lien Term Loan | 11/1/2021 | 9.88% (6ML+ 7.00%) | 0.50 | 11/1/2029 | 53,518 | 53,504 | 53,518 | 1.3 % (3)(8)(10) |
| | | | | | | | | | | 53,504 |
| | | | | | | | | | | 53,518 |
| | | | | | | | | | | 1.3 % |
| Medusind Acquisition, Inc. (19) | Health Care Providers & Services | First Lien Term Loan | 9/30/2019 | 8.81% (3ML+ 6.50%) | 1.00 | 4/8/2024 | 23,635 | 23,488 | 23,635 | 0.6 % (3) (10) |
| | | | | | | | | | | 23,488 |
| | | | | | | | | | | 23,635 |
| | | | | | | | | | | 0.6 % |
| Mountain View CLO 2013-I Ltd. | Structured Finance | Subordinated Structured Note | 4/17/2013 | Residual Interest, current yield 2.05% | — | 10/15/2030 | 43,650 | 25,461 | 15,560 | 0.4 % (5) (14) |
| | | | | | | | | | | 25,461 |
| | | | | | | | | | | 15,560 |
| | | | | | | | | | | 0.4 % |
| Mountain View CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 5/13/2015 | Residual Interest, current yield 10.29% | — | 7/15/2031 | 47,830 | 25,333 | 22,510 | 0.6 % (5) (14) |
| | | | | | | | | | | 25,333 |
| | | | | | | | | | | 22,510 |
| | | | | | | | | | | 0.6 % |
| Nexus Buyer LLC | Capital Markets | Second Lien Term Loan | 11/5/2021 | 7.44% (1ML+ 6.25%) | 0.50 | 11/5/2029 | 42,500 | 42,500 | 41,574 | 1.0 % (8)(10) |
| | | | | | | | | | | 42,500 |
| | | | | | | | | | | 41,574 |
| | | | | | | | | | | 1.0 % |
| Octagon Investment Partners XV, Ltd. | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 8.63% | — | 7/19/2030 | 42,064 | 29,613 | 24,235 | 0.7 % (5) (14) |
| | | | | | | | | | | 29,613 |
| | | | | | | | | | | 24,235 |
| | | | | | | | | | | 0.7 % |
| Octagon Investment Partners 18-R Ltd. | Structured Finance | Subordinated Structured Note | 8/12/2015 | Residual Interest, current yield 11.27% | — | 4/16/2031 | 46,016 | 22,064 | 17,161 | 0.5 % (5) (14) |
| | | | | | | | | | | 22,064 |
| | | | | | | | | | | 17,161 |
| | | | | | | | | | | 0.5 % |

| June 30, 2023 | | | | | | | | | | |
|--|----------|--------------------|----------------------|--------------|-------|----------------|-----------------|----------------|---------------|-----------------|
| Portfolio Company | Industry | Investments(1)(37) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | Amortized Cost | Fair Value(2) | % of Net Assets |
| PORTFOLIO INVESTMENTS | | | | | | | | | | |
| Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |

| | | | | | | | | | | |
|---|----------------------------------|--|------------|--|------|------------|-----------|----------------|----------------|--------------------|
| Medical Solutions Holdings, Inc. (4) | Health Care Providers & Services | Second Lien Term Loan | 11/1/2021 | 12.36% (3M SOFR+ 7.00%) | 0.50 | 11/1/2029 | \$ 54,463 | \$ 54,428 | \$ 54,463 | 1.5 % (3)(8)(10) |
| | | | | | | | | 54,428 | 54,463 | 1.5 % |
| Mountain View CLO 2013-I Ltd. | Structured Finance | Subordinated Structured Note | 4/17/2013 | Residual Interest, current yield 0.00% | — | 10/15/2030 | 43,650 | 21,588 | 13,629 | 0.4 % (5) (14)(17) |
| | | | | | | | | 21,588 | 13,629 | 0.4 % |
| Mountain View CLO IX Ltd. | Structured Finance | Subordinated Structured Note | 5/13/2015 | Residual Interest, current yield 9.95% | — | 7/15/2031 | 47,829 | 23,395 | 19,004 | 0.5 % (5) (14) |
| | | | | | | | | 23,395 | 19,004 | 0.5 % |
| Nexus Buyer LLC | Capital Markets | Second Lien Term Loan | 11/5/2021 | 11.45% (1M SOFR+ 6.25%) | 0.50 | 11/5/2029 | 42,500 | 42,500 | 39,984 | 1.1 % (8)(10) |
| | | | | | | | | 42,500 | 39,984 | 1.1 % |
| NH Kronos Buyer, Inc. | Pharmaceuticals | First Lien Term Loan | 12/7/2022 | 11.64% (3M SOFR + 6.25%) | 1.00 | 11/1/2028 | 74,531 | 74,531 | 74,531 | 2.0 % (3)(8)(10) |
| | | | | | | | | 74,531 | 74,531 | 2.0 % |
| Octagon Investment Partners XV, Ltd. | Structured Finance | Subordinated Structured Note | 1/24/2013 | Residual Interest, current yield 5.11% | — | 7/19/2030 | 42,064 | 27,168 | 21,341 | 0.6 % (5) (14) |
| | | | | | | | | 27,168 | 21,341 | 0.6 % |
| Octagon Investment Partners 18-R Ltd. | Structured Finance | Subordinated Structured Note | 8/12/2015 | Residual Interest, current yield 7.93% | — | 4/16/2031 | 46,016 | 20,619 | 15,429 | 0.4 % (5) (14) |
| | | | | | | | | 20,619 | 15,429 | 0.4 % |
| OneTouchPoint Corp | Professional Services | First Lien Term Loan | 2/19/2021 | 13.49% (3M SOFR+ 8.00%) | 1.00 | 2/19/2026 | 38,678 | 38,678 | 38,678 | 1.0 % (3) (10) |
| | | | | | | | | 38,678 | 38,678 | 1.0 % |
| PeopleConnect Holdings, LLC (11) | Interactive Media & Services | First Lien Term Loan | 1/22/2020 | 13.64% (3M SOFR+ 8.25%) | 2.75 | 1/22/2025 | 160,281 | 160,281 | 160,281 | 4.3 % (3) (10) |
| | | | | | | | | 160,281 | 160,281 | 4.3 % |
| PetVet Care Centers, LLC (f/k/a Pearl Intermediate Parent LLC) | Health Care Providers & Services | Second Lien Term Loan | 2/1/2018 | 11.44% (1ML+ 6.25%) | — | 2/15/2026 | 16,000 | 15,957 | 15,319 | 0.4 % (3)(8)(10) |
| | | | | | | | | 15,957 | 15,319 | 0.4 % |
| PGX Holdings, Inc. (6) | Diversified Consumer Services | First Lien Term Loan | 7/21/2021 | 12.85% (1M SOFR + 7.75%) | 1.50 | 7/21/2026 | 70,639 | 70,639 | 70,639 | 1.9% (8)(9)(10) |
| | | First Lien DIP Term Loan | 5/31/2023 | 13.99% (3M SOFR + 8.50%) | 1.50 | 7/21/2026 | 4,376 | 4,376 | 4,376 | 0.1% (8)(10) |
| | | Second Lien Term Loan | 7/21/2021 | 12.00% PIK | — | 7/27/2027 | 186,326 | 179,986 | — | —% (9)(39) |
| | | Class B of PGX TopCo LLC (999 Non-Voting Units) | 5/27/2020 | | — | N/A | — | — | — | —% (16) |
| | | | | | | | | 255,001 | 75,015 | 2.0 % |
| PlayPower, Inc. | Leisure Products | First Lien Term Loan | 5/7/2019 | 10.57% (3M SOFR+ 5.50%) | — | 5/10/2026 | 5,776 | 5,749 | 5,436 | 0.1 % (3)(8)(10) |
| | | | | | | | | 5,749 | 5,436 | 0.1 % |
| Precisely Software Incorporated (f/k/a Vision Solutions, Inc.) (29) | IT Services | Second Lien Term Loan | 4/23/2021 | 12.51% (3ML + 7.25%) | 0.75 | 4/23/2029 | 80,000 | 79,331 | 75,962 | 2.0 % (3)(8)(10) |
| | | | | | | | | 79,331 | 75,962 | 2.0 % |
| Preventics, Inc. (d/b/a Legere Pharmaceuticals) (46) | Health Care Providers & Services | First Lien Term Loan | 11/12/2021 | 16.04% (3ML+ 10.50%) | 1.00 | 11/12/2026 | 9,150 | 9,150 | 9,150 | 0.2 % (3) (10) |
| | | Series A Convertible Preferred Stock(320 units) | 11/12/2021 | 8.00% | — | N/A | — | 127 | 158 | — % (16) |
| | | Series C Convertible Preferred Stock (3,575 units) | 11/12/2021 | 8.00% | — | N/A | — | 1,419 | 1,769 | — % (16) |
| | | | | | | | | 10,696 | 11,077 | 0.2 % |
| Raisin Acquisition Co, Inc. | Pharmaceuticals | First Lien Revolving Line of Credit | 6/17/2022 | 12.51% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | — | — | — | — % (8)(10)(15) |
| | | First Lien Delayed Draw Term Loan | 6/17/2022 | 12.50% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | 1,503 | 1,472 | 1,468 | — % (8)(10)(15) |
| | | First Lien Term Loan | 6/17/2022 | 12.51% (3M SOFR+ 7.00%) | 1.00 | 12/13/2026 | 23,848 | 23,266 | 23,290 | 0.6 % (3)(8)(10) |
| | | | | | | | | 24,738 | 24,758 | 0.6 % |

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
 (in thousands, except share data)

| | | | | | | | |
|------------------------------------|------------------------------------|--|--------------------------|-----------|--------------------------------|------|-----------|
| Shutterfly Finance, LLC | Shutterfly Finance, LLC | Internet & Direct Marketing Retail | First Lien Term Loan | 6/5/2023 | 11.13% (3M SOFR+ 6.00%) | 1.00 | 10/1/2027 |
| | | | Second Lien Term Loan | 6/6/2023 | 10.13% (3M SOFR + 5.00%) | 1.00 | 10/1/2027 |
| | | | Second Lien Term Loan | 6/6/2023 | 10.24% (3M SOFR + 5.00%) | 1.00 | 10/1/2027 |
| Sorenson Communications, LLC | Sorenson Communications, LLC | Diversified Services | First Lien Term Loan | 3/12/2021 | 10.69% (1ML+ 5.50%) | 0.75 | 3/17/2026 |
| | | | Second Lien Term Loan | 10/2/2020 | 12.95% (1M SOFR+ 7.75%) | 1.00 | 10/5/2028 |
| | | | Second Lien Term Loan | 10/2/2020 | 12.95% (1M SOFR+ 7.75%) | 1.00 | 10/5/2028 |
| Southern Veterinary Partners | Southern Veterinary Partners | Health Care Providers & Services | First Lien Term Loan | 3/12/2021 | 10.69% (1ML+ 5.50%) | 0.75 | 3/17/2026 |
| | | | Second Lien Term Loan | 10/2/2020 | 12.95% (1M SOFR+ 7.75%) | 1.00 | 10/5/2028 |
| | | | Second Lien Term Loan | 10/2/2020 | 12.95% (1M SOFR+ 7.75%) | 1.00 | 10/5/2028 |

See notes to consolidated financial statements.

27

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| | | | | | | | | | | | | | | | | | | | | |
|---|--------------------------------------|----------------------------------|-----------------------|------------|-------------------------------------|------|------------|---------|---------|---------|------------|------|---|--|-----------------------|--------------------------|---------------------------------------|------------|------------|---------|
| | Town & Country Holdings, Inc. | Distributors | First Lien Term Loan | 1/26/2018 | 10.75% (3ML+ 8.50%) | 1.50 | 1/26/2023 | 166,080 | 166,080 | 166,080 | 4.0 % (10) | (3) | Class B of Town & Country TopCo LLC (999 Non-Voting Units) | 11/17/2022 | N/A | | | | | |
| | | | | | | | | | | | | (39) | | | | | | | | |
| | | | | | | | | 166,080 | 166,080 | 166,080 | 4.0 % | | | | | | | | | |
| TPS, LLC | TPS, LLC | Machinery | First Lien Term Loan | 11/30/2020 | 11.25% (3ML+ 9.00%) plus 1.50%PIK | 1.00 | 11/30/2025 | 28,257 | 28,257 | 28,257 | 0.7 % (10) | (3) | TPS, LLC | Machinery | First Lien Term Loan | 11/30/2020 | 14.50% (3M SOFR+ 9.00%) plus 1.50%PIK | 1.00 | 11/30/2025 | 28,257 |
| | | | | | | | | 28,257 | 28,257 | 28,257 | 0.7 % | (39) | | | | | | | | |
| United Sporting Companies, Inc. (18) | United Sporting Companies, Inc. (18) | Distributors | Second Lien Term Loan | 9/28/2012 | 13.25% (1ML+ 11.00%) plus 2.00% PIK | 2.25 | 11/16/2019 | 144,692 | 103,730 | 6,107 | 0.1 % (10) | (9) | United Sporting Companies, Inc. (18) | Distributors | Second Lien Term Loan | 9/28/2012 | 16.19% (1ML+ 11.00%) plus 2.00% PIK | 2.25 | 11/16/2019 | 130,692 |
| | | | | | | | | 103,730 | 6,107 | 6,107 | 0.1 % | | | | | | | | | |
| Upstream Newco, Inc. | Upstream Newco, Inc. | Health Care Providers & Services | Second Lien Term Loan | 11/20/2019 | 10.17% (1ML+ 8.50%) | — | 11/20/2027 | 22,000 | 21,861 | 22,000 | 0.5 % (8) | (3) | Upstream Newco, Inc. | Health Care Providers & Services | Second Lien Term Loan | 11/20/2019 | 13.84% (3M SOFR+ 8.50%) | — | 11/20/2027 | 22,000 |
| | | | | | | | | 21,861 | 22,000 | 22,000 | 0.5 % | (10) | | | | | | | | |
| USG Intermediate, LLC | | | | | | | | | | | | | USG | First Lien Revolving Line of Credit - \$4,000 Commitment | 4/15/2015 | 14.45% (1M SOFR+ 9.25%) | 1.00 | 2/9/2028 | 4,000 | |
| VC GB Holdings I Corp | | | | | | | | | | | | | LLC | First Lien Term Loan B | 4/15/2015 | 16.95% (1M SOFR+ 11.75%) | 1.00 | 2/9/2028 | 55,000 | |
| ViaPath Technologies. (f/k/a Global Tel*Link Corporation) | | | | | | | | | | | | | Equity | 4/15/2015 | — | N/A | | | | |
| Victor Technology, LLC | | | | | | | | | | | | | VC GB Holdings I Corp | Second Lien Term Loan | 6/30/2021 | 12.23% (3ML+ 6.75%) | 0.50 | 7/23/2029 | 25,000 | |
| | | | | | | | | | | | | | ViaPath Technologies. Diversified (f/k/a Global Tel*Link Corporation) | First Lien Term Loan | 8/7/2019 | 9.45% (1M SOFR+ 4.25%) | — | 11/29/2025 | 9,000 | |
| | | | | | | | | | | | | | ViaPath Technologies. Diversified (f/k/a Global Tel*Link Corporation) | Second Lien Term Loan | 11/20/2018 | 15.20% (1M SOFR+ 10.00%) | — | 11/29/2026 | 12,000 | |
| | | | | | | | | | | | | | Victor Technology, LLC | Commercial Services & Supplies | First Lien Term Loan | 12/3/2021 | 13.00% (3M SOFR+ 7.50%) | 1.00 | 12/3/2028 | 25,000 |

See notes to consolidated financial statements.

28

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2022 2023 (Continued)
(in thousands, except share data)

| Portfolio Company | Portfolio Company | Industry | June 30, 2022 | | | | | | % of Net Assets | Portfolio Company | Industry | June 30, 2022 | | | | | | | | | | |
|--------------------------------------|-------------------|----------|----------------|----------------------|--------------|-------|----------------|-----------------|-----------------|-------------------|----------|----------------|----------------------|--------------|-------|----------------|-----------------|--|--|--|--|--|
| | | | Investments(1) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | | | | Investments(1) | Acquisition Date(44) | Coupon/Yield | Floor | Legal Maturity | Principal Value | | | | | |
| LEVEL 3 PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | | | | | | | |
| PORTFOLIO INVESTMENTS | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |

| Non- Control/Non- Affiliate Investments (less than 5.00% voting control) | Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | Non-Control/Non-Affiliate Investments (less than 5.00% voting control) | | | | | | | | | | |
|--|---|--|------------|--|------|------------|----------|----------|----------|---------------------------|---|--------------------------------------|---------------------------------|-----------|--|---|------------|-----------|--|--|--|
| | | | | | | | | | | | | | | | | | | | | | |
| USG Intermediate, LLC | Leisure Products | First Lien Revolving Line of Credit - \$3,000 Commitment | 4/15/2015 | 10.92% (1ML+ 9.25%) | 1.00 | 2/9/2027 | \$ 3,000 | \$ 3,000 | \$ 3,000 | 0.1 % (10) (15) | | | | | | | | | | | |
| VC GB Holdings I Corp | Household Durables | First Lien Term Loan B | 4/15/2015 | 13.42% (1ML+ 11.75%) | 1.00 | 2/9/2027 | 30,209 | 30,209 | 30,209 | 0.7 % (3) (10) | | | | | | | | | | | |
| Venio LLC (48) | Professional Services | Equity | 4/15/2015 | | | N/A | | 1 | — | — % (16) | | | | | | | | | | | |
| | | | | | | | | 33,210 | 33,209 | 0.8 % | | | | | | | | | | | |
| ViaPath Technologies. | Diversified Telecommunication Services | First Lien Term Loan | 8/7/2019 | 5.92% (1ML+ 4.25%) | — | 11/29/2025 | 9,698 | 9,474 | 9,125 | 0.2 % (8) (3) (10) | | | | | | | | | | | |
| Victor Technology, LLC | Commercial Services & Supplies | Second Lien Term Loan | 11/20/2018 | 11.63% (1M SOFR+ 10.00%) | — | 11/29/2026 | 122,670 | 121,746 | 122,266 | 3.0 % (8) (10) | | | | | | | | | | | |
| Vision Solutions, Inc. (29) | IT Services | Second Lien Term Loan | 4/23/2021 | 8.43% (1ML+ 7.25%) | 0.75 | 4/23/2029 | 80,000 | 79,216 | 78,320 | 1.9 % (8) (3) (10) | | | | | | | | | | | |
| Voya CLO 2012-4, Ltd. | Voya CLO 2012-4, Structured Finance Ltd. | Subordinated Structured Note | 11/5/2012 | Residual Interest, current yield 3.74% | — | 10/15/2030 | 40,613 | 28,996 | 22,424 | 0.5 % (5) (14) | Voya CLO 2012-4, Ltd. | Structured Finance | Subordinated Structured Note | 11/5/2012 | Residual Interest, current yield 0.00% | — | 10/15/2030 | \$ 40,613 | | | |
| Voya CLO 2014-1, Ltd. | Voya CLO 2014-1, Structured Finance Ltd. | Subordinated Structured Note | 2/5/2014 | Residual Interest, current yield 0.00% | — | 4/18/2031 | 40,773 | 26,014 | 16,336 | 0.4 % (14) (5) (17) | Voya CLO 2014-1, Ltd. | Structured Finance | Subordinated Structured Note | 2/5/2014 | Residual Interest, current yield 0.75% | — | 4/18/2031 | 40,773 | | | |
| Voya CLO 2016-3, Ltd. | Voya CLO 2016-3, Structured Finance Ltd. | Subordinated Structured Note | 9/30/2016 | Residual Interest, current yield 7.08% | — | 10/20/2031 | 28,100 | 23,495 | 18,811 | 0.5 % (5) (14) | Voya CLO 2016-3, Ltd. | Structured Finance | Subordinated Structured Note | 9/30/2016 | Residual Interest, current yield 10.28% | — | 10/20/2031 | 28,100 | | | |
| Voya CLO 2017-3, Ltd. | Voya CLO 2017-3, Structured Finance Ltd. | Subordinated Structured Note | 6/13/2017 | Residual Interest, current yield 12.14% | — | 4/20/2034 | 44,885 | 49,276 | 41,072 | 1.1 % (5) (14) | Voya CLO 2017-3, Ltd. | Structured Finance | Subordinated Structured Note | 6/13/2017 | Residual Interest, current yield 13.32% | — | 4/20/2034 | 44,885 | | | |
| VT Topco, Inc. | VT Topco, Commercial Services & Supplies | Second Lien Term Loan | 8/14/2018 | 8.42% (1ML+ 6.75%) | — | 8/17/2026 | 12,000 | 11,926 | 11,847 | 0.3 % (8) (10) | VT Topco, Inc. | Commercial Services & Supplies | Second Lien Term Loan | 8/14/2018 | 11.97% (1M SOFR+ 6.75%) | — | 8/17/2026 | 12,000 | | | |

See notes to consolidated financial statements.

29

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023** **September 30, 2023** (Unaudited) and **June 30, 2022** **June 30, 2023**

(1) The terms "Prospect," "the Company," "we," "us" and "our" mean Prospect Capital Corporation and its subsidiaries unless the context specifically requires otherwise. The securities in which Prospect has invested were acquired in transactions that were exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These securities may be resold only in transactions that are exempt from registration under the Securities Act.

(2) Fair value is determined by or under the direction of our Board of Directors. Unless otherwise indicated by endnote 47 below, all of our investments are valued using significant unobservable inputs. In accordance with ASC 820, such investments are classified as Level 3 within the fair value hierarchy. See Notes 2 and 3 within the accompanying notes to consolidated financial statements for further discussion.

(3) Security, or a portion thereof, is held by Prospect Capital Funding LLC ("PCF"), our wholly owned subsidiary and a bankruptcy remote special purpose entity, and is pledged as collateral for the Revolving Credit Facility and such security is not available as collateral to our general creditors (see Note 4). The fair value of the investments held by PCF at **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023** were **\$2,559,175** **\$2,969,277** and **\$2,638,042**, **\$3,051,668**, respectively, representing **33.7%** **38.4%** and **34.7%** **39.5%** of our total investments, respectively.

(4) Medical Solutions Holdings, Inc. and Medical Solutions, LLC are joint borrowers on the Second Lien Term Loan.

(5) This investment is in the equity class of the collateralized loan obligation ("CLO") security, which is referred to as "Subordinated Structured Note," or "SSN". The SSN investments are entitled to recurring distributions which are generally equal to the excess cash flow generated from the underlying investments after payment of the contractual payments to debt holders and fund expenses. The current estimated yield, calculated using amortized cost, is based on the current projections of this excess cash flow taking into account assumptions

which have been made regarding expected prepayments, losses and future reinvestment rates. These assumptions are periodically reviewed and adjusted. Ultimately, the actual yield may be higher or lower than the estimated yield if actual results differ from those used for the assumptions.

(6) On December 28, 2022, we provided \$15,000 of additional Second Lien Term Loans and \$30,000 of Second Lien Delayed Draw Term Loan commitments to PGX Holdings, Inc. ("PGX"). Also as of December 28, 2022, we contributed our existing equity interest in PGX to PGX TopCo LLC, an entity in which we own 100% of the Class B non-voting shares. Given the only equity we hold in the PGX structure is non-voting, we classify our investment in the PGX structure as non-control/non-affiliate beginning December 31, 2022 and as of December 31, 2022 June 30, 2023. On September 28, 2023, in connection with a Chapter 11 process, PGX sold the majority of its assets to a new entity, Credit.com Holdings, LLC ("Credit.com"). As part of the transaction, we rolled the majority of our existing First Lien Term Loan into a new First Lien Term Loan A and new First Lien Term Loan B at Credit.com. We were also issued equity at Credit.com, which we hold through our Class B non-voting equity investment in PGX Topco II LLC.

(7) Engine Group, Inc., EMX Digital, Inc. (f/k/a Clearstream.TV, Inc.), and Engine International, Inc., are joint borrowers on the first lien term loan.

(8) Syndicated investment which was originated by a financial institution and broadly distributed.

(9) Investment on non-accrual status as of the reporting date (See Note 2).

(10) Certain variable rate securities in our portfolio bear interest at a rate determined by a publicly disclosed base rate plus a basis point spread. The 1-Month LIBOR, or "1ML", was 4.86% 5.43% as of March 31, 2023 September 30, 2023 and 1.79% 5.22% as of June 30, 2022 June 30, 2023. The 3-Month LIBOR, or "3ML", was 5.19% 5.66% as of March 31, 2023 September 30, 2023 and 2.29% 5.55% as of June 30, 2022 June 30, 2023. The 6-Month LIBOR, or "6ML", was 5.31% 5.90% as of March 31, 2023 September 30, 2023 and 2.94% 5.76% as of June 30, 2022 June 30, 2023. The 1-Month Secured Overnight Financing Rate or "1M SOFR", was 4.80% 5.32% as of March 31, 2023 September 30, 2023 and 1.69% 5.14% as of June 30, 2022 June 30, 2023. The 3-Month Secured Overnight Financing Rate or "3M SOFR", was 4.91% 5.40% as of March 31, 2023 September 30, 2023 and 2.12% 5.27% as of June 30, 2022 June 30, 2023. The 6-Month Secured Overnight Financing Rate or "6M SOFR" was 4.90% 5.47% as of March 31, 2023 September 30, 2023 and 5.39% as of June 30, 2023. The PRIME Rate or "PRIME" was 8.00% 8.50% as of March 31, 2023 September 30, 2023 and 8.25% as of June 30, 2023. The impact of a SOFR credit spread adjustment, if applicable, is included within the stated all-in interest rate.

(11) PeopleConnect Holdings, Inc. and Pubrec Holdings, Inc. are joint borrowers.

(12) The consolidated revenue interest is equal to the lesser of (i) 2.0% of consolidated revenue for the twelve-month period ending on the last day of the prior fiscal quarter (or portion thereof) and (ii) 25% of the amount of interest accrued on the Notes at the cash interest rate for such fiscal quarter (or portion thereof).

See notes to consolidated financial statements.

30

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2023 (Unaudited) and June 30, 2023 (Continued)

(13) The overriding royalty interests held receive payments at the stated rates based upon operations of the borrower.

(14) Investment has been designated as an investment not "qualifying" under Section 55(a) of the Investment Company Act of 1940 (the "1940 Act"). Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets. As of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, our qualifying

See notes to consolidated financial statements.

30

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of March 31, 2023 (Unaudited) and June 30, 2022 (Continued)

assets, as a percentage of total assets, stood at 81.08% 82.29% and 80.64% 82.08%, respectively. We monitor the status of these assets on an ongoing basis.

(15) Undrawn committed revolvers and delayed draw term loans to our portfolio companies incur commitment and unused fees ranging from 0.00% to 7.25%. As of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, we had \$54,133 \$27,316 and \$43,934 \$47,875, respectively, of undrawn revolver and delayed draw term loan commitments to our portfolio companies.

(16) Represents non-income producing security that has not paid a dividend in the year preceding the reporting date.

(17) The effective yield has been estimated to be 0% as expected future cash flows are anticipated to not be sufficient to repay the investment at cost. If the expected investment proceeds increase, there is a potential for future investment income from the investment. Distributions, once received, will be recognized as return of capital, and when called, any remaining unamortized investment costs will be written off if the actual distributions are less than the amortized investment cost. To the extent that the cost basis of the SSN is fully recovered, any future distributions will be recorded as realized gains.

(18) Ellett Brothers, LLC, Evans Sports, Inc., Jerry's Sports, Inc., Simmons Gun Specialties, Inc., Bonitz Brothers, Inc., and Outdoor Sports Headquarters, Inc. are joint borrowers on the second lien term loan. United Sporting Companies, Inc. ("USC") is a parent guarantor of this debt investment, and is 100% owned by SportCo Holdings, Inc. ("SportCo"). In June 2019, USC filed for Chapter 11 bankruptcy and began liquidating its remaining assets.

(19) **Medusind Acquisition, Inc., Medusind Intermediate, Inc., Medusind Solutions Inc.** Security was called for redemption and **Medusind Inc. are joint borrowers.** the liquidation of the underlying loan portfolio is ongoing.

(20) CP Holdings of Delaware LLC ("CP Holdings"), a consolidated entity in which we own 100% of the membership interests, owns 99.8% of CP Energy Services Inc. ("CP Energy") as of **March 31, 2023 September 30, 2023** and **June 30, 2022 June 30, 2023**. CP Energy owns directly or indirectly 100% of each of CP Well Testing, LLC; Wright Foster Disposals, LLC; Foster Testing Co., Inc.; ProHaul Transports, LLC; and Wright Trucking, Inc. We report CP Energy as a separate controlled company. In June 2019, CP Energy purchased a controlling interest in the common equity of Spartan Energy Holdings, Inc. ("Spartan Holdings"), which owns 100% of Spartan Energy Services, LLC ("Spartan"), a portfolio company of Prospect with **\$31,603 \$32,021** in first lien term loans (the "Spartan Term Loans") due to us as of **March 31, 2023 September 30, 2023**. As a result of CP Energy's purchase, and given Prospect's controlling interest in CP Energy, our Spartan Term Loans are presented as control investments under CP Energy. Spartan remains the direct borrower and guarantor to Prospect for the Spartan Term Loans. In September 2020, we made a new \$26,193 Series A preferred stock investment in Spartan Energy Holdings, Inc., which equates to 100% of the Series A non-voting non-convertible preferred stock outstanding. In September 2020, Spartan Energy Services, LLC fully repaid the \$26,193 Senior Secured Term Loan B receivable to us at par. We recorded a realized gain of \$2,832 in our *Consolidated Statement of Operations* for the quarter ended September 30, 2020 as a result of this transaction.

(21) Credit Central Holdings of Delaware, LLC ("Credit Central Delaware"), a consolidated entity in which we own 100% of the membership interests, owns 99.8% and 99.0% of Credit Central Loan Company, LLC (f/k/a Credit Central Holdings, LLC ("Credit Central")) as of **March 31, 2023 September 30, 2023** and **June 30, 2022 June 30, 2023**, respectively. Credit Central owns 100% of each of Credit Central, LLC; Credit Central South, LLC; Credit Central of Texas, LLC; and Credit Central of Tennessee, LLC, the operating companies. We report Credit Central as a separate controlled company. Effective December 10, 2021, Credit Central's term loan lenders were granted a first priority security interest on certain assets of Credit Central and our investment became classified as a First Lien Term Loan.

(22) Redstone Holdco 2 LP is the parent borrower on the second lien term loan. Redstone Buyer, LLC, Redstone Intermediate (Archer) HoldCo LLC, Redstone Intermediate (FRI) HoldCo LLC, Redstone Intermediate (NetWitness) HoldCo, LLC, and Redstone Intermediate (SecurID) HoldCo, LLC are joint borrowers on the Second Lien Term Loan.

(23) First Tower Holdings of Delaware LLC ("First Tower Delaware"), a consolidated entity in which we own 100% of the membership interests, owns 80.10% of the voting interest and 78.06% of the fully-diluted economic interest of First Tower Finance Company LLC ("First Tower Finance"). First Tower Finance owns 100% of First Tower, LLC, the operating company. We report First Tower Finance as a separate controlled company. Effective March 17, 2021, the First Tower, LLC lenders were granted a first priority security interest in First Tower Finance's assets and our investment became classified as a First Lien Term Loan. Effective June 30, 2021, we increased our investment in our first lien term loan in the aggregate principal amount of \$50,000 and the proceeds were returned to us as a distribution on our equity investment in First Tower, LLC.

See notes to consolidated financial statements.

31

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023 September 30, 2023 (Unaudited) and **June 30, 2022 June 30, 2023 (Continued)****

(24) Energy Solutions Holdings Inc., a consolidated entity in which we own 100% of the equity, owns 100% of Freedom Marine Solutions, LLC ("Freedom Marine"), which owns Vessel Company, LLC, Vessel Company II, LLC and Vessel Company III, LLC. We report Freedom Marine as a separate controlled company.

(25) MITY Holdings of Delaware Inc. ("MITY Delaware"), a consolidated entity in which we own 100% of the common stock, owns 100% of the equity of MITY, Inc. (f/k/a MITY Enterprises, Inc.) ("MITY"). MITY owns 100% of each of MITY-Lite, Inc. ("Mity-Lite"); Broda Enterprises USA, Inc.; and Broda Enterprises ULC ("Broda Canada"). We report MITY as a separate controlled company. Our subordinated unsecured note issued and outstanding to Broda Canada is denominated in Canadian Dollars ("CAD"). As of **March 31, 2023 September 30, 2023** and **June 30, 2022 June 30, 2023**, the principal balance of this note was CAD 7,371. In accordance with ASC 830, *Foreign Currency Matters* ("ASC 830"), this note was remeasured into our functional currency, US Dollars (USD), and is presented on our *Consolidated Schedule of Investments* in USD. We formed a separate legal entity domiciled in the United States, MITY FSC, Inc., ("MITY FSC") in which Prospect owns 100% of the equity. MITY FSC does not have material operations. This entity earns commission payments from MITY-Lite based on its sales to foreign customers, and distributes it to its shareholder.

(26) NPH Property Holdings, LLC ("NPH"), a consolidated entity in which we own 100% of the membership interests, owns 100% of the common equity of National Property REIT Corp. ("NPRC") (f/k/a National Property Holdings Corp.), a property REIT which holds investments in several real estate properties. Additionally, NPRC invests in online consumer loans and rated secured structured notes through American Consumer Lending Limited ("ACLL") and National General Lending Limited ("NGL"), respectively, its wholly owned subsidiaries. We report NPRC as a separate controlled company. See Note 3 for further discussion of the investments held by NPRC.

(27) Nationwide Acceptance Holdings LLC ("Nationwide Holdings"), a consolidated entity in which we own 100% of the membership interests, owns 94.48% of Nationwide Loan Company LLC, the operating company, as of **March 31, 2023 September 30, 2023** and **June 30, 2022 June 30, 2023**. We report Nationwide Loan Company LLC as a separate controlled company. Prospect has a first priority security interest in the assets of Nationwide.

(28) NMMB Holdings, Inc. ("NMMB Holdings"), a consolidated entity in which we own 100% of the equity, owns **92.77% and 90.42%** of the fully diluted equity of NMMB, Inc. ("NMMB") as of **March 31, 2023 September 30, 2023** and **June 30, 2022 June 30, 2023, respectively**. NMMB owns 100% of Refuel Agency, Inc., which owns 100% of Armed Forces Communications, Inc. We report NMMB as a separate controlled company.

(29) Vision Solutions, Inc. and Precisely Software Incorporate are joint borrowers on the Second Lien Term Loan.

(30) Prospect owns 99.96% of the equity of USES Corp. as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**.

(31) Valley Electric Holdings I, Inc., a consolidated entity in which we own 100% of the common stock, owns 100% of Valley Electric Holdings II, Inc. ("Valley Holdings II"), another consolidated entity. Valley Holdings II owns 94.99% of Valley Electric Company, Inc. ("Valley Electric"). Valley Electric owns 100% of the equity of VE Company, Inc., which owns 100% of the equity of Valley Electric Co. of Mt. Vernon, Inc. We report Valley Electric as a separate controlled company.

(32) As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, Prospect owns 8.57% of the equity in Encinitas Watches Holdco, LLC, the parent company of Nixon, Inc.

(33) Prospect owns 9.19% of Japs-Olson Company, LLC, Alpha Mail Debt Merger Sub, LLC and J-O Building Company LLC are joint borrowers on the equity in Targus Cayman HoldCo Limited ("Targus"), the parent company of Targus International LLC ("Targus International"), as of June 30, 2022. First Lien Term Loan.

(34) UTP Holdings Group, Inc. ("UTP Holdings") owns all of the voting stock of Universal Turbine Parts, LLC ("UTP") and has appointed a Board of Directors to UTP Holdings, consisting of three employees of the Investment Advisor. UTP Holdings owns UTP. UTP Holdings is a wholly-owned holding company controlled by Prospect and therefore Prospect's investment in UTP is classified as a control investment.

(35) As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the residual profit interest includes both (i) 8.33% of New TLA, TLD and TLE residual profit and (ii) 100% of TLC residual profits, with both calculated quarterly in arrears.

(36) Prospect owns 100% of the preferred equity of Pacific World Corporation ("Pacific World"), which represents a 99.97% ownership interest of Pacific World as of **March 31, 2023** **September 30, 2023** and as of **June 30, 2022** **June 30, 2023**. As a result, Prospect's investment in Pacific World is classified as a control investment.

(37) The following shows the composition of our investment portfolio at cost by control designation, investment type and by **industry as of March 31, 2023**:

See notes to consolidated financial statements.

32

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023 **September 30, 2023** (Unaudited) and **June 30, 2022** **June 30, 2023** (Continued)**

industry as of September 30, 2023:

| Industry | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity ^(a) | Cost Total |
|--|-----------------------|-----------------------|-------------------------------|-----------------|-----------------------|---------------------|
| Control Investments | | | | | | |
| Aerospace & Defense | \$ 54,739 | \$ — | \$ — | \$ — | \$ 55,581 | \$ 110,320 |
| Commercial Services & Supplies | 129,509 | — | — | 7,200 | 27,348 | 164,057 |
| Construction & Engineering | 79,095 | — | — | — | 12,053 | 91,148 |
| Consumer Finance | 503,134 | — | — | — | 82,843 | 585,977 |
| Diversified Consumer Services | — | — | — | — | 2,378 | 2,378 |
| Energy Equipment & Services | 106,972 | — | — | — | 221,800 | 328,772 |
| Equity Real Estate Investment Trusts (REITs) | 776,749 | — | — | — | 15,430 | 792,179 |
| Health Care Providers & Services | 298,734 | — | — | — | 45,118 | 343,852 |
| Machinery | 37,322 | — | — | — | 6,866 | 44,188 |
| Media | 29,723 | — | — | — | — | 29,723 |
| Online Lending | 20,630 | — | — | — | — | 20,630 |
| Personal Products | 91,907 | — | — | — | 189,295 | 281,202 |
| Trading Companies & Distributors | 32,675 | — | — | — | 32,500 | 65,175 |
| Structured Finance | 200,600 | — | — | — | — | 200,600 |
| Total Control Investments | \$ 2,361,789 | \$ — | \$ — | \$ 7,200 | \$ 691,212 | \$ 3,060,201 |
| Affiliate Investments | | | | | | |
| Commercial Services & Supplies | \$ — | \$ — | \$ — | \$ — | \$ 10,162 | \$ 10,162 |
| Total Affiliate Investments | \$ — | \$ — | \$ — | \$ — | \$ 10,162 | \$ 10,162 |
| Non-Control/Non-Affiliate Investments | | | | | | |
| Air Freight & Logistics | \$ 93,222 | \$ 95,000 | \$ — | \$ — | \$ — | \$ 188,222 |
| Automobile Components | 22,187 | 86,647 | — | — | 25,697 | 134,531 |

| | | | | | | |
|--|---------------------|---------------------|-------------------|------------------|---------------------|---------|
| Building Products | — | 35,000 | — | — | — | 35,000 |
| Capital Markets | — | 42,500 | — | — | — | 42,500 |
| Commercial Services & Supplies | 202,585 | 153,296 | — | — | 1,500 | 357,381 |
| Communications Equipment | 9,260 | 50,609 | — | — | — | 59,869 |
| Consumer Finance | 47,023 | — | — | — | — | 47,023 |
| Distributors | 204,685 | 89,178 | — | — | — | 293,863 |
| Diversified Consumer Services | 84,101 | — | — | — | 23,898 | 107,999 |
| Diversified Financial Services | 36,410 | — | — | — | — | 36,410 |
| Diversified Telecommunication Services | 39,300 | 122,008 | — | — | — | 161,308 |
| Electrical Equipment | 68,229 | — | — | — | — | 68,229 |
| Food & Staples Retailing | 27,040 | — | — | — | — | 27,040 |
| Food Products | — | 134,931 | — | — | — | 134,931 |
| Health Care Equipment & Supplies | — | — | — | — | — | — |
| Health Care Providers & Services | 187,324 | 159,832 | — | — | 1,546 | 348,702 |
| Health Care Technology | 132,923 | — | — | — | — | 132,923 |
| Hotels, Restaurants & Leisure | 21,256 | — | — | — | — | 21,256 |
| Household Durables | 125,798 | 29,813 | — | — | 3,501 | 159,112 |
| Interactive Media & Services | 153,131 | — | — | — | — | 153,131 |
| Internet & Direct Marketing Retail | 2,411 | 18,306 | — | — | — | 20,717 |
| IT Services | 210,410 | 148,225 | — | — | — | 358,635 |
| Leisure Products | 69,429 | — | — | — | 1 | 69,430 |
| Machinery | 52,621 | 9,989 | — | — | — | 62,610 |
| Media | 43,396 | — | — | — | 26,991 | 70,387 |
| Pharmaceuticals | 98,748 | — | — | — | — | 98,748 |
| Professional Services | 87,435 | 124,046 | — | — | — | 211,481 |
| Software | — | 52,364 | — | — | — | 52,364 |
| Textiles, Apparel & Luxury Goods | 177,397 | 3,547 | — | — | — | 180,944 |
| Structured Finance (A) | — | — | 908,744 | — | — | 908,744 |
| Total Non-Control/Non-Affiliate | \$ 2,196,321 | \$ 1,355,291 | \$ 908,744 | \$ 83,134 | \$ 4,543,490 | |

See notes to consolidated financial statements.

33

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023** **September 30, 2023** (Unaudited) and **June 30, 2022** **June 30, 2023** (Continued)

| Industry | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity (8) | Cost Total |
|--|-----------------------|-----------------------|-------------------------------|----------------|------------|------------|
| Control Investments | | | | | | |
| Aerospace & Defense | \$ 56,600 | \$ — | \$ — | \$ — | \$ 55,581 | \$ 112,181 |
| Commercial Services & Supplies | 125,567 | — | — | 7,200 | 27,349 | 160,116 |
| Construction & Engineering | 58,745 | — | — | — | 12,053 | 70,798 |
| Consumer Finance | 480,419 | — | — | — | 82,843 | 563,262 |
| Diversified Consumer Services | — | — | — | — | 2,378 | 2,378 |
| Energy Equipment & Services | 99,819 | — | — | — | 221,800 | 321,619 |
| Equity Real Estate Investment Trusts (REITs) | 670,656 | — | — | — | 15,430 | 686,086 |
| Health Care Providers & Services | 288,739 | — | — | — | 45,118 | 333,857 |
| Machinery | 33,622 | — | — | — | 6,866 | 40,488 |
| Media | 29,723 | — | — | — | — | 29,723 |
| Online Lending | 21,580 | — | — | — | — | 21,580 |

| | | | | | | |
|--|---------------------|---------------------|-------------------|------------------|-------------------|---------------------|
| Personal Products | 87,417 | — | — | — | 189,294 | 276,711 |
| Trading Companies & Distributors | 32,692 | — | — | — | 32,500 | 65,192 |
| Structured Finance | 200,600 | — | — | — | — | 200,600 |
| Total Control Investments | \$ 2,186,179 | \$ — | \$ — | \$ 7,200 | \$ 691,212 | \$ 2,884,591 |
| Affiliate Investments | | | | | | |
| Commercial Services & Supplies | \$ — | \$ — | \$ — | \$ — | \$ 8,996 | \$ 8,996 |
| Total Affiliate Investments | \$ — | \$ — | \$ — | \$ — | \$ 8,996 | \$ 8,996 |
| Non-Control/Non-Affiliate Investments | | | | | | |
| Air Freight & Logistics | \$ 92,097 | \$ 95,000 | \$ — | \$ — | \$ — | \$ 187,097 |
| Automobile Components | 22,267 | 86,554 | — | — | 25,697 | 134,518 |
| Building Products | — | 35,000 | — | — | — | 35,000 |
| Capital Markets | — | 42,500 | — | — | — | 42,500 |
| Commercial Services & Supplies | 124,275 | 185,351 | — | — | 1,500 | 311,126 |
| Communications Equipment | 9,237 | 50,597 | — | — | — | 59,834 |
| Consumer Finance | 47,026 | — | — | — | — | 47,026 |
| Distributors | 193,239 | 89,178 | — | — | — | 282,417 |
| Diversified Consumer Services | 82,488 | 191,616 | — | — | — | 274,104 |
| Diversified Financial Services | 36,597 | — | — | 5,799 | — | 42,396 |
| Diversified Telecommunication Services | 41,167 | 121,903 | — | — | — | 163,070 |
| Electrical Equipment | 64,167 | — | — | — | — | 64,167 |
| Food & Staples Retailing | 27,238 | — | — | — | — | 27,238 |
| Food Products | — | 135,249 | — | — | — | 135,249 |
| Health Care Equipment & Supplies | — | 7,487 | — | — | — | 7,487 |
| Health Care Providers & Services | 156,859 | 159,749 | — | — | 1,546 | 318,154 |
| Health Care Technology | 129,160 | — | — | — | — | 129,160 |
| Hotels, Restaurants & Leisure | 22,396 | — | — | — | — | 22,396 |
| Household Durables | 89,672 | 29,795 | — | — | 2,001 | 121,468 |
| Interactive Media & Services | 211,754 | — | — | — | — | 211,754 |
| Internet & Direct Marketing Retail | 20,022 | — | — | — | — | 20,022 |
| IT Services | 211,540 | 148,074 | — | — | — | 359,614 |
| Leisure Products | 59,745 | — | — | — | 1 | 59,746 |
| Machinery | 53,089 | 9,986 | — | — | — | 63,075 |
| Media | 47,979 | — | — | — | 26,991 | 74,970 |
| Pharmaceuticals | 99,995 | — | — | — | — | 99,995 |
| Professional Services | 66,325 | 123,826 | — | — | — | 190,151 |
| Software | — | 52,336 | — | — | — | 52,336 |
| Textiles, Apparel & Luxury Goods | 159,562 | 8,943 | — | — | — | 168,505 |
| Structured Finance (A) | — | — | 967,032 | — | — | 967,032 |
| Total Non-Control/Non-Affiliate | \$ 2,067,896 | \$ 1,573,144 | \$ 967,032 | \$ 5,799 | \$ 57,736 | \$ 4,671,607 |
| Total Portfolio Investment Cost | \$ 4,254,075 | \$ 1,573,144 | \$ 967,032 | \$ 12,999 | \$ 757,944 | \$ 7,565,194 |

See notes to consolidated financial statements.

34

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of March 31, 2023 (Unaudited) and June 30, 2022 (Continued)

| Industry | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity (S) | Cost Total |
|--|-----------------------|-----------------------|-------------------------------|-----------------|-------------------|---------------------|
| Total Portfolio Investment Cost | \$ 4,558,110 | \$ 1,355,291 | \$ 908,744 | \$ 7,200 | \$ 784,508 | \$ 7,613,853 |

The following table shows the composition of our investment portfolio at fair value by control designation, investment type and by industry as of **March 31, 2023** September 30, 2023:

| Industry | Industry | Fair Value | | | | | | | Industry | Fair Value | | | | | | | |
|--|--|-----------------------|-----------------------|-------------------------------------|-------------------|---------------------|---|---------------------------------------|--|-----------------------|-------------------------------------|-------------------|---------------------|---------------------|---------------------|--|--|
| | | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Fair Value Total | Assets Applicable to Common Stock | 1st Lien Term Loan | | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Fair Value Total | | | | |
| Control Investments | Control Investments | | | | | | | Control Investments | | | | | | | | | |
| Aerospace & Defense | Aerospace & Defense | \$ 56,600 | \$ — | \$ — | \$ 4,272 | \$ 60,872 | 1.6 % | Aerospace & Defense | \$ 54,739 | \$ — | \$ — | \$ — | \$ 8,541 | \$ 63,280 | | | |
| Commercial Services & Supplies | Commercial Services & Supplies | 67,085 | — | — | 7,200 | 4,857 | 79,142 | 2.1 % | Commercial Services & Supplies | 69,840 | — | — | 7,200 | 18,467 | 95,307 | | |
| Construction & Engineering | Construction & Engineering | 58,745 | — | — | — | 82,819 | 141,564 | 3.7 % | Construction & Engineering | 79,095 | — | — | — | 110,397 | 189,492 | | |
| Consumer Finance | Consumer Finance | 481,755 | — | — | — | 250,425 | 732,180 | 19.3 % | Consumer Finance | 502,244 | — | — | — | 236,377 | 738,621 | | |
| Diversified Consumer Services | Diversified Consumer Services | — | — | — | — | 3,242 | 3,242 | 0.1 % | Diversified Consumer Services | — | — | — | — | 3,242 | 3,242 | | |
| Energy Equipment & Services | Energy Equipment & Services | 99,819 | — | — | — | 29,781 | 129,600 | 3.4 % | Energy Equipment & Services | 105,578 | — | — | — | 20,397 | 125,975 | | |
| Equity Real Estate Investment Trusts (REITs) | Equity Real Estate Investment Trusts (REITs) | 670,656 | — | — | — | 701,837 | 1,372,493 | 36.1 % | Equity Real Estate Investment Trusts (REITs) | 776,749 | — | — | — | 631,763 | 1,408,512 | | |
| Health Care Providers & Services | Health Care Providers & Services | 288,739 | — | — | — | 163,013 | 451,752 | 11.9 % | Health Care Providers & Services | 298,734 | — | — | — | 159,446 | 458,180 | | |
| Machinery | Machinery | 33,622 | — | — | — | 33,027 | 66,649 | 1.8 % | Machinery | 37,322 | — | — | — | 67,412 | 104,734 | | |
| Media | Media | 29,723 | — | — | — | 74,664 | 104,387 | 2.7 % | Media | 29,723 | — | — | — | 75,024 | 104,747 | | |
| Online Lending | Online Lending | 21,580 | — | — | — | — | 21,580 | 0.6 % | Online Lending | 20,630 | — | — | — | — | 20,630 | | |
| Personal Products | Personal Products | 73,492 | — | — | — | — | 73,492 | 1.9 % | Personal Products | 63,223 | — | — | — | — | 63,223 | | |
| Trading Companies & Distributors | Trading Companies & Distributors | 32,692 | — | — | — | 9,849 | 42,541 | 1.1 % | Trading Companies & Distributors | 32,675 | — | — | — | 16,190 | 48,865 | | |
| Structured Finance (A) | Structured Finance (A) | 200,600 | — | — | — | — | 200,600 | 5.3 % | Structured Finance (A) | 200,600 | — | — | — | — | 200,600 | | |
| Total Control Investments | Total Control Investments | \$ 2,115,108 | \$ — | \$ — | \$ 7,200 | \$ 1,357,786 | \$ 3,480,094 | 91.6 % | Total Control Investments | \$ 2,271,152 | \$ — | \$ — | \$ 7,200 | \$ 1,347,256 | \$ 3,625,414 | | |
| Fair Value % of Net Assets | Fair Value % of Net Assets | 55.7 % | — % | — % | 0.2 % | 35.7 % | 91.6 % | | Fair Value % of Net Assets | 60.1 % | — % | — % | 0.2 % | 35.6 % | | | |
| Affiliate Investments | Affiliate Investments | | | | | | | Affiliate Investments | | | | | | | | | |
| Commercial Services & Supplies | Commercial Services & Supplies | \$ — | \$ — | \$ — | \$ — | \$ 7,944 | \$ 7,944 | 0.2 % | Commercial Services & Supplies | \$ — | \$ — | \$ — | \$ — | \$ 12,541 | \$ 12,541 | | |
| Total Affiliate Investments | Total Affiliate Investments | \$ — | \$ — | \$ — | \$ — | \$ 7,944 | \$ 7,944 | 0.2 % | Total Affiliate Investments | \$ — | \$ — | \$ — | \$ — | \$ 12,541 | \$ 12,541 | | |
| Fair Value % of Net Assets | Fair Value % of Net Assets | — % | — % | — % | — % | 0.2 % | 0.2 % | | Fair Value % of Net Assets | — % | — % | — % | — % | 0.3 % | | | |
| Non-Control/Non-Affiliate Investments | Non-Control/Non-Affiliate Investments | | | | | | | Non-Control/Non-Affiliate Investments | | | | | | | | | |
| Air Freight & Logistics | Air Freight & Logistics | \$ 92,786 | \$ 95,000 | \$ — | \$ — | \$ — | \$ 187,786 | 4.9 % | Air Freight & Logistics | \$ 92,420 | \$ 95,000 | \$ — | \$ — | \$ — | \$ 187,786 | | |

| | | | | | | | | | | | | | | | |
|--|--|---------|---------|---|-------|--------|---------|-------|--------------------------------|---------|---------|---|---|--------|-----|
| Automobile Components | Automobile Components | 21,930 | 85,589 | — | — | 1,188 | 108,707 | 2.9 % | Automobile Components | 22,129 | 86,653 | — | — | 1,444 | 110 |
| Building Products | Building Products | — | 33,849 | — | — | — | 33,849 | 0.9 % | Building Products | — | 32,984 | — | — | — | 32 |
| Capital Markets | Capital Markets | — | 38,265 | — | — | — | 38,265 | 1.0 % | Capital Markets | — | 42,500 | — | — | — | 42 |
| Commercial Services & Supplies | Commercial Services & Supplies | 124,104 | 181,670 | — | — | 11,685 | 317,459 | 8.4 % | Commercial Services & Supplies | 203,615 | 152,922 | — | — | 14,532 | 371 |
| Communications Equipment | Communications Equipment | 6,905 | 37,250 | — | — | — | 44,155 | 1.2 % | Equipment | 9,387 | 47,849 | — | — | — | 57 |
| Consumer Finance | Consumer Finance | 19,400 | — | — | — | — | 19,400 | 0.5 % | Consumer Finance | 18,183 | — | — | — | — | 18 |
| Distributors | Distributors | 192,670 | 7,017 | — | — | 38,370 | 238,057 | 6.3 % | Distributors | 203,562 | 7,227 | — | — | 47,647 | 258 |
| Diversified Consumer Services | Diversified Consumer Services | 82,451 | 114,017 | — | — | — | 196,468 | 5.1 % | Services | 84,345 | — | — | — | 17,461 | 101 |
| Diversified Financial Services | Diversified Financial Services | 36,597 | — | — | 5,509 | — | 42,106 | 1.1 % | Financial Services | 36,410 | — | — | — | — | 36 |
| Diversified Telecommunication Services | Diversified Telecommunication Services | 40,907 | 116,672 | — | — | — | 157,579 | 4.1 % | Services | 39,485 | 122,670 | — | — | — | 162 |
| Electrical Equipment | Electrical Equipment | 64,167 | — | — | — | — | 64,167 | 1.7 % | Electrical Equipment | 68,292 | — | — | — | — | 68 |
| Food & Staples Retailing | Food & Staples Retailing | 27,475 | — | — | — | — | 27,475 | 0.7 % | Retailing | 26,824 | — | — | — | — | 26 |
| Food Products | Food Products | — | 125,940 | — | — | — | 125,940 | 3.3 % | Food Products | — | 126,168 | — | — | — | 126 |
| Health Care Equipment & Supplies | Health Care Equipment & Supplies | — | 6,810 | — | — | — | 6,810 | 0.1 % | Supplies | — | — | — | — | — | — |
| Health Care Providers & Services | Health Care Providers & Services | 154,409 | 155,204 | — | — | 1,592 | 311,205 | 8.2 % | Services | 186,094 | 155,739 | — | — | 2,276 | 344 |
| Health Care Technology | Health Care Technology | 128,272 | — | — | — | — | 128,272 | 3.4 % | Technology | 133,401 | — | — | — | — | 133 |
| Hotels, Restaurants & Leisure | Hotels, Restaurants & Leisure | 21,229 | — | — | — | — | 21,229 | 0.6 % | Leisure | 20,098 | — | — | — | — | 20 |
| Household Durables | Household Durables | 89,672 | 27,029 | — | — | — | 116,701 | 3.1 % | Durables | 126,136 | 24,625 | — | — | 1,567 | 152 |
| Interactive Media & Services | Interactive Media & Services | 211,754 | — | — | — | — | 211,754 | 5.6 % | Services | 153,131 | — | — | — | — | 153 |
| Internet & Direct Marketing Retail | Internet & Direct Marketing Retail | 13,880 | — | — | — | — | 13,880 | 0.4 % | Marketing Retail | 2,406 | 14,125 | — | — | — | 16 |
| IT Services | IT Services | 206,232 | 128,578 | — | — | — | 334,810 | 8.8 % | IT Services | 209,197 | 139,672 | — | — | — | 348 |
| Leisure Products | | 59,089 | — | — | — | — | 59,089 | 1.6 % | | | | | | | |
| Machinery | | 51,995 | 9,939 | — | — | — | 61,934 | 1.6 % | | | | | | | |
| Media | | 46,545 | — | — | — | — | 46,545 | 1.2 % | | | | | | | |
| Pharmaceuticals | | 100,005 | — | — | — | — | 100,005 | 2.6 % | | | | | | | |

See notes to consolidated financial statements.

35 34

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
 (in thousands, except share data)

Endnote Explanations as of **March 31, 2023** **September 30, 2023** (Unaudited) and **June 30, 2022** **June 30, 2023** (Continued)

| Industry | Industry | Fair Value % of Net Assets | | | | | | Assets Applicable to Common Stock | Industry | Fair Value % of Net Assets | | | | | | | |
|----------------------------------|----------------------------------|----------------------------|--------------------|-------------------------------|----------------|--------------|------------------|-----------------------------------|----------------------------------|----------------------------|--------------------|-------------------------------|----------------|--------------|------------------|--|--|
| | | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity (B) | Fair Value Total | | | 1st Lien Term Loan | 2nd Lien Term Loan | Subordinated Structured Notes | Unsecured Debt | Equity (B) | Fair Value Total | | |
| Leisure | | | | | | | | | | | | Leisure | | | | | |
| Products | | | | | | | | | | | | Products | | | | | |
| Machinery | | | | | | | | | | | | Machinery | | | | | |
| Media | | | | | | | | | | | | Media | | | | | |
| Pharmaceuticals | | | | | | | | | | | | Pharmaceuticals | | | | | |
| Professional Services | Professional Services | 64,325 | 111,836 | — | — | — | 176,161 | 4.6 % | Professional Services | 86,495 | 111,332 | — | — | — | 197,830 | | |
| Software | Software | — | 48,691 | — | — | — | 48,691 | 1.3 % | Software | — | 52,102 | — | — | — | 52,102 | | |
| Textiles, Apparel & Luxury Goods | Textiles, Apparel & Luxury Goods | 158,967 | 8,850 | — | — | — | 167,817 | 4.4 % | Textiles, Apparel & Luxury Goods | 177,397 | 3,600 | — | — | — | 180,997 | | |
| Structured Finance (A) | Structured Finance (A) | — | — | 698,423 | — | — | 698,423 | 18.4 % | Structured Finance (A) | — | — | 626,746 | — | — | 626,746 | | |
| Total Non-Control/Non-Affiliate | Total Non-Control/Non-Affiliate | \$2,015,766 | \$1,332,206 | \$ 698,423 | \$ 5,509 | \$ 52,835 | \$ 4,104,739 | 108.0 % | Total Non-Control/Non-Affiliate | \$2,161,827 | \$1,225,168 | \$ 626,746 | \$ — | \$ 84,927 | \$ 4,098,638 | | |
| Fair Value % of Net Assets | Fair Value % of Net Assets | 53.0 % | 35.1 % | 18.4 % | 0.1 % | 1.4 % | 108.0 % | | Fair Value % of Net Assets | 57.2 % | 32.4 % | 16.6 % | — % | 2.2 % | 100.0 % | | |
| Total Portfolio | Total Portfolio | \$4,130,874 | \$1,332,206 | \$ 698,423 | \$ 12,709 | \$ 1,418,565 | \$ 7,592,777 | 199.8 % | Total Portfolio | \$4,432,979 | \$1,225,168 | \$ 626,746 | \$ 7,200 | \$ 1,444,724 | \$ 7,736,853 | | |
| Fair Value % of Net Assets | Fair Value % of Net Assets | 108.7 % | 35.1 % | 18.4 % | 0.3 % | 37.3 % | 199.8 % | | Fair Value % of Net Assets | 117.3 % | 32.4 % | 16.6 % | 0.2 % | 38.1 % | 200.0 % | | |

(A) Our SSN investments do not have industry concentrations and as such have been separated in the tables above.

(B) Equity, unless specifically stated otherwise, includes our investments in preferred stock, common stock, membership interests, net profits interests, net operating income interests, net revenue interests, overriding royalty interests, escrows receivable, and warrants.

(38) The following table shows the composition of our investment portfolio at cost by control designation, investment type and by industry as of **June 30, 2022** **June 30, 2023**:

| Industry | 1st Lien | | | | | | 1st Lien | | | | | | | | |
|----------------------------------|----------------------------------|----------|------|------|----------------|-------------|----------|----------------------------------|---------------|----------|------|---------------------|----------------|-------------|------------------|
| | Industry | Term | Term | Loan | Unsecured Debt | Equity (B) | Total | Industry | Term | 2nd Lien | Loan | Term | Unsecured Debt | Equity (B) | Total |
| Control Investments | | | | | | | | | | | | Control Investments | | | |
| Aerospace & Defense | Aerospace & Defense | \$ 3,208 | — | — | — | — | — | Aerospace & Defense | \$ 6,600 | — | — | — | — | — | \$ 35,581,12,181 |
| Commercial Services & Supplies | Commercial Services & Supplies | 119,139 | — | — | 7,200 | 27,3453,688 | Supplies | 129,241 | — | — | — | — | 7,200 | 27,3463,790 | |
| Construction & Engineering | Construction & Engineering | 46,753 | — | — | — | — | — | Construction & Engineering | — 11,5066,450 | — | — | — | — | — | — 12,0591,148 |
| Consumer Finance | Consumer Finance | 450,387 | — | — | — | — | — | Consumer Finance | 495,166 | — | — | — | — | — | — 82,84578,009 |
| Diversified Consumer Services | Diversified Consumer Services | — | — | — | — | — | — | Diversified Consumer Services | — 2,378 2,378 | — | — | — | — | — | — 2,378 2,378 |
| Energy Equipment & Services | Energy Equipment & Services | 79,346 | — | — | — | — | — | Energy Equipment & Services | 103,310 | — | — | — | — | — | — 221,8025,110 |
| Equity Real Estate | Equity Real Estate | — | — | — | — | — | — | Equity Real Estate | — | — | — | — | — | — | — |
| Investment Trusts (REITs) | Investment Trusts (REITs) | 631,486 | — | — | — | — | — | Investment Trusts (REITs) | 725,703 | — | — | — | — | — | — 15,4301,133 |
| Health Care Providers & Services | Health Care Providers & Services | 273,448 | — | — | — | — | — | Health Care Providers & Services | 293,179 | — | — | — | — | — | — 45,1138,297 |
| Machinery | Machinery | 33,622 | — | — | — | — | — | Machinery | 33,622 | — | — | — | — | — | — 6,86640,488 |
| Media | Media | 29,723 | — | — | — | — | — | Media | 29,723 | — | — | — | — | — | — 29,723 |
| Online Lending | Online Lending | 29,080 | — | — | — | — | — | Online Lending | 21,580 | — | — | — | — | — | — 21,580 |

See notes to consolidated financial statements.

36 35

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023** **September 30, 2023 (Unaudited)** and **June 30, 2022** **June 30, 2023 (Continued)**

| Industry | Industry | Subordinated | | | | | | Subordinated | | | | | | | |
|---------------|----------|--------------|-----------|------------------|-----------|---------------|------------|--------------|------------|-----------|-----------|----------|----------|------------|------------|
| | | 1st Lien | 2nd Lien | Subordinated | Unsecured | Industry | 1st Lien | 2nd Lien | Structured | Unsecured | Industry | 1st Lien | 2nd Lien | Industry | 1st Lien |
| | | Term Loan | Term Loan | Structured Notes | Debt | Equity (B) | Cost Total | | | Term Loan | Term Loan | Notes | Debt | Equity (B) | Cost Total |
| Food Products | | | | | | Food Products | — | 134,889 | — | — | — | — | — | 134,889 | |
| Health Care | | | | | | Health Care | | | | | | | | | |
| Equipment & | | | | | | Equipment & | | | | | | | | | |
| Supplies | | | | | | Supplies | — | 7,488 | — | — | — | — | — | 7,488 | |
| Health Care | | | | | | Health Care | | | | | | | | | |
| Providers & | | | | | | Providers & | | | | | | | | | |
| Services | | | | | | Services | 188,179 | 159,791 | — | — | — | 1,546 | 349,516 | | |

| | | | | | | | | | | | | | | |
|----------------------------------|----------------------------------|--------------|--------------|------------|----------|------------|--------------|----------------------------------|--------------|--------------|------------|----------|------------|--------------|
| Health Care | | | | | | | | Health Care | | | | | | |
| Technology | | | | | | | | Technology | 129,684 | — | — | — | — | 129,684 |
| Hotels, Restaurants & Leisure | Hotels, Restaurants & Leisure | 23,359 | — | — | — | — | 23,359 | Leisure | 21,701 | — | — | — | — | 21,701 |
| Household Durables | Household Durables | 91,406 | 29,768 | — | — | 2,001 | 123,175 | Household Durables | 126,547 | 29,806 | — | — | 3,501 | 159,854 |
| Household Products | Household Products | 20,936 | — | — | — | — | 20,936 | Products | — | — | — | — | — | — |
| Insurance | Insurance | — | 21,966 | — | — | — | 21,966 | Insurance | — | — | — | — | — | — |
| Interactive Media & Services | Interactive Media & Services | 233,204 | — | — | — | — | 233,204 | Interactive Media & Services | 160,281 | — | — | — | — | 160,281 |
| Internet & Direct Marketing | Internet & Direct Marketing | 20,212 | — | — | — | — | 20,212 | Marketing | 2,406 | 18,081 | — | — | — | 20,487 |
| IT Services | IT Services | 176,855 | 128,456 | — | — | — | 305,311 | IT Services | 209,832 | 148,150 | — | — | — | 357,982 |
| Leisure Products | Leisure Products | 39,014 | — | — | — | 1 | 39,015 | Leisure Products | 69,693 | — | — | — | 1 | 69,694 |
| Machinery | Machinery | 58,310 | 9,982 | — | — | — | 68,292 | Machinery | 52,797 | 9,988 | — | — | — | 62,785 |
| Media | Media | 51,348 | — | — | — | 26,991 | 78,339 | Media | 46,695 | — | — | — | 26,991 | 73,686 |
| Paper & Forest Products | Paper & Forest Products | — | 11,445 | — | — | — | 11,445 | Paper & Forest Products | — | — | — | — | — | — |
| Pharmaceuticals | Pharmaceuticals | 25,557 | — | — | — | — | 25,557 | Pharmaceuticals | 99,269 | — | — | — | — | 99,269 |
| Professional Services | Professional Services | 81,536 | 123,496 | — | — | — | 205,032 | Services | 87,757 | 123,936 | — | — | — | 211,693 |
| Software | Software | — | 52,295 | — | — | — | 52,295 | Software | — | 52,350 | — | — | — | 52,350 |
| Technology | Technology | — | — | — | — | — | — | Technology | — | — | — | — | — | — |
| Hardware, Storage & Peripherals | Hardware, Storage & Peripherals | — | 12,447 | — | — | — | 12,447 | Peripherals | — | — | — | — | — | — |
| Textiles, Apparel & Luxury Goods | Textiles, Apparel & Luxury Goods | 166,686 | 8,937 | — | — | — | 175,623 | Textiles, Apparel & Luxury Goods | 158,530 | 8,945 | — | — | — | 167,475 |
| Structured Finance | Structured Finance | — | — | 997,703 | — | — | 997,703 | Structured Finance | — | — | 952,815 | — | — | 952,815 |
| Total Non-Control/Affiliate | Total Non-Control/Affiliate | \$ 1,757,456 | \$ 1,434,626 | \$ 997,703 | \$ — | \$ 32,039 | \$ 4,221,824 | Affiliate | \$ 2,199,943 | \$ 1,591,251 | \$ 952,815 | \$ — | \$ 59,236 | \$ 4,803,245 |
| Total Portfolio | Total Portfolio | \$ 3,879,328 | \$ 1,588,557 | \$ 997,703 | \$ 7,200 | \$ 724,043 | \$ 7,196,831 | Total Portfolio | \$ 4,490,026 | \$ 1,591,251 | \$ 952,815 | \$ 7,200 | \$ 759,304 | \$ 7,800,596 |
| Investment Cost | Investment Cost | \$ 3,879,328 | \$ 1,588,557 | \$ 997,703 | \$ 7,200 | \$ 724,043 | \$ 7,196,831 | Investment Cost | \$ 4,490,026 | \$ 1,591,251 | \$ 952,815 | \$ 7,200 | \$ 759,304 | \$ 7,800,596 |

The following table shows the composition of our investment portfolio at fair value by control designation, investment type and by industry as of **June 30, 2022** **June 30, 2023**:

| Industry | Industry | 1st Lien | 2nd Lien | Subordinated | Unsecured | Equity ^(b) | Fair Value | Value % of Net Assets | Industry | 1st Lien | 2nd Lien | Subordinated | Unsecured | Fair Value | Value % of Net Assets | |
|--------------------------------|--------------------------------|-----------|-----------|------------------|-----------|-----------------------|------------|-----------------------|--------------------------------|-----------|-----------|------------------|-----------|-----------------------|-----------------------|--------|
| | | Term Loan | Term Loan | Structured Notes | Debt | | Total | | | Term Loan | Term Loan | Structured Notes | Debt | Equity ^(b) | Total | Term |
| Control Investments | Control Investments | — | — | — | — | — | — | — | Control Investments | — | — | — | — | — | — | — |
| Aerospace & Defense | Aerospace & Defense | \$ 53,209 | \$ — | \$ — | \$ — | \$ 12,557 | \$ 65,766 | 1.6 % | Aerospace & Defense | \$ 56,600 | \$ — | \$ — | \$ — | \$ 7,598 | \$ 64,198 | 1.7 % |
| Commercial Services & Supplies | Commercial Services & Supplies | 73,316 | — | — | 7,200 | 1,878 | 82,394 | 2.0 % | Commercial Services & Supplies | 69,875 | — | — | 7,200 | 10,630 | 87,705 | 2.3 % |
| Construction & Engineering | Construction & Engineering | 56,753 | — | — | — | 89,230 | 145,983 | 3.5 % | Engineering | 79,095 | — | — | — | 86,689 | 165,784 | 4.4 % |
| Consumer Finance | Consumer Finance | 452,317 | — | — | — | 282,301 | 734,618 | 17.8 % | Finance | 492,165 | — | — | — | 227,431 | 719,596 | 19.3 % |

| | | | | | | | | | | | | | | | | |
|---|---|---------------------|-------------------|-------------|-----------------|---------------------|---------------------|---------------|---|---------------------|-------------|-------------|-----------------|---------------------|---------------------|---------------|
| Diversified Consumer Services | Diversified Consumer Services | — | — | — | — | 3,833 | 3,833 | 0.1 % | Diversified Consumer Services | — | — | — | — | 3,242 | 3,242 | 0.1 % |
| Energy Equipment & Services | Energy Equipment & Services | 79,346 | — | — | — | 47,254 | 126,600 | 3.1 % | Energy Equipment & Services | 103,310 | — | — | — | 23,420 | 126,730 | 3.4 % |
| Equity Real Estate Investment | Equity Real Estate Investment | 631,486 | — | — | — | 768,371 | 1,399,857 | 34.0 % | Equity Real Estate Investment | 725,703 | — | — | — | 712,093 | 1,437,796 | 38.5 % |
| Trusts (REITs) | Trusts (REITs) | | | | | | | | Trusts (REITs) | | | | | | | |
| Health Care Providers & Services | Health Care Providers & Services | 273,448 | — | — | — | 132,746 | 406,194 | 9.9 % | Health Care Providers & Services | 293,179 | — | — | — | 164,788 | 457,967 | 12.3 % |
| Machinery | Machinery | 33,622 | — | — | — | 23,301 | 56,923 | 1.4 % | Machinery | 33,622 | — | — | — | 47,886 | 81,508 | 2.2 % |
| Media | Media | 29,723 | — | — | — | 80,220 | 109,943 | 2.7 % | Media | 29,723 | — | — | — | 64,457 | 94,180 | 2.5 % |
| Online Lending | Online Lending | 29,080 | — | — | — | — | 29,080 | 0.7 % | Online Lending | 21,580 | — | — | — | — | 21,580 | 0.6 % |
| Personal Products | Personal Products | 59,179 | — | — | — | — | 59,179 | 1.4 % | Personal Products | 65,746 | — | — | — | — | 65,746 | 1.8 % |
| Trading Companies & Distributors | Trading Companies & Distributors | 31,147 | — | — | — | — | 31,147 | 0.8 % | Trading Companies & Distributors | 32,684 | — | — | — | 12,381 | 45,065 | 1.2 % |
| Structured Finance (A) | Structured Finance (A) | 186,800 | — | — | — | — | 186,800 | 4.5 % | Structured Finance (A) | 200,600 | — | — | — | — | 200,600 | 5.4 % |
| Total Control Investments | Total Control Investments | \$ 1,989,426 | \$ — | \$ — | \$ 7,200 | \$ 1,441,691 | \$ 3,438,317 | 83.5 % | Total Control Investments | \$ 2,203,882 | \$ — | \$ — | \$ 7,200 | \$ 1,360,615 | \$ 3,571,697 | 95.7 % |
| Fair Value % of Net Assets | Fair Value % of Net Assets | 48.3 % | — % | — % | 0.2 % | 35.0 % | 83.5 % | | Fair Value % of Net Assets | 59.0 % | — % | — % | 0.2 % | 36.5 % | | 95.7 % |
| Affiliate Investments | Affiliate Investments | | | | | | | | Affiliate Investments | | | | | | | |
| Commerical Services & Supplies | Commerical Services & Supplies | \$ 3,680 | \$ — | \$ — | \$ — | \$ 13,324 | \$ 17,004 | 0.4 % | Supplies | \$ — | \$ — | \$ — | \$ — | \$ 10,397 | \$ 10,397 | 0.3 % |
| Diversified Consumer Services | Diversified Consumer Services | 71,382 | 153,931 | — | — | 114,940 | 340,253 | 8.2 % | Diversified Consumer Services | — | — | — | — | — | — | — % |
| Textiles, Apparel & Luxury Goods | Textiles, Apparel & Luxury Goods | — | — | — | — | 36,007 | 36,007 | 0.9 % | Luxury Goods | — | — | — | — | — | — | — % |
| Total Affiliate Investments | Total Affiliate Investments | \$ 75,062 | \$ 153,931 | \$ — | \$ — | \$ 164,271 | \$ 393,264 | 9.5 % | Total Affiliate Investments | \$ — | \$ — | \$ — | \$ — | \$ 10,397 | \$ 10,397 | 0.3 % |
| Fair Value % of Net Assets | Fair Value % of Net Assets | 1.8 % | 3.7 % | — % | — % | 4.0 % | 9.5 % | | Fair Value % of Net Assets | — % | — % | — % | — % | 0.3 % | 0.3 % | |
| Non- Control/Non- Affiliate Investments | Non- Control/Non- Affiliate Investments | | | | | | | | Non- Control/Non- Affiliate Investments | | | | | | | |
| Air Freight & Logistics | Air Freight & Logistics | \$ 83,414 | \$ 95,000 | \$ — | \$ — | \$ — | \$ 178,414 | 4.3 % | Logistics | \$ 93,946 | \$ 95,000 | \$ — | \$ — | \$ — | \$ 188,946 | 5.1 % |
| Auto Components | Auto Components | 22,210 | 81,326 | — | — | — | 103,536 | 2.5 % | Components | 22,209 | 86,160 | — | — | 1,156 | 109,525 | 2.9 % |
| Commercial Services & Supplies | Commercial Services & Supplies | 70,221 | 183,889 | — | — | 3,457 | 257,567 | 6.3 % | | | | | | | | |
| Communications Equipment | Communications Equipment | 8,962 | 48,594 | — | — | — | 57,556 | 1.4 % | | | | | | | | |
| Building Products | Building Products | — | 34,697 | — | — | — | 34,697 | 0.8 % | | | | | | | | |

| | | | | | | | |
|-----------------|---|--------|---|---|---|--------|-------|
| Capital Markets | — | 41,574 | — | — | — | 41,574 | 1.0 % |
|-----------------|---|--------|---|---|---|--------|-------|

See notes to consolidated financial statements.

3736

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023** **September 30, 2023** (Unaudited) and **June 30, 2022** **June 30, 2023** (Continued)

| Industry | Industry | 1st Lien | 2nd Lien | Subordinated | | | Fair Value Total | Value % of Net Assets | Fair | | | Industry | 1st Lien | 2nd Lien | Subordinated | | | Fair Value Total | Value % of Net Assets |
|----------------------------------|----------------------------------|-----------|-----------|---------------------|-------------------|------------|---------------------|-----------------------------|--------------------|-----------|-----------|----------|-----------|-----------|---------------------|-------------------|------------|---------------------|-----------------------------|
| | | Term Loan | Term Loan | Structured Notes | Unsecured Debt | Equity (B) | | | Industry | Term Loan | Term Loan | | Term Loan | Term Loan | Structured Notes | Unsecured Debt | Equity (B) | | |
| Commercial | | | | | | | | | | | | | | | | | | | |
| Services & Supplies | | | | | | | 215,887 | 182,242 | — | — | — | 14,627 | 412,756 | 11.1 % | | | | | |
| Communications | | | | | | | 9,594 | 50,083 | — | — | — | — | 59,677 | 1.6 % | | | | | |
| Equipment | | | | | | | — | 33,120 | — | — | — | — | 33,120 | 0.9 % | | | | | |
| Building Products | | | | | | | — | 39,984 | — | — | — | — | 39,984 | 1.1 % | | | | | |
| Capital Markets | | | | | | | 17,039 | — | — | — | — | — | 17,039 | 0.5 % | | | | | |
| Consumer Finance | Consumer Finance | 30,550 | — | — | — | — | 30,550 | 0.7 % | Consumer Finance | 197,713 | 6,988 | — | — | 39,123 | 243,824 | 6.5 % | | | |
| Distributors | Distributors | 174,001 | 6,107 | — | — | — | 180,108 | 4.4 % | Distributors | — | — | — | — | — | — | — | — | — | |
| Diversified | Diversified | | | | | | | | Diversified | | | | | | | | | | |
| Consumer Services | Consumer Services | — | 21,583 | — | — | — | 21,583 | 0.5 % | Consumer Services | 86,347 | — | — | — | — | — | — | — | — | 86,347 |
| Diversified Financial Services | Diversified Financial Services | 36,878 | — | — | — | — | 36,878 | 0.9 % | Services | 36,504 | — | — | — | — | — | — | — | — | 36,504 |
| Diversified | Diversified | | | | | | | | Diversified | | | | | | | | | | |
| Telecommunication Services | Telecommunication Services | 44,090 | 122,266 | — | — | — | 166,356 | 4.0 % | Services | 40,348 | 121,328 | — | — | — | — | — | — | — | 161,676 |
| Electrical Equipment | | | | | | | 68,464 | — | — | — | — | — | 68,464 | 1.7 % | | | | | |
| Food & Staples | Food & Staples | | | | | | | | Food & Staples | | | | | | | | | | |
| Retailing | Retailing | 9,440 | — | — | — | — | 9,440 | 0.2 % | Retailing | 26,828 | — | — | — | — | — | — | — | — | 26,828 |
| Food Products | Food Products | — | 127,436 | — | — | — | 127,436 | 3.1 % | Food Products | — | 122,003 | — | — | — | — | — | — | — | 122,003 |
| Health Care | Health Care | | | | | | | | Health Care | | | | | | | | | | |
| Equipment & Supplies | Equipment & Supplies | — | 6,966 | — | — | — | 6,966 | 0.2 % | Supplies | — | 7,500 | — | — | — | — | — | — | — | 7,500 |
| Health Care Providers & Services | Health Care Providers & Services | 181,747 | 158,843 | — | — | 1,807 | 342,397 | 8.4 % | Services | 183,872 | 154,599 | — | — | — | — | — | — | — | 340,398 |
| Health Care | Health Care | | | | | | | | Health Care | | | | | | | | | | |
| Technology | Technology | 89,675 | — | — | — | — | 89,675 | 2.2 % | Technology | 128,793 | — | — | — | — | — | — | — | — | 128,793 |
| Hotels, Restaurants & Leisure | Hotels, Restaurants & Leisure | 22,651 | — | — | — | — | 22,651 | 0.5 % | Leisure | 20,776 | — | — | — | — | — | — | — | — | 20,776 |
| Household Durables | Household Durables | 91,406 | 27,633 | — | — | 3,613 | 122,652 | 3.0 % | Household Durables | 126,904 | 27,218 | — | — | — | — | — | — | — | 155,645 |
| Household Products | Household Products | 20,936 | — | — | — | — | 20,936 | 0.5 % | Household Products | — | — | — | — | — | — | — | — | — | — |
| Insurance | Insurance | — | 22,280 | — | — | — | 22,280 | 0.5 % | Insurance | — | — | — | — | — | — | — | — | — | — |
| Interactive Media & Services | Interactive Media & Services | 233,204 | — | — | — | — | 233,204 | 5.8 % | Services | 160,281 | — | — | — | — | — | — | — | — | 160,281 |
| Internet & Direct | Internet & Direct | | | | | | | | Internet & Direct | | | | | | | | | | |
| Marketing Retail | Marketing Retail | 17,454 | — | — | — | — | 17,454 | 0.4 % | Marketing Retail | 2,406 | 14,514 | — | — | — | — | — | — | — | 16,920 |
| IT Services | IT Services | 176,855 | 126,826 | — | — | — | 303,681 | 7.4 % | IT Services | 207,224 | 139,064 | — | — | — | — | — | — | — | 346,288 |
| Leisure Products | Leisure Products | 38,757 | — | — | — | — | 38,757 | 0.9 % | Leisure Products | 69,380 | — | — | — | — | — | — | — | — | 69,380 |
| Machinery | Machinery | 57,866 | 9,669 | — | — | — | 67,535 | 1.6 % | Machinery | 53,213 | 9,928 | — | — | — | — | — | — | — | 63,141 |
| Media | Media | 51,197 | — | — | — | — | 51,197 | 1.2 % | Media | 44,596 | — | — | — | — | — | — | — | — | 44,596 |
| Paper & Forest Products | Paper & Forest Products | — | 4,952 | — | — | — | 4,952 | 0.1 % | Products | — | — | — | — | — | — | — | — | — | — |

| | | | | | | | | | | | | | | | | |
|--|--|------------------------------|--------------------|-------------------|-----------------|--------------------|---------------------|----------------|---|--------------------|--------------------|-------------------|-----------------|--------------------|---------------------|----------------|
| Pharmaceuticals | Pharmaceuticals | 25,962 | — | — | — | — | 25,962 | 0.6 % | Pharmaceuticals | 99,289 | — | — | — | — | 99,289 | 2.7 % |
| Professional Services | Professional Services | 79,056 | 124,200 | — | — | — | 203,256 | 4.9 % | Services | 86,828 | 114,666 | — | — | — | 201,494 | 5.4 % |
| Software | Software | — | 52,500 | — | — | — | 52,500 | 1.3 % | Software | — | 49,111 | — | — | — | 49,111 | 1.3 % |
| Technology | Technology | — | — | — | — | — | — | — | Technology | — | — | — | — | — | — | — % |
| Hardware, Storage & Peripherals | Hardware, Storage & Peripherals | — | 12,398 | — | — | — | 12,398 | 0.3 % | & Peripherals | — | — | — | — | — | — | — % |
| Textiles, Apparel & Luxury Goods | Textiles, Apparel & Luxury Goods | 166,686 | 8,666 | — | — | — | 175,352 | 4.4 % | Luxury Goods | 158,530 | 9,000 | — | — | — | 167,530 | 4.5 % |
| Structured Finance | Structured Finance | — | — | 711,429 | — | — | 711,429 | 17.3 % | Structured Finance | — | — | 665,002 | — | — | 665,002 | 17.8 % |
| Total Non- Control/Non- Affiliate | Total Non- Control/Non- Affiliate | \$1,733,218 | \$1,317,405 | \$ 711,429 | \$ — | \$ 8,877 | \$ 3,770,929 | 91.6 % | Affiliate | \$2,156,971 | \$1,262,508 | \$ 665,002 | \$ — | \$ 58,356 | \$4,142,837 | 111.0 % |
| Fair Value % of Net Assets | Fair Value % of Net Assets | 42.1 % | 32.0 % | 17.3 % | — % | 0.2 % | 91.6 % | | Fair Value % of Net Assets | 57.8 % | 33.8 % | 17.8 % | — % | 1.6 % | 111.0 % | |
| Total Portfolio | Total Portfolio | Portfolio \$3,797,706 | \$1,471,336 | \$ 711,429 | \$ 7,200 | \$1,614,839 | \$ 7,602,510 | 184.6 % | Total Portfolio | \$4,360,853 | \$1,262,508 | \$ 665,002 | \$ 7,200 | \$1,429,368 | \$ 7,724,931 | 207.0 % |
| Fair Value % of Net Assets | Fair Value % of Net Assets | 92.2 % | 35.7 % | 17.3 % | 0.2 % | 39.2 % | 184.6 % | | Fair Value % of Net Assets | 116.8 % | 33.8 % | 17.8 % | 0.2 % | 38.4 % | 207.0 % | |

(A) Our SSN investments do not have industry concentrations and as such have been separated in the tables above.

(B) Equity, unless specifically stated otherwise, includes our investments in preferred stock, common stock, membership interests, net profits interests, net operating income interests, net revenue interests, overriding royalty interests, escrows receivable, and warrants.

See notes to consolidated financial statements.

3837

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023** **September 30, 2023** (Unaudited) and **June 30, 2022** **June 30, 2023** (Continued)

(39) The interest rate on these investments, excluding those on non-accrual, contains a paid in kind ("PIK") provision, whereby the issuer has either the option or the obligation to make interest payments with the issuance of additional securities. The interest rate in the schedule represents the current interest rate in effect for these investments.

The following table provides additional details on these PIK investments, including the maximum annual PIK interest rate allowed under the existing credit agreements, as of and for three months ended **March 31, 2023** **September 30, 2023**:

| Security Name | Security Name | PIK Rate - Capitalized | PIK Rate - Paid as cash | Maximum Current PIK Rate | Security Name | PIK Rate - Capitalized | PIK Rate - Paid as cash | Maximum Current PIK Rate |
|---|---|------------------------|-------------------------|--------------------------|---|------------------------|-------------------------|--------------------------|
| CP Energy Services Inc. - First Lien Term Loan | CP Energy Services Inc. - First Lien Term | 14.16% | —% | 14.16% (A) | CP Energy Services Inc. - First Lien Term | N/A | — | (A) |
| CP Energy Services Inc. - First Lien Term Loan | CP Energy Services Inc. - First Lien Term | 14.16% | —% | 14.16% (A) | CP Energy Services Inc. - First Lien Term | N/A | — | (A) |
| CP Energy Services Inc. - First Lien Term Loan | CP Energy Services Inc. - First Lien Term | 14.16% | —% | 14.16% (A) | CP Energy Services Inc. - First Lien Term | N/A | — | (A) |
| CP Energy Services Inc. - First Lien Term Loan | CP Energy Services Inc. - First Lien Term | 14.16% | —% | 14.16% (A) | CP Energy Services Inc. - First Lien Term | N/A | — | (A) |
| CP Energy Services Inc. - First Lien Term Loan | CP Energy Services Inc. - First Lien Term | 14.16% | —% | 14.16% (A) | CP Energy Services Inc. - First Lien Term | N/A | — | (A) |
| CP Energy Services Inc. - First Lien Term Loan | CP Energy Services Inc. - First Lien Term | 14.16% | —% | 14.16% (A) | CP Energy Services Inc. - First Lien Term | N/A | — | (A) |
| Credit Central Loan Company, LLC - First Lien Term Loan | Credit Central Loan Company, LLC - First | 10.00% | —% | 5.00% (C) | Credit Central Loan Company, LLC - First | 10.00% | —% | 5.00% (C) |
| Echelon Transportation, LLC - First Lien Term Loan | — | 8.57% | —% | (D) | | | | |

| | | | | | | | | | |
|---|---------------------------|--------|-------|--------|-----|--|--|--|--|
| Eze Castle | Eze Castle | | | | | | | | |
| Integration, Inc. - First | Integration, Inc. - First | | | | | | | | |
| Lien Term Loan | Lien Term Loan | 1.00% | —% | 1.00% | | | | | |
| Eze Castle | Eze Castle | | | | | | | | |
| Integration, Inc. - | Integration, Inc. - | | | | | | | | |
| Delayed Draw Term | Delayed Draw Term | | | | | | | | |
| Loan | Loan | 1.00% | —% | 1.00% | | | | | |
| First Tower Finance | First Tower Finance | | | | | | | | |
| Company LLC - First | Company LLC - First | | | | | | | | |
| Lien Term Loan | Lien Term Loan | 11.09% | 3.91% | 5.00% | (E) | | | | |
| InterDent, Inc. - First | InterDent, Inc. - First | | | | | | | | |
| Lien Term Loan B | Lien Term Loan B | 12.00% | —% | 12.00% | | | | | |
| MITY, Inc. - First Lien | Lien Term Loan A | 5.94% | 6.22% | —% | (F) | | | | |
| MITY, Inc. - First Lien | MITY, Inc. - First Lien | | | | | | | | |
| Term Loan B | Term Loan B | 14.48% | 7.68% | 10.00% | (F) | | | | |
| National Property | National Property | | | | | | | | |
| REIT Corp. - First Lien | REIT Corp. - First Lien | | | | | | | | |
| Term Loan A | Term Loan A | —% | | 3.53% | | | | | |
| National Property | National Property | | | | | | | | |
| REIT Corp. - First Lien | REIT Corp. - First Lien | | | | | | | | |
| Term Loan B | Term Loan B | —% | | 5.50% | | | | | |
| National Property | National Property | | | | | | | | |
| REIT Corp. - First Lien | REIT Corp. - First Lien | | | | | | | | |
| Term Loan C | Term Loan C | —% | | 2.25% | | | | | |
| National Property | National Property | | | | | | | | |
| REIT Corp. - First Lien | REIT Corp. - First Lien | | | | | | | | |
| Term Loan D | Term Loan D | —% | | 2.50% | | | | | |
| National Property | National Property | | | | | | | | |
| REIT Corp. - First Lien | REIT Corp. - First Lien | | | | | | | | |
| Term Loan E | Term Loan E | 7.00% | —% | 7.00% | | | | | |
| Nationwide Loan | Nationwide Loan | | | | | | | | |
| Company LLC - First | Company LLC - First | | | | | | | | |
| Lien Term Loan | Lien Term Loan | 10.00% | —% | 10.00% | | | | | |
| Pacific World | Pacific World | | | | | | | | |
| Corporation - First | Corporation - First | | | | | | | | |
| Lien Revolving Line of | Lien Revolving Line of | | | | | | | | |
| Credit | Credit | 12.09% | —% | 12.09% | (G) | | | | |
| Pacific World | Pacific World | | | | | | | | |
| Corporation - First | Corporation - First | | | | | | | | |
| Lien Term Loan A | Lien Term Loan A | 10.09% | —% | 10.09% | | | | | |
| PGX Holdings, Inc. - Second Lien | Lien Term Loan | 12.00% | —% | 12.00% | (H) | | | | |
| Rising Tide Holdings, Inc. - First Lien | | | | | | | | | |
| Loan | | N/A | | | (I) | | | | |
| Shutterfly, LLC - | | | | | | | | | |
| Second Lien Term | | | | | | | | | |
| Loan | | | | | | | | | |
| Town & Country | Town & Country | | | | | | | | |
| Holdings, Inc. - First | Holdings, Inc. - First | | | | | | | | |
| Lien Term Loan | Lien Term Loan | 12.00% | —% | 12.00% | (J) | | | | |
| Town & Country | Town & Country | | | | | | | | |
| Holdings, Inc. - First | Holdings, Inc. - First | | | | | | | | |
| Lien Term Loan | Lien Term Loan | 12.00% | —% | 12.00% | (J) | | | | |
| TPS, LLC - First Lien | TPS, LLC - First Lien | | | | | | | | |
| Term Loan | Term Loan | 1.50% | —% | 1.50% | | | | | |
| USES Corp. - First | USES Corp. - First | | | | | | | | |
| Lien Equipment Term | Lien Equipment Term | | | | | | | | |
| Loan | Loan | 13.84% | —% | 13.84% | (K) | | | | |
| | | | | | | | | | |

| | | | | | | |
|--|--|--------|-------|--|------------------|-------|
| Valley Electric Co. of Mt. Vernon, Inc. - First Lien Term Loan | Valley Electric Co. of Mt. Vernon, Inc. - First Lien Term Loan | —% | 2.50% | Valley Electric Co. of Mt. Vernon, Inc. - First Lien Term Loan | —% | 2.50% |
| Valley Electric Company, Inc. - First Lien Term Loan | Valley Electric Company, Inc. - First Lien Term Loan | 10.00% | —% | 10.00% | Lien Term Loan | N/A |
| Valley Electric Company, Inc. - First Lien Term Loan B | Valley Electric Company, Inc. - First Lien Term Loan B | 4.50% | —% | 4.50% | Lien Term Loan B | N/A |
| | | | | | | (I) |

(A) On January 6, 2023, the CP Energy Services, Inc. Amendment No. 16 to Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 14.16% 14.50%. PIK was due October 2, 2023 for CP Energy Services, Inc. loans. The Maximum PIK rate that was capitalized into the balance of the loans was 14.50%.

(B) On August 22, 2022, the Spartan Energy Services, LLC Twenty-Fifth Amendment to Amended and Restated Senior Secured Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 12.84% 13.59%.

(C) On September 30, 2022, the Credit Central Senior Subordinated Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 10.00%..

(D) On December 30, 2022, the First Tower Finance Company LLC Amendment No. 15 was amended to reduce the PIK rate to 5.00% and allow the interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 15.00%.

(E) On October 4, 2023, the National Property REIT Corp. fifteenth Amended and Restated Credit Agreement effective as of September 29, 2023 has removed the PIK component of the First Lien Term Loan B.

(F) Effective as of December 29, 2021, the Pacific World Corporation Amendment No. 8 was amended to allow the Revolving Line of Credit interest accruing in cash to be payable in kind resulting in a maximum current rate of 12.83%.

(G) On November 17, 2022, the Town & Country Holdings, Inc. Eighth Amendment to Loan Agreement was amended to a fixed PIK rate of 12.00%.

(H) On March 28, 2023, the USES Corp. First Lien Equipment Term loan was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 14.59%.

(I) PIK was due October 2, 2023 for Valley Electric Company, Inc. loans. The Maximum PIK rate that was capitalized into the balance of the First Lien Term Loan and First Lien Term Loan B was 10.00% and 8.00%, respectively.

See notes to consolidated financial statements.

38

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2023 (Unaudited) and June 30, 2023 (Continued)

The following table provides additional details on these PIK investments, including the maximum annual PIK interest rate allowed under the existing credit agreements, as of and for three months ended June 30, 2023:

| Security Name | PIK Rate - Capitalized | PIK Rate - Paid as cash | Maximum Current PIK Rate | |
|--|------------------------|-------------------------|--------------------------|-----|
| CP Energy Services Inc. - First Lien Term Loan | 14.50% | —% | 14.50% | (A) |
| CP Energy Services Inc. - First Lien Term Loan | 14.50% | —% | 14.50% | (A) |
| CP Energy Services Inc. - First Lien Term Loan | 14.50% | —% | 14.50% | (A) |
| CP Energy Services Inc. - First Lien Term Loan A to Spartan Energy Services, LLC | 13.36% | —% | 13.36% | (B) |
| Credit Central Loan Company, LLC - First Lien Term Loan | 10.00% | —% | 5.00% | (C) |
| Echelon Transportation, LLC - First Lien Term Loan | —% | —% | —% | (D) |
| Eze Castle Integration, Inc. - First Lien Term Loan | 0.75% | —% | 0.75% | |
| Eze Castle Integration, Inc. - Delayed Draw Term Loan | 0.75% | —% | 0.75% | |
| First Tower Finance Company LLC - First Lien Term Loan | 12.06% | 2.94% | 5.00% | (E) |
| InterDent, Inc. - First Lien Term Loan B | 12.00% | —% | 12.00% | |
| MITY, Inc. - First Lien Term Loan A | 2.58% | 9.93% | —% | (F) |
| MITY, Inc. - First Lien Term Loan B | 6.92% | 15.58% | 10.00% | (F) |
| National Property REIT Corp. - First Lien Term Loan A | —% | 3.53% | 3.53% | |
| National Property REIT Corp. - First Lien Term Loan B | —% | 5.50% | 5.50% | |
| National Property REIT Corp. - First Lien Term Loan C | —% | 2.25% | 2.25% | |
| National Property REIT Corp. - First Lien Term Loan D | —% | 2.50% | 2.50% | |
| National Property REIT Corp. - First Lien Term Loan E | 7.00% | —% | 7.00% | |
| Nationwide Loan Company LLC - First Lien Term Loan | 10.00% | —% | 10.00% | |
| Pacific World Corporation - First Lien Revolving Line of Credit | 12.61% | —% | 12.61% | (G) |
| Pacific World Corporation - First Lien Term Loan A | 8.70% | 1.91% | 10.61% | |
| Rising Tide Holdings, Inc. - First Lien Term Loan | 13.76% | —% | 13.76% | (H) |
| Town & Country Holdings, Inc. - First Lien Term Loan | 12.00% | —% | 12.00% | (I) |
| Town & Country Holdings, Inc. - First Lien Term Loan | 12.00% | —% | 12.00% | (I) |
| TPS, LLC - First Lien Term Loan | 1.50% | —% | 1.50% | |

| | | | | |
|--|--------|-------|--------|-----|
| USES Corp. - First Lien Equipment Term Loan | 14.36% | —% | 14.36% | (J) |
| Valley Electric Co. of Mt. Vernon, Inc. - First Lien Term Loan | —% | 2.50% | 2.50% | |
| Valley Electric Company, Inc. - First Lien Term Loan | 10.00% | —% | 10.00% | |
| Valley Electric Company, Inc. - First Lien Term Loan B | 8.00% | —% | 8.00% | |

(A) On January 6, 2023, the CP Energy Services, Inc. Amendment No. 16 to Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 14.50%.

(B) On August 22, 2022, the Spartan Energy Services, LLC Twenty-Fifth Amendment to Amended and Restated Senior Secured Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 13.36%.

(C) On September 30, 2022, the Credit Central Senior Subordinated Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 10.00%.

(D) On January 31, 2022, the Echelon Fifth Amendment and Restated Credit Agreement was amended to remove the PIK rate and to allow the interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 8.57%.

(E) On December 30, 2022, the First Tower Finance Company LLC Amendment No. 15 was amended to reduce the PIK rate to 5.00% and allow the interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 15.00%.

(F) On March 23, 2021, the Mity Amendment No. 1 and Waiver to Note Purchase Agreement was amended to allow Senior Secured Note A and Senior Secured Note B interest accruing in cash to be payable in kind resulting in a maximum current TLA PIK rate of **12.16%** 12.50% and TLB PIK rate of **22.16%** 22.50%.

(G) Effective as of December 29, 2021, the Pacific World Corporation Amendment No. 8 was amended to allow the Revolving Line of Credit interest accruing in cash to be payable in kind resulting in a maximum current rate of **12.09%** 12.61%.

(H) On December 28, 2022, the PGX Holdings, Inc. Second Lien Term Loan was amended to a fixed PIK rate of 12.00%.

(I) Next PIK payment/capitalization date is **May 31, 2023** August 31, 2023.

(J) (I) On November 17, 2022, the Town & Country Holdings, Inc. Eighth Amendment to Loan Agreement was amended to a fixed PIK rate of 12.00%.

(K) (J) On March 28, 2023, the USES Corp. First Lien Equipment Term **loan** **Loan** was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of **13.84%** 14.36%.

See notes to consolidated financial statements.

39

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of March 31, 2023 September 30, 2023 (Unaudited) and June 30, 2022 (Continued)

The following table provides additional details on these PIK investments, including the maximum annual PIK interest rate allowed under the existing credit agreements, as of and for three months ended June 30, 2022:

| Security Name | PIK Rate - Capitalized | PIK Rate - Paid as cash | Maximum Current PIK Rate | |
|--|------------------------|-------------------------|--------------------------|-----|
| CP Energy Services Inc. - First Lien Term Loan | 13.25% | —% | 13.25% | (A) |
| CP Energy Services Inc. - First Lien Term Loan A to Spartan Energy Services, LLC | 9.67% | —% | 9.67% | (B) |
| Credit Central Loan Company, LLC - First Lien Term Loan | 12.92% | 7.08% | 10.00% | (C) |
| First Tower Finance Company LLC - First Lien Term Loan | 8.72% | 3.28% | 12.00% | |
| InterDent, Inc. - First Lien Term Loan B | 12.00% | —% | 12.00% | |
| MITY, Inc. - First Lien Term Loan A | 3.30% | 6.70% | —% | (D) |
| MITY, Inc. - First Lien Term Loan B | 6.59% | 13.41% | 10.00% | (D) |
| National Property REIT Corp. - First Lien Term Loan A | —% | 3.53% | 3.53% | |
| National Property REIT Corp. - First Lien Term Loan B | —% | 5.50% | 5.50% | |
| National Property REIT Corp. - First Lien Term Loan C | —% | 2.25% | 2.25% | |
| National Property REIT Corp. - First Lien Term Loan D | —% | 2.50% | 2.50% | |
| Nationwide Loan Company LLC - First Lien Term Loan | —% | 10.00% | 10.00% | |
| Pacific World Corporation - Revolving Line of Credit | 8.92% | —% | 8.92% | (E) |
| Pacific World Corporation - First Lien Term Loan A | 6.92% | —% | 6.92% | |
| Town & Country Holdings, Inc. - First Lien Term Loan | N/A | N/A | N/A | (F) |
| TPS, LLC - First Lien Term Loan | 1.50% | —% | 1.50% | |
| Valley Electric Co. of Mt. Vernon, Inc. - First Lien Term Loan | —% | 2.50% | 2.50% | |
| Valley Electric Company, Inc. - First Lien Term Loan | —% | 10.00% | 10.00% | |
| Valley Electric Company, Inc. - First Lien Term Loan B | —% | 4.50% | 4.50% | (G) |
| Venio LLC - First Lien Term Loan | 1.00% | —% | 1.00% | |

(A) Effective March 31, 2022, the CP Energy Fourteenth Amendment to Loan Agreement was amended to allow 100% of the June 30, 2022 interest accruing in cash to be payable in kind resulting in a current PIK rate capitalized of 13.25%.

(B) On October 28, 2021, the Spartan Energy Services, LLC Twenty-Second Amendment to Amended and Restated Senior Secured Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in maximum current PIK rate of 9.67%.

(C) On December 17, 2018, the Credit Central Senior Subordinated Loan Agreement was amended to allow interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 20.00%.

(D) On March 23, 2021, the Mity Amendment No. 1 and Waiver to Note Purchase Agreement was amended to allow Senior Secured Note A and Senior Secured Note B interest accruing in cash to be payable in kind resulting in a maximum current TLA PIK rate of 10% and TLB PIK rate of 20.00%.

(E) Effective as of December 29, 2021, the Pacific World Corporation Amendment No. 8 was amended to allow the Revolving Line of Credit interest accruing in cash to be payable in kind resulting in a maximum current rate of 8.92%.

(F) On December 31, 2021, the Town & Country Holdings, Inc. Seventh Amendment to Loan Agreement was amended to allow the First Lien Term Loan interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 8.125%. As of June 30, 2022 there is no longer interest accruing as payable in kind.

(G) On March 28, 2022, the Valley Electric Company, Inc. Loan Agreement was amended to allow interest accruing at a maximum current PIK rate of 4.50%.

See notes to consolidated financial statements.

40

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of March 31, 2023 (Unaudited) and June 30, 2022 June 30, 2023 (Continued)

(40) As defined in the 1940 Act, we are deemed to "Control" these portfolio companies because we own more than 25% of the portfolio company's outstanding voting securities. Transactions during the **three** months ended **March 31, 2023** **September 30, 2023** with these controlled investments were as follows:

| Controlled Companies | Controlled Companies | Net | | | | | | | | Controlled Companies | Net | | | | | | | |
|---|---|------------------|---------------------|----------------------|----------------|-------------------|-----------------|-----------------|--------------|---|------------------|---------------------|----------------------|----------------|--------------------|-----------------|--------|--|
| | | Fair Value | Gross | Gross | unrealized | Fair Value | realized | Fair Value | Gross | Gross | unrealized | at | Fair Value | Gross | Gross | unrealized | at | |
| | | at June 30, 2022 | Additions (Cost)(A) | Reductions (Cost)(B) | gains (losses) | at March 31, 2023 | Interest income | Dividend income | Other income | gains (losses) | at June 30, 2023 | Additions (Cost)(A) | Reductions (Cost)(B) | gains (losses) | September 30, 2023 | Interest income | Divide | |
| CP Energy Services Inc. | CP Energy Services Inc. | \$ 64,260 | \$ 15,518 | \$ — | \$ 1,418 | \$ 81,196 | \$ 5,525 | \$ — | \$ — | CP Energy Services Inc. | \$ 79,355 | \$ 2,900 | \$ — | \$ (939) | \$ 81,316 | \$ 2,727 | | |
| CP Energy - Spartan Energy Services, Inc. | CP Energy - Spartan Energy Services, Inc. | 48,441 | 4,955 | — | (18,178) | 35,218 | 2,459 | — | — | CP Energy - Spartan Energy Services, Inc. | 34,665 | 762 | — | (3,406) | 32,021 | 1,134 | | |
| Credit Central Loan Company, LLC | Credit Central Loan Company, LLC | 76,935 | 12,097 | — | (13,007) | 76,025 | 5,878 | — | 123 | Credit Central Loan Company, LLC | 73,642 | 1,595 | — | 2,110 | 77,347 | 2,254 | | |
| Echelon Transportation, LLC | Echelon Transportation, LLC | 65,766 | 3,391 | — | (8,285) | 60,872 | 2,860 | — | — | Echelon Transportation, LLC | 64,198 | — | (1,862) | 944 | 63,280 | 781 | | |
| First Tower Finance | First Tower Finance | 607,283 | 28,847 | (987) | (26,711) | 608,432 | 48,636 | — | — | First Tower Finance | 598,382 | 5,588 | — | 11,622 | 615,592 | 15,308 | | |
| Freedom Marine | Freedom Marine | 13,899 | 650 | — | (1,363) | 13,186 | — | — | — | Freedom Marine | 12,710 | — | — | (72) | 12,638 | — | | |
| InterDent, Inc. | InterDent, Inc. | 406,194 | 15,291 | — | 30,267 | 451,752 | 23,865 | — | — | InterDent, Inc. | 457,967 | 5,554 | — | (5,341) | 458,180 | 9,009 | | |
| Kickapoo Ranch Pet | Kickapoo Ranch Pet | 3,833 | — | — | (591) | 3,242 | — | 100 | — | Kickapoo Ranch Pet | 3,242 | — | — | — | 3,242 | — | | |
| MITY, Inc. | MITY, Inc. | 59,999 | 2,166 | (2,269) | 2,979 | 62,875 | 5,989 | — | — | (2) MITY, Inc. | 68,178 | — | — | 7,837 | 76,015 | 2,205 | | |
| National Property REIT Corp. | National Property REIT Corp. | 1,615,737 | 135,922 | (90,852) | (66,134) | 1,594,673 | 67,804 | — | 49,735 | National Property REIT Corp. | 1,659,976 | 63,546 | (13,450) | (80,330) | 1,629,742 | 29,239 | | |
| Nationwide Loan | Nationwide Loan | 50,400 | 1,595 | — | (4,272) | 47,723 | 3,191 | — | — | Nationwide Loan | 47,572 | 785 | — | (2,675) | 45,682 | 1,175 | | |
| NMMB, Inc. | NMMB, Inc. | 109,943 | — | — | (5,556) | 104,387 | 2,727 | 2,510 | — | (2,510) NMMB, Inc. | 94,180 | — | — | 10,567 | 104,747 | 1,064 | | |
| Pacific World Corporation | Pacific World Corporation | 59,179 | 16,315 | — | (2,002) | 73,492 | 5,613 | — | 105 | Pacific World Corporation | 65,746 | 2,327 | — | (4,850) | 63,223 | 2,646 | | |
| R-V Industries, Inc. | R-V Industries, Inc. | 56,923 | — | — | 9,726 | 66,649 | 3,265 | — | — | R-V Industries, Inc. | 81,508 | 3,700 | — | 19,526 | 104,734 | 1,252 | | |
| Universal Turbine Parts, LLC | Universal Turbine Parts, LLC | 31,147 | — | (24) | 11,418 | 42,541 | 2,364 | — | — | Universal Turbine Parts, LLC | 45,065 | — | (8) | 3,808 | 48,865 | 956 | | |
| USES Corp. | USES Corp. | 22,395 | 6,531 | — | (12,659) | 16,267 | 722 | — | — | USES Corp. | 19,527 | 268 | — | (303) | 19,492 | 473 | | |

| | | | | | | | | | | | | | | | | | | |
|-------------------------------|-------------------------------|--------------------|------------------|--------------------|---------------------|--------------------|------------------|-----------------|-----------------|-------------------|-------------------------------|--------------------|------------------|--------------------|--------------------|--------------------|-----------------|------------------|
| Valley Electric Company, Inc. | Valley Electric Company, Inc. | 145,983 | 1,992 | 548 | (6,959) | 141,564 | 6,681 | 547 | 500 | — | Valley Electric Company, Inc. | 165,784 | — | — | 23,708 | 189,492 | 3,020 | — |
| Total | Total | \$3,438,317 | \$245,270 | \$ (93,584) | \$ (109,909) | \$3,480,094 | \$187,579 | \$ 3,157 | \$50,463 | \$ (2,512) | Total | \$3,571,697 | \$ 87,025 | \$ (15,320) | \$ (17,794) | \$3,625,608 | \$73,243 | \$ 22,200 |

(A) Gross additions include increases in the cost basis of the investments resulting from new portfolio investments, OID accretion and PIK interest, and any transfer of investments.

(B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investments repayments or sales, impairments, and any transfer of investments.

(41) As defined in the 1940 Act, we are deemed to be an "Affiliated company" of these portfolio companies because we own more than 5% of the portfolio company's outstanding voting securities. Transactions during the **nine** **three** months ended **March 31, 2023** **September 30, 2023** with these affiliated investments were as follows:

| Affiliated Companies | Affiliated Companies | Fair Value | | | | | | | | | | Fair Value | | | | | | | | | | | | | |
|------------------------------|------------------------------|-----------------------------|-------------|---------------------------|--------------------|----------------------------|------------------|-------------------------------|---------------|------------------|-----------|--------------------|--------------|-----------------------------|-------------|---------------------------|---------------|----------------------------|-------------|-------------------------------|-------------|-----------------------|-------------|---------------------------------|--|
| | | Fair Value at June 30, 2022 | | Gross Additions (Cost)(A) | | Gross Reductions (Cost)(B) | | Net unrealized gains (losses) | | at March 2023 | | Net realized gains | | Fair Value at June 30, 2023 | | Gross Additions (Cost)(A) | | Gross Reductions (Cost)(B) | | Net unrealized gains (losses) | | at September 30, 2023 | | Fair Value at December 31, 2022 | |
| | | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | | | |
| Nixon, Inc. | Nixon, Inc. | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | | | |
| PGX Holdings, Inc. (C) | PGX Holdings, Inc. (C) | 340,253 | — | (288,494) | (51,759) | — | 15,003 | — | 133 | — | — | — | — | — | — | — | — | — | — | — | — | — | | | |
| RGIS Services, LLC | RGIS Services, LLC | 17,004 | — | (4,987) | (4,073) | 7,944 | 31 | 1,374 | — | — | — | — | — | — | — | — | 10,397 | — | 1,307 | 837 | 12,541 | — | 1,307 | — | |
| Targus Cayman HoldCo Limited | Targus Cayman HoldCo Limited | 36,007 | — | (2,805) | (33,202) | — | — | — | — | — | — | — | 16,143 | — | — | — | — | — | — | — | — | — | — | — | |
| Total | Total | \$393,264 | \$ — | \$ (296,286) | \$ (89,034) | \$ 7,944 | \$ 15,034 | \$ 1,374 | \$ 133 | \$ 16,143 | — | — | Total | \$10,397 | \$ — | \$ 1,307 | \$ 837 | \$ 12,541 | \$ — | \$ 1,307 | \$ — | \$ — | \$ — | \$ — | |

(A) Gross additions include increases in the cost basis of the investments resulting from new portfolio investments, PIK interest, and any transfer of investments.

(B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investments repayments or sales, impairments, and any transfer of investments.

(C) The investment was transferred to non-control investment classification at \$287,751, the fair market value of the investment at the beginning of the three month period ended December 31, 2022.

See notes to consolidated financial statements.

4140

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023 **September 30, 2023** (Unaudited) and **June 30, 2022** **June 30, 2023** (Continued)**

(42) As defined in the 1940 Act, we are deemed to "Control" these portfolio companies because we own more than 25% of the portfolio company's outstanding voting securities. Transactions during the year ended **June 30, 2022** **June 30, 2023** with these controlled investments were as follows:

| Portfolio Company | Portfolio Company | Net | | | | | | | | | | Net | | | | | | | | | | Net | | | | | | | | | |
|--|--|-----------------------------|-----------|---------------------------|-----------|----------------------------|-----------|-------------------------------|-----------|-----------------------------|-----------|-----------------|------------|-----------------|-----------|----------------------|-----------|-----------------------------|---------------------------------|-----------------------------|-----------|---------------------------|------------|----------------------------|-----------|-------------------------------|-----------|---------------------------------|-----------|-----------|--|
| | | Fair Value at June 30, 2021 | | Gross Additions (Cost)(A) | | Gross Reductions (Cost)(B) | | Net unrealized gains (losses) | | Fair Value at June 30, 2022 | | Interest income | | Dividend income | | Other gains (losses) | | Net realized gains (losses) | | Fair Value at June 30, 2023 | | Gross Additions (Cost)(A) | | Gross Reductions (Cost)(B) | | Net unrealized gains (losses) | | Fair Value at December 31, 2022 | | | |
| | | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | Companies | |
| CP Energy Services Inc. | CP Energy Services Inc. | \$ 44,621 | \$ 11,277 | \$ — | \$ 8,362 | \$ 64,260 | \$ 5,424 | \$ — | \$ — | \$ 64,260 | \$ 17,959 | \$ — | \$ (2,864) | \$ 79,355 | \$ 7,969 | \$ — | \$ — | \$ — | CP Energy Services Inc. | \$ 64,260 | \$ 17,959 | \$ — | \$ (2,864) | \$ 79,355 | \$ 7,969 | \$ — | \$ — | \$ — | \$ — | | |
| CP Energy - Spartan Energy Services, LLC | CP Energy - Spartan Energy Services, LLC | 26,866 | 10,992 | — | 10,583 | 48,441 | 1,884 | — | 6 | — | 48,441 | 6,005 | — | (19,781) | 34,665 | 3,510 | — | — | Services, LLC | 76,935 | 14,261 | — | (17,554) | 73,642 | 8,040 | — | 123 | — | — | | |
| Credit Central Loan Company, LLC | Credit Central Loan Company, LLC | 78,023 | 9,599 | (1,295) | (9,392) | 76,935 | 15,106 | — | — | — | 76,935 | 3,391 | — | (4,959) | 64,198 | 4,086 | — | — | Echelon Transportation LLC | 65,766 | — | — | — | 64,198 | 4,086 | — | — | — | — | | |
| First Tower Finance Company LLC | First Tower Finance Company LLC | 84,240 | 10,646 | — | (29,120) | 65,766 | 7,695 | — | — | — | 65,766 | — | — | (4,959) | 598,382 | 63,364 | — | — | First Tower Finance Company LLC | 607,283 | 40,688 | (987) | (48,602) | 598,382 | 63,364 | — | — | — | — | | |

(A) Gross additions include increases in the cost basis of the investments resulting from new portfolio investments, PIK interest, and any transfer of investments.

(B) Gross reductions include decreases in the cost basis of the investments resulting from new portfolio investments, net interest, and any transfer of investments.

(43) As defined in the 1940 Act, we are deemed to be an "Affiliated company" of these portfolio companies because we own more than 5% of the portfolio company's outstanding voting securities. Transactions during the year ended **June 30, 2022** **June 30, 2023** with these affiliated investments were as follows:

| Portfolio Company | Portfolio Company | Net | | | | | | | | | | Fair Value | | | | | | | | | |
|----------------------|----------------------|---------------------|------------------------|-------------------------|-------------------|---------------------|-----------|----------|----------|-------------------|----------------------|------------------|------------------------|-------------------------|-------------------|------------|----------|----------|--------|-------------------|--|
| | | Fair Value | Gross | Gross | unrealized | Fair Value | Net | | | | | realized | Fair Value | Gross | Gross | unrealized | Net | at | Net | | |
| | | at June 30, 2021 | Additions (Cost)(A) | Reductions (Cost)(B) | gains (losses) | at June 30, 2022 | Interest | Dividend | Other | gains (losses) | Portfolio Company | June 30, 2022 | Additions (Cost)(A) | Reductions (Cost)(B) | gains (losses) | 30, 2023 | Interest | Dividend | Other | gains (losses) | |
| Nixon, Inc. | Nixon, Inc. | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | Nixon, Inc. | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | | |
| PGX | PGX | | | | | | | | | PGX | | | | | | | | | | | |
| Holdings, | Holdings, | | | | | | | | | Holdings, | | | | | | | | | | | |
| Inc. (C) | Inc. (C) | \$ 313,089 | \$ 229,984 | \$ (190,825) | \$ (11,995) | \$ 340,253 | \$ 30,032 | \$ — | \$ 4,032 | Inc. (C) | 340,253 | — | (288,494) | (51,759) | — | 15,003 | — | 133 | — | | |
| RGIS | RGIS | | | | | | | | | RGIS | | | | | | | | | | | |
| Services, | Services, | | | | | | | | | Services, | | | | | | | | | | | |
| LLC | LLC | \$ 17,440 | \$ — | \$ — | \$ (436) | \$ 17,004 | \$ 317 | \$ 256 | \$ — | LLC | 17,004 | — | (5,128) | (1,479) | 10,397 | 31 | 1,374 | — | — | | |
| Targus | Targus | | | | | | | | | Targus | | | | | | | | | | | |
| Cayman | Cayman | | | | | | | | | Cayman | | | | | | | | | | | |
| HoldCo | HoldCo | | | | | | | | | HoldCo | | | | | | | | | | | |
| Limited | Limited | \$ 26,205 | \$ — | \$ — | \$ 9,802 | \$ 36,007 | \$ — | \$ — | \$ — | Limited | 36,007 | — | (2,805) | (33,202) | — | — | — | — | 16,143 | | |
| | | 356,734 | 229,984 | (190,825) | (2,629) | 393,264 | 30,349 | 256 | 4,032 | | 393,264 | — | (296,427) | (86,440) | 10,397 | 15,034 | 1,374 | 133 | 16,143 | | |

(A) Gross additions include increases in the cost basis of the investments resulting from new portfolio investments, PIK interest, and any transfer of investments.

(B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investments repayments or sales, impairments, and any transfer of investments.

(C) The investment was transferred to non-control investment classification as \$287,751, the fair market value of the investment at the beginning of the three month period ended December 31, 2022.

See notes to consolidated financial statements.

42 41

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of **March 31, 2023** **September 30, 2023** (Unaudited) and **June 30, 2022** **June 30, 2023** (Continued)

(44) Acquisition date represents the date of PSEC's initial investment. Follow-on acquisitions have occurred on the following dates to arrive at PSEC's current investment (excluding effects of capitalized PIK interest, premium/original issue discount amortization/accretion, and partial repayments) (See endnote 45 for NRPC equity follow-on acquisitions):

| Portfolio Company | Investment | Follow-On Acquisition Dates | Follow-On Acquisitions (Excluding initial investment cost) |
|--|--|---|--|
| 8th Avenue Food & Provisions, Inc. | Second Lien Term Loan | 11/17/2020, 9/17/2021 | 7,051 |
| Amerilife Group, LLC \$ | Second Lien Term Loan | 9/3/2020, 12/2/2020, 6/10/2021 | 12,060 7,051 |
| Apidos CLO XI | Subordinated Structured Note | 11/2/2016, 4/8/2021 | 7,559 |
| Apidos CLO XII | Subordinated Structured Note | 1/26/2018 | 4,070 |
| Apidos CLO XV | Subordinated Structured Note | 3/29/2018 | 6,480 |
| Apidos CLO XXII | Subordinated Structured Note | 2/24/2020 | 1,912 |
| Atlantis Health Care Group (Puerto Rico), Inc. | First Lien Revolving Line of Credit | 4/15/2013, 5/21/2013, 3/11/2014, 6/26/2017, 9/29/2017, 10/12/2017, 10/31/2017, 5/10/2023 | 7,500 9,500 |
| Atlantis Health Care Group (Puerto Rico), Inc. | First Lien Term Loan | 12/9/2016 | 42,000 |
| Aventiv Technologies, LLC | Second Lien Term Loan | 11/13/2017, 11/24/2017, 8/6/2018, 8/24/2018, 3/18/2019 | 22,750 |
| Barings CLO 2018-III | Subordinated Structured Note | 5/18/2018 | 9,255 |
| BCPE North Star US Holdco 2, Inc. | Second Lien Delayed Draw Term Loan | 10/28/2022 | 5,133 |
| BCPE North Star US Holdco 2, Inc. | Second Lien Term Loan | 12/30/2021 | 65,000 |
| BCPE Osprey Buyer, Inc. | First Lien Revolving Line of Credit | 2/22/2023, 5/23/2023, 9/14/2023 | 942 3,486 |
| BCPE Osprey Buyer, Inc. | First Lien Delayed Draw Term Loan | 9/26/2023 | 4,639 |
| Belnick, LLC (d/b/a The Ubique Group) | First Lien Term Loan | 6/27/2022 | 5,000 |
| Broder Bros., Co. | First Lien Term Loan | 1/29/2019, 2/28/2019, 9/10/2021, 9/30/2021 | 25,370 |
| California Street CLO IX Ltd. | Subordinated Structured Note | 9/6/2016, 10/17/2016 | 6,842 |
| Cent CLO 21 Limited | Subordinated Structured Note | 7/12/2018 | 1,024 |
| CIFC Funding 2014-IV-R, Ltd. | Subordinated Structured Note | 10/12/2018, 12/20/2021 | 2,860 |
| Collections Acquisition Company, Inc. | First Lien Term Loan | 1/13/2022 | 6,900 |
| Columbia Cent CLO 27 Limited | Subordinated Structured Note | 12/2/2021 | 7,815 |
| CP Energy Services Inc. | First Lien Term Loan | 8/31/2023 | 2,900 |
| CP Energy Services Inc. | First Lien Term Loan A to Spartan Energy Services, LLC | 4/9/2021, 1/10/2022, 2/10/2023 | 14,681 |
| CP Energy Services Inc. | Common Stock | 10/11/2013, 12/26/2013, 4/6/2018, 12/31/2019 | 69,586 |
| Credit Central Loan Company, LLC | Class A Units | 12/28/2012, 3/28/2014, 6/26/2014, 9/28/2016, 8/21/2019 | 11,975 |
| Credit Central Loan Company, LLC | Class P Units | 1/27/2023 | 1,540 |
| Credit Central Loan Company, LLC | First Lien Term Loan | 6/26/2014, 9/28/2016, 12/16/2022, 1/27/2023 | 45,995 |
| Curo Group Holdings Corp. | First Lien Term Loan | 8/31/2021, 11/18/2021, 1/12/2022 | 17,033 |
| DRI Holding, Inc. | First Lien Term Loan | 4/26/2022, 7/21/2022 | 12,999 |
| DRI Holding, Inc. | Second Lien Term Loan | 5/18/2022 | 10,000 |
| Dukes Root Control Inc. | First Lien Revolving Line of Credit | 4/24/2023 | 1,429 |
| Dukes Root Control Inc. | First Lien Delayed Draw Term Loan | 5/26/2023 | 2,054 |
| Echelon Transportation, LLC | Membership Interest | 3/31/2014, 9/30/2019, 12/9/2016 | 22,488 |
| Echelon Transportation, LLC | First Lien Term Loan | 11/14/2018, 7/9/2019, 5/5/2020, 10/9/2020, 1/21/2021, 3/18/2021 | 5,465 |
| Eze Castle Integration, Inc. (f/k/a H.I.G. ECI Merger Sub, Inc.) | First Lien Delayed Draw Term Loan | 10/7/2022, 9/5/2023 | 893 1,786 |
| Faraday Buyer, LLC | First Lien Delayed Draw Term Loan | 5/18/2023 | 4,468 |
| First Brands Group | First Lien Term Loan | 4/27/2022 | 5,955 |
| First Brands Group | Second Lien Term Loan | 5/12/2022 | 4,938 |

| | | | |
|--|--|--|--------|
| First Tower Finance Company LLC | Class A Units | 12/30/2013, 6/24/2014, 12/15/2015, 11/21/2016, 3/9/2018 | 39,885 |
| First Tower Finance Company LLC | First Lien Term Loan to First Tower, LLC | 12/15/2015, 3/9/2018, 3/24/2022 | 43,047 |
| | | 10/1/2009, 12/22/2009, 1/13/2010, 3/30/2010, 5/13/2010, 2/14/2011, | |
| Freedom Marine Solutions, LLC | Membership Interest | 4/28/2011, 7/7/2011, 10/20/2011, 10/30/2015, 1/7/2016, 4/11/2016, | 42,118 |
| | | 8/11/2016, 1/30/2017, 4/20/2017, 6/13/2017, 8/30/2017, 1/17/2018, | |
| | | 2/15/2018, 5/8/2018, 10/31/2018, 5/14/2021, 4/18/2022, 2/15/2023 | |
| Galaxy XV CLO, Ltd. | Subordinated Structured Note | 8/21/2015, 3/10/2017 | 9,161 |
| Galaxy XXVII CLO, Ltd. | Subordinated Structured Note | 6/11/2015 | 1,460 |
| Help/Systems Holdings, Inc. (d/b/a Forta, LLC) | Second Lien Term Loan | 5/11/2021, 10/14/2021 | 54,649 |

See notes to consolidated financial statements.

42

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2023 (Unaudited) and June 30, 2023 (Continued)

| Portfolio Company | Investment | Follow-On Acquisition Dates | Follow-On Acquisitions (Excluding initial investment cost) |
|---|-------------------------------------|--|---|
| The Hiller Companies, LLC | First Lien Term Loan | 4/6/2023 | 17,000 |
| InterDent, Inc. | First Lien Term Loan A | 2/11/2014, 4/21/2014, 11/25/2014, 12/23/2014, 7/14/2021, 3/28/2022 | 93,903 |
| InterDent, Inc. | First Lien Term Loan B | 2/11/2014, 4/21/2014, 11/25/2014, 12/23/2014 | 76,125 |
| Interventional Management Services, LLC | First Lien Revolving Line of Credit | 2/25/2021, 11/17/2021 | 5,000 |
| Jefferson Mill CLO Ltd. | Subordinated Structured Note | 9/21/2018 | 2,047 |

See notes to consolidated financial statements.

43

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of March 31, 2023 (Unaudited) and June 30, 2022 (Continued)

| Portfolio Company | Investment | Follow-On Acquisition Dates | Follow-On Acquisitions (Excluding initial investment cost) |
|----------------------------------|-----------------------------------|---|---|
| K&N Parent, Inc. | Second Lien Term Loan | 8/14/2018, 9/5/2018, 9/7/2018, 9/10/2018, 9/24/2018, 11/12/2020 | 13,111 |
| Kickapoo Ranch Pet Resort | Membership Interest | 10/21/2019, 12/4/2019 | 28 |
| LCM XIV Ltd. | Subordinated Structured Note | 9/25/2015, 5/18/2018 | 9,422 |
| LGC US FINCO, LLC | First Lien Term Loan | 3/2/2022 | 2,095 |
| Magnate Worldwide, LLC | First Lien Delayed Draw Term Loan | 10/26/2022, 6/1/2023 | 1,126 2,310 |
| Mamba Purchaser, Inc. | Second Lien Term Loan | 5/4/2022, 5/10/2022 | 17,860 |
| Medical Solutions Holdings, Inc. | Second Lien Term Loan | 5/4/2022, 9/22/2022 | 1,423 |
| MITY, Inc. | Common Stock | 6/23/2014 | 7,200 |
| MITY, Inc. | First Lien Term Loan A | 1/17/2017, 3/23/2021 | 10,650 |
| MITY, Inc. | First Lien Term Loan B | 1/17/2017, 6/3/2019 | 11,000 |
| Nationwide Loan Company LLC | Class A Units | 3/28/2014, 6/18/2014, 9/30/2014, 6/29/2015, 3/31/2016, 8/31/2016, 5/31/2017, 10/31/2017 | 20,469 |
| Nationwide Loan Company LLC | First Lien Term Loan | 12/28/2015, 8/31/2016 | 1,999 |
| | | 4/3/2020, 5/15/2020, 6/10/2020, 7/29/2020, 8/14/2020, 9/15/2020, 10/15/2020, 10/30/2020, 11/10/2020, 11/13/2020, 11/19/2020, 12/11/2020, 1/27/2021, 2/25/2021, 3/11/2021, 5/14/2021, 6/14/2021, 6/25/2021, 8/16/2021, 11/15/2021, | |
| National Property REIT Corp | First Lien Term Loan A | 11/26/2021 12/1/2021 12/28/2021 1/14/2022 2/15/2022 3/17/2022 3/28/2022 | 565,519 696,133 |

REFINITIV CORPORATE DISCLOSURES | www.refinitiv.com | Contact Us

77/211

REFINITIV 

©2023 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

| | | | |
|--|---|---|-----------------|
| | | 4/1/2022, 4/7/2022, 5/24/2022, 6/6/2022, 7/5/2022, 8/31/2022, 10/6/2022, 1/10/2023, 2/28/2023, 4/4/2023, 4/6/2023, 4/28/2023, 6/9/2023, 6/14/2023, 7/5/2023, 7/14/2023, 8/31/2023, 9/29/2023 | |
| National Property REIT Corp. | First Lien Term Loan B | 12/8/2021, 12/17/2021, 1/13/2022, 2/8/2022, 2/14/2022, 2/17/2022, 2/24/2022 | 28,880 |
| National Property REIT Corp. | First Lien Term Loan C | 10/23/2019, 1/23/2020, 3/31/2020, 4/8/2020, 8/4/2020, 12/7/2021, 1/7/2022, 2/2/2022, 5/12/2022, 5/19/2022, 6/6/2022, 8/1/2022, 9/15/2022, 9/19/2022, 10/21/2022, 6/6/2023 | 243,600 253,600 |
| NMMB, Inc. | First Lien Term Loan | 12/30/2019, 3/28/2022 | 40,100 |
| Octagon Investment Partners XV, Ltd. | Subordinated Structured Note | 4/27/2015, 8/3/2015, 6/27/2017 | 10,516 |
| Octagon Investment Partners 18-R Ltd. | Subordinated Structured Note | 3/23/2018 | 8,908 |
| Pacific World Corporation | First Lien Revolving Line of Credit | 10/21/2014, 12/19/2014, 4/7/2015, 4/22/2015, 8/12/2016, 10/18/2016, 2/7/2017, 2/21/2017, 4/26/2017, 10/11/2017, 10/17/2017, 1/16/2018, 12/27/2018, 3/15/2019, 7/2/2019, 8/15/2019, 9/1/2021, 10/19/2021, 9/6/2022 | 41,325 |
| Pacific World Corporation | Convertible Preferred Equity | 4/3/2019, 4/29/2019, 6/3/2019, 10/4/2019, 11/12/2019, 12/20/2019, 1/7/2020, 3/5/2020, 12/30/2021 | 22,600 |
| Pacific World Corporation | First Lien Term Loan A | 12/22/2022 | 10,500 |
| PeopleConnect Holdings, LLC | First Lien Term Loan | 10/21/2021 | 82,005 |
| PetVet Care Centers, LLC (f/k/a Pearl Intermediate Parent LLC) | Second Lien Term Loan | 11/22/2021, 5/10/2022 | 10,950 |
| PGX Holdings, Inc. | First Lien Term Loan | 11/16/2021, 5/25/2022 | 25,000 |
| PGX Holdings, Inc. | First Lien DIP Term Loan | 8/4/2023 | 2,327 |
| PGX Holdings, Inc. | Second Lien Term Loan | 12/28/2022 | 15,000 |
| Precisely Software Incorporated | Second Lien Term Loan | 5/28/2021, 6/24/2021, 6/3/2022 | 59,333 |
| Reception Purchaser, LLC | First Lien Term Loan | 7/29/2022, 9/22/2022 | 9,655 |
| Redstone Holdco 2 LP | Second Lien Term Loan | 9/10/2021 | 17,903 |
| Romark WM-R Ltd. | Subordinated Structured Note | 3/29/2018 | 5,125 |
| Rosa Mexicano | First Lien Revolving Line of Credit | 3/27/2020 | 500 |
| R-V Industries, Inc. | First Lien Term Loan | 3/4/2022, 9/25/2023 | 5,000 8,700 |
| R-V Industries, Inc. | Common Stock | 12/27/2016 | 1,854 |
| Securus Technologies Holdings, Inc. | Second Lien Term Loan | 11/13/2017, 11/24/2017, 8/6/2018, 8/24/2018, 3/18/2019 | 22,750 |
| Shiftkey, LLC | First Lien Term Loan | 8/26/2022, 9/14/2022, 9/23/2022 | 39,450 |
| Shutterstock, LLC | 2021 Refinancing First Lien Term Loan B | 9/17/2021 | 3,969 |
| Sorenson Communications, LLC | First Lien Term Loan | 5/12/2022, 5/19/2022 | 19,675 |
| Symphony CLO XV, Ltd. | Subordinated Structured Note | 12/7/2018 | 2,655 |
| Town & Country Holdings, Inc. | First Lien Term Loan | 7/13/2018, 7/16/2018 | 105,000 |
| United Sporting Companies, Inc. | Second Lien Term Loan | 3/7/2013 | 58,650 |

See notes to consolidated financial statements.

43

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2023 (Unaudited) and June 30, 2023 (Continued)

| Portfolio Company | Investment | Follow-On Acquisition Dates | Follow-On Acquisitions (Excluding initial investment cost) |
|------------------------------|-------------------------------------|---|---|
| Universal Turbine Parts, LLC | First Lien Delayed Draw Term Loan | 10/24/2019, 2/7/2020, 2/26/2020, 4/5/2021 | 3,216 |
| USES Corp. | First Lien Term Loan A | 6/15/2016, 6/29/2016, 2/22/2017, 4/27/2017, 5/4/2017, 8/30/2017, 10/11/2017, 12/11/2018, 8/30/2019 | 14,100 |
| USES Corp. | First Lien Equipment Term Loan | 6/23/2023 | 3,900 |
| USG Intermediate, LLC | First Lien Revolving Line of Credit | 7/2/2015, 9/23/2015, 9/14/2017, 8/21/2019, 9/17/2020, 9/18/2021, 5/19/2022, 5/22/2023 | 10,700 11,700 |

See notes to consolidated financial statements.

44

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands, except share and per share data)

| Portfolio Company | Investment | Follow-On Acquisition Dates | Follow-On Acquisitions (Excluding initial investment cost) |
|--|------------------------------|---|---|
| USG Intermediate, LLC | First Lien Term Loan B | 8/24/2017, 7/30/2021, 2/9/2022, 8/17/2022, 5/12/2023 | 57,975 84,475 |
| USG Intermediate, LLC | Equity | 5/12/2023 | 100 |
| Valley Electric Company, Inc. | Common Stock | 12/31/2012, 6/24/2014 | 18,502 |
| Valley Electric Company, Inc. | First Lien Term Loan | 6/30/2014, 8/31/2018, 3/28/2022 | 18,129 |
| Valley Electric Company, Inc. | First Lien Term Loan B | 5/1/2023 | 19,000 |
| ViaPath Technologies (f/k/a Global Tel*Link Corporation) | Second Lien Term Loan | 4/10/2019, 8/22/2019, 9/20/2019, 9/14/2021, 9/17/2021, 12/17/2021, 2/7/2022 | 96,743 |
| Vision Solutions, Inc. | Second Lien Term Loan | 5/28/2021, 6/24/2021, 6/3/2022 | 59,333 |
| Voya CLO 2014-1, Ltd. | Subordinated Structured Note | 3/29/2018 | 3,943 |
| VT Topco, Inc. | Second Lien Term Loan | 5/2/2022, 5/12/2022 | 4,941 |
| VT Topco, Inc. | 2021 Second Lien Term Loan | 4/27/2022, 5/12/2022 | 6,939 |
| Wellful Inc. | First Lien Term Loan | 7/28/2022 | 3,860 |
| Wellpath Holdings, Inc. | First Lien Term Loan | 10/8/2019, 10/8/2021 | 9,592 |
| Wellpath Holdings, Inc. | Second Lien Term Loan | 8/20/2019 | 1,993 |

See notes to consolidated financial statements.

44

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS (CONTINUED)
(in thousands, except share data)

Endnote Explanations as of September 30, 2023 (Unaudited) and June 30, 2023 (Continued)

(45) Since Prospect's initial common equity investment in NRPC on December 31, 2013, we have made numerous additional follow-on investments that have been used to invest in new and existing properties as well as online consumer loans and rated secured structured notes. These follow-on acquisitions are summarized by fiscal year below (excluding effects of return of capital distributions). Details of specific transactions are included in the respective fiscal year Form 10-K filing (refer to endnote 44 for NRPC term loan follow-on investments):

| Fiscal Year | Follow-On Investments (NRPC Common Stock, excluding cost of initial investment) |
|-------------|--|
| 2014 | \$ 4,555 |
| 2015 | 68,693 |
| 2016 | 93,857 |
| 2017 | 116,830 |
| 2018 | 137,024 |
| 2019 | 11,582 |
| 2020 | 19,800 |
| 2022 | 15,620 |
| 2023 | 3,600 |

(46) Prospect owns 38.95% of the preferred stock of Legere Pharmaceutical Holdings, Inc. ("Legere"), which represents 4.98% voting interest in Legere. Legere is the parent company of the borrower, Preventics, Inc. (d/b/a Legere Pharmaceuticals).

(47) This investment represents a Level 1 or Level 2 security in the ASC 820 table as of March 31, 2023 September 30, 2023 and June 30, 2023. See Notes 2 and 3 within the accompanying notes to consolidated financial statements for further discussion.

(48) CP Iris Holdco I, Inc. and CP Iris Holdco II, Inc. are joint borrowers on the Second Lien Term Loan.

(49) Investment represents a unitranche loan with characteristics of a traditional first lien senior secured loan, but which pursuant to an agreement among lenders is divided among unaffiliated lenders into "first out" and "last out" tranches yielding different interest rates. Our investment is the "last out" tranche of such unitranche loan, subject to payment priority in

favor of a first out tranche held by an unaffiliated lender.

(50) The Company has entered into an intercreditor agreement that entitles the Company to the "last out" tranche of the first lien secured loans, whereby the "first out" tranche will receive priority as to the "last out" tranche with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company receives a higher interest rate than the "first out" lenders and the Consolidated Schedule of Investments above reflects such higher rate.

See notes to consolidated financial statements.

45

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Note 1. Organization

In this report, the terms "Prospect", "the Company", "we", "us" and "our" mean Prospect Capital Corporation and its subsidiaries unless the context specifically requires otherwise.

Prospect 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.

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 purchased small business whole loans 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 a portion of our collateralized loan obligations ("CLOs"), which we also refer to as subordinated structured notes ("SSNs"). Each of these subsidiaries have been consolidated since operations commenced.

We consolidate certain of our wholly owned and substantially wholly owned holding companies formed by us in order to facilitate our investment strategy. The following companies are included in our consolidated financial statements and are collectively referred to as the "Consolidated Holding Companies": CP Holdings of Delaware LLC ("CP Holdings"); Credit Central Holdings of Delaware, LLC; Energy Solutions Holdings Inc.; First Tower Holdings of Delaware LLC ("First Tower Delaware"); MITY Holdings of Delaware Inc.; Nationwide Acceptance Holdings LLC; NMMB Holdings, Inc. ("NMMB Holdings"); NPH Property Holdings, LLC ("NPH"); Prospect Opportunity Holdings I, Inc. ("POHI"); SB Forging Company, Inc. ("SB Forging"); STI Holding, Inc.; UTP Holdings Group Inc. ("UTP Holdings"); Valley Electric Holdings I, Inc. ("Valley Holdings I"); and Valley Electric Holdings II, Inc. ("Valley Holdings II").

We are externally managed by our investment adviser, Prospect Capital Management L.P. ("Prospect Capital Management" or the "Investment Adviser"). Prospect Administration LLC ("Prospect Administration" or the "Administrator"), a wholly-owned subsidiary of the Investment Adviser, provides administrative services and facilities necessary for us to operate.

Our investment objective is to generate both current income and long-term capital appreciation through debt and equity investments. We invest primarily in senior and subordinated debt and equity of private companies in need of capital for acquisitions, divestitures, growth, development, recapitalizations and other purposes. We work with the management teams or financial sponsors to identify investments with historical cash flows, asset collateral or contracted pro forma cash flows for investment.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Note 2. Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying *interim* consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") for *interim financial information* and pursuant to the requirements for reporting on Form 10-Q, ASC 946, *Financial Services—Investment Companies* ("ASC 946"), and Articles 6 *10* and *12* *10* of Regulation S-X. Accordingly, certain disclosures accompanying the annual consolidated financial statements prepared in accordance with GAAP are omitted. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending June 30, 2024.

Under the 1940 Act, ASC 946, and the regulations pursuant to Article 6 of Regulation S-X, we are precluded from consolidating any entity other than another investment company or an operating company which provides substantially all of its services to benefit us. Our consolidated financial statements include the accounts of Prospect, PCF, PSBL, PYC, and the Consolidated Holding Companies. The consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the results of operations and financial condition as of and for the periods presented. All intercompany balances and transactions have been eliminated in consolidation. The financial results of our non-substantially wholly-owned holding companies and operating portfolio company investments are not consolidated in the financial statements. Any operating companies owned by the Consolidated Holding Companies are not consolidated.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Cash, Cash Equivalents and Restricted Cash

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

All cash and restricted cash balances are maintained with high credit quality financial institutions which are members of the Federal Deposit Insurance Corporation ("FDIC") institutions. Cash and restricted cash held at financial institutions, at times, has exceeded the FDIC Federal Deposit Insurance Corporation ("FDIC") insured limit. The Company has not incurred any losses on these accounts, and the credit risk exposure is mitigated by the financial strength of the banking institutions where the amounts are held.

Restricted cash relates to a contractual requirement for our Revolving Credit Facility to maintain a minimum cash balance in a reserve account. The contractual requirement is based upon our outstanding borrowing on our Revolving Credit Facility.

Reclassifications

Certain reclassifications have been made in the presentation of prior consolidated financial statements and accompanying notes to conform to the presentation as of and for the nine months ended March 31, 2023. Refer to Note 12. *Income Taxes*.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income, expenses, and gains and losses during the reported period. Changes in the economic environment, financial markets, creditworthiness of the issuers of our investment portfolio and any other parameters used in determining these estimates could cause actual results to differ, and these differences could be material.

Investment Classification

We are a non-diversified company within the meaning of the 1940 Act. As required by the 1940 Act, we classify our investments by level of control. As defined in the 1940 Act, "Control Investments" are those where there is the ability or power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual possesses a beneficial ownership of more than 25% of the voting securities of an investee company. Under the 1940 Act, "Affiliate Investments" are defined by a lesser degree of influence and are deemed to exist through owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of another person. "Non-Control/Non-Affiliate Investments" are those that are neither Control Investments nor Affiliate Investments.

As a BDC, we must not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). As of **March 31, 2023** September 30, 2023 and **June 30, 2022** June 30, 2023, our qualifying assets as a percentage of total assets, stood at **81.08%** **82.29%** and **80.64%** **82.08%**, respectively.

Investment Transactions

Investments are recognized when we assume an obligation to acquire a financial instrument and assume the risks for gains or losses related to that instrument. Specifically, we record all security transactions on a trade date basis. We determine the fair

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

value of our investments on a quarterly basis (as discussed in *Investment Valuation* below), with quarter over quarter fluctuations changes in fair value reflected as a net change in unrealized gains (losses) from investments in the *Consolidated Statement of Operations*.

Investments are derecognized when we assume an obligation to sell a financial instrument and forego the risks for gains or losses related to that instrument. Realized gains or losses on the sale of investments are calculated using the specific identification method. Amounts for investments traded but not yet settled are reported in Due to Broker or Due from Broker, in the *Consolidated Statements of Assets and Liabilities*. As of **March 31, 2023** September 30, 2023 and June 30, 2023, we have no assets going through foreclosure.

Foreign Currency

Foreign currency amounts are translated into US Dollars (USD) on the following basis:

- i. fair value of investment securities, other assets and liabilities—at the spot exchange rate on the last business day of the period; and

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

- ii. purchases and sales of investment securities, income and expenses—at the rates of exchange prevailing on the respective dates of such investment transactions, income or expenses.

We do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held or disposed of during the period. Such fluctuations are included within the net realized and net change in unrealized gains or losses from investments in the *Consolidated Statements of Operations*.

Investment Risks

Our investments are subject to a variety of risks. Those risks include the following:

Market Risk

Market risk represents the potential loss that can be caused by a change in the fair value of the financial instrument.

Credit Risk

Credit risk represents the risk that we would incur if the counterparties failed to perform pursuant to the terms of their agreements with us.

Liquidity Risk

Liquidity risk represents the possibility that we may not be able to rapidly adjust the size of our investment positions in times of high volatility and financial stress at a reasonable price.

Interest Rate Risk

Interest rate risk represents a change in interest rates, which could result in an adverse change in the fair value of an interest-bearing financial instrument.

Prepayment Risk

Many of our debt investments allow for prepayment of principal without penalty. Downward changes in interest rates may cause prepayments to occur at a faster than expected rate, thereby effectively shortening the maturity of the security and making us less likely to fully earn all of the expected income of that security and reinvesting in a lower yielding instrument.

Structured Credit Related Risk

CLO investments may be riskier and less transparent to us than direct investments in underlying companies. CLOs typically will have no significant assets other than their underlying senior secured loans. Therefore, payments on CLO investments are and will be payable solely from the cash flows from such senior secured loans.

Foreign Currency

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices more volatile than those of comparable U.S. companies or U.S. government securities.

Other Risks

Political developments, including civil conflicts and war, sanctions or other measures by the United States or other governments, natural disasters, public health crises and other events outside the Company's control can directly or indirectly have a material adverse impact on the Company and our portfolio companies.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Investment Valuation

As a BDC, and in accordance with the 1940 Act, we fair value our investment portfolio on a quarterly basis, with any unrealized gains and losses reflected in net increase (decrease) in net assets resulting from operations on our *Consolidated Statement of Operations*. To value our investments, we follow the guidance of ASC 820, *Fair Value Measurement* ("ASC 820"), that defines fair value, establishes a framework for measuring fair value in conformity with GAAP, and requires disclosures about fair value measurements. In accordance with ASC 820, the fair value of our investments is defined as the price that we would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market in which that investment is transacted.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities, accessible by us at the measurement date.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Unobservable inputs for the asset or liability.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each investment.

Our Board of Directors has established procedures for the valuation of our investment portfolio. These procedures are detailed below.

Investments for which market quotations are readily available are valued at such market quotations.

For most of our investments, market quotations are not available. With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, due to factors such as volume and frequency of price quotes, our Board of Directors has approved a multi-step valuation process each quarter, as described below.

1. Each portfolio company or investment is reviewed by our investment professionals with independent valuation firms engaged by our Board of Directors.
2. The independent valuation firms prepare independent valuations for each investment based on their own independent assessments and issue their report.
3. The Audit Committee of our Board of Directors reviews and discusses with the independent valuation firms the valuation reports, and then makes a recommendation to the Board of Directors of the value for each investment.
4. The Board of Directors discusses valuations and determines the fair value of each investment in our portfolio in good faith based on the input of the Investment Adviser, the respective independent valuation firm and the Audit Committee.

Our non-CLO investments that are classified as *Level 3* are valued utilizing a yield technique, enterprise value ("EV") technique, net asset value technique, asset recovery technique, discounted cash flow technique, or a combination of techniques, as appropriate. The yield technique uses loan spreads for loans and other relevant information implied by market data involving

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

identical or comparable assets or liabilities. Under the EV technique, the EV of a portfolio company is first determined and allocated over the portfolio company's securities in order of their preference relative to one another (i.e., "waterfall" allocation). To determine the EV, we typically use a market (multiples) valuation approach that considers relevant and applicable market trading data of guideline public companies, transaction metrics from precedent merger and acquisitions transactions, and/or a discounted cash flow technique. The net asset value technique, an income approach, is used to derive a value of an underlying investment (such as real estate property) by dividing a relevant earnings stream by an appropriate capitalization rate. For this purpose, we consider capitalization rates for similar properties as may be obtained from guideline public companies and/or relevant transactions. The asset recovery technique is intended to approximate the net recovery value of an investment based on, among other things, assumptions regarding liquidation proceeds based on a hypothetical liquidation of a portfolio company's assets. The discounted cash flow technique converts future cash flows or earnings to a range of fair values from which a single

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

estimate may be derived utilizing an appropriate discount rate. The fair value measurement is based on the net present value indicated by current market expectations about those future amounts.

In applying these methodologies, additional factors that we consider in valuing our investments may include, as we deem relevant: security covenants, call protection provisions, and information rights; the nature and realizable value of any collateral; the portfolio company's ability to make payments; the principal markets in which the portfolio company does business; publicly available financial ratios of peer companies; the principal market; and enterprise values, among other factors.

Our investments in CLOs are classified as *Level 3* fair value measured securities under ASC 820 and are valued using a discounted multi-path cash flow model. The CLO structures are analyzed to identify the risk exposures and to determine an appropriate call date (i.e., expected maturity). These risk factors are sensitized in the multi-path cash flow model using Monte Carlo simulations, which is a simulation used to model the probability of different outcomes, to generate probability-weighted (i.e., multi-path) cash flows from the underlying assets and liabilities. These cash flows are discounted using appropriate market discount rates, and relevant data in the CLO market as well as certain benchmark credit indices are considered, to determine the value of each CLO investment. In addition, we generate a single-path cash flow utilizing our best estimate of expected cash receipts, and assess the reasonableness of the implied discount rate that would be effective for the value derived from the multi-path cash flows. We are not responsible for and have no influence over the asset management of the portfolios underlying the CLO investments we hold, as those portfolios are managed by non-affiliated third-party CLO collateral managers. The main risk factors are default risk, prepayment risk, interest rate risk, downgrade risk, and credit spread risk.

Convertible Notes

We have recorded the Convertible Notes at their contractual amounts and at issuance, we determined that the embedded conversion options in the Convertible Unsecured Notes are not required to be separately accounted for as a derivative under ASC 815, *Derivatives and Hedging*. The adoption of ASU 2020-06 (defined below under *Recent Accounting Pronouncements*) did not impact the accounting for the Convertible Notes. See Note 5 for further discussion on our Convertible Notes outstanding.

Revenue Recognition

Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Original issue discounts and market discounts are capitalized and accreted into interest income over the respective terms of the applicable loans using the effective interest method or straight-line, as applicable, and adjusted only for material

amendments or prepayments. Upon a prepayment of a loan, prepayment premiums, original issue discount, or market discounts are recorded as interest income.

Loans are placed on non-accrual status when there is reasonable doubt that principal or interest will be collected. Unpaid accrued interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans are either applied to the cost basis or interest income, depending upon management's judgment of the collectability of the loan receivable. Non-accrual loans are restored to accrual status when past due principal and interest is paid and in management's judgment, is likely to remain current and future principal and interest collections when due are probable. Interest received and applied against cost while a loan is on non-accrual, and PIK interest capitalized but not recognized while on non-accrual, is recognized prospectively on the effective yield basis through maturity of the loan when placed back on accrual status, to the extent deemed collectible by management. As of **March 31, 2023** **September 30, 2023** and **June 30, 2023**, approximately 0.2% and 1.1% of our total assets at fair value are in non-accrual **status**, respectively.

Some of our loans and other investments may have contractual payment-in-kind ("PIK") interest or dividends. PIK income computed at the contractual rate is accrued into income and reflected as receivable up to the capitalization date. PIK investments offer issuers the option at each payment date of making payments in cash or in additional securities. When additional securities are received, they typically have the same terms, including maturity dates and interest rates as the original securities issued. On these payment dates, we capitalize the accrued interest (reflecting such amounts in the basis as additional

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

securities received). PIK generally becomes due at maturity of the investment or upon the investment being called by the issuer. At the point that we believe PIK is not fully expected to be realized, the PIK investment will be placed on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncapitalized interest or dividends are reversed from the related receivable through interest or dividend income, respectively. We do not reverse previously capitalized PIK interest or dividends. Upon capitalization, PIK is subject to the fair value estimates associated with their related investments. PIK investments on non-accrual status are restored to accrual status if we believe that PIK is expected to be realized.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Interest income from investments in Subordinated Structured Notes (typically preferred shares, income notes or subordinated notes of CLO funds) and "equity" class of security of securitized trust is recorded based upon an estimation of an effective yield to expected maturity utilizing assumed cash flows in accordance with ASC 325-40, *Beneficial Interests in Securitized Financial Assets*. We monitor the expected cash inflows from our CLO and securitized trust equity investments, including the expected residual payments, and the effective yield is determined and updated periodically.

ASC Topic 606 Revenue from Contracts with Customers ("ASC Topic 606") does not apply to the above revenue associated with financial instruments and interest income.

Other income consists of structuring fees, amendment fees, overriding royalty interests, revenue receipts related to net profit interests, deal deposits, administrative agent fees, and other miscellaneous receipts, which are recognized as revenue when received. Structuring fees, and certain other amendment or advisory fees, are derived from us providing specific transaction or advisory related services to our portfolio companies. We evaluate and make conclusions on the appropriateness of taking fees immediately into revenue in accordance with ASC Topic 606. Our fees are generally earned in response to us providing advisory assistance to our portfolio companies for capital structuring services (amendments where applicable). These fees are generated from new originations as well as from follow-on investments and amendments to existing portfolio companies. These fees are fixed based on contractual terms, are generally only available to us as a result of PSEC's investments, are paid at the closing, are generally non-recurring and non-refundable and are recognized as revenue upon completion of our performance obligations (closing of transaction, execution of amendments, etc.). See Note 10 *Other Income*.

Dividend income is recorded on the ex-dividend date. Each distribution received from limited liability company ("LLC") and limited partnership ("LP") investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient current or accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

For the **three months** quarter ended **March 31, 2023** **September 30, 2023** and **March 31, 2022**, the Company **2022**, we recorded dividend income of **\$1,928** **\$3,059** and **\$5,306**, respectively, and **\$2,901**, respectively. For the quarter ended September 30, 2022, we recorded return of capital distributions of **\$0** **\$4,780**.

Other income consists of structuring fees, amendment fees, overriding royalty interests, receipts related to net profit and **\$28,208**, respectively, revenue interests, deal deposits, administrative agent fees, and other miscellaneous receipts, which are recognized as revenue when received.

For Structuring fees and certain other amendment or advisory fees are considered fees in exchange for the **nine months ended March 31, 2023** provision of certain services and **March 31, 2022**, are subject to the **Company recorded dividend** provisions of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). All other types of income are derived from lending or equity investments, which is recognized in accordance with ASC 310-20, *Nonrefundable Fees and Other Costs*. See Note 10 *Other Income*.

Realized gains or losses on the sale of **\$7,046** and **\$12,277**, respectively, and return of capital distributions of **\$4,760** and **\$28,208**, respectively, investments are calculated using the specific identification method. Refer to *Investment Transactions* above.

Federal and State Income Taxes

We have elected to be treated as a RIC and intend to continue to comply with the requirements of the Code applicable to RICs. We are required to distribute at least 90% of our investment company taxable income and intend to distribute (or retain through a deemed distribution) all of our investment company taxable income and net capital gain to

stockholders; therefore, we have made no provision for income taxes. The character of income and gains that we will distribute is determined in accordance with income tax regulations that may differ from GAAP. Book and tax basis differences relating to stockholder dividends and distributions and other permanent book and tax differences are reclassified to paid-in capital.

If we do not distribute (or are not deemed to have distributed) at least 98% of our annual ordinary income and 98.2% of our capital gains in the calendar year earned, we will generally be required to pay an excise tax equal to 4% of the amount by which 98% of our annual ordinary income and 98.2% of our capital gains exceed the distributions from such taxable income for the year. To the extent that we determine that our estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, we accrue excise taxes, if any, on estimated excess taxable income. As of **March 31, 2023****September 30, 2023**, we do not expect to have any excise tax due for the 2023 calendar year. **Thus, Thus**, we have not accrued any excise tax for this period.

If we fail to satisfy the annual distribution requirement or otherwise fail to qualify as a RIC in any taxable year, we would be subject to tax on all of our taxable income at regular corporate income tax rates. We would not be able to deduct distributions to stockholders, nor would we be required to make distributions. Distributions would generally be taxable to our individual and other non-corporate taxable stockholders as ordinary dividend income eligible for the reduced maximum rate applicable to qualified dividend income to the extent of our current and accumulated earnings and profits, provided certain holding period and other requirements are met. Subject to certain limitations under the Code, corporate distributions would be eligible for the dividends-received deduction. To qualify again to be taxed as a RIC in a subsequent year, we would be required to distribute to our stockholders our accumulated earnings and profits attributable to non-RIC years. In addition, if we failed to qualify as a RIC for a period greater than two taxable years, then, in order to qualify as a RIC in a subsequent year, we would be required to

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

elect to recognize and pay tax on any net built-in gain (the excess of aggregate gain, including items of income, over aggregate

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

loss that would have been realized if we had been liquidated) or, alternatively, be subject to taxation on such built-in gain recognized for a period of five years.

We follow ASC 740, *Income Taxes* ("ASC 740"). ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the consolidated financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing our tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current **year**. As of **March 31, 2023****September 30, 2023**, we did not record any unrecognized tax benefits or liabilities. Management's determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including, but not **limited** to, an on-going analysis of tax laws, regulations and interpretations thereof. Although we file both federal and state income tax returns, our major tax jurisdiction is federal. Our federal tax returns for the tax years ended **August 31, 2019****August 31, 2020** and thereafter remain subject to examination by the Internal Revenue Service.

Dividends and Distributions to Common Shareholders

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount, if any, to be paid as a monthly dividend or distribution is approved by our Board of Directors quarterly and is generally based upon our management's estimate of our future taxable earnings. Net realized capital gains, if any, are distributed at least annually.

Our distributions may exceed our earnings, and therefore, portions of the distributions that we make may be a return of the money originally invested and represent a return of capital distribution to shareholders for tax purposes.

Financing Costs

We record origination expenses related to our Revolving Credit Facility as deferred financing costs. These expenses are deferred and amortized as part of interest expense using the straight-line method over the stated life of the obligation for our Revolving Credit Facility. Debt issuance costs and origination discounts related to our Convertible Notes and Public Notes are presented net against the outstanding principal of the respective instrument and amortized as part of interest expense using the effective interest method over the stated life of the respective instrument. Debt issuance costs and origination discounts related to our Prospect Capital InterNotes® (collectively, with our Convertible Notes and Public Notes, our "Unsecured Notes") are net against the outstanding principal amount of our Prospect Capital InterNotes® and are amortized as part of interest expense using the straight-line method over the stated maturity of the respective note. In the event that we modify or extinguish our debt before maturity, we follow the guidance in ASC 470-50, *Modification and Extinguishments* ("ASC 470-50"). For modifications to or exchanges of our Revolving Credit Facility, any unamortized deferred costs relating to lenders who are not part of the new lending group are expensed. For extinguishments of our Unsecured Notes, any unamortized deferred costs are deducted from the carrying amount of the debt in determining the gain or loss from the extinguishment.

Unamortized deferred financing costs are presented as a direct deduction to the respective Unsecured Notes (see Notes 5, 6, and 7).

We may record registration expenses related to shelf filings as prepaid expenses. These expenses consist principally of the Securities and Exchange Commission ("SEC") registration fees, legal fees and accounting fees incurred. These prepaid expenses are charged to capital upon the receipt of proceeds from an equity offering or charged to expense if no offering is completed. As of **March 31, 2023****September 30, 2023** and **June 30, 2022****June 30, 2023**, there are no prepaid expenses related to registration expenses and all amounts incurred have been expensed.

Per Share Information

In accordance with ASC 946, senior equity securities, such as preferred stock, are not considered in the calculation of net asset value per share. Net asset value per share also excludes the effects of assumed conversion of outstanding convertible securities, regardless of whether their conversion would have a diluting effect. Therefore, our net asset value is presented on the basis of per common share outstanding as of the applicable period end.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

We compute earnings per common share in accordance with ASC 260, Earnings Per Share ("ASC 260"). Basic earnings per common share is calculated by dividing the net increase (decrease) in net assets resulting from operations applicable to common stockholders by the weighted average number of shares of common stock outstanding. Diluted earnings per share gives effect to all dilutive potential common shares outstanding using the if-converted method for our Convertible Preferred Stock and Convertible Notes (together, "convertible instruments"). Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive.

Preferred Stock

In accordance with ASC 480-10-S99-3A, the Company's Preferred Stock (as defined in "Note 9. Equity Offerings, Offering Expenses, and Distributions") has been classified in temporary equity on the *Statement of Assets and Liabilities* beginning the period ended September 30, 2021 due to **limitations on our ability to exercise our Issuer Optional Conversion (as defined in Note 9) and the possibility of a Change of Control triggering event that could lead to redemption outside of the Company's control.** control if dividends on the Preferred Stock have accumulated and been unpaid for a period of two years. The Preferred Stock issued as temporary equity is recorded net of offering costs and issuance costs. 5.50% Preferred Stock issued prior to the issuance of our 5.35% Series A Preferred Stock has a carrying value on our *Consolidated Statement of Assets and Liabilities* equal to liquidation value per share. Accrued and unpaid dividends relating to the Preferred Stock are included in the preferred stock carrying value on the *Statement of Assets and Liabilities*. Dividends declared on the Preferred Stock are included in preferred stock dividends on the *Statement of Operations*.

Recent Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform*. The amendments in ASU 2020-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2024, as updated by ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848 in December 2022*. The Company did not utilize considers the optional expedients applicability and exceptions provided impact of all accounting standard updates ("ASU") issued by ASU 2020-04 during the nine months ended March 31, 2023 *Financial Accounting Standards Board ("FASB")*. The Company has concluded assessed currently issued ASUs and has determined that this guidance will they are not applicable or expected to have a material minimal impact on its consolidated financial statements.

On July 1, 2022, we adopted, ASU 2020-06, *Debt-Debt with Conversion and Other Options (Subtopic 470-20)and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), which simplifies the accounting for convertible instruments by removing the separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature. As a result, after adoption, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share. We adopted ASU 2020-06 using the modified retrospective transition method. As a result, we are now required to calculate diluted earnings per share using the if-converted method for our convertible instruments. The Company's adoption of this guidance did not have a material impact on the Company's financial position, results of operations or cash flows. See Note 11. *Net Increase (Decrease) in Net Assets per Common Share* for additional information on the effects of the adoption of ASU 2020-06.

In December 2020, the SEC adopted Rule 2a-5 under the 1940 Act. Rule 2a-5 establishes a consistent, principles-based framework for boards of directors to use in creating their own specific processes in order to determine fair values in good faith. The effective date for compliance with Rule 2a-5 was September 8, 2022. Adoption of Rule 2a-5 did not have a significant impact on the Company's financial statements and disclosures as our board of directors has chosen to continue to determine fair value in good faith.

In June 2022, the FASB issued ASU 2022-03, which amends *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* ("ASU 2022-03"). ASU 2022-03 clarifies guidance for fair value measurement of an equity security subject to a contractual sale restriction and establishes new disclosure requirements for such equity securities. ASU 2022-03 is effective for fiscal years beginning after December 15, 2023 and for interim periods within those fiscal years, with early adoption permitted. The Company has concluded that this guidance will not have a material impact on its consolidated financial statements.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Note 3. Portfolio Investments

At **March 31, 2023** September 30, 2023, we had investments in **127** 128 long-term portfolio investments and CLOs, which had an amortized cost of **\$7,565,194** **\$7,613,853** and a fair value of **\$7,592,777** **\$7,736,817**. At **June 30, 2022** June 30, 2023, we had investments in **129** 130 long-term portfolio investments and CLOs, which had an amortized cost of **\$7,196,831** **\$7,800,596** and a fair value of **\$7,602,510** **\$7,724,931**.

The original cost basis of debt placement and equity securities acquired, including follow-on investments for existing portfolio companies, payment-in-kind interest, and structuring fees, totaled **\$704,209** **\$131,074** and **\$1,844,869** **\$304,530** during the **nine** three months ended **March 31, 2023** September 30, 2023 and **March 31, 2022** September 30, 2022, respectively. Debt repayments and considerations from sales of equity securities of approximately **\$341,191** **\$93,646** and **\$952,621** **\$135,991** were received during the **nine** three months ended **March 31, 2023** September 30, 2023 and **March 31, 2022** September 30, 2022, respectively.

Throughout the remainder of this footnote, we aggregate our portfolio investments by type of investment, which may differ slightly from the nomenclature used by the constituent instruments defining the rights of holders of the investment, as disclosed on our *Consolidated Schedules of Investments ("SOI")*. The following investments are included in each category:

- First Lien Revolving Line of Credit includes our debt investments in first lien revolvers as well as our debt investments in delayed draw term loans.
- First Lien Debt includes our debt investments listed on the SOI such as first lien term loans (including "unitranche" loans, which are loans that combine both senior and subordinated debt and "last out" loans which are loans that have a secondary payment priority behind "first out" first-lien loans).
- 1.5 Lien Debt includes our debt investments listed on the SOI as 1.5 lien term loans.**
- Second Lien Revolving Line of Credit includes our debt investments in second lien revolvers as well as our debt investments in delayed draw term loans.
- Second Lien Debt includes our debt investments listed on the SOI as second lien term loans.
- Third Lien Debt includes our debt investments listed on the SOI as third lien term loans.
- Unsecured Debt includes our debt investments listed on the SOI as unsecured.
- Subordinated Structured Notes includes our investments in the "equity" security class of CLO funds such as income notes, preference shares, and subordinated notes.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

- Equity, unless specifically stated otherwise, includes our investments in preferred stock, common stock, membership interests, net profits interests, net operating income interests, net revenue interests, overriding royalty interests, escrows receivable, and warrants.

The following table shows the composition of our investment portfolio as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**:

| | | March 31, 2023 | | June 30, 2022 | | September 30, 2023 | | June 30, 2023 | |
|--------------------------------------|--------------------------------------|----------------|--------------|---------------|--------------|--------------------|--------------|---------------|--------------|
| | | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value |
| First Lien Revolving Line of Credit | First Lien Revolving Line of Credit | \$ 44,472 | \$ 44,512 | \$ 39,775 | \$ 39,746 | \$ 63,638 | \$ 63,751 | \$ 58,139 | \$ 58,058 |
| First Lien Debt (1) | First Lien Debt (1) | 4,209,603 | 4,086,362 | 3,839,553 | 3,757,960 | 4,494,472 | 4,369,228 | 4,431,887 | 4,302,795 |
| Second Lien Revolving Line of Credit | Second Lien Revolving Line of Credit | 5,137 | 4,888 | — | — | 5,141 | 4,769 | 5,139 | 4,646 |
| Second Lien Debt | Second Lien Debt | 1,568,007 | 1,327,318 | 1,588,557 | 1,471,336 | 1,350,150 | 1,220,399 | 1,586,112 | 1,257,862 |
| Unsecured Debt | Unsecured Debt | 12,999 | 12,709 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 |
| Subordinated Structured Notes | Subordinated Structured Notes | 967,032 | 698,423 | 997,703 | 711,429 | 908,744 | 626,746 | 952,815 | 665,002 |
| Equity | Equity | 757,944 | 1,418,565 | 724,043 | 1,614,839 | 784,508 | 1,444,724 | 759,304 | 1,429,368 |
| Total Investments | Total Investments | \$ 7,565,194 | \$ 7,592,777 | \$ 7,196,831 | \$ 7,602,510 | \$ 7,613,853 | \$ 7,736,817 | \$ 7,800,596 | \$ 7,724,931 |

(1) First lien debt includes a loan that the Company classifies as "unitranche" and a loan classified as "first lien last out" The total amortized cost and fair value of the unitranche and/or last out loans were \$37,000 and \$37,000, respectively, as of September 30, 2023. The total amortized cost and fair value of the unitranche loan and/or last out loans were \$20,000 \$49,265 and \$20,000 \$48,332, respectively, as of **March 31, 2023** **June 30, 2023**. As of June 30, 2022, none of the Company's first lien debt was classified as unitranche.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

The following table shows the fair value of our investments disaggregated into the three levels of the ASC 820 valuation hierarchy as of **March 31, 2023** **September 30, 2023**:

| | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | First Lien Revolving Line of Credit |
| First Lien Revolving Line of Credit | First Lien Revolving Line of Credit | \$ — | \$ — | \$ 44,512 | \$ 44,512 | \$ — | \$ — | \$ 63,751 | \$ 63,751 |

| | | | | | | | | | | |
|--|--|----------|-----------|--------------|--------------|--|------|-----------|--------------|--------------|
| First Lien Debt(1) | First Lien Debt(1) | — | 51,902 | 4,034,460 | 4,086,362 | First Lien Debt(1) | — | 47,946 | 4,321,283 | 4,369,229 |
| Second Lien Revolving Line of Credit | Second Lien Revolving Line of Credit | — | — | 4,888 | 4,888 | Second Lien Revolving Line of Credit | — | — | 4,769 | 4,769 |
| Second Lien Debt | Second Lien Debt | — | — | 1,327,318 | 1,327,318 | Second Lien Debt | — | — | 1,220,399 | 1,220,399 |
| Unsecured Debt | Unsecured Debt | 5,509 | — | 7,200 | 12,709 | Unsecured Debt | — | — | 7,200 | 7,200 |
| Subordinated Structured Notes | Subordinated Structured Notes | — | — | 698,423 | 698,423 | Subordinated Structured Notes | — | — | 626,746 | 626,746 |
| Equity | Equity | — | — | 1,418,565 | 1,418,565 | Equity | — | — | 1,444,723 | 1,444,723 |
| Total Investments | Total Investments | \$ 5,509 | \$ 51,902 | \$ 7,535,366 | \$ 7,592,777 | Total Investments | \$ — | \$ 47,946 | \$ 7,688,871 | \$ 7,736,817 |

(1) First lien debt includes a loan that the Company classifies as "unitranche". The total amortized cost and fair value of the unitranche loan were \$20,000 was \$37,000 and \$20,000, \$37,000, respectively, as of **March 31, 2023** **September 30, 2023**.

The following table shows the fair value of our investments disaggregated into the three levels of the ASC 820 valuation hierarchy as of **June 30, 2022** **June 30, 2023**:

| | Level 1 | Level 2 | Level 3 | Total | | Level 1 | Level 2 | Level 3 | Total | |
|--|--|---------|-----------|--------------|--------------|--|---------|----------|--------------|--------------|
| First Lien Revolving Line of Credit | First Lien Revolving Line of Credit | \$ — | \$ — | \$ 39,746 | \$ 39,746 | First Lien Revolving Line of Credit | \$ — | \$ — | \$ 58,058 | \$ 58,058 |
| First Lien Debt(1) | First Lien Debt(1) | — | 73,816 | 3,684,144 | 3,757,960 | First Lien Debt(1) | — | 7,481 | 4,295,314 | 4,302,795 |
| Second Lien Revolving Line of Credit | Second Lien Revolving Line of Credit | — | — | 1,471,336 | 1,471,336 | Second Lien Revolving Line of Credit | — | — | 4,646 | 4,646 |
| Second Lien Debt | Second Lien Debt | — | — | — | 1,471,336 | Second Lien Debt | — | — | 1,257,862 | 1,257,862 |
| Unsecured Debt | Unsecured Debt | — | — | 7,200 | 7,200 | Unsecured Debt | — | — | 7,200 | 7,200 |
| Subordinated Structured Notes | Subordinated Structured Notes | — | — | 711,429 | 711,429 | Subordinated Structured Notes | — | — | 665,002 | 665,002 |
| Equity | Equity | — | — | 1,614,839 | 1,614,839 | Equity | — | — | 1,429,368 | 1,429,368 |
| Total Investments | Total Investments | \$ — | \$ 73,816 | \$ 7,528,694 | \$ 7,602,510 | Total Investments | \$ — | \$ 7,481 | \$ 7,717,450 | \$ 7,724,931 |

(1) First lien debt includes a loan that the Company classifies as "unitranche" and a loan classified as "first lien last out". The total amortized cost and fair value of the unitranche and/or last out loans were \$49,265 and \$48,332, respectively, as of June 30, 2023.

The following tables show the aggregate changes in the fair value of our Level 3 investments during the **nine** **three** months ended **March 31, 2023** **September 30, 2023**:

| | Fair Value Measurements Using Unobservable Inputs (Level 3) | | | |
|---|---|---------------------------|-----------------------------------|--------------|
| | Control Investments | | Non-Control/Affiliate Investments | |
| | Investments | Non-Affiliate Investments | Investments | Total |
| Fair value as of June 30, 2022 | \$ 3,438,317 | \$ 393,264 | \$ 3,697,113 | \$ 7,528,694 |
| Net realized (losses) gains on investments | (2,512) | 16,143 | (52,812) | (39,181) |
| Net change in unrealized losses | (109,909) | (89,034) | (165,503) | (364,446) |
| Net realized and unrealized losses | (112,421) | (72,891) | (218,315) | (403,627) |
| Purchases of portfolio investments | 172,021 | — | 428,437 | 600,458 |
| Payment-in-kind interest | 72,653 | — | 25,299 | 97,952 |
| Accretion of discounts and premiums, net | 596 | — | 4,601 | 5,197 |
| Repayments and sales of portfolio investments | (91,072) | (24,678) | (186,047) | (301,797) |

| | | | | |
|---------------------------------|--------------|-----------|--------------|--------------|
| Transfers within Level 3(1) | — | (287,751) | 287,751 | — |
| Transfers out of Level 3(1) | — | — | (17,699) | (17,699) |
| Transfers into Level 3(1) | — | — | 26,188 | 26,188 |
| Fair value as of March 31, 2023 | \$ 3,480,094 | \$ 7,944 | \$ 4,047,328 | \$ 7,535,366 |

| | Fair Value Measurements Using Unobservable Inputs (Level 3) | | | | |
|--|---|-----------|-----------------------|--------------|---------------------------------------|
| | Control Investments | | Affiliate Investments | | Non-Control/Non-Affiliate Investments |
| | | | | | Total |
| Fair value as of June 30, 2023 | \$ 3,571,697 | \$ 10,397 | \$ 4,135,356 | \$ 7,717,450 | |
| Net realized gains (losses) on investments | (147) | — | (207,342) | (207,489) | |
| Net change in unrealized gains (losses) | (17,794) | 837 | 214,788 | 197,831 | |
| Net realized and unrealized gains (losses) | (17,941) | 837 | 7,446 | (9,658) | |
| Purchases of portfolio investments(3) | 69,905 | — | 36,604 | 106,509 | |
| Payment-in-kind interest | 16,870 | — | 6,233 | 23,103 | |
| Accretion of discounts and premiums, net | 250 | — | 1,067 | 1,317 | |
| Decrease to Subordinated Structured Notes cost, net(4) | — | — | (18,223) | (18,223) | |
| Repayments and sales of portfolio investments(3) | (15,173) | 1,307 | (77,948) | (91,814) | |
| Transfers out of Level 3(1) | — | — | (39,813) | (39,813) | |
| Fair value as of September 30, 2023 | \$ 3,625,608 | \$ 12,541 | \$ 4,050,722 | \$ 7,688,871 | |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | Second | | | | | | | Second | | | | | | | |
|--|----------------|--------------|----------------|--------------|--------------|------------|--------------|--------------|-------|----------------|------------|----------------|--------|-----------|----|
| | First Lien | | Lien | | | | | First Lien | | Lien | | | | | |
| | Revolving | | Revolving | | Subordinated | | | Revolving | | Revolving | | Subordinated | | | |
| | Line of Credit | First Lien | Line of Credit | Second | Unsecured | Structured | Notes | Equity | Total | Line of Credit | First Lien | Line of Credit | Second | Unsecured | |
| Fair value as of June 30, 2022 | \$ 39,746 | \$ 3,684,144 | \$ — | \$ 1,471,336 | \$ 7,200 | \$ 711,429 | \$ 1,614,839 | \$ 7,528,694 | | | | | | | |
| Net realized (losses) gains on investments | — | (14,554) | — | (8,791) | (2) | (29,466) | 13,632 | (39,181) | | | | | | | |
| Fair value as of June 30, 2023 | \$ 58,058 | \$ 4,295,314 | \$ 4,646 | \$ 1,257,862 | \$ 7,200 | \$ 665,002 | \$ 1,42 | | | | | | | | |
| Net realized gains (losses) on investments | — | (1,505) | — | (179,986) | — | (25,851) | | | | | | | | | |
| Net change in unrealized gains (losses) | 69 | (28,288) | (249) | (123,468) | — | 17,665 | (230,175) | (364,446) | 194 | 3,047 | 121 | 198,499 | — | 5,818 | (9 |
| Net realized and unrealized gains (losses) | 69 | (42,842) | (249) | (132,259) | (2) | (11,801) | (216,543) | (403,627) | 194 | 1,542 | 121 | 18,513 | — | (20,033) | (9 |
| Purchases of portfolio investments (3) | 3,718 | 522,365 | 5,133 | 27,774 | — | — | 41,468 | 600,458 | 7,414 | 86,826 | — | (11,630) | — | — | 2 |
| Payment-in-kind interest | 2,295 | 83,855 | — | 11,802 | — | — | — | 97,952 | 995 | 21,883 | — | 225 | — | — | — |

| | | | | | | | | | | | | | | | | |
|--|-----------|--------------|----------|--------------|----------|------------|--------------|--------------|--|-----------|--------------|----------|--------------|----------|------------|----------|
| Accretion of discounts and premiums, net | 36 | 2,372 | 4 | 1,654 | — | 1,131 | — | 5,197 | Accretion of discounts and premiums, net | 10 | 726 | 2 | 579 | — | — | |
| Repayments and sales of portfolio investments | (1,352) | (223,923) | — | (52,989) | 2 | (2,336) | (21,199) | (301,797) | | | | | | | | |
| Decrease to Subordinated Structured Notes cost, net(4) | | | | | | | | | Decrease to Subordinated Structured Notes cost, net(4) | | | | | | (18,223) | |
| Repayments and sales of portfolio investments(3) | | | | | | | | | Repayments and sales of portfolio investments(3) | (2,920) | (45,198) | — | (45,150) | — | — | |
| Transfers out of Level 3(1) | — | (17,699) | — | — | — | — | — | (17,699) | Transfers out of Level 3(1) | — | (39,813) | — | — | — | — | |
| Transfers into Level 3(1) | — | 26,188 | — | — | — | — | — | 26,188 | | | | | | | | |
| Fair value as of March 31, 2023 | \$ 44,512 | \$ 4,034,460 | \$ 4,888 | \$ 1,327,318 | \$ 7,200 | \$ 698,423 | \$ 1,418,565 | \$ 7,535,366 | | | | | | | | |
| Fair value as of September 30, 2023 | | | | | | | | | Fair value as of September 30, 2023 | \$ 63,751 | \$ 4,321,280 | \$ 4,769 | \$ 1,220,399 | \$ 7,200 | \$ 626,746 | \$ 1,444 |

(1) Transfers are assumed to have occurred at the beginning of the quarter during which the asset was transferred. During the nine three months ended March 31, 2023 September 30, 2023, two of our first lien notes transferred out of Level 2 to Level 3 because inputs to the valuation became unobservable. During the nine months ended March 31, 2023 one of our first lien notes transferred out of Level 3 to Level 2 because inputs to the valuation became observable.

(2) First lien debt includes a loan that the Company classifies as "unitranche" and a loan classified as "first lien last out". The total amortized cost and fair value of the unitranche loan and/or last out loans were \$20,000 \$37,000 and \$20,000, \$37,000, respectively, as of March 31, 2023 September 30, 2023. The total amortized cost and fair value of the unitranche and/or last out loans were \$49,265 and \$48,332, respectively, as of June 30, 2023.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share (3)Includes reorganizations and per share data)

restructuring of investments.

(4) Reduction to cost value of our Subordinated Structured Notes investments represents the difference between distributions received, or entitled to be received, for the three months ended September 30, 2023, of \$35,046 and the effective yield interest income recognized on our Subordinated Structured Notes of \$16,821.

The following tables show the aggregate changes in the fair value of our Level 3 investments during the nine three months ended March 31, 2022 September 30, 2022.

| | Fair Value Measurements Using Unobservable Inputs (Level 3) | | | | |
|---|---|------------|-----------------------|---------------------------------------|-------|
| | Control Investments | | Affiliate Investments | Non-Control/Non-Affiliate Investments | Total |
| | | | | | |
| Fair value as of June 30, 2021 | \$ 2,919,717 | \$ 356,734 | \$ 2,885,433 | \$ 6,161,884 | |
| Net realized gains (losses) on investments | 5,304 | — | (16,958) | (11,654) | |
| Net change in unrealized gains | 352,558 | 26,016 | 30,038 | 408,612 | |
| Net realized and unrealized gains | 357,862 | 26,016 | 13,080 | 396,958 | |
| Purchases of portfolio investments | 379,248 | 222,931 | 1,114,231 | 1,716,410 | |
| Payment-in-kind interest | 56,168 | 27 | 4,835 | 61,030 | |
| Accretion (amortization) of discounts and premiums, net | 439 | 2,026 | (68,464) | (65,999) | |
| Repayments and sales of portfolio investments | (334,929) | (190,082) | (385,223) | (910,234) | |
| Transfers into Level 3(2) | — | — | 20,505 | 20,505 | |
| Transfers out of Level 3(2) | — | — | (9,600) | (9,600) | |
| Fair Value as of March 31, 2022 | \$ 3,378,505 | \$ 417,652 | \$ 3,574,797 | \$ 7,370,954 | |

Fair Value Measurements Using Unobservable Inputs (Level 3)

| | Control Investments | Affiliate Investments | Non-Affiliate Investments | Non-Controll/ |
|---|---------------------|-----------------------|---------------------------|---------------|
| | | | | Total |
| Fair value as of June 30, 2022 | \$ 3,438,317 | \$ 393,264 | \$ 3,697,113 | \$ 7,528,694 |
| Net realized gains (losses) on investments | (1,093) | — | (22,084) | (23,177) |
| Net change in unrealized gains (losses) | (47,289) | (70,786) | (46,057) | (164,132) |
| Net realized and unrealized gains (losses) | (48,382) | (70,786) | (68,141) | (187,309) |
| Purchases of portfolio investments | 84,100 | — | 196,236 | 280,336 |
| Payment-in-kind interest | 22,202 | — | 1,992 | 24,194 |
| Accretion (amortization) of discounts and premiums, net | 185 | — | 1,324 | 1,509 |
| Decrease to Subordinated Structured Notes cost, net(2) | — | — | (6,979) | (6,979) |
| Repayments and sales of portfolio investments | (51,944) | (5,203) | (70,066) | (127,213) |
| Transfers into Level 3(1) | — | — | 17,454 | 17,454 |
| Fair Value as of as of September 30, 2022 | \$ 3,444,478 | \$ 317,275 | \$ 3,768,933 | \$ 7,530,686 |

| | Revolving Line | | Second Lien | | | Subordinated | | | Total |
|---|----------------|-----------------|---------------|--------------|-----------------|----------------|------------------|--------------|--------------|
| | of Credit | First Lien Debt | 1.5 Lien Debt | Debt | Third Lien Debt | Unsecured Debt | Structured Notes | Equity | |
| Fair value as of June 30, 2021 | \$ 27,503 | \$ 3,104,139 | \$ 18,164 | \$ 944,123 | \$ 3,950 | \$ 3,715 | \$ 756,109 | \$ 1,304,181 | \$ 6,161,884 |
| Net realized (losses) gains on investments | — | (385) | — | — | — | 10 | (16,573) | 5,294 | (11,654) |
| Net change in unrealized (losses) gains | (2) | (26,884) | — | (13,597) | — | 2,004 | 46,619 | 400,472 | 408,612 |
| Net realized and unrealized (losses) gains | (2) | (27,269) | — | (13,597) | — | 2,014 | 30,046 | 405,766 | 396,958 |
| Purchases of portfolio investments | 9,000 | 886,132 | — | 794,594 | — | — | 9,518 | 17,166 | 1,716,410 |
| Payment-in-kind interest | 1,349 | 57,926 | — | 1,755 | — | — | — | — | 61,030 |
| Accretion (amortization) of discounts and premiums, net | — | 6,079 | — | 1,929 | — | — | (74,007) | — | (65,999) |
| Repayments and sales of portfolio investments | (1,636) | (574,467) | (18,164) | (285,671) | (3,950) | (10) | 7,167 | (33,503) | (910,234) |
| Transfers within Level 3(1) | — | 38,748 | — | (69,893) | — | — | — | 31,145 | — |
| Transfers into Level 3(2) | — | 20,505 | — | — | — | — | — | — | 20,505 |
| Transfers out of Level 3(2) | — | (9,600) | — | — | — | — | — | — | (9,600) |
| Fair value as of March 31, 2022 | \$ 36,214 | \$ 3,502,193 | \$ — | \$ 1,373,240 | \$ — | \$ 5,719 | \$ 728,833 | \$ 1,724,755 | \$ 7,370,954 |

| | First Lien Revolving Line | | Second Lien | | Subordinated | | | Total |
|---|---------------------------|-----------------|--------------|----------------|------------------|--------------|--------------|-------|
| | of Credit | First Lien Debt | Debt | Unsecured Debt | Structured Notes | Equity | | |
| Fair value as of June 30, 2022 | \$ 39,746 | \$ 3,684,144 | \$ 1,471,336 | \$ 7,200 | \$ 711,429 | \$ 1,614,839 | \$ 7,528,694 | |
| Net realized gains (losses) on investments | — | (14,472) | (8,791) | — | 1,179 | (1,093) | (23,177) | |
| Net change in unrealized gains (losses) | (95) | (9,584) | (34,959) | — | (9,157) | (110,337) | (164,132) | |
| Net realized and unrealized gains (losses) | (95) | (24,056) | (43,750) | — | (7,978) | (111,430) | (187,309) | |
| Purchases of portfolio investments | 500 | 215,937 | 50,319 | — | — | 13,580 | 280,336 | |
| Payment-in-kind interest | 654 | 23,540 | — | — | — | — | 24,194 | |
| Accretion (amortization) of discounts and premiums, net | 2 | 694 | 813 | — | — | — | 1,509 | |
| Decrease to Subordinated Structured Notes cost, net(2) | — | — | — | — | (6,979) | — | (6,979) | |
| Repayments and sales of portfolio investments | (56) | (84,900) | (37,434) | — | (1,180) | (3,643) | (127,213) | |
| Transfers into Level 3(1) | — | 17,454 | — | — | — | — | 17,454 | |
| Fair value as of September 30, 2022 | \$ 40,751 | \$ 3,832,813 | \$ 1,441,284 | \$ 7,200 | \$ 695,292 | \$ 1,513,346 | \$ 7,530,686 | |

(1) Transfers are assumed to have occurred at the beginning of the quarter during which the asset was transferred.

(2) Transfers are assumed to have occurred at the beginning of the quarter during which the asset was transferred. During the three months ended December 31, 2021 September 30, 2022, one of our first lien notes transferred out of Level 2 to Level 3 because inputs to the valuation became unobservable. During

(2) Reduction to cost value of our Subordinated Structured Notes investments represents the difference between distributions received, or

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

(in thousands, except share and per share data)

entitled to be received, for the three months ended **March 31, 2022** one **September 30, 2022**, of **\$29,872** and the effective yield interest income recognized on our **first lien notes transferred** **out Subordinated Structured Notes of Level 3 to Level 2** because inputs to the valuation became observable. **\$22,895**.

The net change in unrealized (losses) gains on the investments that use Level 3 inputs was **(\$373,373)** **\$1,424** and **\$407,396** **(\$172,715)** for investments still held as of **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, respectively.

The following table shows industries that comprise of greater than 10% of our portfolio at fair value as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**:

| | March 31, 2023 | | | June 30, 2022 | | |
|--|---------------------|---------------------|----------------|---------------------|---------------------|----------------|
| | Cost | Fair Value | % of Portfolio | Cost | Fair Value | % of Portfolio |
| Equity Real Estate Investment Trusts (REITs) | \$ 686,086 | \$ 1,372,493 | 18.1 % | \$ 647,316 | \$ 1,399,857 | 18.4 % |
| Health Care Providers & Services | 652,011 | 762,957 | 10.0 % | 660,976 | 748,591 | 9.8 % |
| Consumer Finance | 610,288 | 751,580 | 9.9 % | 568,739 | 765,168 | 10.1 % |
| All Other Industries | 5,616,809 | 4,705,747 | 62.0 % | 5,319,800 | 4,688,894 | 61.7 % |
| Total | \$ 7,565,194 | \$ 7,592,777 | 100.0 % | \$ 7,196,831 | \$ 7,602,510 | 100.0 % |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

| | September 30, 2023 | | | June 30, 2023 | | |
|--|---------------------|---------------------|----------------|---------------------|---------------------|----------------|
| | Cost | Fair Value | % of Portfolio | Cost | Fair Value | % of Portfolio |
| Equity Real Estate Investment Trusts (REITs) | \$ 792,179 | \$ 1,408,512 | 18.2 % | \$ 741,133 | \$ 1,437,796 | 18.6 % |
| Health Care Providers & Services | 692,554 | 802,289 | 10.4 % | 687,813 | 798,365 | 10.3 % |
| Consumer Finance | 633,000 | 756,804 | 9.8 % | 625,033 | 736,635 | 9.5 % |
| All Other Industries | 5,496,120 | 4,769,212 | 61.6 % | 5,746,617 | 4,752,135 | 61.6 % |
| Total | \$ 7,613,853 | \$ 7,736,817 | 100.0 % | \$ 7,800,596 | \$ 7,724,931 | 100.0 % |

As of **March 31, 2023** **September 30, 2023** investments in California comprised **10.4%** **10.2%** of our investments at fair value, with a cost of **\$926,519** **\$1,013,409** and a fair value of **\$788,558** **\$1,629,742**. As of **June 30, 2022** **June 30, 2023** investments in California comprised **10.1%** **10.3%** of our investments at fair value, with a cost of **\$880,210** **\$933,559** and a fair value of **\$768,646** **\$791,860**.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

The ranges of unobservable inputs used in the fair value measurement of our Level 3 investments as of **March 31, 2023** **September 30, 2023** were as follows:

| Asset Category | Asset Category | Fair Value | Unobservable Input | | | | | Asset Category | |
|-----------------|-----------------|-------------|---|-----------------|-------|----|----------------------|----------------|-----------------|
| | | | Primary Valuation Approach or Technique | Input | Range | | Weighted Average (5) | | |
| First Lien Debt | First Lien Debt | \$1,694,725 | Discounted cash flow (Yield analysis) | Market yield | 8.6% | to | 20.0% | 12.5% | First Lien Debt |
| First Lien Debt | First Lien Debt | 678,915 | Enterprise value waterfall (Market approach) | EBITDA multiple | 6.3x | to | 11.3x | 9.5x | First Lien Debt |
| | | | Enterprise value waterfall (Market approach) | EBITDA multiple | 7.0x | to | 9.0x | 8.0x | First Lien Debt |
| First Lien Debt | First Lien Debt | 70,639 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 12.3% | to | 50.0% | 31.1% | |

| | | | | | | | | | |
|---------------------|---------------------|-----------|---|---------------------------------------|-------|----|-------|-------|---------------------|
| First Lien Debt | First Lien Debt | 201,390 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.5x | to | 1.7x | 1.1x | |
| First Lien Debt | First Lien Debt | 56,600 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 6.5% | to | 8.5% | 7.5% | |
| First Lien Debt | | | | | | | | | |
| First Lien Debt | | | | | | | | | |
| First Lien Debt | | | | | | | | | |
| First Lien Debt | First Lien Debt (1) | 21,580 | Enterprise value waterfall | Loss- adjusted discount rate | 7.6% | to | 12.8% | 8.3% | First Lien Debt (1) |
| First Lien Debt (2) | First Lien Debt (2) | 200,600 | Enterprise value waterfall | Projected loss rates | 0.2% | to | 36.9% | 8.3% | First Lien Debt (2) |
| First Lien Debt (1) | | 459,900 | Enterprise value waterfall (Market approach) | Discount rate (3) | 10.4% | to | 16.8% | 12.5% | |
| First Lien Debt | First Lien Debt | 21,855 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 1.9x | to | 2.8x | 2.5x | |
| First Lien Debt | First Lien Debt | 670,656 | Discounted cash flow | Earnings multiple | 6.3x | to | 8.8x | 7.7x | |
| First Lien Debt | First Lien Debt | 2,112 | Asset recovery analysis | Tangible book value multiple | 1.0x | to | 1.5x | 1.3x | First Lien Debt |
| Second Lien Debt | | 1,211,172 | Discounted cash flow (Yield analysis) | Discount Rate | 6.3% | to | 9.8% | 7.0% | First Lien Debt |
| First Lien Debt | | | | Recoverable amount | n/a | | n/a | | |
| Second Lien Debt | Second Lien Debt | 7,017 | Asset recovery analysis | Market yield | 10.4% | to | 35.0% | 15.1% | |
| First Lien Debt | | | | | | | | | First Lien Debt |
| Second Lien Debt | Second Lien Debt | 7,017 | Enterprise value waterfall (Market approach) | Recoverable amount | n/a | | n/a | | Second Lien Debt |
| Second Lien Debt | Second Lien Debt | 114,017 | Enterprise value waterfall (Discounted cash flow) | EBITDA multiple | 7.0x | to | 9.0x | 8.0x | Second Lien Debt |
| Unsecured Debt | Unsecured Debt | 7,200 | Enterprise value waterfall (Market approach) | Discount rate | 12.3% | to | 50.0% | 31.1% | Second Lien Debt |
| Unsecured Debt | | | | EBITDA multiple | 6.3x | to | 7.3x | 6.8x | Unsecured Debt |

| | | | | | | | | | |
|--------------------------------------|----------------------------------|---------|---|------------------------------|-------|----|-------|-------|--------------------------------------|
| Subordinated Structured Notes | Subordinated Structured Notes | 698,423 | Discounted cash flow | Discount rate (3) | 2.8% | to | 37.2% | 23.0% | Subordinated Structured Notes |
| Preferred Equity | Preferred Equity | 18,187 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.7x | to | 1.7x | 1.3x | Preferred Equity |
| Preferred Equity | Preferred Equity | 9,864 | Enterprise value waterfall (Market approach) | EBITDA multiple | 8.3x | to | 10.0x | 9.5x | Preferred Equity |
| Preferred Equity | Preferred Equity | 4,271 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 6.5% | to | 8.5% | 7.5% | Preferred Equity |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | 416,445 | Enterprise value waterfall (Market approach) | EBITDA multiple | 4.8x | to | 11.3x | 9.3x | Common Equity/Interests/Warrants |
| Common Equity/Interests/Warrants (2) | | 37,209 | Enterprise value waterfall | Discount rate (3) | 10.4% | to | 16.8% | 12.5% | |
| Common Equity/Interests/Warrants (4) | | 55,332 | Discounted cash flow | Discount rate | 6.3% | to | 9.8% | 7.0% | |
| | | | | Tangible book value multiple | 1.9x | to | 2.8x | 2.6x | Common Equity/Interests/Warrants |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | 224,557 | Enterprise value waterfall (Market approach) | Earnings multiple | 6.3x | to | 8.8x | 7.7x | Common Equity/Interests/Warrants |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | 25,868 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 1.0x | to | 1.5x | | 1.3x |
| Common Equity/Interests/Warrants | | 609,297 | Discounted cash flow | Discount rate | 6.3% | to | 9.8% | 7.0% | |
| Common Equity/Interests/Warrants | | 4,349 | Enterprise value waterfall (Discounted cash flow) | Discount Rate | 13.5% | to | 30.0% | 22.2% | |
| Common Equity/Interests/Warrants (1) | | | | | | | | | Common Equity/Interests/Warrants (1) |
| Common Equity/Interests/Warrants (2) | | | | | | | | | Common Equity/Interests/Warrants (2) |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| Asset Category | Fair Value | Primary Valuation Approach or Technique | Unobservable Input | | | Weighted Average (5) | |
|--------------------------------------|--------------|--|------------------------------|------|-------|----------------------|------|
| | | | Input | | Range | | |
| Common Equity/Interests/Warrants | 13,186 | Asset recovery analysis | Recoverable amount | | n/a | n/a | |
| Total Level 3 Investments | \$ 7,535,366 | | | | | | |
| Unobservable Input | | | | | | | |
| Asset Category | Fair Value | Primary Valuation Approach or Technique | Input | | | Weighted Average (5) | |
| | | | Discount rate | 6.3% | to | 9.8% | |
| Common Equity/Interests/Warrants (4) | 49,537 | Discounted cash flow | Terminal Cap Rate | 5.3% | to | 8.3% | 5.9% |
| Common Equity/Interests/Warrants | 22,299 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 1.0x | to | 2.0x | 1.3x |
| Common Equity/Interests/Warrants | 214,078 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 2.5x | to | 2.9x | 2.7x |

| | | | | | | | | |
|----------------------------------|--------------|---|--|--------------------|------|----|-------|-------|
| | | | | Earnings multiple | 8.5x | to | 11.5x | 10.0x |
| Common Equity/Interests/Warrants | 544,907 | Discounted cash flow | | Discount rate | 6.3% | to | 9.8% | 7.1% |
| | | | | Terminal Cap Rate | 5.3% | to | 8.3% | 5.9% |
| Common Equity/Interests/Warrants | 3,904 | Enterprise value waterfall (Discounted cash flow) | | Discount Rate | 6.3% | to | 30.0% | 23.1% |
| Common Equity/Interests/Warrants | 12,638 | Asset recovery analysis | | Recoverable amount | n/a | | n/a | |
| Total Level 3 Investments | \$ 7,688,871 | | | | | | | |

(1) Represents the fair value of online consumer loans held by NRPC (see *National Property REIT Corp* section below) through its wholly owned subsidiary, American Consumer Lending Limited ("ACLL"), and valued using a discounted cash flow valuation technique.

(2) Represents the fair value of rated secured structured notes held by NRPC through its wholly owned subsidiary, National General Lending Limited ("NGL"), and valued using a discounted cash flow valuation technique.

(3) Represents the implied discount rate based on our internally generated single-cash flow model that is derived from the fair value estimated by the corresponding multi-path cash flow model utilized by the independent valuation firm.

(4) Represents Residual Profit Interests in Real Estate Investments.

(5) The weighted average information is generally derived by assigning each disclosed unobservable input a proportionate weight based on the fair value of the related investment. For the Loss-adjusted discount rate and Projected loss rate unobservable inputs of investments represented in (1), the weighted average is determined based on the purchase yield of recently issued loans within each respective term-grade cohort.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

The ranges of unobservable inputs used in the fair value measurement of our Level 3 investments as of **June 30, 2022** **June 30, 2023** were as follows:

| Asset Category | Asset Category | Unobservable Input | | | | Asset Category | Fair Value | Primary | | | |
|---------------------|---------------------|----------------------------|---|-----------------------------|---------------|-----------------|---------------------|---------|-------|--|--|
| | | Primary Valuation Approach | | Weighted Average | | | | | | | |
| | | Fair Value | or Technique | Input | Range | | | | | | |
| First Lien Debt | | | | | | First Lien Debt | \$1,871,464 | Disc | | | |
| First Lien Debt | First Lien Debt | \$1,722,265 | Discounted cash flow (Yield analysis) | Market yield | 8.1% to 16.9% | 11.7% | First Lien Debt | 708,883 | Ente | | |
| First Lien Debt | First Lien Debt | 528,312 | Enterprise value waterfall (Market approach) | EBITDA multiple | 6.0x to 10.5x | 9.0x | | | (I) | | |
| First Lien Debt | First Lien Debt | 108,222 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.5x to 1.2x | 0.9x | First Lien Debt | 75,015 | Enter | | |
| First Lien Debt | First Lien Debt | 53,209 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 8.8% to 10.8% | 9.8% | First Lien Debt | 199,915 | Ente | | |
| First Lien Debt | First Lien Debt | 12,199 | Asset recovery analysis | Recoverable amount | n/a | n/a | First Lien Debt | 56,600 | Ente | | |
| | | | | Loss-adjusted discount rate | 5.6% to 9.4% | 8.1% | | | (Dis) | | |
| First Lien Debt (1) | First Lien Debt (1) | 29,080 | Enterprise value waterfall | Projected loss rates | —% to 1.6% | —% | First Lien Debt (1) | 21,580 | Ente | | |
| First Lien Debt (2) | First Lien Debt (2) | 186,800 | Enterprise value waterfall | Discount rate (3) | 9.2% to 14.8% | 11.1% | First Lien Debt (2) | 200,600 | Ente | | |
| | | | | | | | | | (Dis) | | |

| | | | | | | | | |
|--|--|-----------|---|------------------------------------|---------------|-------|--|---------------|
| First Lien Debt (2) | First Lien Debt (2) | 432,057 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 2.2x to 3.0x | 2.7x | First Lien Debt | 96,239 |
| First Lien Debt | First Lien Debt | 20,260 | Enterprise value waterfall (Market approach) | Earnings multiple | 4.8x to 7.5x | 7.0x | | |
| First Lien Debt | First Lien Debt | 631,486 | Enterprise value waterfall (NAV analysis) | Tangible book value multiple | 1.3x to 1.5x | 1.4x | First Lien Debt | 395,926 |
| Second Lien Debt | | 1,460,277 | Discounted cash flow (Yield analysis) | Capitalization Rate | 3.3% to 7.5% | 4.5% | | Ente (I) |
| First Lien Debt | | | Market yield | 9.6% to 25.0% | 13.0% | | | Dis |
| First Lien Debt | | | | | | | First Lien Debt | 725,703 |
| First Lien Debt | | | | | | | First Lien Debt | 1,447 |
| Second Lien Debt | Second Lien Debt | 4,952 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.8x to 1.0x | 0.9x | Second Lien Debt | 1,255,520 |
| Second Lien Debt | Second Lien Debt | 6,107 | Asset recovery analysis | Recoverable amount | n/a | n/a | Second Lien Debt | 6,988 |
| Unsecured Debt | Unsecured Debt | 7,200 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.5x to 0.6x | 0.5x | Unsecured Debt | 7,200 |
| Subordinated Structured Notes | Subordinated Structured Notes | 711,429 | Discounted cash flow | Discount rate (3) | 6.9% to 30.5% | 18.7% | Subordinated Structured Notes | 665,002 |
| Preferred Equity | Preferred Equity | 33,355 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.8x to 1.5x | 1.2x | Preferred Equity | 12,637 |
| Preferred Equity | Preferred Equity | 1,807 | Enterprise value waterfall (Market approach) | EBITDA multiple | 3.8x to 4.8x | 4.3x | Preferred Equity | 13,920 |
| Preferred Equity | Preferred Equity | 12,557 | Enterprise value waterfall (Market approach) | Discount rate | 8.8% to 10.8% | 9.8% | Preferred Equity | 7,598 |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | 493,322 | Enterprise value waterfall (Market approach) | EBITDA multiple | 1.8x to 10.5x | 8.8x | Common Equity/Interests/Warrants | 438,848 |
| Common Equity/Interests/Warrants | | 3,613 | Enterprise value waterfall (Market approach) | Revenue multiple | 0.4x to 1.0x | 0.5x | | |
| Common Equity/Interests/Warrants (1) | Common Equity/Interests/Warrants (1) | | | Loss- adjusted discount rate | 5.6% to 9.4% | 8.1% | Common Equity/Interests/Warrants (1) | 1,400 |
| Common Equity/Interests/Warrants (2) | | 30,386 | Enterprise value waterfall | Projected loss rates | —% to 1.6% | —% | | Ente (Dis) |
| Common Equity/Interests/Warrants (4) (2) | Common Equity/Interests/Warrants (4) (2) | 60,749 | Enterprise value waterfall (NAV analysis) | Discount rate (3) | 9.2% to 14.8% | 11.1% | Common Equity/Interests/Warrants (4) (2) | 35,648 |
| Common Equity/Interests/Warrants (4) | Common Equity/Interests/Warrants (4) | 252,161 | Enterprise value waterfall (Market approach) | Capitalization Rate | 3.3% to 7.5% | 4.5% | Common Equity/Interests/Warrants (4) | 56,254 |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | 30,140 | Enterprise value waterfall (Market approach) | Tangible book value multiple | 2.2x to 3.0x | 2.8x | | Dis |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | | | Earnings multiple | 4.8x to 7.5x | 7.0x | | |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | | | Tangible book value multiple | 1.3x to 1.5x | 1.4x | Common Equity/Interests/Warrants | 24,975 |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | | | | | | Ente (I) | |

| | | | | | | | | | |
|-------------------------------------|-------------------------------------|--------------------|--|------------------------|----------------|-------|-------------------------------------|---------|-------------|
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | 668,242 | Enterprise value waterfall (NAV analysis) | Capitalization Rate | 3.3% to 7.5% | 4.5% | Common Equity/Interests/Warrants | 202,456 | Ente (I) |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | 5,614 | Enterprise value waterfall (Discounted cash flow) | Discount rate | 12.5% to 30.0% | 21.2% | | | |
| Common Equity/Interests/Warrants | Common Equity/Interests/Warrants | 13,899 | Asset recovery analysis | Recoverable amount | n/a | n/a | Common Equity/Interests/Warrants | 618,791 | Dis |
| Total Level 3 Investments | | \$7,528,694 | | | | | | | |
| Common Equity/Interests/Warrants | | | | | | | Common Equity/Interests/Warrants | 618,791 | Dis |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

| Asset Category | Fair Value | Primary Valuation Approach or Technique | Unobservable Input | | | Weighted Average (5) |
|----------------------------------|---------------------|---|--------------------|-------|--|-------------------------|
| | | | Input | Range | | |
| Common Equity/Interests/Warrants | 12,710 | Asset recovery analysis | Recoverable amount | n/a | | n/a |
| Total Level 3 Investments | \$ 7,717,450 | | | | | |

- (1) Represents the fair value of online consumer loans held by NRPC through its wholly owned subsidiary, American Consumer Lending Limited ("ACLL"), and valued using a discounted cash flow valuation technique.
- (2) Represents the fair value of rated secured structured notes held by NRPC through its wholly owned subsidiary, National General Lending Limited ("NGL"), and valued using a discounted cash flow valuation technique.
- (3) Represents the implied discount rate based on our internally generated single-cash flow model that is derived from the fair value estimated by the corresponding multi-path cash flow model utilized by the independent valuation firm.
- (4) Represents Residual Profit Interests in Real Estate Investments.
- (5) The weighted average information is generally derived by assigning each disclosed unobservable input a proportionate weight based on the fair value of the related investment. For the Loss-adjusted discount rate and Projected loss rate unobservable inputs of investments represented in (1), the weighted average is determined based on the purchase yield of recently issued loans within each respective term-grade cohort.

Investments for which market quotations are readily available **must bear** valued at such market quotations. In order to validate market quotations, management and the independent valuation firm look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. These investments are classified as Level 1 or Level 2 in the fair value hierarchy.

The fair value of debt investments specifically classified as Level 2 in the fair value hierarchy are generally valued by an independent pricing agent or more than one principal market maker, if available, otherwise a principal market maker or a primary market dealer. We generally value over-the-counter securities by using the prevailing bid and ask prices from dealers during the relevant period end, which were provided by an independent pricing agent and screened for validity by such service.

In determining the range of values for debt instruments where market quotations are not readily available, and are therefore classified as Level 3 in the fair value hierarchy, except CLOs and debt investments in controlling portfolio companies, management and the independent valuation firm estimated corporate and security credit ratings and identified corresponding yields to maturity for each loan from relevant market data. A discounted cash flow technique was then applied using the appropriate yield to maturity as the discount rate, to determine a range of values. In determining the range of values for debt investments of controlled companies and equity investments, the enterprise value was determined by applying a market approach such as using earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples, net income and/or book value multiples for similar guideline public companies and/or similar recent investment transactions and/or an income approach, such as the discounted cash flow technique. The enterprise value technique may also be used to value debt investments which are credit impaired. For stressed debt and equity investments, asset recovery analysis was used.

In determining the range of values for our investments in CLOs, the independent valuation firm uses a discounted multi-path cash flow model. The valuations were accomplished through the analysis of the CLO deal structures to identify the risk exposures from the modeling point of view as well as to determine an appropriate call date (i.e., expected maturity). These risk factors are sensitized in the multi-path cash flow model using Monte Carlo simulations to generate probability-weighted (i.e., multi-path) cash flows for the underlying assets and liabilities. These cash flows are discounted using appropriate market discount rates, and relevant data in the CLO market and certain benchmark credit indices are considered, to determine the value of each CLO investment. In addition, we generate a single-path cash flow utilizing our best estimate of expected cash receipts, and assess the reasonableness of the implied discount rate that would be effective for the value derived from the corresponding multi-path cash flow model.

Our portfolio consists of residual interests and debt investments in CLOs, which involve a number of significant risks. CLOs are typically very highly levered (10 - 14 times), and therefore the residual interest tranches that we invest in are subject to a higher degree of risk of total loss. In particular, investors in CLO residual interests indirectly bear risks of the

underlying loan investments held by such CLOs. We generally have the right to receive payments only from the CLOs, and generally do not

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

have direct rights against the underlying borrowers or the entity that sponsored the CLOs. While the CLOs we target generally enable the investor to acquire interests in a pool of senior loans without the expenses associated with directly holding the same investments, the prices of indices and securities underlying our CLOs will rise or fall. These prices (and, therefore, the prices of the CLOs) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. The failure by a CLO investment in which we invest to satisfy financial covenants, including with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to us. In the event that a CLO fails certain tests, holders of debt senior to us would be entitled to additional payments that would, in turn, reduce the payments we would otherwise be entitled to receive. Separately, we may incur expenses to the extent necessary to seek recovery upon

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

default or to negotiate new terms with a defaulting CLO or any other investment we may make. If any of these occur, it could materially and adversely affect our operating results and cash flows.

The interests we have acquired in CLOs are generally thinly traded or have only a limited trading market. CLOs are typically privately offered and sold, even in the secondary market. As a result, investments in CLOs may be characterized as illiquid securities. In addition to the general risks associated with investing in debt securities, CLO residual interests carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) our investments in CLO tranches will likely be subordinate to other senior classes of note tranches thereof; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO investment or unexpected investment results. Our net asset value may also decline over time if our principal recovery with respect to CLO residual interests is less than the cost of those investments. Our CLO investments and/or the CLOs' underlying senior secured loans may prepay more quickly than expected, which could have an adverse impact on our value. These investments are classified as Level 3 in the fair value hierarchy.

An increase in **LIBOR SOFR** would materially increase the CLO's financing costs. Since most of the collateral positions within the CLOs have **LIBOR SOFR** floors, there may not be corresponding increases in investment income (if **LIBOR SOFR** increases but stays below the **LIBOR SOFR** floor rate of such investments) resulting in materially smaller distribution payments to the residual interest investors.

We hold more than a 10% interest in certain foreign corporations that are treated as controlled foreign corporations ("CFC") for U.S. federal income tax purposes (including our residual interest tranche investments in CLOs). Therefore, we are treated as receiving a deemed distribution (taxable as ordinary income) each year from such foreign corporations in an amount equal to our pro rata share of the corporation's income for that tax year (including both ordinary earnings and capital gains). We are required to include such deemed distributions from a CFC in our taxable income and we are required to distribute at least 90% of such income to maintain our RIC status, regardless of whether or not the CFC makes an actual distribution during such year.

If we acquire shares in "passive foreign investment companies" ("PFICs") (including residual interest tranche investments in CLOs that are PFICs), we may be subject to federal income tax on a portion of any "excess distribution" or gain from the disposition of such shares even if such income is distributed as a taxable dividend to our stockholders. Certain elections may be available to mitigate or eliminate such tax on excess distributions, but such elections (if available) will generally require us to recognize our share of the PFIC's income for each year regardless of whether we receive any distributions from such PFICs. We must nonetheless distribute such income to maintain our status as a RIC.

Legislation known as FATCA and regulations thereunder impose a withholding tax of 30% on payments of U.S. source interest and dividends, to certain non-U.S. entities, including certain non-U.S. financial institutions and investment funds, unless such non-U.S. entity complies with certain reporting requirements regarding its United States account holders and its United States owners. Most CLOs in which we invest will be treated as non-U.S. financial entities for this purpose, and therefore will be required to comply with these reporting requirements to avoid the 30% withholding. If a CLO in which we invest fails to properly comply with these reporting requirements, it could reduce the amounts available to distribute to residual interest and junior debt holders in such CLO vehicle, which could materially and adversely affect our operating results and cash flows.

If we are required to include amounts in income prior to receiving distributions representing such income, we may have to sell some of our investments at times and/or at prices management would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose.

The significant unobservable input used to value our investments based on the yield technique and discounted cash flow technique is the market yield (or applicable discount rate) used to discount the estimated future cash flows expected to be received from the underlying investment, which includes both future principal and interest/dividend payments. Increases or decreases in the market yield (or applicable discount rate) would result in a decrease or increase, respectively, in the fair value measurement. Management and the independent valuation firms consider the following factors when selecting market yields or discount rates: risk of default, rating of the investment and comparable company investments, and call provisions.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

The significant unobservable inputs used to value our investments based on the EV analysis may include market multiples of specified financial measures such as EBITDA, net income, or book value of identified guideline public companies, implied valuation multiples from precedent M&A transactions, and/or discount rates applied in a discounted cash flow technique. The independent valuation firm identifies a population of publicly traded companies with similar operations and key attributes to that of the portfolio company. Using valuation and operating metrics of these guideline public companies and/or as implied by relevant precedent transactions, a range of multiples of the latest twelve months EBITDA,

or other measure such as net income or book value, is typically calculated. The independent valuation firm utilizes the determined multiples to estimate the portfolio company's EV generally based on the latest twelve months EBITDA of the portfolio company (or other meaningful measure). Increases or decreases in the multiple would result in an increase or decrease, respectively, in EV which would result in an increase or decrease in the fair value measurement of the debt of controlled companies and/or equity investment, as applicable. In certain instances, a discounted cash flow analysis may be considered in estimating EV, in which case, discount rates based on a weighted average cost of capital and application of the capital asset pricing model may be utilized.

The significant unobservable input used to value our private REIT investments based on the discounted cash flow analysis is the discount rate and terminal capitalization rate applied to projected cash flows of the underlying properties. Increases or decreases in the discount rate and terminal capitalization rate would result in a decrease or increase, respectively, in the fair value measurement.

Changes in market yields, discount rates, capitalization rates or EBITDA multiples, each in isolation, may change the fair value measurement of certain of our investments. Generally, an increase in market yields, discount rates or capitalization rates, or a decrease in EBITDA (or other) multiples may result in a decrease in the fair value measurement of certain of our investments.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which we have recorded it.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the currently assigned valuations.

Changes in Valuation Techniques

During the **nine** **three** months ended **March 31, 2023** **September 30, 2023**, the valuation methodology for DTI Holdco, Inc. ("Epiq") for the First Lien Term Loan changed from a combination of the yield method to analysis and market quotes to relying solely on market quotes, since market quotes were more active in the current period. As a result of a the quoted prices of the First Lien Term Loan, the fair value of our investment in Epiq First Lien Term Loan decreased increased to **\$17,503** **\$18,315** as of **March 31, 2023** **September 30, 2023**, a discount premium of **\$583** **\$295** from its amortized cost, compared to the **\$301** **\$449** unrealized appreciation discount recorded at **June 30, 2022** **June 30, 2023**.

During the **nine** **three** months ended **March 31, 2023** **September 30, 2023**, the valuation methodology for Engine First Brands Group Inc. ("Engine") for the First Lien Term Loan and Warrants changed from the yield method and Current Value Method ("CVM"), respectively, to the Liquidation Analysis, due to a deterioration in the company's operational performance. As a result, our investment in Engine decreased to \$2,112 as of March 31, 2022, a discount of \$28,425 from its amortized cost, compared to the \$27,142 unrealized discount recorded at June 30, 2022.

During the nine months ended March 31, 2023, the valuation methodology for National Property REIT Corp. ("NPRC") for the real estate portfolio changed from the direct capitalization method to the discounted cash flow method, due to a reduction in collaborative capitalization rate market data. Our investment in NPRC for the real estate portfolio was valued at \$1,372,493 as of March 31, 2023, a premium of \$686,407 from its amortized cost, compared to the \$752,541 unrealized appreciation recorded at June 30, 2022.

During the nine months ended March 31, 2023, the valuation methodology for PGX Holdings, Inc. ("PGX") for the First and Second Lien Term Loans changed from the yield method to the CVM method, due to a restructuring of the equity ownership during the current period. Leading into March 2023, PGX was undergoing a litigation process commenced by the Consumer Financial Protection Bureau regarding the legality of PGX's billing practices when using telemarketing to acquire new business. Due to recent rulings issued by the courts in these legal proceedings, PGX determined it needed to move away from a telemarketing model to an online model to attract new customers. As a result of this material change to PGX's business model (which will take time to develop) and other impacts from the court rulings, our investment in PGX First and Second Lien Term

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)** (in thousands, except share and per share data)

Loans decreased to \$184,656 as of March 31, 2023, a discount of \$65,969. The fair value at June 30, 2022 equaled its amortized cost.

During the nine months ended March 31, 2023, the valuation methodology for Research Now Group, Inc. & Survey Sampling International LLC ("Research Now") for the First Lien Term Loan changed from a combination of the yield analysis and market quotes to relying solely on market quotes, to a combination of market quotes and the yield method since market quotes were less more active in the current period. As a result of this change and a public credit rating downgrade, the quoted prices of the First Lien Term Loan, the fair value of our investment in Research Now First Brands Group First Lien Term Loan decreased to \$8,345 was \$22,129 as of **March 31, 2023** **September 30, 2023**, a discount of **\$1,014** **\$58** from its amortized cost, compared to the **\$426** **\$75** unrealized discount recorded at **June 30, 2022** **June 30, 2023**.

During the **nine** **three** months ended **March 31, 2023** **September 30, 2023**, the valuation methodology for Rising Tide Holdings, Inc. ("West Marine") Strategic Materials changed from the yield approach analysis to the CVM method, market approach, given the decline in company performance and increase in net leverage. company's interest payment default. As a result, the fair value of our investment in West Marine Strategic Materials decreased to \$11,812 **\$1,625** as of **March 31, 2023** **September 30, 2023**, a discount of **\$11,669** **\$5,355** to its amortized cost, compared to the unrealized discount of **\$1,119** **\$2,692** recorded at **June 30, 2022** **June 30, 2023**.

During the nine months ended March 31, 2023, the valuation methodology for Shutterfly, LLC ("Shutterfly") changed from market quotes to a combination of market quotes and the yield method, due to a decrease in average liquidity of market quotes. As a result of a decrease in observed market quotes and a public credit rating downgrade, the fair value of our investment in Shutterfly decreased to \$13,880 as of March 31, 2023, a discount of \$6,142 from its amortized cost, compared to the \$2,758 unrealized discount recorded at June 30, 2022.

During the nine months ended March 31, 2023, the valuation methodology for Town & Country Holdings, Inc. ("Town & Country") for the First Lien Term Loan changed from the yield method to the CVM method, due to a restructuring of the equity ownership during the current period. As a result, our investment in Town & Country First Lien Term Loan is \$169,940 as of March 31, 2023, which is equal to its amortized cost. The fair value at June 30, 2022 also equaled its amortized cost.

During the nine months ended March 31, 2023, the valuation methodology for Vision Solutions, Inc ("Precisely") changed from a combination of the yield method, market quotes, and inclusion of the price observed in a minority equity transaction for the Precisely investment itself (given the recency and inclusion of outside investors in the transaction at June 30, 2022) to a combination of the yield method and market quotes, since the noted transaction was no longer relevant. As a result of a decrease in the quoted price of the Second Lien Term Loan, the fair value of our investment in Precisely decreased to \$67,796 as of March 31, 2023, a discount of \$11,506 from its amortized cost, compared to the \$896 unrealized discount recorded at June 30, 2022.

Credit Quality Indicators and Undrawn Commitments

As of March 31, September 30, 2023, \$4,429,384 \$4,623,066 of our loans to portfolio companies, at fair value, bear interest at floating rates and have LIBOR or SOFR floors ranging from 0.0% - 5.0% 5.9%. As of March 31, 2023 September 30, 2023, \$1,046,405 \$1,042,281 of our loans to portfolio companies, at fair value, bear interest at fixed rates ranging from 6.8% 4.0% to 20.0% 15.5%. As of June 30, 2022 June 30, 2023, \$4,544,854 \$4,664,827 of our loans to portfolio companies, at fair value, bore interest at floating rates and have LIBOR floors ranging from 0.0% to 3.0% 5.0%. As of June 30, 2022 June 30, 2023, \$731,388 \$965,734 of our loans to portfolio companies, at fair value, bore interest at fixed rates ranging from 1.0% 5.0% to 22.0% 20.0%.

PROSPECT CAPITAL CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued) (in thousands, except share and per share data)

As of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, the cost basis of our loans on non-accrual status amounted to \$170,573 \$164,916 and \$181,393 \$421,198 respectively, with fair value of \$17,067 \$15,876 and \$31,454 \$86,422, respectively. The fair values of these investments represent approximately 0.2% and 0.4% 1.1% of our total assets at fair value as of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, respectively.

Undrawn committed revolvers and delayed draw term loans to our portfolio companies incur commitment and unused fees ranging from 0.00% to 7.25%. As of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, we had \$54,133 \$46,490 and \$43,934 \$49,160, respectively, of undrawn revolver and delayed draw term loan commitments to our portfolio companies. The fair value of our undrawn committed revolvers and delayed draw term loans was zero as of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023 as they were all floating rate instruments that repriced frequently.

National Property REIT Corp.

Prospect owns 100% of the equity of NPH Property Holdings, LLC ("NPH"), a consolidated holding company which owns 100% of the common equity of NPRC.

NPRC is a Maryland corporation and a qualified REIT for federal income tax purposes. NPRC was formed to hold for investment, operate, finance, lease, manage, and sell a portfolio of real estate assets and engage in any and all other activities as may be necessary, incidental or convenient to carry out the foregoing. NPRC acquires real estate assets, including, but not limited to, industrial, commercial, and multi-family properties. NPRC may acquire real estate assets directly or through joint ventures by making a majority equity investment in a property-owning entity ("JV"). Additionally, through its wholly-owned subsidiaries, NPRC invests in online consumer loans and rated secured structured notes ("RSSN").

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued) (in thousands, except share During the three months ended September 30, 2023, we provided \$63,305 of debt financing to NPRC to fund real estate capital expenditures and per share data)

provide working capital.

During the nine months ended March 31, 2023 September 30, 2023, we received partial repayments of \$86,852 \$13,450 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

During the three months ended September 30, 2022, we provided \$74,000 of debt financing and \$3,600 of equity financing to NPRC to fund capital expenditures for existing real estate properties, to provide working capital, and to fund purchases of rated secured structured notes.

During the three months ended September 30, 2022, we received partial repayments of \$48,500 of our loans previously outstanding with NPRC and its wholly owned subsidiaries and \$4,000 as a return of capital on our equity investment in NPRC. During the nine months ended March 31, 2023, we provided \$132,071 of debt financing and \$3,600 of equity financing to NPRC to invest in real estate property, to provide working capital, and to fund purchases of rated secured structured notes.

The online consumer loan investments held by certain of NPRC's wholly owned subsidiaries are unsecured obligations of individual borrowers that are issued in amounts ranging from \$1 to \$50, with fixed terms ranging from 60 months to 84 months. As of March 31, 2023 September 30, 2023, the outstanding investment in online consumer loans by certain of NPRC's wholly-owned subsidiaries was comprised of 106,38 individual loans valued at \$125, residual interest in two securitizations valued at \$3,592, and one corporate bond and had valued at \$16,733, for an aggregate fair value of \$21,181. The average outstanding individual loan balance is approximately \$3 and the loans mature on dates ranging from April 1, 2023 to April 11, 2025 with a weighted-average outstanding term of 12 months as of March 31, 2023. Fixed interest rates range from 9.0% to 36.0% with a weighted-average current interest rate of 17.0%. \$20,450. As of March 31, 2023 September 30, 2023, our investment in NPRC and its wholly-owned subsidiaries relating to online consumer lending had a fair value of \$21,580.

As of March 31, 2023, based on outstanding principal balance, 43.3% of the online consumer loan portfolio held by certain of NPRC's wholly-owned subsidiaries was invested in super prime loans (borrowers with a Fair Isaac Corporation ("FICO" score, of 720 or greater), 44.2% of the portfolio in prime loans (borrowers with a FICO score of 660 to 719) and 12.5% of the portfolio in near prime loans (borrowers with a FICO score of 580 to 659, a portion of which are considered sub-prime).

| Loan Type | Outstanding Principal Balance | Fair Value | Interest Rate Range | | Weighted Average Interest Rate* |
|-------------|-------------------------------|------------|---------------------|---|---------------------------------|
| Super Prime | \$ 135 | \$ 132 | 9.0% | - | 20.5% |
| Prime | 138 | 133 | 13.5% | - | 25.0% |
| Near Prime | 39 | 32 | 23.3% | - | 36.0% |

*Weighted by outstanding principal balance of the online consumer loans.

\$21,838.

The rated secured structured note investments held by certain of NPRC's wholly owned subsidiaries are subordinated debt interests in broadly syndicated loans managed by established collateral management teams with many years of experience in the industry. As of **March 31, 2023** September 30, 2023, the outstanding investment in rated secured structured notes by certain of NPRC's wholly owned subsidiaries was comprised of 94 investments with a fair value of **\$425,903** \$422,844 and face value of **\$448,235** \$448,390. The average outstanding note is approximately **\$4,768** \$4,769 with an expected maturity date ranging from April 2026 to October 2033 and weighted-average expected maturity of **6.5** years as of **March 31, 2023** September 30, 2023. Coupons range from three-month LIBOR SOFR ("3ML" 3M") plus 5.20% to 9.23% with a weighted-average coupon of **3ML 3M + 6.93%** 6.92%. As of **March 31, 2023** September 30, 2023, our investment in NPRC and its wholly-owned subsidiaries relating to rated secured structured notes had a fair value of **\$200,600**.

\$236,711. As of **March 31, 2023** September 30, 2023, based on outstanding notional balance, **12.6%** 12.7% of the portfolio was invested in Single - B rated tranches and **87.4%** 87.3% of the portfolio in BB rated tranches.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

As of **March 31, 2023** September 30, 2023, our investment in NPRC and its wholly owned subsidiaries had an amortized cost of **\$908,266** \$1,013,409 and a fair value of **\$1,594,673** \$1,629,742, including our investment in online consumer lending and rated secured structured notes as discussed above. The As of September 30, 2023, our investment in NPRC and its wholly-owned subsidiaries relating to the real estate portfolio had a fair value of **\$1,372,493** related to NPRC's real estate \$1,408,512. This portfolio was comprised of forty-eight multi-family properties, eight student housing properties, four senior living properties, and three commercial properties. The following table shows the location, acquisition date, purchase price, and mortgage outstanding due to other parties for each of the properties held by NPRC as of **March 31, 2023** September 30, 2023:

| No. | No. | Property Name | City | Acquisition | | Mortgage Outstanding | No. | Property Name | City | Acquisition | | Mortgage Outstanding |
|-----|-----|------------------|-----------------|-------------|----------------|----------------------|-----|------------------|-----------------|-------------|----------------|----------------------|
| | | | | Date | Purchase Price | | | | | Date | Purchase Price | |
| 1 | 1 | Filet of Chicken | Forest Park, GA | 10/24/2012 | \$ 7,400 | \$ — | 1 | Filet of Chicken | Forest Park, GA | 10/24/2012 | \$ 7,400 | \$ — |
| | | Arlington Park | | | | | | | | | | |
| 2 | 2 | Marietta, LLC | Marietta, GA | 5/8/2013 | 14,850 | 13,492 | 2 | Marietta, LLC | Marietta, GA | 5/8/2013 | 14,850 | 13,492 |
| 3 | 3 | Taco Bell, OK | Yukon, OK | 6/4/2014 | 1,719 | — | 3 | Taco Bell, OK | Yukon, OK | 6/4/2014 | 1,719 | — |
| 4 | 4 | Taco Bell, MO | Marshall, MO | 6/4/2014 | 1,405 | — | 4 | Taco Bell, MO | Marshall, MO | 6/4/2014 | 1,405 | — |
| | | Abbie Lakes OH | Canal | | | | | | | | | |
| 5 | 5 | Partners, LLC | Winchester, OH | 9/30/2014 | 12,600 | 14,877 | 5 | Partners, LLC | Winchester, OH | 9/30/2014 | 12,600 | 14,741 |
| | | Kengary Way | | | | | | | | | | |
| | | OH Partners, | Reynoldsburg, | | | | | | | | | |
| 6 | 6 | LLC | OH | 9/30/2014 | 11,500 | 15,040 | 6 | LLC | OH | 9/30/2014 | 11,500 | 14,904 |
| | | Lakeview Trail | | | | | | | | | | |
| | | OH Partners, | Canal | | | | | | | | | |
| 7 | 7 | LLC | Winchester, OH | 9/30/2014 | 26,500 | 28,691 | 7 | LLC | Winchester, OH | 9/30/2014 | 26,500 | 28,429 |
| | | Lakepoint OH | Pickerington, | | | | | | | | | |
| 8 | 8 | Partners, LLC | OH | 9/30/2014 | 11,000 | 16,328 | 8 | Partners, LLC | OH | 9/30/2014 | 11,000 | 16,180 |
| | | Sunbury OH | | | | | | | | | | |
| 9 | 9 | Partners, LLC | Columbus, OH | 9/30/2014 | 13,000 | 16,558 | 9 | Partners, LLC | Columbus, OH | 9/30/2014 | 13,000 | 16,409 |
| | | Heatherbridge | | | | | | | | | | |
| | | OH Partners, | | | | | | | | | | |
| 10 | 10 | LLC | Blacklick, OH | 9/30/2014 | 18,416 | 23,656 | 10 | LLC | Blacklick, OH | 9/30/2014 | 18,416 | 23,434 |
| | | Jefferson Chase | | | | | | | | | | |
| | | OH Partners, | | | | | | | | | | |
| 11 | | | | | | | 11 | LLC | Blacklick, OH | 9/30/2014 | 13,551 | 18,262 |
| | | Goldenstrand | | | | | | | | | | |
| | | OH Partners, | | | | | | | | | | |
| 12 | | | | | | | 12 | LLC | Hilliard, OH | 10/29/2014 | 7,810 | 11,126 |

| | | | | | | |
|----|----|--|---|------------|---------|---------|
| 13 | 13 | SSIL I, LLC Vesper Tuscaloosa, AL | Aurora, IL | 11/5/2015 | 34,500 | 24,795 |
| 14 | 14 | LLC Vesper Iowa | Tuscaloosa, AL | 9/28/2016 | 54,500 | 41,670 |
| 15 | 15 | City, LLC Vesper Corpus | Iowa City, IA Corpus Christi, TX | 9/28/2016 | 32,750 | 24,029 |
| 16 | 16 | Christi, LLC Vesper Campus | Corpus Christi, TX | 9/28/2016 | 14,250 | 10,454 |
| 17 | 17 | Quarters, LLC Vesper College | Corpus Christi, College Station, TX | 9/28/2016 | 18,350 | 13,721 |
| 18 | 18 | Station, LLC Vesper | College Station, TX | 9/28/2016 | 41,500 | 31,031 |
| 19 | 19 | Kennesaw, LLC Vesper | Kennesaw, GA | 9/28/2016 | 57,900 | 49,420 |
| 20 | 20 | Statesboro, LLC Vesper | Statesboro, GA | 9/28/2016 | 7,500 | 7,480 |
| 21 | 21 | Manhattan KS, 9220 Old Lantern Way, LLC | Manhattan, KS | 9/28/2016 | 23,250 | 14,679 |
| 22 | 22 | 7915 Baymeadows Circle Owner, LLC | Laurel, MD | 1/30/2017 | 187,250 | 153,580 |
| 23 | 23 | 8025 Baymeadows Circle Owner, LLC | Jacksonville, FL | 10/31/2017 | 95,700 | 89,610 |
| 24 | 24 | 23275 Riverside Drive Owner, LLC | Jacksonville, FL | 10/31/2017 | 15,300 | 15,590 |
| 25 | 25 | 23741 Pond Road Owner, LLC | Southfield, MI | 11/8/2017 | 52,000 | 54,320 |
| 26 | 26 | 150 Steeplechase Way Owner, LLC | Southfield, MI | 11/8/2017 | 16,500 | 18,811 |
| 27 | 27 | Olentangy Commons Owner LLC | Largo, MD | 1/10/2018 | 44,500 | 36,307 |
| 28 | 28 | Villages of Wildwood Owner LLC | Columbus, OH | 6/1/2018 | 113,000 | 92,876 |
| 29 | 29 | Falling Creek Holdings LLC | Fairfield, OH | 7/20/2018 | 46,500 | 58,393 |
| 30 | 30 | Crown Pointe Passthrough Holdings LLC | Richmond, VA | 8/8/2018 | 25,000 | 25,374 |
| 31 | 31 | Loring Owner LLC | Danbury, CT | 8/30/2018 | 108,500 | 89,400 |
| 32 | 32 | Hamptons Apartments LLC | Forestville, MD | 10/30/2018 | 58,521 | 47,680 |
| 33 | 33 | Owner, LLC | Beachwood, OH | 1/9/2019 | 96,500 | 79,520 |

| | | | | | | | |
|----|--|--|-----------------------------------|----------------------|------------|--------|--------|
| 34 | | | 5224 Long Road Holdings, LLC | Orlando, FL | 6/28/2019 | 26,500 | 21,200 |
| 35 | | | Druid Hills Holdings LLC | Atlanta, GA | 7/30/2019 | 96,000 | 79,104 |
| 36 | | | Bel Canto NPRC Parcstone LLC | Fayetteville, NC | 10/15/2019 | 45,000 | 42,793 |
| 37 | | | NPRC Stone Ridge LLC | Fayetteville, NC | 10/15/2019 | 21,900 | 21,545 |
| 38 | | | Sterling Place Holdings LLC | Columbus, OH | 10/28/2019 | 41,500 | 34,196 |
| 39 | | | SPCP Hampton LLC | Dallas, TX | 11/2/2020 | 36,000 | 38,843 |
| 40 | | | Palmetto Creek Holdings LLC | North Charleston, SC | 11/10/2020 | 33,182 | 25,865 |
| 41 | | | Valora at Homewood Holdings LLC | Homewood, AL | 11/19/2020 | 81,250 | 63,844 |
| 42 | | | NPRC Fairburn LLC | Fairburn, GA | 12/14/2020 | 52,140 | 43,900 |
| 43 | | | NPRC Grayson LLC | Grayson, GA | 12/14/2020 | 47,860 | 40,500 |
| 44 | | | NPRC Taylors LLC | Taylors, SC | 1/27/2021 | 18,762 | 14,075 |
| 45 | | | Parkside at Laurel West Owner LLC | Spartanburg, SC | 2/26/2021 | 57,005 | 42,025 |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|-----------------------------------|---------------------|------------------|----------------|----------------------|
| 11 | Jefferson Chase OH Partners, LLC | Blacklick, OH | 9/30/2014 | 13,551 | 18,426 |
| 12 | Goldenstrand OH Partners, LLC | Hilliard, OH | 10/29/2014 | 7,810 | 11,229 |
| 13 | SSIL I, LLC | Aurora, IL | 11/5/2015 | 34,500 | 25,028 |
| 14 | Vesper Tuscaloosa, LLC | Tuscaloosa, AL | 9/28/2016 | 54,500 | 42,032 |
| 15 | Vesper Iowa City, LLC | Iowa City, IA | 9/28/2016 | 32,750 | 24,239 |
| 16 | Vesper Corpus Christi, LLC | Corpus Christi, TX | 9/28/2016 | 14,250 | 10,545 |
| 17 | Vesper Campus Quarters, LLC | Corpus Christi, TX | 9/28/2016 | 18,350 | 13,841 |
| 18 | Vesper College Station, LLC | College Station, TX | 9/28/2016 | 41,500 | 31,302 |
| 19 | Vesper Kennesaw, LLC | Kennesaw, GA | 9/28/2016 | 57,900 | 49,852 |
| 20 | Vesper Statesboro, LLC | Statesboro, GA | 9/28/2016 | 7,500 | 7,480 |
| 21 | Vesper Manhattan KS, LLC | Manhattan, KS | 9/28/2016 | 23,250 | 14,679 |
| 22 | 9220 Old Lantern Way, LLC | Laurel, MD | 1/30/2017 | 187,250 | 153,580 |
| 23 | 7915 Baymeadows Circle Owner, LLC | Jacksonville, FL | 10/31/2017 | 95,700 | 90,290 |
| 24 | 8025 Baymeadows Circle Owner, LLC | Jacksonville, FL | 10/31/2017 | 15,300 | 15,704 |
| 25 | 23275 Riverside Drive Owner, LLC | Southfield, MI | 11/8/2017 | 52,000 | 54,411 |
| 26 | 23741 Pond Road Owner, LLC | Southfield, MI | 11/8/2017 | 16,500 | 18,852 |
| 27 | 150 Steeplechase Way Owner, LLC | Largo, MD | 1/10/2018 | 44,500 | 36,608 |
| 28 | Olentangy Commons Owner LLC | Columbus, OH | 6/1/2018 | 113,000 | 92,876 |
| 29 | Villages of Wildwood Holdings LLC | Fairfield, OH | 7/20/2018 | 46,500 | 58,393 |
| 30 | Falling Creek Holdings LLC | Richmond, VA | 8/8/2018 | 25,000 | 25,374 |
| 31 | Crown Pointe Passthrough LLC | Danbury, CT | 8/30/2018 | 108,500 | 89,400 |

| | | | | | |
|----|--|----------------------|------------|---------|---------|
| 32 | Lorring Owner LLC | Forestville, MD | 10/30/2018 | 58,521 | 47,680 |
| 33 | Hamptons Apartments Owner, LLC | Beachwood, OH | 1/9/2019 | 96,500 | 79,520 |
| 34 | 5224 Long Road Holdings, LLC | Orlando, FL | 6/28/2019 | 26,500 | 21,200 |
| 35 | Druid Hills Holdings LLC | Atlanta, GA | 7/30/2019 | 96,000 | 79,104 |
| 36 | Bel Canto NPRC Parcstone LLC | Fayetteville, NC | 10/15/2019 | 45,000 | 42,793 |
| 37 | Bel Canto NPRC Stone Ridge LLC | Fayetteville, NC | 10/15/2019 | 21,900 | 21,545 |
| 38 | Sterling Place Holdings LLC | Columbus, OH | 10/28/2019 | 41,500 | 34,196 |
| 39 | SPCP Hampton LLC | Dallas, TX | 11/2/2020 | 36,000 | 38,843 |
| 40 | Palmetto Creek Holdings LLC | North Charleston, SC | 11/10/2020 | 33,182 | 25,865 |
| 41 | Valora at Homewood Holdings LLC | Homewood, AL | 11/19/2020 | 81,250 | 63,844 |
| 42 | NPRC Fairburn LLC | Fairburn, GA | 12/14/2020 | 52,140 | 43,900 |
| 43 | NPRC Grayson LLC | Grayson, GA | 12/14/2020 | 47,860 | 40,500 |
| 44 | NPRC Taylors LLC | Taylors, SC | 1/27/2021 | 18,762 | 14,075 |
| 45 | Parkside at Laurel West Owner LLC | Spartanburg, SC | 2/26/2021 | 57,005 | 42,025 |
| 46 | Willows at North End Owner LLC | Spartanburg, SC | 2/26/2021 | 23,255 | 19,000 |
| 47 | SPCP Edge CL Owner LLC | Webster, TX | 3/12/2021 | 34,000 | 25,496 |
| 48 | Jackson Pear Orchard LLC | Ridgeland, MS | 6/28/2021 | 50,900 | 42,975 |
| 49 | Jackson Lakeshore Landing LLC | Ridgeland, MS | 6/28/2021 | 22,600 | 17,955 |
| 50 | Jackson Reflection Pointe LLC | Flowood, MS | 6/28/2021 | 45,100 | 33,203 |
| 51 | Jackson Crosswinds LLC | Pearl, MS | 6/28/2021 | 41,400 | 38,601 |
| 52 | Elliot Apartments Norcross, LLC | Norcross, GA | 11/30/2021 | 128,000 | 102,301 |
| 53 | Orlando 442 Owner, LLC (West Vue Apartments) | Orlando, FL | 12/30/2021 | 97,500 | 73,000 |
| 54 | NPRC Wolfchase LLC | Memphis, TN | 3/18/2022 | 82,100 | 60,000 |
| 55 | NPRC Twin Oaks LLC | Hattiesburg, MS | 3/18/2022 | 44,850 | 34,242 |
| 56 | NPRC Lancaster LLC | Birmingham, AL | 3/18/2022 | 37,550 | 28,650 |
| 57 | NPRC Rutland LLC | Macon, GA | 3/18/2022 | 29,750 | 22,768 |
| 58 | Southport Owner LLC (Southport Crossing) | Indianapolis, IN | 3/29/2022 | 48,100 | 36,075 |
| 59 | TP Cheyenne, LLC | Cheyenne, WY | 5/26/2022 | 27,500 | 17,656 |
| 60 | TP Pueblo, LLC | Pueblo, CO | 5/26/2022 | 31,500 | 20,166 |
| 61 | TP Stillwater, LLC | Stillwater, OK | 5/26/2022 | 26,100 | 15,328 |
| 62 | TP Kokomo, LLC | Kokomo, IN | 5/26/2022 | 20,500 | 12,753 |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

| No. | Property | | Acquisition | | Mortgage Outstanding | No. | Property | | Acquisition | | Mortgage Outstanding |
|-----|----------|----------------------|-----------------|------|-------------------------------|---------------|-----------|--------|-------------|----------------|----------------------|
| | No. | Name | City | Date | Purchase Price | | Name | City | Date | Purchase Price | |
| 46 | | Willows at North End | Spartanburg, SC | 46 | SPCP Edge CL Owner LLC | Webster, TX | 3/12/2021 | 23,255 | 19,000 | | |
| 47 | | Jackson Pear | | 47 | Jackson Pear Orchard LLC | Ridgeland, MS | 6/28/2021 | 34,000 | 25,496 | | |
| 48 | | Jackson Lakeshore | | 48 | Jackson Lakeshore Landing LLC | Ridgeland, MS | 6/28/2021 | 50,900 | 42,975 | | |
| 49 | | Jackson Reflection | | 49 | Jackson Reflection Pointe LLC | Flowood, MS | 6/28/2021 | 22,600 | 17,955 | | |
| 50 | | Pointe LLC | | 50 | | | | | | 33,203 | |

| | | | | | | | | |
|----|----|---|-----------------------|------------|---------|--|--------------|--------|
| 51 | | | Jackson Crosswinds | | | | | |
| 51 | 51 | LLC | Pearl, MS | 6/28/2021 | 41,400 | 38,601 | | |
| 52 | | Elliot Apartments | | | | | | |
| 52 | 52 | Norcross, LLC | Norcross, GA | 11/30/2021 | 128,000 | 104,908 | | |
| 53 | | Orlando 442 Owner, LLC (West Vue Apartments) | | | | | | |
| 53 | 53 | Orlando, FL | 12/30/2021 | 97,500 | 73,000 | | | |
| 54 | | NPRC Wolfchase | | | | | | |
| 54 | 54 | LLC | Memphis, TN | 3/18/2022 | 82,100 | 60,000 | | |
| 55 | | NPRC Twin | Hattiesburg. | | | | | |
| 55 | 55 | Oaks LLC | MS | 3/18/2022 | 44,850 | 35,032 | | |
| 56 | | NPRC | Birmingham, | | | | | |
| 56 | 56 | Lancaster LLC | AL | 3/18/2022 | 37,550 | 29,042 | | |
| 57 | | NPRC Rutland | | | | | | |
| 57 | 57 | LLC | Macon, GA | 3/18/2022 | 29,750 | 23,182 | | |
| 58 | | Southport Owner LLC (Southport Crossing) | | | | | | |
| 58 | 58 | Indianapolis, IN | 3/29/2022 | 48,100 | 36,075 | | | |
| 59 | | TP Cheyenne, | | | | | | |
| 59 | 59 | LLC | Cheyenne, WY | 5/26/2022 | 27,500 | 17,656 | | |
| 60 | | TP Pueblo, | | | | | | |
| 60 | 60 | LLC | Pueblo, CO | 5/26/2022 | 31,500 | 20,166 | | |
| 61 | | TP Stillwater, | | | | | | |
| 61 | 61 | LLC | Stillwater, OK | 5/26/2022 | 26,100 | 15,328 | | |
| 62 | | TP Kokomo, | | | | | | |
| 62 | 62 | LLC | Kokomo, IN | 5/26/2022 | 20,500 | 12,753 | | |
| 63 | 63 | Terraces at Perkins Baton Rowe JV Rouge, LLC LA 11/14/2022 | 41,400 | 29,566 | 63 | Terraces at Perkins Rowe Baton Rouge, JV LLC LA 11/14/2022 | 41,400 | 29,566 |
| | | \$ 2,672,726 | \$ 2,237,608 | | | \$ 2,672,726 | \$ 2,237,545 | |

Unconsolidated Significant Subsidiaries

Our investments are generally in small and mid-sized companies in a variety of industries. In accordance with Regulation S-X 3-09 and Regulation S-X 4-08(g), we must determine which of our unconsolidated controlled portfolio companies are considered "significant subsidiaries," if any, as defined in Rule 1-02(w)(2) for BDC's and closed end investment companies. Regulation S-X 3-09 requires separate audited financial statements of an unconsolidated subsidiary in an annual report. Regulation S-X 4-08(g) requires summarized financial information in an annual report.

Pursuant to Regulation S-X 10-01(b), *Interim Financial Statements*, summarized interim income statement information is required for an unconsolidated subsidiary within a quarterly report if the unconsolidated subsidiary would otherwise require separate audited financial statements within an annual report pursuant to Regulation S-X 3-09.

As of March 31, 2023, InterDent, Inc. ("InterDent") was deemed to be a significant subsidiary. The following table shows summarized income statement information for InterDent for the periods included in this quarterly report:

| Summary Statement of Operations | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|------------|-----------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Total revenue | \$ 81,838 | \$ 80,104 | \$ 247,068 | \$ 234,690 |
| Operating expenses | 82,436 | 77,140 | 240,740 | 231,628 |
| Other expenses (including tax expense) | 8,430 | 7,438 | 20,276 | 20,212 |
| Net (loss) | \$ (9,028) | \$ (4,474) | \$ (13,948) | \$ (17,150) |

During the three months ended March 31, 2023 September 30, 2023 and the three months ended September 30, 2022, NRPC was deemed to be a significant subsidiary. subsidiary due to income. The following table shows summarized income statement information for NRPC for the periods included in this quarterly report:

| |
|--|
| |
|--|

| Summary Statement of Operations | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---------------------------------|------------------------------|-------------|-----------------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Total income | \$ 100,769 | \$ 104,120 | \$ 313,223 | \$ 630,858 |
| Operating expenses | 48,980 | 39,541 | 157,176 | 131,242 |
| Operating income | 51,789 | 64,579 | 156,047 | 499,616 |
| Interest expense | (65,797) | (59,607) | (201,646) | (175,038) |
| Depreciation and amortization | (23,094) | (28,154) | (81,033) | (83,201) |
| Fair value adjustment | 3,130 | (2,274) | (3,435) | 960 |
| Net (loss) income | \$ (33,972) | \$ (25,456) | \$ (130,067) | \$ 242,337 |

| Summary Statement of Operations | Three Months Ended September 30, | |
|---------------------------------|----------------------------------|-------------|
| | 2023 | 2022 |
| Total Income | \$ 104,139 | \$ 103,621 |
| Operating Expenses | (54,490) | (52,484) |
| Operating Income | 49,649 | 51,137 |
| Interest Expense | (73,896) | (69,479) |
| Depreciation and amortization | (26,428) | (29,323) |
| Fair Value Adjustment | (2,017) | (7,068) |
| Net loss | \$ (52,692) | \$ (54,733) |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

During the three months ended September 30, 2023, First Tower Finance Company LLC ("First Tower Finance") was deemed a significant subsidiary due to income. The following table shows First Tower Finance summarized income statement information for the periods included within this quarterly report:

| Summary Statement of Operations | Three Months Ended September 30, | |
|---------------------------------|----------------------------------|-------------|
| | 2023 | 2022 |
| Total income | \$ 225,022 | \$ 222,372 |
| Gross Profit | 267,033 | 254,206 |
| Net loss | \$ (42,011) | \$ (31,834) |

Note 4. Revolving Credit Facility

On May 15, 2007, we formed our 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. Since origination of the revolving credit facility, we have renegotiated the terms and extended the commitments of the revolving credit facility several times. Most recently, effective September 15, 2022, we completed an extension and upsizing of the revolving credit facility (the "2022 Facility" or the "Revolving Credit Facility"). The lenders have extended commitments of \$1,777,500 \$1,954,500 as of March 31, 2023 September 30, 2023. The 2022 Revolving Credit Facility includes an accordion feature which allows commitments to be increased up to \$2,000,000 in the aggregate. The extension and upsizing of the Revolving Credit Facility extended the maturity date to September 15, 2027 and the revolving period through September 15, 2026, followed by an additional one-year amortization period, with distributions allowed to Prospect after the completion of the revolving period. During such one-year amortization period, all principal payments on the pledged assets will be applied to reduce the balance. At the end of the one-year amortization period, the remaining balance will become due.

The Revolving Credit Facility contains restrictions pertaining to the geographic and industry concentrations of funded loans, maximum size of funded loans, interest rate payment frequency of funded loans, maturity dates of funded loans and minimum equity requirements, among other items. The Revolving Credit Facility also contains certain requirements relating to portfolio performance, including required minimum portfolio yield and limitations on delinquencies and charge-offs, violation of which could result in the early termination of the Revolving Credit Facility. As of March 31, 2023 September 30, 2023, we were in compliance with the applicable covenants of the Revolving Credit Facility.

Interest on borrowings under the 2022 Revolving Credit Facility is one-month SOFR plus 205 basis points. Additionally, the lenders charge a fee on the unused portion of the credit facility equal to either 40 basis points if more than 60% of the credit facility is drawn, 70 basis points if more than 35% and an amount less than or equal to 60% of the credit facility is drawn, or 150 basis points if an amount less than or equal to 35% of the credit facility is drawn. The 2022 Revolving Credit Facility requires us to pledge assets as collateral in order to borrow under the credit facility.

For the nine months ended March 31, 2023 and March 31, 2022, the average stated interest rate (i.e., rate in effect plus the spread) and average outstanding borrowings for the Revolving Credit Facility were as follows:

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|------------------------------|------------------------------|---------|-----------------------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| Average stated interest rate | 6.61% | 2.14% | 5.44 % | 2.14 % |
| Average outstanding balance | 839,694 | 737,280 | 926,518 | 546,080 |

As of March 31, 2023 and June 30, 2022, we had \$609,101 and \$660,536, respectively, available to us for borrowing under the Revolving Credit Facility, net of \$888,405 and \$839,464 outstanding borrowings as of the respective balance sheet dates. As of March 31, 2023 September 30, 2023, the investments, including cash and cash equivalents, used as collateral for the Revolving Credit Facility had an aggregate fair value of \$2,577,544, \$3,021,215, which represents 33.7% 38.7% of our total investments, including cash and cash equivalents. These assets are held and owned by PCF, a bankruptcy remote special purpose entity, and, as such, these investments are not available to our general creditors. As additional eligible investments are transferred to PCF and pledged under the Revolving Credit Facility, PCF will generate additional availability up to the current commitment amount of \$1,777,500. \$1,954,500. The release of any assets from PCF requires the approval of the facility agent.

For the three months ended September 30, 2023, and September 30, 2022, the average stated interest rate (i.e., rate in effect plus the spread) and average outstanding borrowings for the Revolving Credit Facility were as follows:

| | Three Months Ended September 30, | |
|------------------------------|----------------------------------|------------|
| | 2023 | 2022 |
| Average stated interest rate | 7.31% | 4.23% |
| Average outstanding balance | \$ 1,100,598 | \$ 966,173 |

As of September 30, 2023 and June 30, 2023, we had \$799,833 and \$697,325, respectively, available to us for borrowing under the Revolving Credit Facility, net of \$915,021 and \$1,014,703 outstanding borrowings as of the respective balance sheet dates.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

In connection with the origination and amendments of the Revolving Credit Facility, we incurred \$25,047 \$26,878 of fees, all of which are being amortized over the term of the facility. As of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, \$14,842 \$14,906 and \$10,801, \$15,569, respectively, of the fees remain to be amortized and is reflected as deferred financing costs on the *Consolidated Statements of Assets and Liabilities*.

During the three months ended March 31, 2023 September 30, 2023 and March 31, 2022 September 30, 2022, we recorded \$16,157 \$22,700 and \$6,452, respectively, of interest costs, unused fees and amortization of financing costs on the Revolving Credit Facility as interest expense. During the nine months ended March 31, 2023 and March 31, 2022, we recorded \$43,653 and \$16,153, \$11,726, respectively, of interest costs, unused fees and amortization of financing costs on the Revolving Credit Facility as interest expense.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Note 5. Convertible Notes

2022 Notes

On April 11, 2017, we issued \$225,000 aggregate principal amount of convertible notes that matured on July 15, 2022 (the "Original 2022 Notes"), unless previously converted or repurchased in accordance with their terms. The Original 2022 Notes bore interest at a rate of 4.95% per year, payable semi-annually on January 15 and July 15 each year, beginning July 15, 2017. Total proceeds from the issuance of the Original 2022 Notes, net of underwriting discounts and offering costs, were \$218,010. On May 18, 2018, we issued an additional \$103,500 aggregate principal amount of convertible notes that matured on July 15, 2022 (the "Additional 2022 Notes," and together with the Original 2022 Notes, the "2022 Notes"), unless previously converted or repurchased in accordance with their terms. The Additional 2022 Notes were a further issuance of, and were fully fungible and ranked equally in right of payment with, the Original 2022 Notes and bore interest at a rate of 4.95% per year, payable semi-annually on January 15 and July 15 each year, beginning July 15, 2018. Total proceeds from the issuance of the Additional 2022 Notes, net of underwriting discounts and offering costs, were \$100,749.

During the nine months ended March 31, 2022, we commenced a tender offer to purchase for cash up to \$60,000 aggregate principal outstanding amount of the 2022 Notes at the purchase price of 102.50%, plus accrued and unpaid interest. As a result, \$50,554 aggregate principal amount of the 2022 Notes were validly tendered and accepted and we recognized a realized loss of \$1,584 from the extinguishment of debt in the amount of the difference between the reacquisition price and the net carrying amount of the 2022 Notes, net of the proportionate amount of unamortized debt issuance costs.

On July 14, 2022, we converted \$3 in outstanding principal amount of the 2022 Notes to 300 shares of common stock at a rate of 100.2305 shares of common stock per \$1 principal amount, together with cash in lieu of fractional shares, in accordance with a Holder Conversion Notice.

As of June 30, 2022, the outstanding principal amount of the 2022 Notes was \$60,501. On July 15, 2022 we repaid the remaining outstanding principal amount of \$60,498 of the 2022 Notes, plus interest, at maturity.

Following the maturity of the 2022 Notes, during the nine months ended March 31, 2023, none of the 2022 Notes remained outstanding.

2025 Notes

On March 1, 2019, we issued \$175,000 aggregate principal amount of senior convertible notes that mature on March 1, 2025 (the "2025 Notes"), unless previously converted or repurchased in accordance with their terms. We granted the underwriters a 13-day over-allotment option to purchase up to an additional \$26,250 aggregate principal amount of the 2025 Notes. The underwriters fully exercised the over-allotment option on March 11, 2019 and we issued \$26,250 aggregate principal amount of 2025 Notes at settlement on March 13, 2019. The 2025 Notes bear interest at a rate of 6.375% per year, payable semi-annually on March 1 and September 1 each year, beginning September 1, 2019. Total proceeds from the issuance of the 2025 Notes, net of underwriting discounts and offering costs, were \$198,674.

As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the outstanding aggregate principal amount of the 2025 Notes were \$156,168 and \$156,168, respectively.

Certain key terms related to the convertible features for the 2025 Notes are listed below:

| | 2025 Notes |
|--|-------------|
| Initial conversion rate(1) | 110.7420 |
| Initial conversion price | \$ 9.03 |
| Conversion rate at March 31, 2023 September 30, 2023 (1)(2) | 110.7420 |
| Conversion price at March 31, 2023 September 30, 2023 (2)(3) | \$ 9.03 |
| Last conversion price calculation date | 3/1/2023 |
| Dividend threshold amount (per share)(4) | \$ 0.060000 |

(1) Conversion rates denominated in shares of common stock per \$1 principal amount of the Convertible Notes converted.

(2) Represents conversion rate and conversion price, as applicable, taking into account certain de minimis adjustments that will be made on the conversion date.

(3) The conversion price will increase only if the current monthly dividends (per share) exceed the dividend threshold amount (per share).

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

(4) The conversion rate is increased if monthly cash dividends paid to common shares exceed the monthly dividend threshold amount, subject to adjustment. Current dividend rates are at or below the minimum dividend threshold amount for further conversion rate adjustments for all bonds.

Interest accrues from the date of the original issuance of the Convertible Notes or from the most recent date to which interest has been paid or duly provided. Upon conversion, the holder will receive a separate cash payment with respect to the notes surrendered for conversion representing accrued and unpaid interest to, but not including, the conversion date. Any such payment will be made on the settlement date applicable to the relevant conversion on the Convertible Notes. If a holder converts the Convertible Notes after a record date for an interest payment but prior to the corresponding interest payment date, the holder will receive shares of our common stock based on the conversion formula described above, a cash payment representing accrued and unpaid interest through the record date in the normal course and a separate cash payment representing accrued and unpaid interest from the record date to the conversion date.

No holder of Convertible 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 Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder) of more than 5.0% of the shares of our common stock outstanding at such time. The 5.0% limitation shall no longer apply following the effective date of any fundamental change. We will not issue any shares in connection with the conversion or redemption of the Convertible Notes which would equal or exceed 20% of the shares outstanding at the time of the transaction in accordance with NASDAQ rules.

Subject to certain exceptions, holders may require us to repurchase, for cash, all or part of their Convertible Notes upon a fundamental change at a price equal to 100% of the principal amount of the Convertible Notes being repurchased plus any accrued and unpaid interest up to, but excluding, the fundamental change repurchase date. In addition, upon a fundamental change that constitutes a non-stock change of control we will also pay holders an amount in cash equal to the present value of all remaining interest payments (without duplication of the foregoing amounts) on such Convertible Notes through and including the maturity date.

In connection with the issuance of the Convertible Notes, we recorded a discount of \$3,369 and debt issuance costs of \$2,090 which are being amortized over the terms of the Convertible Notes. As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, **\$1,103** **\$825** and **\$1,511** **\$964** of the original issue discount and **\$69** **\$525** and **\$966**, **\$613**, respectively, of the debt issuance costs remain to be amortized and is included as a reduction within Convertible Notes on the *Consolidated Statement of Assets and Liabilities*.

During the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, we recorded **\$2,711** **\$2,717** and **\$3,550**, respectively, of interest costs and amortization of financing costs on the Convertible Notes as interest expense. During the nine months ended **March 31, 2023** and **March 31, 2022**, we recorded **\$8,266** and **\$11,333**, **\$2,848**, respectively, of interest costs and amortization of financing costs on the Convertible Notes as interest expense.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Note 6. Public Notes

2023 Notes

On March 15, 2013, we issued \$250,000 aggregate principal amount of unsecured notes that mature on March 15, 2023 (the "Original 2023 Notes"). The Original 2023 Notes bear interest at a rate of 5.875% per year, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2013. Total proceeds from the issuance of the Original 2023 Notes, net of underwriting discounts and offering costs, were \$243,641. On June 20, 2018, we issued an additional \$70,000 aggregate principal amount of unsecured notes that mature on March 15, 2023 (the "Additional 2023 Notes", and together with the Original 2023 Notes, the "2023 Notes"). The Additional 2023 Notes were a further issuance of, and are fully fungible and rank equally in right of payment with, the Original 2023 Notes and bear interest at a rate of 5.875% per year, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2018. Total proceeds from the issuance of the Additional 2023 Notes, net of underwriting discounts, were \$69,403.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

On September 19, 2022 During the three months ended September 30, 2022, we commenced a tender offer to purchase for cash any and all of the \$284,219 then outstanding aggregate principal amount of the 2023 Notes at a price of 98.00%, plus accrued and unpaid interest ("2023 Notes September Tender Offer"). On September 23, 2022, \$347 aggregate principal amount of the 2023 Notes were validly tendered and accepted. On October 17, 2022, we commenced a tender offer to purchase for cash any and all of the \$283,872 then outstanding aggregate principal amount of the 2023 Notes at a price of 98.50%, plus accrued and unpaid interest ("2023 Notes October Tender Offer"). On October 26, 2022, \$1,508 aggregate principal amount of the 2023 Notes were validly tendered and accepted. On November 14, 2022, we commenced a tender offer to purchase for cash any and all of the \$282,364 then outstanding aggregate principal amount of the 2023 Notes at a price of 98.75%, plus accrued and unpaid interest ("2023 Notes November Tender Offer"). On November 23, 2022, \$249 aggregate principal amount of the 2023 Notes were validly tendered and accepted. As a result, of 2023 Notes September, October, and November Tender Offers during the six months ended December 31, 2022, \$2,104 \$347 aggregate principal amount of the 2023 Notes were validly tendered and accepted, and we recognized a realized loss of \$30 \$6 from the extinguishment of debt in the amount of the difference between the reacquisition price and the net carrying amount of the 2023 Notes, net of the proportionate amount of unamortized debt issuance costs.

As of June 30, 2022 September 30, 2022, the outstanding aggregate principal amount of the 2023 Notes was \$284,219. \$283,872. On March 15, 2023 we repaid the remaining outstanding principal amount of \$282,115 of the 2023 Notes, plus interest, at maturity.

Following the maturity of the 2023 Notes, during the nine months ended March 31, 2023, none of the 2023 Notes remained outstanding.

6.375% 2024 Notes

On October 1, 2018, we issued \$100,000 aggregate principal amount of unsecured notes that mature on January 15, 2024 (the "6.375% 2024 Notes"). The 6.375% 2024 Notes bear interest at a rate of 6.375% per year, payable semi-annually on January 15 and July 15 of each year, beginning January 15, 2019. Total proceeds from the issuance of the 6.375% 2024 Notes, net of underwriting discounts and offering costs, were \$98,985.

During the nine months ended March 31, 2022, we commenced a tender offer to purchase for cash any and all of the \$81,389 aggregate principal amount of the 6.375% 2024 Notes at a purchase price of 107.75%, plus accrued and unpaid interest. As a result, \$149 aggregate principal amount of the 6.375% 2024 Notes were validly tendered and accepted, and we recognized a loss of \$12 from the extinguishment of debt in the amount of the difference between the reacquisition price and the net carrying amount of the 6.375% 2024 Notes, net of the proportionate amount of unamortized debt issuance costs.

As of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, the outstanding aggregate principal amount of the 6.375% 2024 Notes were \$81,240 and \$81,240, respectively.

2029 Notes

On December 5, 2018, we issued \$50,000 aggregate principal amount of unsecured notes that mature on June 15, 2029 (the "2029 Notes"). The 2029 Notes bear interest at a rate of 6.875% per year, payable quarterly on March 15, June 15, September 15, and December 15 of each year, beginning March 19, 2019. Total proceeds from the issuance of the 2029 Notes, net of underwriting discounts and offering costs, were \$48,057. On February 9, 2019, we entered into an ATM program with B. Riley FBR, Inc., BB&T Capital Markets, and Comerica Securities, Inc., through which we could sell, by means of ATM offerings, up to \$100,000 in aggregate principal amount of our existing 2029 Notes ("2029 Notes ATM" or "2029 Notes Follow-on Program"). The 2029 Notes are listed on the NYSE and trade thereon under the ticker "PBC." During the year ended June 30, 2019, we issued an additional \$19,170 aggregate principal amount under the 2029 Notes ATM, for net proceeds of \$18,523, after commissions and offering costs. On December 30, 2021, we redeemed \$69,170 of the aggregate principal amount of the 2029 Notes. The transaction resulted in our recognizing a loss of \$2,044 during the three months ended December 31, 2021. Following the redemption, none of the 2029 Notes remained outstanding.

2026 Notes

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

On January 22, 2021, we issued \$325,000 aggregate principal amount of unsecured notes that mature on January 22, 2026 (the "Original 2026 Notes"). The Original 2026 Notes bear interest at a rate of 3.706% per year, payable semi-annually on July 22, and January 22 of each year, beginning on July 22, 2021. Total proceeds from the issuance of the 2026 Notes, net of underwriting discounts and offering costs, were \$317,720. On February 19, 2021, we issued an additional \$75,000 aggregate principal amount of unsecured notes that mature on January 22, 2026 (the "Additional 2026 Notes", and together with the Original 2026 Notes, the "2026 Notes"). The Additional 2026 Notes were a further issuance of, and are fully fungible and rank equally in right of payment with, the Original 2026 Notes and bear interest at a rate of 3.706% per year, payable semi-annually on July 22 and January 22 of each year, beginning July 22, 2021. Total proceeds from the issuance of the Additional 2026 Notes, net of underwriting discounts and offering costs, were \$74,061. As of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, the outstanding aggregate principal amount of the 2026 Notes were \$400,000 and \$400,000, respectively.

3.364% 2026 Notes

On May 27, 2021, we issued \$300,000 aggregate principal amount of unsecured notes that mature on November 15, 2026 (the "3.364% 2026 Notes"). The 3.364% 2026 Notes bear interest at a rate of 3.364% per year, payable semi-annually on November 15, and May 15 of each year, beginning on November 15, 2021. Total proceeds from the issuance of the 3.364% 2026 Notes, net of underwriting discounts and offering costs, were \$293,283. As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the outstanding aggregate principal amount of the 3.364% 2026 Notes were \$300,000 and \$300,000, respectively.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

3.437% 2028 Notes

On September 30, 2021, we issued \$300,000 aggregate principal amount of unsecured notes that mature on October 15, 2028 (the "3.437% 2028 Notes"). The 3.437% 2028 Notes bear interest at a rate of 3.437% per year, payable semi-annually on April 15 and October 15 of each year, beginning on April 15, 2022. Total proceeds from the issuance of the 3.437% 2028 Notes, net of underwriting discounts and offering costs, were \$291,798. As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the outstanding aggregate principal amount of the 3.437% 2028 Notes were \$300,000 and \$300,000, respectively.

The 2023 Notes, the 6.375% 2024 Notes, the 2026 Notes, the 3.364% 2026 Notes, and the 3.437% 2028 Notes (collectively, the "Public Notes") are direct unsecured obligations and rank equally with all of our unsecured indebtedness from time to time outstanding.

In connection with the issuance of the Public Notes we recorded a discount of \$13,417 and debt issuance costs of \$13,491, which are being amortized over the term of the notes. As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, \$9,341 \$8,194 and \$11,234 \$8,770 of the original issue discount and \$8,924 \$7,735 and \$11,047 \$8,333, respectively, of the debt issuance costs remain to be amortized and are included as a reduction within Public Notes on the *Consolidated Statement of Assets and Liabilities*.

During the three months ended **March 31, 2023** **September 30, 2023**, and **March 31, 2022** **September 30, 2022**, we recorded \$14,878 \$11,274 and \$15,581 \$15,613, respectively, of interest costs and amortization of financing costs on the Public Notes as interest expense. During the nine months ended March 31, 2023 and March 31, 2022, we recorded \$46,097 and \$46,336, respectively, of interest costs and amortization of financing costs on the Public Notes as interest expense.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Note 7. Prospect Capital InterNotes®

On February 13, 2020, we entered into a selling agent agreement with InspereX LLC (formerly known as "Incapital LLC") (the "Selling Agent Agreement"), authorizing the issuance and sale from time to time of up to \$1,000,000 of Prospect Capital InterNotes® (collectively with previously authorized selling agent agreements, the "InterNotes® Offerings"). On February 8, 2023, our Board of Directors reauthorized \$1,000,000 of Prospect Capital InterNotes® for sale under the Selling Agent Agreement. Additional agents may be appointed by us from time to time in connection with the InterNotes® Offering and become parties to the Selling Agent Agreement. We have, from time to time, repurchased certain notes issued through the InterNotes® Offerings and, therefore, as of **March 31, 2023** **September 30, 2023**, \$355,464 \$358,834 aggregate principal amount of Prospect Capital InterNotes® were outstanding.

These notes are direct unsecured obligations and rank equally with all of our unsecured indebtedness from time to time outstanding. Each series of notes will be issued by a separate trust. These notes bear interest at fixed interest rates and offer a variety of maturities no less than twelve months from the original date of issuance.

During the **nine three** months ended **March 31, 2023** **September 30, 2023**, we issued \$13,333 \$3,976 aggregate principal amount of Prospect Capital InterNotes® for net proceeds of \$13,153 \$3,892. These notes were issued with stated interest rates ranging from 4.50% 5.75% to 5.95% 6.50% with a weighted average interest rate of 5.41% 6.17%. These notes will mature between **October 15, 2025** **July 15, 2026** and **March 15, 2033** **September 15, 2043**. The following table summarizes the Prospect Capital InterNotes® issued during the **nine three** months ended **March 31, 2023** **September 30, 2023**:

| Tenor at Origination (in years) | Tenor at Origination (in years) | Principal Amount | Interest Rate Range | Weighted Average Interest Rate | Maturity Date Range | Tenor at Origination (in years) | Principal Amount | Interest Rate Range | Weighted Average Interest Rate | Maturity Date Range |
|---------------------------------|---------------------------------|------------------|---------------------|--------------------------------|------------------------------------|---------------------------------|------------------|---------------------|--------------------------------|------------------------------------|
| 3 | 3 | \$ 6,539 | 5.00% – 5.75% | 5.50% | October 15, 2025 – March 15, 2026 | 3 | \$ 1,019 | 5.75% | 5.75% | July 15, 2026 – September 15, 2026 |
| 5 | | 2,635 | 4.50% – 5.50% | 4.50% | July 15, 2027 – October 15, 2027 | | | | | |
| 6 | 6 | 1,933 | 5.75% | 5.75% | December 15, 2028 – March 15, 2029 | 6 | 734 | 6.00% | 6.00% | July 15, 2029 – September 15, 2029 |

| | | | | | | | | | | |
|----|----|------------------|-------|-------|------------------------------------|----|-----------------|-------|-------|------------------------------------|
| 10 | 10 | 2,226 | 5.95% | 5.95% | December 15, 2032 – March 15, 2033 | 10 | 678 | 6.25% | 6.25% | July 15, 2033 – September 15, 2033 |
| 20 | | | | | | 20 | 1,545 | 6.50% | 6.50% | July 15, 2043 – September 15, 2043 |
| | | <u>\$ 13,333</u> | | | | | <u>\$ 3,976</u> | | | |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

During the **nine** three months ended **March 31, 2022** **September 30, 2022**, we issued **\$155,909** **\$2,624** aggregate principal amount of our Prospect Capital InterNotes® for net proceeds of **\$152,441** **\$2,591**. These notes were issued with a stated interest rates ranging from 2.25% to **4.63%** rate of **4.50%** with a weighted average interest rate of **3.48%** **4.50%**. These notes will mature between **February 15, 2025** **July 15, 2027** and **March 15, 2052** **September 15, 2027**. The following table summarizes the Prospect Capital InterNotes® issued during the **nine** three months ended **March 31, 2022** **September 30, 2022**:

| Tenor at Origination (in years) | Principal Amount | Weighted Average Interest Rate | | Maturity Date Range |
|---------------------------------|-------------------|--------------------------------|---------------|------------------------------------|
| | | Range | Interest Rate | |
| 3 | \$ 1,499 | 2.50 % | 2.50% | February 15, 2025 – March 15, 2025 |
| 5 | 58,068 | 2.25% – 4.50% | 3.26% | July 15, 2026 – March 15, 2027 |
| 7 | 20,929 | 2.75% – 4.25% | 3.02% | July 15, 2028 – February 15, 2029 |
| 10 | 22,435 | 3.15% – 4.50% | 3.38% | July 15, 2031 – March 15, 2032 |
| 12 | 2,422 | 3.70 % | 3.70% | July 15, 2033 |
| 15 | 15,041 | 3.50% – 4.50% | 3.84% | July 15, 2036 – February 15, 2037 |
| 30 | 35,515 | 4.00% – 4.63% | 4.06% | July 15, 2051 – March 15, 2052 |
| | <u>\$ 155,909</u> | | | |

| Tenor at Origination (in years) | Principal Amount | Weighted Average Interest Rate | | Maturity Date Range |
|---------------------------------|------------------|--------------------------------|---------------|------------------------------------|
| | | Range | Interest Rate | |
| 5 | 2,624 | 4.50% | 4.50% | July 15, 2027 – September 15, 2027 |
| | <u>\$ 2,624</u> | | | |

During the **nine** three months ended **March 31, 2023** **September 30, 2023**, we repaid **\$5,433** **\$3,247** aggregate principal amount of Prospect Capital InterNotes® at par in accordance with the Survivor's Option of the InterNotes®. As a result of these transactions, we recorded a loss in the amount of the unamortized debt issuance costs. The net loss on the extinguishment of Prospect Capital InterNotes® in the **nine** three months ended **March 31, 2023** **September 30, 2023** was **\$138** **\$91**.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

The following table summarizes the Prospect Capital InterNotes® outstanding as of **March 31, 2023** **September 30, 2023**:

| Tenor at Origination (in years) | Tenor at Origination (in years) | Principal Amount | Weighted Average Interest Rate | | | Tenor at Origination (in years) | Principal Amount | Weighted Average Interest Rate | | |
|---------------------------------|---------------------------------|------------------|--------------------------------|-----------------------|-------------------------------------|---------------------------------|------------------|--------------------------------|-----------------------|---------------------------------------|
| | | | Interest Rate Range | Average Interest Rate | Maturity Date Range | | | Interest Rate Range | Average Interest Rate | Maturity Date Range |
| 3 | 3 | \$ 8,700 | 1.50% – 5.75% | 4.68% | January 15, 2024 – March 15, 2026 | 3 | \$ 12,034 | 1.50% – 5.75% | 4.95% | January 15, 2024 – September 15, 2026 |
| | | | | | | | | | | |
| 5 | 5 | 97,050 | 2.25% – 5.50% | 3.30% | January 15, 2026 – October 15, 2027 | 5 | 96,789 | 2.25% – 5.50% | 3.30% | January 15, 2026 – October 15, 2027 |
| | | | | | | | | | | |

| | | | | | | | | | | |
|------------------------------|------------------------------|------------|------------------|-------|---|------------|--------|------------------|-------|---|
| 6 | 6 | 16,790 | 3.00% – 5.75% | 3.32% | June 15, 2027 – March 15, 2029 | 6 | 18,135 | 3.00% – 6.00% | 3.52% | June 15, 2027 – September 15, 2029 |
| 7 | 7 | 28,912 | 2.75% – 4.25% | 3.17% | January 15, 2028 – February 15, 2029 | 7 | 28,510 | 2.75% – 4.25% | 3.17% | January 15, 2028 – February 15, 2029 |
| 8 | 8 | 3,486 | 3.40% – 3.50% | 3.45% | June 15, 2029 – July 15, 2029 | 8 | 3,236 | 3.40% – 3.50% | 3.45% | June 15, 2029 – July 15, 2029 |
| 10 | 10 | 79,222 | 3.15% – 5.95% | 3.94% | August 15, 2029 – March 15, 2033 | 10 | 80,196 | 3.15% – 6.25% | 3.99% | August 15, 2029 – September 15, 2033 |
| 12 | 12 | 14,491 | 3.70% – 4.00% | 3.95% | June 15, 2033 – July 15, 2033 | 12 | 14,043 | 3.70% – 4.00% | 3.95% | June 15, 2033 – July 15, 2033 |
| 15 | 15 | 14,647 | 3.50% – 4.50% | 3.84% | July 15, 2036 – February 15, 2037 | 15 | 14,334 | 3.50% – 4.50% | 3.84% | July 15, 2036 – February 15, 2037 |
| 18 | 18 | 3,030 | 4.50% – 5.00% | 4.80% | November 15, 2032 – January 15, 2031 – April 15, 2031 | 18 | 2,959 | 4.50% – 5.50% | 4.82% | November 15, 2032 – January 15, 2031 – April 15, 2031 |
| 20 | 20 | 1,597 | 5.75% – 5.75% | 5.75% | November 15, 2032 – May 15, 2042 – March 15, 2052 | 20 | 3,503 | 5.75% – 6.50% | 6.16% | November 15, 2032 – May 15, 2042 – March 15, 2052 |
| 25 | 25 | 7,835 | 6.25% – 6.50% | 6.37% | November 15, 2038 – May 15, 2042 – March 15, 2052 | 25 | 7,800 | 6.25% – 6.50% | 6.37% | November 15, 2038 – May 15, 2042 – March 15, 2052 |
| 30 | 30 | 79,704 | 4.00% – 6.63% | 5.31% | Principal Outstanding \$ 355,464 | 30 | 77,295 | 4.00% – 6.63% | 5.33% | Principal Outstanding \$ 358,834 |
| Less Discounts | Less Discounts | | | | Less Discounts | | | | | Less Discounts |
| Unamortized Debt Issuance | Unamortized Debt Issuance | (6,817) | | | Unamortized Debt Issuance | (6,510) | | | | Unamortized Debt Issuance |
| Carrying Amount | Carrying Amount | \$ 348,647 | | | Carrying Amount | \$ 352,324 | | | | Carrying Amount |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

During the **nine** **three** months ended **March 31, 2022** **September 30, 2022**, we repaid **\$1,223** **\$1,144** aggregate principal amount of Prospect Capital InterNotes® at par in accordance with the Survivor's Option, as defined in the InterNotes® Offering prospectus. In order to replace short maturity debt with longer-term debt, we redeemed \$322,623 aggregate principal amount of Prospect Capital InterNotes® at par with a weighted average interest rate of 5.45%. As a result of these transactions, we recorded a loss in the amount of the unamortized debt issuance costs. The net loss on the extinguishment of Prospect Capital InterNotes® in the **nine** **months** **year** ended **March 31, 2022** **June 30, 2022** was **\$6,403** **\$6,411**.

The following table summarizes the Prospect Capital InterNotes® outstanding as of **June 30, 2022** **June 30, 2023**:

| Tenor at Origination (in years) | Tenor at Origination (in years) | Principal Amount | Interest Rate Range | Weighted Average Interest Rate | Maturity Date Range | Tenor at Origination (in years) | Principal Amount | Interest Rate Range | Weighted Average Interest Rate | Maturity Date Range |
|---------------------------------|---------------------------------|------------------|---------------------|--------------------------------|---------------------------------------|---------------------------------|------------------|---------------------|--------------------------------|--------------------------------------|
| 3 | 3 | \$ 2,161 | 1.50% - 2.50% | 2.19% | January 15, 2024 - March 15, 2025 | 3 | \$ 11,015 | 1.50% - 5.75% | 4.88% | January 15, 2024 - June 15, 2026 |
| 5 | 5 | 95,134 | 2.25% - 4.50% | 3.27% | January 15, 2026 - June 15, 2027 | 5 | 96,914 | 2.25% - 5.50% | 3.30% | January 15, 2026 - October 15, 2027 |
| 6 | 6 | 15,057 | 3.00% | 3.00% | June 15, 2027 - July 15, 2027 | 6 | 17,401 | 3.00% - 6.00% | 3.41% | June 15, 2027 - June 15, 2029 |
| 7 | 7 | 29,252 | 2.75% - 4.25% | 3.17% | January 15, 2028 - February 15, 2029 | 7 | 28,887 | 2.75% - 4.25% | 3.17% | January 15, 2028 - February 15, 2029 |
| 8 | 8 | 3,511 | 3.40% - 3.50% | 3.45% | June 15, 2029 - July 15, 2029 | 8 | 3,236 | 3.40% - 3.50% | 3.45% | June 15, 2029 - July 15, 2029 |
| 10 | 10 | 77,434 | 3.15% - 4.50% | 3.85% | August 15, 2029 - May 15, 2032 | 10 | 79,944 | 3.15% - 6.25% | 3.97% | August 15, 2029 - June 15, 2033 |
| 12 | 12 | 15,066 | 3.70% - 4.00% | 3.95% | June 15, 2033 - July 15, 2033 | 12 | 14,241 | 3.70% - 4.00% | 3.95% | June 15, 2033 - July 15, 2033 |
| 15 | 15 | 15,041 | 3.50% - 4.50% | 3.84% | July 15, 2036 - February 15, 2037 | 15 | 14,647 | 3.50% - 4.50% | 3.84% | July 15, 2036 - February 15, 2037 |
| 18 | 18 | 3,085 | 4.50% - 5.00% | 4.73% | January 15, 2031 - April 15, 2031 | 18 | 3,020 | 4.50% - 5.00% | 4.73% | January 15, 2031 - April 15, 2031 |
| 20 | 20 | 1,597 | 5.75% | 5.75% | November 15, 2032 - November 15, 2038 | 20 | 1,958 | 5.75% - 6.50% | 5.89% | November 15, 2032 - June 15, 2043 |
| 25 | 25 | 8,036 | 6.25% - 6.50% | 6.37% | May 15, 2039 - November 15, 2042 | 25 | 7,800 | 6.25% - 6.50% | 6.37% | May 15, 2039 - November 15, 2042 |
| 30 | 30 | 82,190 | 4.00% - 6.63% | 5.29% | March 15, 2052 | 30 | 79,042 | 4.00% - 6.63% | 5.31% | March 15, 2052 |
| Principal Outstanding | Principal Outstanding | \$ 347,564 | | | | Principal Outstanding | \$ 358,105 | | | |
| Less Discounts | Less Discounts | | | | | Less Discounts | | | | |
| Unamortized debt issuance | Unamortized debt issuance | (7,122) | | | | Unamortized debt issuance | (6,688) | | | |
| Carrying Amount | Carrying Amount | \$ 340,442 | | | | Carrying Amount | \$ 351,417 | | | |

During the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022**, **September 30, 2022** we recorded \$3,771 \$3,902 and \$3,652, \$3,683 respectively, of interest costs and amortization of financing costs on the Prospect Capital InterNotes® as interest expense. During the nine months ended **March 31, 2023** and **March 31, 2022**, we recorded \$11,154 and \$13,130, respectively, of interest costs and amortization of financing costs on the Prospect Capital InterNotes® as interest expense.

Note 8. Fair Value and Maturity of Debt Outstanding

As of **March 31, 2023** **September 30, 2023**, our asset coverage ratio stood at **306.2%** **308.7%** based on the outstanding principal amount of our senior securities representing indebtedness of **\$2,481,277** **\$2,511,263** and our asset coverage ratio on our senior securities that are stock was **193.2%** **188.0%**. As of **June 30, 2022** **June 30, 2023**, our asset coverage ratio stood at **273.3%** **297.0%** based on the outstanding principal amount of our senior securities representing indebtedness of **\$2,769,156** **\$2,610,216** and our asset coverage ratio on our senior securities that are stock was **215.6%** **186.2%**. Refer to Note 9, *Equity Offerings, Offering Expenses and Distributions* for additional discussion on our senior securities that are stock.

Information about our senior securities is shown in the following table as of the end of each of the last ten fiscal years and as of **March 31, 2023** **September 30, 2023** (All figures in this item are in thousands except per unit data):

| Credit Facility | Credit Facility | Involuntary Liquidating | | | | Average Market | | | | Involuntary Liquidating | | | | Average Market | | | |
|--|-----------------------------------|-----------------------------|----------------------------|---------------------|-------------------|-----------------------------|----------------------------|---------------------|-------------------|--|----------------------------|---------------------|-------------------|-----------------------------|----------------------------|---------------------|-------------------|
| | | Total Amount Outstanding(1) | Asset Coverage per Unit(2) | Preference per Unit | Value per Unit(3) | Total Amount Outstanding(1) | Asset Coverage per Unit(2) | Preference per Unit | Value per Unit(3) | Total Amount Outstanding(1) | Asset Coverage per Unit(2) | Preference per Unit | Value per Unit(3) | Total Amount Outstanding(1) | Asset Coverage per Unit(2) | Preference per Unit | Value per Unit(3) |
| Fiscal 2023 (as of March 31, 2023) | | | | | | | | | | | | | | | | | |
| Fiscal 2024 (as of September 30, 2023) | | \$ 888,405 | \$ 8,552 | — | — | | | | | Fiscal 2024 (as of September 30, 2023) | \$ 915,021 | \$ 8,473 | — | — | | | |
| Fiscal 2023 (as of June 30, 2023) | | | | | | | | | | Fiscal 2023 (as of June 30, 2023) | | | | | | | |
| Fiscal 2022 (as of June 30, 2022) | Fiscal 2022 (as of June 30, 2022) | 839,464 | 9,015 | — | — | 30,2022) | 839,464 | 9,015 | — | Fiscal 2022 (as of June 30, 2022) | | | | | | | |
| Fiscal 2021 (as of June 30, 2021) | Fiscal 2021 (as of June 30, 2021) | 356,937 | 17,408 | — | — | 30,2021) | 356,937 | 17,408 | — | Fiscal 2021 (as of June 30, 2021) | | | | | | | |
| Fiscal 2020 (as of June 30, 2020) | Fiscal 2020 (as of June 30, 2020) | 237,536 | 22,000 | — | — | 30,2020) | 237,536 | 22,000 | — | Fiscal 2020 (as of June 30, 2020) | | | | | | | |
| Fiscal 2019 (as of June 30, 2019) | Fiscal 2019 (as of June 30, 2019) | 167,000 | 34,298 | — | — | 30,2019) | 167,000 | 34,298 | — | Fiscal 2019 (as of June 30, 2019) | | | | | | | |
| Fiscal 2018 (as of June 30, 2018) | | 37,000 | 155,503 | — | — | | | | | Fiscal 2018 (as of June 30, 2018) | | | | | | | |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | | | | | | | | | | | | | | | | |
|-----------------------------------|--------|---------|---|---|-----------------------------------|---|---|---|---|--|--|--|--|--|--|--|
| Fiscal 2018 (as of June 30, 2018) | 37,000 | 155,503 | — | — | Fiscal 2017 (as of June 30, 2017) | — | — | — | — | | | | | | | |
| Fiscal 2017 (as of June 30, 2017) | — | — | — | — | 30,2017) | — | — | — | — | | | | | | | |
| Fiscal 2016 (as of June 30, 2016) | — | — | — | — | 30,2016) | — | — | — | — | | | | | | | |

| | | | | | | | | | | |
|--------------------------------------|--------------------------------------|------------|----------|---|---|--------------------------------------|------------|----------|---|---|
| Fiscal 2015 (as of June 30, 2015) | Fiscal 2015 (as of June 30, 2015) | 368,700 | 18,136 | — | — | Fiscal 2015 (as of June 30, 2015) | 368,700 | 18,136 | — | — |
| Fiscal 2014 (as of June 30, 2014) | Fiscal 2014 (as of June 30, 2014) | 92,000 | 69,470 | — | — | Fiscal 2014 (as of June 30, 2014) | 92,000 | 69,470 | — | — |
| Fiscal 2013 (as of June 30, 2013) | | 124,000 | 34,996 | — | — | | | | | |
| <u>2015</u> <u>Notes(4)</u> | <u>2015</u> <u>Notes(4)</u> | | | | | <u>2015</u> <u>Notes(4)</u> | | | | |
| Fiscal 2015 (as of June 30, 2015) | 30, 2015) | \$ 150,000 | \$ 2,241 | — | — | 30, 2015) | \$ 150,000 | \$ 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | 30, 2014) | 150,000 | 2,305 | — | — | 30, 2014) | 150,000 | 2,305 | — | — |
| Fiscal 2013 (as of June 30, 2013) | | 150,000 | 2,578 | — | — | | | | | |
| <u>2016</u> <u>Notes(5)</u> | <u>2016</u> <u>Notes(5)</u> | | | | | <u>2016</u> <u>Notes(5)</u> | | | | |
| Fiscal 2016 (as of June 30, 2016) | 30, 2016) | \$ 167,500 | \$ 2,269 | — | — | 30, 2016) | \$ 167,500 | \$ 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | 30, 2015) | 167,500 | 2,241 | — | — | 30, 2015) | 167,500 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | 30, 2014) | 167,500 | 2,305 | — | — | 30, 2014) | 167,500 | 2,305 | — | — |
| Fiscal 2013 (as of June 30, 2013) | | 167,500 | 2,578 | — | — | | | | | |
| <u>2017</u> <u>Notes(6)</u> | <u>2017</u> <u>Notes(6)</u> | | | | | <u>2017</u> <u>Notes(6)</u> | | | | |
| Fiscal 2017 (as of June 30, 2017) | 30, 2017) | \$ 50,734 | \$ 2,251 | — | — | 30, 2017) | \$ 50,734 | \$ 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | 30, 2016) | 129,500 | 2,269 | — | — | 30, 2016) | 129,500 | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | 30, 2015) | 130,000 | 2,241 | — | — | 30, 2015) | 130,000 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | 30, 2014) | 130,000 | 2,305 | — | — | 30, 2014) | 130,000 | 2,305 | — | — |
| Fiscal 2013 (as of June 30, 2013) | | 130,000 | 2,578 | — | — | | | | | |
| <u>2018</u> <u>Notes(7)</u> | <u>2018</u> <u>Notes(7)</u> | | | | | <u>2018</u> <u>Notes(7)</u> | | | | |
| Fiscal 2017 (as of June 30, 2017) | 30, 2017) | \$ 85,419 | \$ 2,251 | — | — | 30, 2017) | \$ 85,419 | \$ 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | 30, 2016) | 200,000 | 2,269 | — | — | 30, 2016) | 200,000 | 2,269 | — | — |

| | | | | | | | | | | |
|---------------------------------------|---------------------------------------|------------|----------|---|---|---------------------------------------|------------|----------|---|---|
| Fiscal 2015 (as of June 30, 2015) | Fiscal 2015 (as of June 30, 2015) | 200,000 | 2,241 | — | — | Fiscal 2015 (as of June 30, 2015) | 200,000 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | Fiscal 2014 (as of June 30, 2014) | 200,000 | 2,305 | — | — | Fiscal 2014 (as of June 30, 2014) | 200,000 | 2,305 | — | — |
| Fiscal 2013 (as of June 30, 2013) | | 200,000 | 2,578 | — | — | | | | | |
| 2019 Notes(9) | 2019 Notes(9) | | | | | 2019 Notes(9) | | | | |
| Fiscal 2018 (as of June 30, 2018) | Fiscal 2018 (as of June 30, 2018) | \$ 101,647 | \$ 2,452 | — | — | 30, 2018) | \$ 101,647 | \$ 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | Fiscal 2017 (as of June 30, 2017) | 200,000 | 2,251 | — | — | 30, 2017) | 200,000 | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | Fiscal 2016 (as of June 30, 2016) | 200,000 | 2,269 | — | — | 30, 2016) | 200,000 | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | Fiscal 2015 (as of June 30, 2015) | 200,000 | 2,241 | — | — | 30, 2015) | 200,000 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | Fiscal 2014 (as of June 30, 2014) | 200,000 | 2,305 | — | — | 30, 2014) | 200,000 | 2,305 | — | — |
| Fiscal 2013 (as of June 30, 2013) | | 200,000 | 2,578 | — | — | | | | | |
| 5.00% 2019 Notes(10) | 5.00% 2019 Notes(10) | | | | | 5.00% 2019 Notes(10) | | | | |
| Fiscal 2018 (as of June 30, 2018) | Fiscal 2018 (as of June 30, 2018) | \$ 153,536 | \$ 2,452 | — | — | 30, 2018) | \$ 153,536 | \$ 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | Fiscal 2017 (as of June 30, 2017) | 300,000 | 2,251 | — | — | 30, 2017) | 300,000 | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | Fiscal 2016 (as of June 30, 2016) | 300,000 | 2,269 | — | — | 30, 2016) | 300,000 | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | Fiscal 2015 (as of June 30, 2015) | 300,000 | 2,241 | — | — | 30, 2015) | 300,000 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | Fiscal 2014 (as of June 30, 2014) | 300,000 | 2,305 | — | — | 30, 2014) | 300,000 | 2,305 | — | — |
| 2020 Notes(13) | 2020 Notes(13) | | | | | 2020 Notes(13) | | | | |
| Fiscal 2019 (as of June 30, 2019) | Fiscal 2019 (as of June 30, 2019) | \$ 224,114 | \$ 2,365 | — | — | 30, 2019) | \$ 224,114 | \$ 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | Fiscal 2018 (as of June 30, 2018) | 392,000 | 2,452 | — | — | 30, 2018) | 392,000 | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | Fiscal 2017 (as of June 30, 2017) | 392,000 | 2,251 | — | — | 30, 2017) | 392,000 | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | Fiscal 2016 (as of June 30, 2016) | 392,000 | 2,269 | — | — | 30, 2016) | 392,000 | 2,269 | — | — |

| | | | | | | | | | | |
|--------------------------------------|--------------------------------------|---------|-------|---|---|--------------------------------------|------------|----------|---|----------|
| Fiscal 2015 (as of June 30, 2015) | Fiscal 2015 (as of June 30, 2015) | 392,000 | 2,241 | — | — | Fiscal 2015 (as of June 30, 2015) | 392,000 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | | | | | | Fiscal 2014 (as of June 30, 2014) | 400,000 | 2,305 | — | — |
| 6.95% 2022 Notes(8) | | | | | | 6.95% 2022 Notes(8) | | | | |
| Fiscal 2014 (as of June 30, 2014) | | | | | | Fiscal 2014 (as of June 30, 2014) | \$ 100,000 | \$ 2,305 | — | \$ 1,038 |
| 2022 Notes | | | | | | 2022 Notes | | | | |
| Fiscal 2022 (as of June 30, 2022) | | | | | | Fiscal 2022 (as of June 30, 2022) | \$ 60,501 | \$ 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | | | | | Fiscal 2021 (as of June 30, 2021) | 111,055 | 2,740 | — | — |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | | | | | | | | | | |
|-----------------------------------|----------------------|----------|---|----------|--------------------------------------|------------|----------|---|---|--|
| Fiscal 2014 (as of June 30, 2014) | 400,000 | 2,305 | — | — | | | | | | |
| 6.95% 2022 Notes(8) | | | | | | | | | | |
| Fiscal 2014 (as of June 30, 2014) | \$ 100,000 | \$ 2,305 | — | \$ 1,038 | | | | | | |
| Fiscal 2013 (as of June 30, 2013) | 100,000 | 2,578 | — | 1,036 | | | | | | |
| 2022 Notes | | | | | | | | | | |
| Fiscal 2022 (as of June 30, 2022) | \$ 60,501 | \$ 2,733 | — | — | | | | | | |
| Fiscal 2021 (as of June 30, 2021) | 111,055 | 2,740 | — | — | | | | | | |
| Fiscal 2020 (as of June 30, 2020) | 258,240 | 2,408 | — | — | Fiscal 2020 (as of June 30, 2020) | 258,240 | 2,408 | — | — | |
| Fiscal 2019 (as of June 30, 2019) | 328,500 | 2,365 | — | — | Fiscal 2019 (as of June 30, 2019) | 328,500 | 2,365 | — | — | |
| Fiscal 2018 (as of June 30, 2018) | 328,500 | 2,452 | — | — | Fiscal 2018 (as of June 30, 2018) | 328,500 | 2,452 | — | — | |
| Fiscal 2017 (as of June 30, 2017) | 225,000 | 2,251 | — | — | Fiscal 2017 (as of June 30, 2017) | 225,000 | 2,251 | — | — | |
| 2023 | 2023 | | | | 2023 | | | | | |
| Notes(11)(18) | Notes(11)(18) | | | | Notes(11)(18) | | | | | |
| Fiscal 2022 (as of June 30, 2022) | 284,219 | 2,733 | — | — | Fiscal 2022 (as of June 30, 2022) | \$ 284,219 | \$ 2,733 | — | — | |
| Fiscal 2021 (as of June 30, 2021) | 284,219 | 2,740 | — | — | Fiscal 2021 (as of June 30, 2021) | 284,219 | 2,740 | — | — | |
| Fiscal 2020 (as of June 30, 2020) | 319,145 | 2,408 | — | — | Fiscal 2020 (as of June 30, 2020) | 319,145 | 2,408 | — | — | |

| | | | | | | | | | | | |
|---|--|------------|----------|---|--------|---|------------|----------|---|--------|---|
| Fiscal 2019 (as of June 30, 2019) | Fiscal 2019 (as of June 30, 2019) | 318,863 | 2,365 | — | — | Fiscal 2019 (as of June 30, 2019) | 318,863 | 2,365 | — | — | — |
| Fiscal 2018 (as of June 30, 2018) | Fiscal 2018 (as of June 30, 2018) | 318,675 | 2,452 | — | — | Fiscal 2018 (as of June 30, 2018) | 318,675 | 2,452 | — | — | — |
| Fiscal 2017 (as of June 30, 2017) | Fiscal 2017 (as of June 30, 2017) | 248,507 | 2,251 | — | — | Fiscal 2017 (as of June 30, 2017) | 248,507 | 2,251 | — | — | — |
| Fiscal 2016 (as of June 30, 2016) | Fiscal 2016 (as of June 30, 2016) | 248,293 | 2,269 | — | — | Fiscal 2016 (as of June 30, 2016) | 248,293 | 2,269 | — | — | — |
| Fiscal 2015 (as of June 30, 2015) | Fiscal 2015 (as of June 30, 2015) | 248,094 | 2,241 | — | — | Fiscal 2015 (as of June 30, 2015) | 248,094 | 2,241 | — | — | — |
| Fiscal 2014 (as of June 30, 2014) | Fiscal 2014 (as of June 30, 2014) | 247,881 | 2,305 | — | — | Fiscal 2014 (as of June 30, 2014) | 247,881 | 2,305 | — | — | — |
| Fiscal 2013 (as of June 30, 2013) | | 247,725 | 2,578 | — | — | | | | | | |
| 2024 Notes(14) | 2024 Notes(14) | | | | | 2024 Notes(14) | | | | | |
| Fiscal 2020 (as of June 30, 2020) | Fiscal 2020 (as of June 30, 2020) | \$ 233,788 | \$ 2,408 | — | \$ 959 | Fiscal 2020 (as of June 30, 2020) | \$ 233,788 | \$ 2,408 | — | \$ 959 | |
| Fiscal 2019 (as of June 30, 2019) | Fiscal 2019 (as of June 30, 2019) | 234,443 | 2,365 | — | 1,002 | Fiscal 2019 (as of June 30, 2019) | 234,443 | 2,365 | — | 1,002 | |
| Fiscal 2018 (as of June 30, 2018) | Fiscal 2018 (as of June 30, 2018) | 199,281 | 2,452 | — | 1,029 | Fiscal 2018 (as of June 30, 2018) | 199,281 | 2,452 | — | 1,029 | |
| Fiscal 2017 (as of June 30, 2017) | Fiscal 2017 (as of June 30, 2017) | 199,281 | 2,251 | — | 1,027 | Fiscal 2017 (as of June 30, 2017) | 199,281 | 2,251 | — | 1,027 | |
| Fiscal 2016 (as of June 30, 2016) | Fiscal 2016 (as of June 30, 2016) | 161,364 | 2,269 | — | 951 | Fiscal 2016 (as of June 30, 2016) | 161,364 | 2,269 | — | 951 | |
| 6.375% 2024 Notes(11) | 6.375% 2024 Notes(11) | | | | | 6.375% 2024 Notes(11) | | | | | |
| Fiscal 2023 (as of March 31, 2023) | | \$ 81,240 | \$ 3,062 | — | — | | | | | | |
| Fiscal 2024 (as of September 30, 2023) | | | | | | Fiscal 2024 (as of September 30, 2023) | \$ 81,240 | \$ 3,087 | — | — | — |
| Fiscal 2023 (as of June 30, 2023) | | | | | | Fiscal 2023 (as of June 30, 2023) | 81,240 | 2,970 | — | — | — |
| Fiscal 2022 (as of June 30, 2022) | Fiscal 2022 (as of June 30, 2022) | 81,240 | 2,733 | — | — | Fiscal 2022 (as of June 30, 2022) | 81,240 | 2,733 | — | — | — |
| Fiscal 2021 (as of June 30, 2021) | Fiscal 2021 (as of June 30, 2021) | 81,389 | 2,740 | — | — | Fiscal 2021 (as of June 30, 2021) | 81,389 | 2,740 | — | — | — |
| Fiscal 2020 (as of June 30, 2020) | Fiscal 2020 (as of June 30, 2020) | 99,780 | 2,408 | — | — | Fiscal 2020 (as of June 30, 2020) | 99,780 | 2,408 | — | — | — |

| | | | | | | | | | | |
|--|--------------------------------------|------------|----------|---|---|---|------------|----------|---|---|
| Fiscal 2019 (as of June 30, 2019) | Fiscal 2019 (as of June 30, 2019) | 99,726 | 2,365 | — | — | Fiscal 2019 (as of June 30, 2019) | 99,726 | 2,365 | — | — |
| <u>2025 Notes</u> | | | | | | | | | | |
| Fiscal 2023 (as of March 31, 2023) | | \$ 156,168 | \$ 3,062 | — | — | | | | | |
| Fiscal 2024 (as of September 30, 2023) | | | | | | Fiscal 2024 (as of September 30, 2023) | \$ 156,168 | \$ 3,087 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | | | | | | | | | |
| Fiscal 2022 (as of June 30, 2022) | Fiscal 2022 (as of June 30, 2022) | 156,168 | 2,733 | — | — | Fiscal 2022 (as of June 30, 2022) | 156,168 | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | Fiscal 2021 (as of June 30, 2021) | 156,168 | 2,740 | — | — | Fiscal 2021 (as of June 30, 2021) | 156,168 | 2,740 | — | — |
| Fiscal 2020 (as of June 30, 2020) | Fiscal 2020 (as of June 30, 2020) | 201,250 | 2,408 | — | — | Fiscal 2020 (as of June 30, 2020) | 201,250 | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | Fiscal 2019 (as of June 30, 2019) | 201,250 | 2,365 | — | — | Fiscal 2019 (as of June 30, 2019) | 201,250 | 2,365 | — | — |
| <u>2026 Notes</u> | | | | | | | | | | |
| Fiscal 2023 (as of March 31, 2023) | | \$ 400,000 | \$ 3,062 | — | — | | | | | |
| Fiscal 2024 (as of September 30, 2023) | | | | | | Fiscal 2024 (as of September 30, 2023) | \$ 400,000 | \$ 3,087 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | | | | | | | | | |
| Fiscal 2022 (as of June 30, 2022) | Fiscal 2022 (as of June 30, 2022) | 400,000 | 2,733 | — | — | Fiscal 2022 (as of June 30, 2022) | 400,000 | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | Fiscal 2021 (as of June 30, 2021) | 400,000 | 2,740 | — | — | Fiscal 2021 (as of June 30, 2021) | 400,000 | 2,740 | — | — |
| <u>3.364% 2026 Notes</u> | <u>3.364% 2026 Notes</u> | | | | | <u>3.364% 2026 Notes</u> | | | | |
| Fiscal 2024 (as of September 30, 2023) | | | | | | Fiscal 2024 (as of September 30, 2023) | \$ 300,000 | \$ 3,087 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | | | | | | | | | |
| Fiscal 2022 (as of June 30, 2022) | Fiscal 2022 (as of June 30, 2022) | | | | | Fiscal 2022 (as of June 30, 2022) | 300,000 | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | Fiscal 2021 (as of June 30, 2021) | | | | | Fiscal 2021 (as of June 30, 2021) | 300,000 | 2,740 | — | — |
| <u>3.437% 2028 Notes</u> | <u>3.437% 2028 Notes</u> | | | | | <u>3.437% 2028 Notes</u> | | | | |

| | | | | | | |
|---|--|---|------------|----------|---|---|
| Fiscal 2024 (as of September 30, 2023) | | Fiscal 2024 (as of September 30, 2023) | \$ 300,000 | \$ 3,087 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | Fiscal 2023 (as of June 30, 2023) | 300,000 | 2,970 | — | — |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | | | | |
|---|--------------|----------|-------|----------|
| Fiscal 2023 (as of March 31, 2023) | \$ 300,000 | \$ 3,062 | — | — |
| Fiscal 2022 (as of June 30, 2022) | 300,000 | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | 300,000 | 2,740 | — | — |
| <u>3.437% 2028 Notes</u> | | | | |
| Fiscal 2023 (as of March 31, 2023) | \$ 300,000 | \$ 3,062 | — | — |
| Fiscal 2022 (as of June 30, 2022) | 300,000 | 2,733 | — | — |
| <u>2028 Notes(15)</u> | | | | |
| Fiscal 2020 (as of June 30, 2020) | \$ 70,761 | \$ 2,408 | — | \$ 950 |
| Fiscal 2019 (as of June 30, 2019) | 70,761 | 2,365 | — | 984 |
| Fiscal 2018 (as of June 30, 2018) | 55,000 | 2,452 | — | 1,004 |
| <u>2029 Notes(16)</u> | | | | |
| Fiscal 2021 (as of June 30, 2021) | \$ 69,170 | \$ 2,740 | — | \$ 1,028 |
| Fiscal 2020 (as of June 30, 2020) | 69,170 | 2,408 | — | 970 |
| Fiscal 2019 (as of June 30, 2019) | 69,170 | 2,365 | — | 983 |
| <u>Prospect Capital InterNotes®</u> | | | | |
| Fiscal 2023 (as of March 31, 2023) | \$ 355,464 | \$ 3,062 | — | — |
| Fiscal 2022 (as of June 30, 2022) | 347,564 | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | 508,711 | 2,740 | — | — |
| Fiscal 2020 (as of June 30, 2020) | 680,229 | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | 707,699 | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | 760,924 | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | 980,494 | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | 908,808 | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | 827,442 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | 785,670 | 2,305 | — | — |
| Fiscal 2013 (as of June 30, 2013) | 363,777 | 2,578 | — | — |
| <u>6.50% Preferred Stock</u> | | | | |
| Fiscal 2023 (as of March 31, 2023) | \$ 421,870 | \$ 48 | \$ 25 | — |
| <u>5.50% Preferred Stock</u> | | | | |
| Fiscal 2023 (as of March 31, 2023) | \$ 879,458 | \$ 48 | \$ 25 | — |
| Fiscal 2022 (as of June 30, 2022) | 590,197 | 54 | 25 | — |
| Fiscal 2021 (as of June 30, 2021) | 137,040 | 65 | 25 | — |
| <u>5.35% Preferred Stock</u> | | | | |
| Fiscal 2023 (as of March 31, 2023) | \$ 150,000 | \$ 48 | \$ 25 | \$ 15.96 |
| Fiscal 2022 (as of June 30, 2022) | 150,000 | 54 | 25 | 21.08 |
| <u>All Senior Securities(11)(12)</u> | | | | |
| Fiscal 2023 (as of March 31, 2023) | \$ 3,932,605 | \$ 1,932 | — | — |

| | | | | |
|-----------------------------------|-----------|-------|---|---|
| Fiscal 2022 (as of June 30, 2022) | 3,509,353 | 2,156 | — | — |
| Fiscal 2021 (as of June 30, 2021) | 2,404,689 | 2,584 | — | — |
| Fiscal 2020 (as of June 30, 2020) | 2,169,899 | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | 2,421,526 | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | 2,346,563 | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | 2,681,435 | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | 2,707,465 | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | 2,983,736 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | 2,773,051 | 2,305 | — | — |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | | | | |
|--|------------|----------|-------|----------|
| Fiscal 2013 (as of June 30, 2013) | 1,683,002 | 2,578 | — | — |
| Fiscal 2022 (as of June 30, 2022) | 300,000 | 2,733 | — | — |
| <u>2028 Notes(15)</u> | | | | |
| Fiscal 2020 (as of June 30, 2020) | \$ 70,761 | \$ 2,408 | — | \$ 950 |
| Fiscal 2019 (as of June 30, 2019) | 70,761 | 2,365 | — | 984 |
| Fiscal 2018 (as of June 30, 2018) | 55,000 | 2,452 | — | 1,004 |
| <u>2029 Notes(16)</u> | | | | |
| Fiscal 2021 (as of June 30, 2021) | \$ 69,170 | \$ 2,740 | — | \$ 1,028 |
| Fiscal 2020 (as of June 30, 2020) | 69,170 | 2,408 | — | 970 |
| Fiscal 2019 (as of June 30, 2019) | 69,170 | 2,365 | — | 983 |
| <u>Prospect Capital InterNotes®</u> | | | | |
| Fiscal 2024 (as of September 30, 2023) | \$ 358,834 | \$ 3,087 | — | — |
| Fiscal 2023 (as of June 30, 2023) | 358,105 | 2,970 | — | — |
| Fiscal 2022 (as of June 30, 2022) | 347,564 | 2,733 | — | — |
| Fiscal 2021 (as of June 30, 2021) | 508,711 | 2,740 | — | — |
| Fiscal 2020 (as of June 30, 2020) | 680,229 | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | 707,699 | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | 760,924 | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | 980,494 | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | 908,808 | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | 827,442 | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | 785,670 | 2,305 | — | — |
| <u>6.50% Preferred Stock</u> | | | | |
| Fiscal 2024 (as of September 30, 2023) | \$ 612,322 | \$ 47 | \$ 25 | — |
| Fiscal 2023 (as of June 30, 2023) | 533,216 | 47 | 25 | — |
| <u>5.50% Preferred Stock</u> | | | | |
| Fiscal 2024 (as of September 30, 2023) | \$ 852,486 | \$ 47 | \$ 25 | — |
| Fiscal 2023 (as of June 30, 2023) | 870,268 | 47 | 25 | — |
| Fiscal 2022 (as of June 30, 2022) | 590,197 | 54 | 25 | — |
| Fiscal 2021 (as of June 30, 2021) | 137,040 | 65 | 25 | — |
| <u>5.35% Preferred Stock</u> | | | | |
| Fiscal 2024 (as of September 30, 2023) | \$ 147,509 | \$ 47 | \$ 25 | \$ 15.59 |
| Fiscal 2023 (as of June 30, 2023) | 149,066 | 47 | 25 | 15.98 |

| | | | | | | |
|--|----|-----------|----|-------|----|-------|
| Fiscal 2022 (as of June 30, 2022) | | 150,000 | 54 | \$ | 25 | 21.08 |
| All Senior Securities(1)(12) | | | | | | |
| Fiscal 2024 (as of September 30, 2023) | \$ | 4,123,580 | \$ | 1,880 | — | — |
| Fiscal 2023 (as of June 30, 2023) | | 4,162,766 | | 1,862 | — | — |
| Fiscal 2022 (as of June 30, 2022) | | 3,509,353 | | 2,156 | — | — |
| Fiscal 2021 (as of June 30, 2021) | | 2,404,689 | | 2,584 | — | — |
| Fiscal 2020 (as of June 30, 2020) | | 2,169,899 | | 2,408 | — | — |
| Fiscal 2019 (as of June 30, 2019) | | 2,421,526 | | 2,365 | — | — |
| Fiscal 2018 (as of June 30, 2018) | | 2,346,563 | | 2,452 | — | — |
| Fiscal 2017 (as of June 30, 2017) | | 2,681,435 | | 2,251 | — | — |
| Fiscal 2016 (as of June 30, 2016) | | 2,707,465 | | 2,269 | — | — |
| Fiscal 2015 (as of June 30, 2015) | | 2,983,736 | | 2,241 | — | — |
| Fiscal 2014 (as of June 30, 2014) | | 2,773,051 | | 2,305 | — | — |

(1) Except as noted, the total amount of each class of senior securities outstanding at the end of the year/period presented (in 000's).

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

(2) The asset coverage ratio for a class of secured senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by secured senior securities representing indebtedness. The asset coverage ratio for a class of unsecured senior securities representing indebtedness is inclusive of all senior securities representing indebtedness. With respect to the senior securities represented by indebtedness, this asset coverage ratio is multiplied by \$1,000 to determine the Asset Coverage Per Unit. The asset coverage ratio for a class of senior securities representing preferred stock is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by the sum of all senior securities representing indebtedness and the involuntary liquidation preference of senior securities representing preferred stock (the "Total Asset Coverage Ratio"). With respect to the Preferred Stock, the Asset Coverage Per Unit figure is expressed in terms of a dollar amount per share of outstanding Preferred Stock (based on a per share liquidation preference of \$25). The rows reflecting "All Senior Securities" reflect the Total Asset Coverage Ratio as the asset coverage ratio, and express Asset Coverage Per Unit as per \$1,000 of indebtedness or per \$1,000 of Preferred Stock liquidation preference.

(3) This column is inapplicable, except for the 6.95% 2022 Notes, the 2024 Notes, the 2028 Notes, the 2029 Notes, and the 5.35% Preferred Stock. The average market value per unit is calculated as an average of quarter-end prices. With respect to the senior securities represented by indebtedness, the market value is shown per \$1,000 of indebtedness.

(4) We repaid the outstanding principal amount of the 2015 Notes on December 15, 2015.

(5) We repaid the outstanding principal amount of the 2016 Notes on August 15, 2016.

(6) We repaid the outstanding principal amount of the 2017 Notes on October 15, 2017.

(7) We repaid the outstanding principal amount of the 2018 Notes on March 15, 2018.

(8) We redeemed the 6.95% 2022 Notes on May 15, 2015.

(9) We repaid the outstanding principal amount of the 2019 Notes on January 15, 2019.

(10) We redeemed the 5.00% 2019 Notes on September 26, 2018.

(11) For the fiscal years ended June 30, 2020 or prior, the 2023 Notes and 6.375% 2024 Notes are presented net of unamortized discount.

(12) While we do not consider commitments to fund under revolving arrangements to be Senior Securities, if we were to elect to treat such unfunded commitments, which were **\$54,133** **\$27,316** as of **March 31, 2023** **September 30, 2023** as Senior Securities for purposes of Section 18 of the 1940 Act, our asset coverage per unit would be **\$1,906** **\$1,868**.

(13) We repaid the outstanding principal amount of the 2020 Notes on April 15, 2020.

(14) We redeemed the 2024 Notes on February 16, 2021.

(15) We redeemed the 2028 Notes on June 15, 2021.

(16) We redeemed the 2029 Notes on December 30, 2021.

(17) We redeemed the 2022 Notes on July 15, 2022.

(18) We redeemed the 2023 Notes on March 15, 2023.

The following table shows our outstanding debt as of **March 31, 2023** **September 30, 2023**:

| | Unamortized Discount & | | | | | Unamortized Discount & | | | | | E | |
|---------------------------------|------------------------------|---------------|--------------------------|------------|-------------------------------|---------------------------|--------------------------|------------------------------|--------------------------|------------|------------|----------|
| | Principal Outstanding | Debt Costs | Net Carrying Value | Fair Value | Effective Interest Rate | 1M | Principal Outstanding | Debt Costs | Net Carrying Value | Fair Value | | |
| | | | | | | | | | | | | |
| Revolving Credit Facility | Revolving Credit Facility | \$ 888,405 | \$ 14,842 | \$ 888,405 | \$ 888,405 | (1) | (2) SOFR 2.05% (5) | Revolving Credit Facility | \$ 915,021 | \$ 14,906 | \$ 915,021 | (1) |
| | | | | | | | | | | | | (2) SOFR |

| | | | | | | | | | | | | | |
|------------------------------|------------------------------|---------------------|-------|--------------------|------------------------|-------|-----|------------------------------|---------------------|-------|--------------------|------------------------|----|
| 2025 Notes | 2025 Notes | 156,168 | 1,802 | 154,366 | 153,833 ⁽³⁾ | 6.63% | (6) | 2025 Notes | 156,168 | 1,350 | 154,818 | 155,620 ⁽³⁾ | 6. |
| Convertible Notes | Convertible Notes | 156,168 | | 154,366 | 153,833 | | | Convertible Notes | 156,168 | | 154,818 | 155,620 | |
| 2024 | | | | | | | | 2024 | | | | | |
| 6.375% | 6.375% Notes | 81,240 | 161 | 81,079 | 81,065 ⁽³⁾ | 6.57% | (6) | 6.375% Notes | 81,240 | 59 | 81,181 | 80,966 ⁽³⁾ | 6. |
| 2026 Notes | 2026 Notes | 400,000 | 5,720 | 394,280 | 354,504 ⁽³⁾ | 3.98% | (6) | 2026 Notes | 400,000 | 4,756 | 395,244 | 361,988 ⁽³⁾ | 3. |
| 2026 | | | | | | | | 2026 | | | | | |
| 3.364% | 3.364% Notes | 300,000 | 5,059 | 294,941 | 252,930 ⁽³⁾ | 3.60% | (6) | 3.364% Notes | 300,000 | 4,399 | 295,601 | 259,665 ⁽³⁾ | 3. |
| 2028 | | | | | | | | 2028 | | | | | |
| 3.437% | 3.437% Notes | 300,000 | 7,325 | 292,675 | 230,055 ⁽³⁾ | 3.64% | (6) | 3.437% Notes | 300,000 | 6,715 | 293,285 | 235,203 ⁽³⁾ | 3. |
| Public Notes | Public Notes | 1,081,240 | | 1,062,975 | 918,554 | | | Public Notes | 1,081,240 | | 1,065,311 | 937,822 | |
| Prospect Capital InterNotes® | Prospect Capital InterNotes® | 355,464 | 6,817 | 348,647 | 314,017 | 5.76% | (7) | Prospect Capital InterNotes® | 358,834 | 6,510 | 352,324 | 299,739 | 5. |
| Total | Total | \$ 2,481,277 | | \$2,454,393 | \$2,274,809 | | | Total | \$ 2,511,263 | | \$2,487,474 | \$2,308,202 | |

(1) Net Carrying Value excludes deferred financing costs associated with the Revolving Credit Facility. See Note 2 for accounting policy details.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

(2) The fair value of the Revolving Credit Facility is equal to its carrying value as because the Company has the ability revolver is a floating rate facility that reprices to repay the outstanding principal at par value at any time, a market rate frequently. The fair value is categorized as Level 2 under ASC 820.

(3) We use available market quotes to estimate the fair value of the Convertible Notes and Public Notes. The fair value of these debt obligations are categorized as Level 1 under ASC 820.

PROSPECT CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

(in thousands, except share and per share data)

(4) The fair value of Prospect Capital InterNotes® is estimated by discounting remaining payments using current Treasury rates plus spread based on observable market inputs. The fair value of these debt obligations are categorized as Level 2 under ASC 820.

(5) Represents the rate on drawn down and outstanding balances. Deferred debt issuance costs are amortized on a straight-line method over the stated life of the obligation.

(6) The effective interest rate is equal to the effect of the stated interest, the accretion of original issue discount and amortization of debt issuance costs.

(7) For the Prospect Capital InterNotes®, the rate presented is the weighted average effective interest rate. Interest expense and deferred debt issuance costs, which are amortized on a straight-line method over the stated life of the obligation which approximates level yield, are weighted against the average year-to-date principal balance.

The following table shows our outstanding debt as of **June 30, 2022** **June 30, 2023**:

| | | Unamortized Discount & | | | | | Unamortized Discount & | | | | | 1M SOFR | |
|---------------------------|---------------------------|------------------------|---------------------|--------------------|------------------------|-------------------------|------------------------|---------------------|--------------------|------------------|------------------------|---------|--|
| | | Principal Outstanding | Debt Issuance Costs | Net Carrying Value | Fair Value | Effective Interest Rate | Principal Outstanding | Debt Issuance Costs | Net Carrying Value | Fair Value | | | |
| | | | | | | | | | | | | | |
| Revolving Credit Facility | Revolving Credit Facility | \$ 839,464 | \$ 10,801 | \$ 839,464 | \$ 839,464 | (1) + 2.05 % (5) | \$ 1,014,703 | \$ 15,569 | \$ 1,014,703 | (1) \$ 1,014,703 | (2) + 2 | | |
| 2022 Notes | | 60,501 | 18 | 60,483 | 60,753 ⁽³⁾ | 5.63% ⁽⁶⁾ | | | | | | | |
| 2025 Notes | 2025 Notes | 156,168 | 2,459 | 153,709 | 158,094 ⁽³⁾ | 6.63% ⁽⁶⁾ | 2025 Notes | 156,168 | 1,577 | 154,591 | 154,107 ⁽³⁾ | 6 | |
| Convertible Notes | Convertible Notes | 216,669 | | 214,192 | 218,847 | | Convertible Notes | 156,168 | | 154,591 | 154,107 | | |
| 2023 Notes | | 284,219 | 600 | 283,619 | 286,101 ⁽³⁾ | 6.07% ⁽⁶⁾ | | | | | | | |
| 6.375% | 6.375% | 81,240 | 299 | 80,941 | 82,084 ⁽³⁾ | 6.57% ⁽⁶⁾ | 6.375% Notes | 81,240 | 108 | 81,132 | 80,818 ⁽³⁾ | 6 | |
| 2026 Notes | 2026 Notes | 400,000 | 7,134 | 392,866 | 355,316 ⁽³⁾ | 3.98% ⁽⁶⁾ | 2026 Notes | 400,000 | 5,244 | 394,756 | 354,896 ⁽³⁾ | 3 | |

| | | | | | | | | | | | | | | |
|------------------|------------------|---------------------|-------|--------------------|--------------------|-----|-------|-----|------------------|---------------------|-------|--------------------|--------------------|-----|
| | | 2026 | | | | | | | 2026 | | | | | |
| 3.364% | 3.364% Notes | 300,000 | 6,026 | 293,974 | 254,931 | (3) | 3.60% | (6) | 3.364% Notes | 300,000 | 4,730 | 295,270 | 252,282 | (3) |
| | | 2028 | | | | | | | 2028 | | | | | |
| 3.437% | 3.437% Notes | 300,000 | 8,222 | 291,778 | 229,866 | (3) | 3.64% | (6) | 3.437% Notes | 300,000 | 7,021 | 292,979 | 230,472 | (3) |
| Public Notes | Public Notes | 1,365,459 | | 1,343,178 | 1,208,298 | | | | Public Notes | 1,081,240 | | 1,064,137 | 918,468 | |
| Prospect Capital | Prospect Capital | | | | | | | | Prospect Capital | | | | | |
| InterNotes® | InterNotes® | 347,564 | 7,122 | 340,442 | 285,822 | (4) | 5.71% | (7) | InterNotes® | 358,105 | 6,688 | 351,417 | 313,538 | (4) |
| Total | Total | \$ 2,769,156 | | \$2,737,276 | \$2,552,431 | | | | Total | \$ 2,610,216 | | \$2,584,848 | \$2,400,816 | |

(1) Net Carrying Value excludes deferred financing costs associated with the Revolving Credit Facility. See Note 2 for accounting policy details.

(2) The fair value of the Revolving Credit Facility is equal to its carrying value as because the Company has the ability revolver is a floating rate facility that reprices to repay the outstanding principal at par value at any time, a market rate frequently. The fair value is categorized as Level 2 under ASC 820.

(3) We use available market quotes to estimate the fair value of the Convertible Notes and Public Notes. The fair value of these debt obligations are categorized as Level 1 under ASC 820.

(4) The fair value of Prospect Capital InterNotes® is estimated by discounting remaining payments using current Treasury rates plus spread based on observable market inputs. The fair value of these debt obligations are categorized as Level 2 under ASC 820.

(5) Represents the rate on drawn down and outstanding balances. Deferred debt issuance costs are amortized on a straight-line method over the stated life of the obligation.

(6) The effective interest rate is equal to the effect of the stated interest, the accretion of original issue discount and amortization of debt issuance costs.

(7) For the Prospect Capital InterNotes®, the rate presented is the weighted average effective interest rate. Interest expense and deferred debt issuance costs, which are amortized on a straight-line method over the stated life of the obligation which approximates level yield, are weighted against the average year-to-date principal balance.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

The following table shows the contractual maturities by fiscal year of our Revolving Credit Facility, Convertible Notes, Public Notes and Prospect Capital InterNotes® as of **March 31, 2023** September 30, 2023:

| | | Payments Due by Fiscal Year ending June 30, | | | | | | | Payments Due by Fiscal Year ending Ju | | | | | |
|--------------------------------------|--------------------------------------|---|-------------|-----------------|------------------|------------------|------------------|--------------------|---------------------------------------|--------------------|------------------|------------------|------------------|--|
| | | Remainder | | After 5 | | | | | Remainder | | After 5 | | | |
| | | Total | of 2023 | 2024 | 2025 | 2026 | 2027 | | Total | of 2024 | 2025 | 2026 | 2027 | |
| Revolving Credit Facility | Revolving Credit Facility | \$ 888,405 | \$ — | \$ — | \$ — | \$ — | \$ — | 888,405 | Revolving Credit Facility | \$ 915,021 | \$ — | \$ — | \$ — | |
| Convertible Notes | Convertible Notes | 156,168 | — | — | 156,168 | — | — | — | Convertible Notes | 156,168 | — | 156,168 | — | |
| Public Notes | Public Notes | 1,081,240 | — | 81,240 | — | 400,000 | 300,000 | 300,000 | Public Notes | 1,081,240 | 81,240 | — | 400,000 | |
| Prospect Capital InterNotes® | Prospect Capital InterNotes® | 355,464 | — | 662 | 1,499 | 36,657 | 74,632 | 242,014 | Prospect Capital InterNotes® | 358,834 | 662 | 1,499 | 38,847 | |
| Total Contractual Obligations | Total Contractual Obligations | \$2,481,277 | \$ — | \$81,902 | \$157,667 | \$436,657 | \$374,632 | \$1,430,419 | Total Contractual Obligations | \$2,511,263 | \$ 81,902 | \$157,667 | \$438,847 | |
| | | | | | | | | | | | | | \$375,465 | |

We may from time to time seek to cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including secured debt, unsecured debt and/or debt securities convertible into common stock. Any such purchases or exchanges of outstanding debt would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors.

Note 9. Equity Offerings, Offering Expenses, and Distributions

On **February 13, 2020** **February 10, 2023**, we filed a registration statement on Form N-2 (File No. **333-236415** **333-269714**) that was effective upon filing pursuant to Rule 462(e) under the Securities Act, as permitted and which replaced our previously effective registration statement on Form N-2 that had been filed on **February 13, 2020** and which was also effective upon filing pursuant to Rule 462(e) under the **Small Business Credit Availability** Securities Act. The registration statement permits us to issue, through one or more transactions, an indeterminate amount of securities, consisting of common stock, preferred stock, debt securities, subscription rights to purchase our securities, warrants representing rights to purchase our securities or separately tradable units combining two or more of our securities.

Preferred Stock

On August 3, 2020, we entered into a Dealer Manager Agreement with Preferred Capital Securities, LLC ("PCS"), as amended on June 9, 2022, October 7, 2022 and February 10, 2023, pursuant to which PCS has agreed to serve as the Company's agent, principal distributor and dealer manager for the Company's offering of up to 72,000,000 shares, par value \$0.001 per share, of preferred stock, with a liquidation preference of \$25.00 per share. Such preferred stock will initially be issued in multiple series, including the 5.50% Series A1 Preferred Stock ("Series A1 Preferred Stock"), the 5.50% Series M1 Preferred Stock ("Series M1 Preferred Stock"), the 5.50% Series M2 Preferred Stock ("Series M2 Preferred Stock"), the 6.50% Series A3 Preferred Stock ("Series A3 Preferred Stock"), and the 6.50% Series M3 Preferred Stock ("Series M3 Preferred Stock"). In connection with such offering, on August 3, 2020, June 9, 2022, October 11, 2022 and February 10, 2023 we filed Articles Supplementary with the State Department of Assessments and Taxation of Maryland ("SDAT"), reclassifying and designating 120,000,000, 60,000,000, 120,000,000, and 60,000,000 shares, respectively, of the Company's authorized and unissued shares of common stock into shares of preferred stock as "Convertible Preferred Stock."

On October 30, 2020, and as amended on February 18, 2022, October 7, 2022 and October 7, 2022 February 10, 2023, we entered into a Dealer Manager Agreement with InspereX LLC, pursuant to which InspereX LLC has agreed to serve as the Company's agent and dealer manager for the Company's offering of up to 10,000,000 shares, par value \$0.001 per share, of preferred stock, with a liquidation preference of \$25.00 per share. Such preferred stock will initially be issued in multiple series, including the 5.50% Series AA1 Preferred Stock (the "Series AA1 Preferred Stock"), the 5.50% Series MM1 Preferred Stock (the "Series MM1 Preferred Stock"), the 6.50% Series AA2 Preferred Stock (the "Series AA2 Preferred Stock"), and the 6.50% Series MM2 Preferred Stock (the "Series MM2 Preferred Stock" and together with the Series M1 Preferred Stock, the Series M2 Preferred Stock, the Series M3 Preferred Stock, and the Series MM1 Preferred Stock, the "Series M Preferred Stock", and the Series MM2 Preferred Stock, together with the Series AA2 Preferred Stock, the Series A3 Preferred Stock and the Series M3 Preferred Stock, the "6.50% Preferred Stock"). In connection with such offering, on October 30, 2020, February 17, 2022, and October 11, 2022, we filed Articles Supplementary with the SDAT, reclassifying and designating an additional 80,000,000 shares of the Company's authorized and unissued shares of common stock into shares of preferred stock as Convertible Preferred Stock. On May 19, 2021, we entered into an Underwriting Agreement with UBS Securities LLC, relating to the offer and sale of 187,000 shares, par value \$0.001 per share, of 5.50% Series A2 Preferred Stock, with a liquidation preference of \$25.00 per share (the "Series A2 Preferred Stock", and together with the Series A1 Preferred Stock, Series M1 Preferred Stock, Series M2 Preferred Stock, Series AA1 Preferred Stock, and Series MM1 Preferred Stock, the "5.50% Preferred Stock"). The issuance of the Series

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

A2 Preferred Stock settled on May 26, 2021. In connection with such offering, on May 19, 2021, we filed Articles Supplementary

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

with the SDAT, reclassifying and designating an additional 1,000,000 shares of the Company's authorized and unissued shares of common stock into shares of preferred stock as Convertible Preferred Stock.

In connection with the offerings of the 5.50% Preferred Stock and the 6.50% Preferred Stock, we adopted and amended, respectively, a preferred stock dividend reinvestment plan (the "Preferred Stock Plan" or the "Preferred Stock DRIP"), pursuant to which holders of the 5.50% Preferred Stock and the 6.50% Preferred Stock will have dividends on their 5.50% Preferred Stock and 6.50% Preferred Stock automatically reinvested in additional shares of such 5.50% Preferred Stock and 6.50% Preferred Stock at a price per share of \$25.00, \$23.75, if they elect.

Each series of 5.50% Preferred Stock and 6.50% Preferred Stock ranks (with respect to the payment of dividends and rights upon liquidation, dissolution or winding up) (a) senior to our common stock, (b) on parity with each other series of our preferred stock, and (c) junior to our existing and future secured and unsecured indebtedness. See Note 8, *Fair Value and Maturity of Debt Outstanding* for further discussion on our senior securities.

At any time prior to the listing of the 5.50% Preferred Stock and the 6.50% Preferred Stock on a national securities exchange, shares of the 5.50% Preferred Stock and the 6.50% Preferred Stock are convertible, at the option of the holder of the 5.50% Preferred Stock and the 6.50% Preferred Stock (the "Holder Optional Conversion"). We will settle any Holder Optional Conversion by paying or delivering, as the case may be, (A) any portion of the Settlement Amount (as defined below) that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the Settlement Amount, minus (b) any portion of the Settlement Amount that we elect to pay in cash, divided by (2) the arithmetic average of the daily volume weighted average price of shares of our common stock over each of the five consecutive trading days ending on the Holder Conversion Exercise Date (such arithmetic average, the "5-day VWAP"). For the Series A1 Preferred Stock, the Series A3 Preferred Stock, the Series AA1 Preferred Stock, the Series AA2 Preferred Stock and the Series A2 Preferred Stock, "Settlement Amount" means (A) \$25.00 per share (the "Stated Value"), plus (B) unpaid dividends accrued to, but not including, the Holder Conversion Exercise Date, minus (C) the applicable Holder Optional Conversion Fee for the respective Holder Conversion Deadline. For the Series M Preferred Stock, "Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the Holder Conversion Exercise Date, minus (C) the applicable Series M Clawback, if any. "Series M Clawback", if applicable, means an amount equal to the aggregate amount of all dividends, whether paid or accrued, on such share of Series M Stock in the three full months prior to the Holder Conversion Exercise Date. Subject to certain limited exceptions, we will not pay any portion of the Settlement Amount in cash (other than cash in lieu of fractional shares of our common stock) until the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock has been issued. Beginning on the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock is issued, we may elect to settle all or a portion of any Holder Optional Conversion in cash without limitation or restriction. The right of holders to convert a share of 5.50% Preferred Stock or 6.50% Preferred Stock will terminate upon the listing of such share on a national securities exchange.

Subject to certain limited exceptions allowing earlier redemption, beginning on the earlier of the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock has been issued, or, for listed shares of 5.50% Preferred Stock and/or 6.50% Preferred Stock, five years from the earliest date on which any series that has been listed was first issued (the earlier of such dates, the "Redemption Eligibility Date"), such share of 5.50% Preferred Stock or 6.50% Preferred Stock may be redeemed at any time or from time to time at our option (the "Issuer Optional Redemption"), at a redemption price of 100% of the Stated Value of the shares of 5.50% Preferred Stock or 6.50% Preferred Stock to be redeemed plus unpaid dividends accrued to, but not including, the date fixed for redemption.

Subject to certain limitations, each share of 5.50% Preferred Stock **and** or 6.50% Preferred Stock may be converted at our option (the "Issuer Optional Conversion"). We will settle any Issuer Optional Conversion by paying or delivering, as the case may be, (A) any portion of the IOC Settlement Amount (as defined below) that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the IOC Settlement Amount, minus (b) any portion of the IOC Settlement Amount that we elect to pay in cash, divided by (2) the 5-day VWAP, subject to our ability to obtain or maintain any stockholder approval that may be required under the 1940 Act to permit us to sell our common stock below net asset value if the 5-day VWAP represents a discount to our net asset value per share of common stock. For the 5.50% Preferred Stock and 6.50% Preferred Stock, "IOC Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the date fixed for conversion. In connection with an Issuer Optional Conversion, we will use commercially reasonable efforts to obtain or maintain any stockholder approval that may be required under the 1940 Act to permit us to sell our common stock below net asset value. If we do not have or obtain any required stockholder approval under the 1940 Act to sell our common stock below net asset value and the 5-day VWAP is at a discount to our net asset value per share of common stock, we will settle any conversions in connection with an Issuer Optional Conversion by paying or delivering, as the case may be, (A) any portion of the IOC Settlement Amount that we elect to pay in cash and (B) a number of shares of our common stock

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

at a conversion rate equal to (1) (a) the IOC Settlement Amount, minus (b) any portion of the IOC Settlement Amount that we

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

elect to pay in cash, divided by (2) the NAV per share of common stock at the close of business on the business day immediately preceding the date of conversion. We will not pay any portion of the IOC Settlement Amount from an Issuer Optional Conversion in cash (other than cash in lieu of fractional shares of our common stock) until the Redemption Eligibility Date. Beginning on the Redemption Eligibility Date, we may elect to settle any Issuer Optional Conversion in cash without limitation or restriction. In the event that we exercise an Issuer Optional Conversion with respect to any shares of 5.50% Preferred Stock **and** or 6.50% Preferred Stock, the holder of such 5.50% Preferred Stock or 6.50% Preferred Stock may instead elect a Holder Optional Conversion with respect to such 5.50% Preferred Stock or 6.50% Preferred Stock provided that the date of conversion for such Holder Optional Conversion would occur prior to the date of conversion for an Issuer Optional Conversion.

On July 12, 2021, we entered into an underwriting agreement by and among us, Prospect Capital Management L.P., Prospect Administration LLC, and Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and UBS Securities LLC, as representatives of the underwriters, relating to the offer and sale of 6,000,000 shares, or \$150,000 in aggregate liquidation preference, of our 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock, par value \$0.001 per share (the "Series A Preferred Stock" or "5.35% Preferred Stock"), at a public offering price of \$25.00 per share. Pursuant to the Underwriting Agreement, we also granted the underwriters a 30-day option to purchase up to an additional 900,000 shares of Series A Preferred Stock solely to cover over-allotments. The offer settled on July 19, 2021, and no additional shares of the Series A Preferred Stock were issued pursuant to the option. In connection with such offering, on July 15, 2021, we filed Articles Supplementary with SDAT, reclassifying and designating 6,900,000 shares of the Company's authorized and unissued shares of Common Stock into shares of Series A Preferred Stock.

The Series A Preferred Stock ranks (with respect to the payment of dividends and rights upon liquidation, dissolution or winding up) (a) senior to our common stock, (b) on parity with each other series of our preferred stock, and (c) junior to our existing and future secured and unsecured indebtedness. See Note 8, *Fair Value and Maturity of Debt Outstanding* for further discussion on our senior securities.

We may from time to time seek to cancel or purchase our outstanding preferred stock through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. Any such purchases or exchanges of preferred stock would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. Our Board of Directors authorized us to repurchase our Series A Preferred Stock. The manner, price, volume and timing of preferred share repurchases are subject to a variety of factors, including market conditions and applicable SEC rules. During the three months ended September 30, 2023, the Company repurchased 62,309 shares of Series A Preferred Stock for a total cost of approximately \$1,001, including fees and commissions paid to the broker, representing an average repurchase price of \$15.88 per share. The difference in the consideration transferred and the net carrying value of the Series A Preferred Stock repurchased, which was \$1,469, resulted in a gain applicable to common stock holders of approximately \$501 during the three months ended September 30, 2023. The repurchased shares reverted to authorized but unissued shares of Series A Preferred Stock and thus the Company holds no treasury stock.

Subject to certain limited exceptions allowing earlier redemption, at any time after the close of business on July 19, 2026 (any such date, an "Optional Redemption Date"), at our sole option, we may redeem the Series A Preferred Stock in whole or, from time to time, in part, out of funds legally available for such redemption, at a price per share equal to the liquidation preference of \$25.00 per share, plus an amount equal to all unpaid dividends on such shares (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the date fixed for redemption. We may also redeem the Series A Preferred Stock at any time, in whole or, from time to time, in part, including prior to the Optional Redemption Date, pro rata, based on liquidation preference, with all other series of our then outstanding preferred stock, in the event that our Board determines to redeem any series of our preferred stock, in whole or, from time to time, in part, because such redemption is deemed necessary by the Board to comply with the asset coverage requirements of the 1940 Act or for us to maintain RIC status.

In the event of a Change of Control Triggering Event (as defined below), we may, at our option, exercise our special optional redemption right to redeem the Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control Triggering Event has occurred by paying the liquidation preference, plus an amount equal to all unpaid dividends on such shares (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the date fixed for such redemption. To the extent that we exercise our optional redemption right or our special optional redemption right relating to the Series A Preferred Stock, the holders of Series A Preferred Stock will not be permitted to exercise the conversion right described below in respect of their shares called for redemption.

Except to the extent that we have elected to exercise our optional redemption right or our special optional redemption right by providing notice of redemption prior to the Change of Control Conversion Date (as defined below), upon the occurrence of a Change of Control Triggering Event, each holder of Series A Preferred Stock will have the right to convert some or all of the

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Series A Preferred Stock held by such holder on the Change of Control Conversion Date into a number of our shares of common stock per Series A Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the Liquidation Preference per share plus an amount equal to all unpaid dividends thereon (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a Record Date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 6.03865, subject to certain adjustments,

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

subject, in each case, to provisions for the receipt of alternative consideration upon conversion as described in the applicable prospectus supplement.

If we have provided or provide a redemption notice with respect to some or all of the Series A Preferred Stock, holders of any Series A Preferred Stock that we have called for redemption will not be permitted to exercise their Change of Control Conversion Right in respect of any of their Series A Preferred Stock that have been called for redemption, and any Series A Preferred Stock subsequently called for redemption that have been tendered for conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date.

For purposes of the foregoing discussion of a redemption upon the occurrence of a Change of Control Triggering Event, the following definitions are applicable:

"Change of Control Triggering Event" means the occurrence of any of the following:

- the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation and other than an Excluded Transaction) in one or a series of related transactions, of all or substantially all of the assets of the Company and its Controlled Subsidiaries taken as a whole to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than to any Permitted Holders); provided that, for the avoidance of doubt, a pledge of assets pursuant to any of our secured debt instruments or the secured debt instruments of our Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition; or
- the consummation of any transaction (including, without limitation, any merger or consolidation and other than an Excluded Transaction) the result of which is that any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding Voting Stock, measured by voting power rather than number of shares.

Notwithstanding the foregoing, the consummation of any of the transactions referred to in the bullet points above will not be deemed a Change of Control Triggering Event if we or the acquiring or surviving consolidated entity has or continues to have a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE American or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ, or is otherwise listed or quoted on a national securities exchange.

The "Change of Control Conversion Date" is the date the shares of Series A Preferred Stock are to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series A Preferred Stock.

The "Common Stock Price" will be (i) if the consideration to be received in the Change of Control Triggering Event by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control Triggering Event by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event, if our common stock is not then listed for trading on a U.S. securities exchange.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

"Controlled Subsidiary" means any of our subsidiaries, 50% or more of the outstanding equity interests of which are owned by us and our direct or indirect subsidiaries and of which we possess, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

"Excluded Transaction" means (i) any transaction that does not result in any reclassification, conversion, exchange or cancellation of all or substantially all of the outstanding shares of our Voting Stock; (ii) any changes resulting from a subdivision or combination or a change solely in par value; (iii) any transaction where the shares of our Voting Stock

outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving "person" (as that term is used in Section 13(d)(3) of the Exchange Act) or any direct or indirect parent company of the surviving "person" (as that term is used in Section 13(d)(3) of the Exchange Act) immediately after giving effect to such transaction; (iv) any transaction if (A) we become a direct or indirect wholly-owned subsidiary of a holding company and (B)(1) the direct or indirect holders of the Voting Stock of such holding company immediately following that

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (2) immediately following that transaction no "person" (as that term is used in Section 13(d)(3) of the Exchange Act) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company; or (v) any transaction primarily for the purpose of changing our jurisdiction of incorporation or form of organization.

"Permitted Holders" means (i) us, (ii) one or more of our Controlled Subsidiaries and (iii) Prospect Capital Management or any affiliate of Prospect Capital Management that is organized under the laws of a jurisdiction located in the United States of America and in the business of managing or advising clients.

"Voting Stocks" as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Except as provided above in connection with a Change of Control Triggering Event, the Series A Preferred Stock is not convertible into or exchangeable for any other securities or property.

For so long as the Series A Preferred Stock is outstanding, we will not exercise any option we have to convert any other series of our outstanding preferred stock to common stock, including the Issuer Optional Conversion, or any other security ranking junior to such preferred stock. As a result, if dividends on the Preferred Stock have accumulated and been unpaid for a period of two years, a possibility of redemption outside of the Company's control exists and, in accordance with ASC 480, we have presented our 5.50% Preferred Stock, 6.50% Preferred Stock, and Series A Preferred Stock within temporary equity on our *Consolidated Statement of Assets and Liabilities* as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**.

Shares of the 5.50% Preferred Stock and 6.50% Preferred Stock will pay a monthly dividend, when and if declared by the Board, at a fixed annual rate of 5.50% and 6.50%, respectively, per annum of the Stated Value of \$25.00 per share (computed on the basis of a 360-day year consisting of twelve 30-day months), payable in cash or through the issuance of additional 5.50% Preferred Stock and 6.50% Preferred Stock through the 5.50% Preferred Stock DRIP and 6.50% Preferred Stock DRIP, respectively.

Shares of the Series A Preferred Stock will pay a quarterly dividend, when and if declared by the Board, at a fixed annual rate of 5.35% per annum of the Stated Value of \$25.00 per share (computed on the basis of a 360-day year consisting of twelve 30-day months), payable in cash.

During the **nine** **three** months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, we distributed approximately **\$35,057** **\$11,836** and **\$11,078** **\$10,753**, respectively, to our 5.50% Preferred Stock holders. During the **nine** **three** months ended **March 31, 2023** **September 30, 2023**, we distributed approximately **\$8,246** **\$9,368** to our 6.50% Preferred Stock holders. During the **nine** **three** months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, we distributed approximately **\$6,018** **\$1,983** and **\$4,302** **\$2,006** to our 5.35% Series A Preferred Stock holders.

Our distributions to our 5.50% Preferred Stock holders, 6.50% Preferred Stock holders, and 5.35% Series A Preferred Stock holders for the **nine** **three** months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, are summarized in the following table:

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| Declaration Date | Record Date | Payment Date | Amount (\$ per share), before pro ration for partial periods | Amount Distributed |
|--|-------------|--------------|--|--------------------|
| 5.50% Preferred Stock holders | | | | |
| 5/7/2021 | 7/21/2021 | 8/2/2021 | \$ 0.114583 | \$ 680 |
| 5/7/2021 | 8/18/2021 | 9/1/2021 | 0.114583 | 786 |
| 8/24/2021 | 9/15/2021 | 10/1/2021 | 0.114583 | 941 |
| 8/24/2021 | 10/20/2021 | 11/1/2021 | 0.114583 | 1,054 |
| 8/24/2021 | 11/17/2021 | 12/1/2021 | 0.114583 | 1,197 |
| 11/5/2021 | 12/15/2021 | 1/3/2022 | 0.114583 | 1,296 |
| 11/5/2021 | 1/19/2022 | 2/1/2022 | 0.114583 | 1,498 |
| 11/5/2021 | 2/16/2022 | 3/1/2022 | 0.114583 | 1,688 |
| 2/7/2022 | 3/23/2022 | 4/1/2022 | 0.114583 | 1,938 |
| Distributions for the nine months ended March 31, 2022 | | | | \$ 11,078 |
| 5/6/2022 | 7/20/2022 | 8/1/2022 | \$ 0.114583 | \$ 3,104 |
| 5/6/2022 | 8/17/2022 | 9/1/2022 | 0.114583 | 3,721 |

| | | | | |
|--|------------|-----------|----------|-----------|
| 8/23/2022 | 9/21/2022 | 10/3/2022 | 0.114583 | 3,928 |
| 8/23/2022 | 10/19/2022 | 11/1/2022 | 0.114583 | 4,077 |
| 8/23/2022 | 11/16/2022 | 12/1/2022 | 0.114583 | 4,056 |
| 11/8/2022 | 12/21/2022 | 1/3/2023 | 0.114583 | 4,051 |
| 11/8/2022 | 1/18/2023 | 2/1/2023 | 0.114583 | 4,045 |
| 11/8/2022 | 2/15/2023 | 3/1/2023 | 0.114583 | 4,039 |
| 2/8/2023 | 3/22/2023 | 4/3/2023 | 0.114583 | 4,036 |
| Distributions for the nine months ended March 31, 2023 | | | | \$ 35,057 |

6.50% Preferred Stock holders

| | | | | |
|--|------------|-----------|-------------|----------|
| 11/8/2022 | 11/16/2022 | 12/1/2022 | \$ 0.135417 | \$ 978 |
| 11/8/2022 | 12/21/2022 | 1/3/2023 | 0.135417 | 1,433 |
| 11/8/2022 | 1/18/2023 | 2/1/2023 | 0.135417 | 1,675 |
| 11/8/2022 | 2/15/2023 | 3/1/2023 | 0.135417 | 1,959 |
| 2/8/2023 | 3/22/2023 | 4/3/2023 | 0.135417 | 2,201 |
| Distributions for the nine months ended March 31, 2023 | | | | \$ 8,246 |

5.35% Preferred Stock holders

| | | | | |
|--|------------|-----------|-------------|----------|
| 8/24/2021 | 10/20/2021 | 11/1/2021 | \$ 0.382674 | \$ 2,296 |
| 11/5/2021 | 1/19/2022 | 2/1/2022 | 0.334375 | 2,006 |
| Distributions for the nine months ended March 31, 2022 | | | | \$ 4,302 |
| 5/6/2022 | 7/20/2022 | 8/1/2022 | \$ 0.334375 | \$ 2,006 |
| 8/23/2022 | 10/19/2022 | 11/1/2022 | 0.334375 | 2,006 |
| 11/8/2022 | 1/18/2023 | 2/1/2023 | \$ 0.334375 | \$ 2,006 |
| Distributions for the nine months ended March 31, 2023 | | | | \$ 6,018 |

| Declaration Date | Record Date | Payment Date | Amount (\$ per share), before pro ration for partial periods | Amount Distributed |
|---|-------------|--------------|--|--------------------|
| <u>5.50% Preferred Stock holders</u> | | | | |
| 5/9/2023 | 7/19/2023 | 8/1/2023 | \$ 0.114583 | \$ 3,968 |
| 5/9/2023 | 8/16/2023 | 9/1/2023 | 0.114583 | 3,961 |
| 9/8/2023 | 9/20/2023 | 10/2/2023 | 0.114583 | 3,907 |
| Distributions for the three months ended September 30, 2023 | | | | \$ 11,836 |
| 5/6/2022 | 7/20/2022 | 8/1/2022 | \$ 0.114583 | \$ 3,104 |
| 5/6/2022 | 8/17/2022 | 9/1/2022 | 0.114583 | 3,721 |
| 8/23/2022 | 9/21/2022 | 10/3/2022 | 0.114583 | 3,928 |
| Distributions for the three months ended September 30, 2022 | | | | \$ 10,753 |
| <u>6.50% Preferred Stock holders</u> | | | | |
| 5/9/2023 | 7/19/2023 | 8/1/2023 | \$ 0.135417 | \$ 2,978 |
| 5/9/2023 | 8/16/2023 | 9/1/2023 | 0.135417 | 3,111 |
| 9/8/2023 | 9/20/2023 | 10/2/2023 | 0.135417 | 3,279 |
| Distributions for the three months ended September 30, 2023 | | | | \$ 9,368 |
| <u>5.35% Preferred Stock holders</u> | | | | |
| 5/9/2023 | 7/19/2023 | 8/1/2023 | \$ 0.334375 | \$ 1,983 |
| Distributions for the three months ended September 30, 2023 | | | | \$ 1,983 |
| 5/6/2022 | 7/20/2022 | 8/1/2022 | \$ 0.334375 | \$ 2,006 |
| Distributions for the three months ended September 30, 2022 | | | | \$ 2,006 |

The above table includes dividends paid during the **nine** **three** months ended **March 31, 2023** **September 30, 2023**. It does not include distributions previously declared to the 5.50% Preferred Stock holders, 6.50% Preferred Stock holders, and 5.35% Series A Preferred Stock holders of record for any future dates, as those amounts are not yet determinable. The following dividends were previously declared and will be recorded and paid subsequent to **March 31, 2023** **September 30, 2023**:

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

- \$0.114583 per share (before pro ration for partial period holders of record) for 5.50% Preferred Stock holders of record on **April 19, 2023** **October 18, 2023** with a payment date of **May 1, 2023** **November 1, 2023**.
- \$0.114583 per share (before pro ration for partial period holders of record) for 5.50% Preferred Stock holders of record on **May 17, 2023** **November 15, 2023** with a payment date of **June 1, 2023** **December 1, 2023**.
- \$0.135417 per share (before pro ration for partial period holders of record) for 6.50% Preferred Stock holders of record on **April 19, 2023** **October 18, 2023** with a payment date of **May 1, 2023** **November 1, 2023**.
- \$0.135417 per share (before pro ration for partial period holders of record) for 6.50% Preferred Stock holders of record on **May 17, 2023** **November 15, 2023** with a payment date of **June 1, 2023** **December 1, 2023**.
- \$0.334375 per share (before pro ration for partial period holders of record) for 5.35% Series A Preferred Stock holders of record on **April 19, 2023** **October 18, 2023** with a payment date of **May 1, 2023** **November 1, 2023**.

As of **March 31, September 30, 2023**, we have accrued approximately **\$28** **\$6** and **\$1,338** **\$1,293** in dividends that have not yet been paid for our 6.50% Preferred Stock holders and 5.35% Series A Preferred Stock holders, respectively.

The following table shows our outstanding Preferred Stock as of **March 31, 2023** **September 30, 2023**:

| Series | Maximum Offering Size (Shares) | Maximum Aggregate Liquidation Preference of Offering | | Inception to Date Preferred Shares Issued via Offering | | Inception to Date Liquidation Preference of Shares Issued via Offering | | Preferred Stock Shares Outstanding | Liquidation Preference of Shares Outstanding |
|--------------|--------------------------------|--|---------------------|--|----------------------------|--|--------------------|------------------------------------|--|
| | | Offering | Issued via Offering | Preferred Shares | Shares Issued via Offering | Offering | Shares Outstanding | | |
| Series A1 | 72,000,000 (1) | \$ 1,800,000 (1) | 31,448,021 | \$ 786,201 | 31,091,585 (4) | \$ 777,290 | | | |
| Series M1 | 72,000,000 (1) | 1,800,000 (1) | 4,110,318 | 102,758 | 3,922,740 (4) | 98,068 | | | |
| Series M2 | 72,000,000 (1) | 1,800,000 (1) | — | — | — | — | | | |
| Series A3 | 72,000,000 (1) | 1,800,000 (1) | 15,058,892 | 376,472 | 15,058,173 (4) | 376,454 | | | |
| Series M3 | 72,000,000 (1) | 1,800,000 (1) | 1,825,723 | 45,643 | 1,816,637 (4) | 45,416 | | | |
| Series AA1 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | | | |
| Series MM1 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | | | |
| Series AA2 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | | | |
| Series MM2 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | | | |
| Series A2 | 187,000 | 4,675 | 187,000 | 4,675 | 164,000 | 4,100 | | | |
| Series A | 6,000,000 | 150,000 | 6,000,000 | 150,000 | 6,000,000 | 150,000 | | | |
| Total | 88,187,000 (3) | \$ 2,204,675 (3) | 58,629,954 | \$ 1,465,749 | 58,053,134 (5) | \$ 1,451,328 | | | |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| Series | Maximum Offering Size (Shares) | Maximum Aggregate Liquidation Preference of Offering | | Inception to Date Preferred Shares Issued via Offering | | Inception to Date Liquidation Preference of Shares Issued via Offering | | Preferred Stock Shares Outstanding | Liquidation Preference of Shares Outstanding |
|------------|--------------------------------|--|---------------------|--|----------------------------|--|--------------------|------------------------------------|--|
| | | Offering | Issued via Offering | Preferred Shares | Shares Issued via Offering | Offering | Shares Outstanding | | |
| Series A1 | 72,000,000 (1) | \$ 1,800,000 (1) | 31,448,021 | \$ 786,201 | 30,780,669 (4) | \$ 769,517 | | | |
| Series M1 | 72,000,000 (1) | 1,800,000 (1) | 4,110,318 | 102,758 | 3,155,352 (4) | 78,884 | | | |
| Series M2 | 72,000,000 (1) | 1,800,000 (1) | — | — | — | — | | | |
| Series A3 | 72,000,000 (1) | 1,800,000 (1) | 21,656,854 | 541,421 | 21,611,105 (4) | 540,278 | | | |
| Series M3 | 72,000,000 (1) | 1,800,000 (1) | 2,911,115 | 72,778 | 2,882,254 (4) | 72,056 | | | |
| Series AA1 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | | | |
| Series MM1 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | | | |

| | | | | | | | |
|------------|-----------------------|-------------------------|-------------------|---------------------|-------------------|-------------------------|---|
| Series AA2 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | — |
| Series MM2 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | — |
| Series A2 | 187,000 | 4,675 | 187,000 | 4,675 | 164,000 | 4,100 | |
| Series A | 6,000,000 | 150,000 | 6,000,000 | 150,000 | 5,900,345 (5) | 147,509 | |
| Total | <u>88,187,000 (3)</u> | <u>\$ 2,204,675 (3)</u> | <u>66,313,308</u> | <u>\$ 1,657,833</u> | <u>64,493,725</u> | <u>\$ 1,612,343 (6)</u> | |

(1) The maximum offering of 72,000,000 shares and \$1,800,000 aggregate liquidation preference is for any combination of Series A1, Series M1, Series M2, Series A3, and Series M3 shares.

(2) The maximum offering of 10,000,000 shares and \$250,000 aggregate liquidation preference is for any combinations of Series AA1, Series MM1, Series AA2, and Series MM2.

(3) The authorized maximum offering size of Preferred Stock as of **March 31, 2023** **September 30, 2023** is 88,187,000 shares, par value \$0.001 per share, with an aggregate liquidation preference of \$25.00 per share. The totals referenced in the above table are in light of the combined maximum offering amounts for the various series of shares identified in footnote 1 and footnote 2 and the table columns are not intended to foot.

(4) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program, net of additional shares issued through the Preferred Stock DRIP and net of Preferred Stock conversions to common stock through the Holder Optional Redemption and Optional Redemption Upon Death of Holder. Refer to subsequent tables for respective fiscal year activity.

(5) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program net of shares repurchased via open market purchases. Refer to subsequent tables for respective fiscal year activity.

(6) Does not foot due to rounding.

The following table shows our outstanding Preferred Stock as of **June 30, 2022** **June 30, 2023**:

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| Series | Series | Inception to | | | | | | Inception to | | | | | | | |
|--------|--------|-----------------------|-------------------------|-------------------|------------------------|------------------------|------------------------|-------------------|-----------------------|-----------------------|-------------------------|------------------------|------------------------|-----------------------|---------------------|
| | | Maximum Offering | Aggregate Liquidation | Preferred Shares | Liquidation Preference | Preferred Stock Shares | Liquidation Preference | Maximum Offering | Aggregate Liquidation | Preferred Shares | Liquidation Preference | Preferred Stock Shares | Liquidation Preference | | |
| | | | | | | | | | | | | | | | |
| Series | Series | (Shares) | of Offering | Offering | Issued | Outstanding | Outstanding | Series | (Shares) | of Offering | Offering | Issued | Outstanding | | |
| Series | Series | | | | | | | Series | | | | | | | |
| A1 | A1 | 60,000,000 (1) | \$ 1,500,000 (1) | 20,837,185 | \$ 520,930 | 20,794,645 (4) | \$ 519,866 | A1 | 72,000,000 (1) | \$ 1,800,000 (1) | 31,448,021 | \$ 786,201 | 30,965,138 (4) | \$ 774,128 | |
| Series | Series | | | | | | | Series | | | | | | | |
| M1 | M1 | 60,000,000 (1) | 1,500,000 (1) | 2,640,752 | 66,019 | 2,626,238 (4) | 65,656 | M1 | 72,000,000 (1) | 1,800,000 (1) | 4,110,318 | 102,758 | 3,681,591 (4) | 92,040 | |
| Series | Series | | | | | | | Series | | | | | | | |
| M2 | M2 | 60,000,000 (1) | 1,500,000 (1) | — | — | — | — | M2 | 72,000,000 (1) | 1,800,000 (1) | — | — | — | — | |
| Series | | | | | | | | Series | | | | | | | |
| A3 | | | | | | | | A3 | 72,000,000 (1) | 1,800,000 (1) | 18,855,269 | 471,382 | 18,829,837 (4) | 470,746 | |
| Series | | | | | | | | Series | | | | | | | |
| M3 | | | | | | | | M3 | 72,000,000 (1) | 1,800,000 (1) | 2,514,615 | 62,865 | 2,498,788 (4) | 62,470 | |
| Series | Series | | | | | | | Series | | | | | | | |
| AA1 | AA1 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | AA1 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | |
| Series | Series | | | | | | | Series | | | | | | | |
| MM1 | MM1 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | MM1 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | |
| Series | | | | | | | | Series | | | | | | | |
| AA2 | | | | | | | | AA2 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | |
| Series | | | | | | | | Series | | | | | | | |
| MM2 | | | | | | | | MM2 | 10,000,000 (2) | 250,000 (2) | — | — | — | — | |
| Series | Series | | | | | | | Series | | | | | | | |
| A2 | A2 | 187,000 | 4,675 | 187,000 | 4,675 | 187,000 | 4,675 | A2 | 187,000 | 4,675 | 187,000 | 4,675 | 164,000 | 4,100 | |
| Series | Series | | | | | | | Series | | | | | | | |
| A | A | 6,000,000 | 150,000 | 6,000,000 | 150,000 | 6,000,000 | 150,000 | A | 6,000,000 | 150,000 | 6,000,000 | 150,000 | 5,962,654 (5) | 149,066 | |
| Total | Total | <u>76,187,000 (3)</u> | <u>\$ 1,904,675 (3)</u> | <u>29,664,937</u> | <u>\$ 741,624</u> | <u>29,607,882</u> | <u>(5)</u> | <u>\$ 740,197</u> | <u>Total</u> | <u>88,187,000 (3)</u> | <u>\$ 2,204,675 (3)</u> | <u>63,115,223</u> | <u>\$ 1,577,881</u> | <u>62,102,009 (6)</u> | <u>\$ 1,552,550</u> |

(1) The maximum offering of 60,000,000 shares and \$1,500,000 aggregate liquidation preference is for any combinations of Series A1, Series M1, Series M2, Series A3, and Series M2 M3 shares.

(2) The maximum offering of 10,000,000 shares and \$250,000 aggregate liquidation preference is for any combinations of Series AA1, Series MM1, Series AA2, and Series MM1 MM2.

(3) The authorized maximum offering size of Preferred Stock as of **June 30, 2022** **June 30, 2023** is 76,187,000 shares, par value \$0.001 per share, with an aggregate liquidation preference of \$1,904,675, \$2,204,675, a liquidation preference of \$25.00 per share. The totals referenced in the above table are in light of the combined maximum offering amounts for the various series of shares identified in footnote 1 and footnote 2 and the table columns are not intended to foot.

(4) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program, net of additional shares issued through the Preferred Stock DRIP and Preferred Stock converted to common stock through the Holder Optional Redemption and Optional Redemption Upon Death of Holder. Refer to subsequent tables for respective fiscal year activity.

PROSPECT CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

(5) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program net of shares repurchased via open market purchases. Refer to subsequent tables for respective fiscal year activity.
(6) Does not foot due to rounding.

Preferred Stock issued prior to the issuance of our 5.35% Series A Preferred Stock has a carrying value equal to liquidation value per share on our *Consolidated Statements of Assets and Liabilities*. Subsequent issuances of our Preferred Stock classified as temporary equity are recorded net of issuance costs. The carrying value is inclusive of cumulative accrued and unpaid dividends as of **March 31, 2023** **September 30, 2023**.

Series A1, Series M1, Series A3, and Series M3 shares outstanding are net of dividend reinvestments paid and conversions to common stock in accordance with their liquidation features. Series A shares outstanding are net of shares repurchased via the authorized repurchase of Series A Preferred Stock. The following tables show such activity during the **nine** three months ended **March 31, 2023** **September 30, 2023**:

| Series | Series | Shares issued through Preferred Stock DRIP | | | | Shares issued through Preferred Stock DRIP | | | | September 30, 2023 Shares Outstanding | | |
|--------------|--------------|--|----------------------------------|------------------------------------|-----------------------------------|--|-----------------------------|--|---------------------------------------|---------------------------------------|------------------|---------------------------|
| | | June 30, 2022 Shares Outstanding | Shares Issued | Converted to Common ⁽¹⁾ | March 31, 2023 Shares Outstanding | June 30, 2022 Shares Outstanding | Shares Issued | Converted to Common/Repurchased ⁽¹⁾ | September 30, 2023 Shares Outstanding | | | |
| A1 | A1 | 20,794,645 | 10,610,836 | 33,947 | (347,842) | 31,091,585 | A1 | 30,965,138 | — | 15,617 | (200,086) | 30,780,669 |
| Series | Series | | | | | | Series | | | | | |
| M1 | M1 | 2,626,238 | 1,469,566 | 901 | (173,966) | 3,922,740 | M1 | 3,681,591 | — | 649 | (526,888) | 3,155,352 |
| Series | Series | | | | | | Series | | | | | |
| A3 | A3 | — | 15,058,892 | 2,554 | (3,273) | 15,058,173 | A3 | 18,829,837 | 2,801,585 | 12,040 | (32,358) | 21,611,105 ⁽²⁾ |
| Series | Series | | | | | | Series | | | | | |
| M3 | M3 | — | 1,825,723 | 219 | (9,305) | 1,816,637 | M3 | 2,498,788 | 396,500 | 1,107 | (14,141) | 2,882,254 |
| Series | Series | | | | | | Series | | | | | |
| A2 | A2 | 187,000 | — | — | (23,000) | 164,000 | A2 | 164,000 | — | — | — | 164,000 |
| Series | Series | | | | | | Series | | | | | |
| A | A | 6,000,000 | — | — | — | 6,000,000 | A | 5,962,654 | — | — | (62,309) | 5,900,345 |
| Total | Total | 29,607,882 | ⁽²⁾ 28,965,017 | ⁽³⁾ 37,621 | (557,386) | 58,053,134 | ⁽²⁾ Total | 62,102,009 | ⁽²⁾ 3,198,085 | ⁽³⁾ 29,413 | (835,782) | 64,493,725 |

(1) Convert During the three months ended September 30, 2023, 773,473 shares of the 5.50% Preferred Stock and 6.50% Preferred Stock were converted to common shares via Holder Optional Redemptions and Optional Redemption Redemptions Upon Death of Holder. Holder and 62,309 of the 5.35% Series A Preferred Stock were repurchased via open market purchases.

(2) Does not foot or crossfoot due to fractional share rounding.

(3) During the **nine** three months ended **March 31, 2023** **September 30, 2023**, we issued **28,965,017** **3,198,085** shares of Preferred Stock for net proceeds of **\$647,715** **\$748,223** with a liquidation value of **\$724,125** **\$79,952**.

The following tables show such activity during the **nine** three months ended **March 31, 2022** **September 30, 2022**:

| Series | June 30, 2021 Shares Outstanding | | Shares issued through Preferred Stock DRIP | | Shares Converted to Common ⁽¹⁾ | | March 31, 2022 Shares Outstanding | |
|--------------|----------------------------------|-------------------|--|-----------------------|---|-------------|-----------------------------------|-------------|
| | Outstanding | Shares Issued | Stock DRIP | Common ⁽¹⁾ | Outstanding | Outstanding | Outstanding | Outstanding |
| Series A1 | 5,163,926 | 11,230,210 | — | 8,428 | (8,350) | — | 16,394,214 | |
| Series M1 | 130,666 | 1,251,361 | — | 176 | (2,000) | — | 1,380,203 | |
| Series A2 | 187,000 | — | — | — | — | — | 187,000 | |
| Series A | — | 6,000,000 | — | — | — | — | 6,000,000 | |
| Total | 5,481,592 | 18,481,571 | ⁽²⁾ | 8,604 | (10,350) | — | 23,961,417 | |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| Series | June 30, 2022 Shares Outstanding | | Shares issued through Preferred Stock DRIP | | Shares Converted to Common ⁽¹⁾ | | September 30, 2022 Shares Outstanding | |
|-----------|----------------------------------|---------------|--|-----------------------|---|-------------|---------------------------------------|-------------|
| | Outstanding | Shares Issued | Stock DRIP | Common ⁽¹⁾ | Outstanding | Outstanding | Outstanding | Outstanding |
| Series A1 | 20,794,645 | 10,157,297 | — | 9,183 | (209,163) | — | 30,751,961 | |
| Series M1 | 2,626,238 | 1,364,362 | — | 212 | (65,481) | — | 3,925,331 | |
| Series A2 | 187,000 | — | — | — | — | — | 187,000 | |
| Series A | 6,000,000 | — | — | — | — | — | 6,000,000 | |

| | | | | | |
|-------|---------------------------|---------------------------|-------|-----------|------------|
| Total | 29,607,882 ⁽³⁾ | 11,521,659 ⁽²⁾ | 9,395 | (274,644) | 40,864,292 |
|-------|---------------------------|---------------------------|-------|-----------|------------|

(1) Convert to common shares via Holder Optional Redemptions and Optional Redemption Upon Death of Holder.

(2) During the ~~nine~~ three months ended ~~March 31, 2022~~ September 30, 2022, we issued ~~18,481,571~~ ~~11,521,659~~ shares of Preferred Stock for net proceeds of ~~\$425,250~~ ~~\$257,272~~ with a liquidation value of ~~\$462,039~~ ~~\$288,041~~.

(3) Does not foot or crossfoot due to fractional share rounding.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Common Stock

Our common stockholders' equity accounts as of ~~March 31, 2023~~ September 30, 2023 and ~~June 30, 2022~~ June 30, 2023 reflect cumulative shares issued, net of shares previously repurchased, as of those respective dates. Our common stock has been issued through public offerings, a registered direct offering, the exercise of over-allotment options on the part of the underwriters, our common stock dividend reinvestment plan in connection with the acquisition of certain controlled portfolio companies and in connection with our 5.50% and 6.50% Preferred Stock Holder Optional Conversion and Optional Redemptions Following Death of a Holder. When our common stock is issued, the related offering expenses have been charged against paid-in capital in excess of par. All underwriting fees and offering expenses were borne by us.

On August 24, 2011, our Board of Directors approved a share repurchase plan (the "Repurchase Program") under which we may repurchase up to \$100,000 of our common stock at prices below our net asset value per share. Prior to any repurchase, we are required to notify stockholders of our intention to purchase our common stock.

We did not repurchase any shares of our common stock under the Repurchase Program for the ~~nine~~ three months ended ~~March 31, 2023~~ September 30, 2023 and ~~March 31, 2022~~ September 30, 2022. As of ~~March 31, 2023~~ September 30, 2023, the approximate dollar value of shares that may yet be purchased under the Repurchase Program is \$65,860.

Excluding common stock dividend reinvestments and shares issued in connection with the 5.50% and 6.50% Preferred Stock Holder Optional Conversion and Optional Redemption Upon Death of Holder, during the ~~nine~~ three months ended ~~March 31, 2023~~ September 30, 2023 and ~~March 31, 2022~~ September 30, 2022, we did not issue any shares of our common stock.

On February 9, 2016, we amended our common stock dividend reinvestment plan that provided for reinvestment of our dividends or distributions on behalf of our stockholders, unless a stockholder elects to receive cash, to add the ability of stockholders to purchase additional common shares by making optional cash investments. Under the revised dividend reinvestment and direct common stock repurchase plan, stockholders may elect to purchase additional common shares through our transfer agent in the open market or in negotiated transactions.

On April 17, 2020, our Board of Directors approved further amendments to our common stock dividend reinvestment plan, effective May 21, 2020, that principally provide for the number of newly-issued shares of our common stock to be credited to a stockholder's account shall be determined by dividing the total dollar amount of the distribution payable to such common stockholder by 95% of the market price per share of our common stock at the close of regular trading on the Nasdaq Global Select Market on the date fixed by the Board of Directors for such distribution (which shall be the last business day before the payment date).

On ~~June 10, 2022~~ June 9, 2023, at a special meeting of stockholders, our stockholders authorized us to sell shares of our common stock (during the next 12 months) at a price or prices below our net asset value per share at the time of sale in one or more offerings, subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of its outstanding common stock immediately prior to such sale).

On March 13, 2023, we filed a notice of meeting and definitive proxy statement in connection with a special meeting of our stockholders that is scheduled to be held on June 9, 2023 for the purpose of asking our stockholders to vote on a proposal to authorize us, with approval of our Board of Directors, to sell shares of our common stock (during the next 12 months) at a price or prices below our then current net asset value per share in one or more offerings subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of our outstanding common stock immediately prior to such sale).

During the ~~nine~~ three months ended ~~March 31, 2023~~ September 30, 2023 and ~~March 31, 2022~~ September 30, 2022, we distributed approximately ~~\$214,751~~ ~~\$73,252~~ and ~~\$210,722~~ ~~\$287,241~~, respectively, to our common stockholders. The following table summarizes our distributions to common stockholders declared and payable for the ~~nine~~ three months ended ~~March 31, 2023~~ September 30, 2023 and ~~March 31, 2022~~ September 30, 2022:

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| Declaration Date | Record Date | Payment Date | Amount Per Share | Amount Distributed (in thousands) |
|------------------|-------------|--------------|------------------|-----------------------------------|
| 5/7/2021 | 7/28/2021 | 8/19/2021 | \$ 0.06 | \$ 23,325 |
| 5/7/2021 | 8/27/2021 | 9/23/2021 | 0.06 | 23,348 |
| 8/24/2021 | 9/28/2021 | 10/21/2021 | 0.06 | 23,370 |
| 8/24/2021 | 10/27/2021 | 11/18/2021 | 0.06 | 23,392 |
| 11/5/2021 | 11/26/2021 | 12/23/2021 | 0.06 | 23,413 |
| 11/5/2021 | 12/29/2021 | 1/20/2022 | 0.06 | 23,435 |
| 11/5/2021 | 1/27/2022 | 2/17/2022 | 0.06 | 23,457 |

| | | | | |
|---|------------|------------|---------|------------|
| 2/7/2022 | 2/24/2022 | 3/22/2022 | 0.06 | 23,479 |
| 2/7/2022 | 3/29/2022 | 4/20/2022 | 0.06 | 23,503 |
| Total declared and payable for the nine months ended March 31, 2022 | | | | \$ 210,722 |
| 5/6/2022 | 7/27/2022 | 8/18/2022 | \$ 0.06 | \$ 23,635 |
| 5/6/2022 | 8/29/2022 | 9/21/2022 | 0.06 | 23,670 |
| 8/23/2022 | 9/28/2022 | 10/20/2022 | 0.06 | 23,767 |
| 8/23/2022 | 10/27/2022 | 11/17/2022 | 0.06 | 23,857 |
| 11/8/2022 | 11/28/2022 | 12/20/2022 | 0.06 | 23,888 |
| 11/8/2022 | 12/28/2022 | 1/19/2023 | 0.06 | 23,925 |
| 11/8/2022 | 1/27/2023 | 2/16/2023 | 0.06 | 23,965 |
| 2/8/2023 | 2/24/2023 | 3/22/2023 | 0.06 | 24,003 |
| 2/8/2023 | 3/29/2023 | 4/19/2023 | 0.06 | 24,041 |
| Total declared and payable for the nine months ended March 31, 2023 | | | | \$ 214,751 |

| Declaration Date | Record Date | Payment Date | Amount Per Share | Amount Distributed (in thousands) |
|--|-------------|--------------|------------------|-----------------------------------|
| 5/9/2023 | 7/27/2023 | 8/22/2023 | \$ 0.06 | \$ 24,317 |
| 5/9/2023 | 8/29/2023 | 9/20/2023 | 0.06 | 24,418 |
| 9/8/2023 | 9/27/2023 | 10/19/2023 | 0.06 | 24,517 |
| Total declared and payable for the three months ended September 30, 2023 | | | | \$ 73,252 |
| 5/6/2022 | 7/27/2022 | 8/18/2022 | \$ 0.06 | \$ 23,635 |
| 5/6/2022 | 8/29/2022 | 9/21/2022 | 0.06 | 23,670 |
| 8/23/2022 | 9/28/2022 | 10/20/2022 | 0.06 | 23,767 |
| Total declared and payable for the three months ended September 30, 2022 | | | | \$ 71,072 |

Dividends and distributions to common stockholders are recorded on the ex-dividend date. As such, the table above includes distributions with record dates during **nine** three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**. It does not include distributions previously declared to common stockholders of record on any future dates, as those amounts are not yet determinable. The following dividends were previously declared and will be recorded and payable subsequent to **March 31, 2023** **September 30, 2023**:

- \$0.06 per share for **April** **October** 2023 holders of record on **April 26, 2023** **October 27, 2023** with a payment date of **May 18, 2023** **November 20, 2023**.

During the **nine** three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, we issued **5,859,102** **1,538,258** and **8,268,814** **2,154,958** shares of our common stock, respectively, in connection with the common stock dividend reinvestment plan.

During the **nine** three months ended **March 31, 2023** **September 30, 2023**, Prospect officers and directors purchased **1,379,324** **224,971** shares of our common stock, or **0.34%** **0.06%** of total outstanding shares as of **March 31, 2023** **September 30, 2023**, both through the open market transactions and shares issued in connection with our common stock dividend reinvestment plan.

As of **March 31, 2023** **September 30, 2023**, we have reserved 17,294,357 shares of our common stock for issuance upon conversion of the Convertible Notes (see Note 5) and 1,000,000,000 shares of our common stock for issuance upon conversion of the 5.50% Preferred Stock and the 6.50% Preferred Stock.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Note 10. Other Income

Other income consists of structuring fees, amendment fees, overriding royalty interests, **revenue** **receipts related to net profit** and **revenue** interests, deal deposits, administrative agent fees, and other miscellaneous and sundry cash receipts. The following table shows income from such sources during the three and **nine** months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**:

| | Three Months Ended March 31, | | Nine Months Ended March 31, | | Three Months Ended September 30, | |
|---|------------------------------|-----------|-----------------------------|-----------|----------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Structuring and amendment fees (refer to Note 3) | \$ 145 | \$ 10,149 | \$ 9,875 | \$ 38,963 | \$ 16,391 | \$ 4,627 |

| | | | | | | | |
|---|---------------------------|-----------|-----------|-----------|---|---------------------------|-----------|
| Royalty and net revenue interests | 14,740 | 23,285 | 50,027 | 43,579 | | | |
| Royalty, net profit and revenue interests | | | | | Royalty, net profit and revenue interests | 14,167 | 20,678 |
| Administrative agent fees | Administrative agent fees | 171 | 202 | 432 | 529 | Administrative agent fees | 181 |
| Total other income | Total other income | \$ 15,056 | \$ 33,636 | \$ 60,334 | \$ 83,071 | Total other income | \$ 30,739 |
| | | | | | | | \$ 25,455 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Note 11. Net Increase (Decrease) in Net Assets per Common Share

Basic earnings (loss) per share is calculated by dividing the net increase (decrease) in net assets resulting from operations, less preferred dividends plus gain on repurchase of preferred stock, by the weighted average number of common shares outstanding for that period. Diluted earnings (loss) per share gives effect to all dilutive potential common shares outstanding using the if-converted method for the 5.50% Preferred Stock, for the 6.50% Preferred Stock (Refer to Note 9) and, beginning on July 1, 2022, for the 2025 Notes (Refer to Note 5).

Subsequent to the adoption of ASU 2020-06 on July 1, 2022, for the purpose of calculating diluted net increase in net assets resulting from operations applicable to common stockholders per share for the three and nine months ended March 31, 2023, the Company utilized the if-converted method, which assumes full share settlement for the aggregate value of the 2025 Notes, the 5.50% Preferred Stock, and the 6.50% Preferred Stock. Under the allowed modified retrospective method, diluted net increase in net assets resulting from operations applicable to common stockholders per share for prior periods were not restated to reflect the impact of ASU 2020-06. Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive.

During the nine months ended March 31, 2023 September 30, 2022, conversion of our convertible instruments has had an anti-dilutive effect and therefore, conversion is not assumed.

The following information sets forth the computation of basic and diluted earnings per common share during the three and nine months ended March 31, 2023 September 30, 2023 and March 31, 2022 September 30, 2022:

| | For the Three Months Ended March 31, | | | | For the Three Months Ended September 30, | |
|---|--------------------------------------|------------|--------------|------------|---|------------------------|
| | 2023 | | 2022 | | 2023 | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Net (decrease) increase in net assets resulting from operations - basic | \$ (108,947) | \$ 157,157 | \$ (158,523) | \$ 613,292 | | |
| Net increase (decrease) in net assets resulting from operations - basic | | | | | Net increase (decrease) in net assets resulting from operations - basic | \$ 94,011 \$ (105,199) |
| Adjustment for dividends on Convertible Preferred Stock | — | 7,139 | — | 16,748 | Adjustment for dividends on Convertible Preferred Stock | 21,210 |
| Adjustment for interest on Convertible Notes | — | — | — | — | Adjustment for interest on Convertible Notes | 2,717 |
| Net (decrease) increase in net assets resulting from operations - diluted | \$ (108,947) | \$ 164,296 | \$ (158,523) | \$ 630,040 | | |
| Adjustment for Incentive Fee on Convertible Instruments | | | | | Adjustment for Incentive Fee on Convertible Instruments | (4,785) — |

| | | | | |
|---|---|--|--|--------------|
| Net increase (decrease) in net assets resulting from operations - diluted | | Net increase (decrease) in net assets resulting from operations - diluted | \$ 113,153 | \$ (105,199) |
| Weighted average common shares outstanding - basic | Weighted average common shares outstanding - basic | 399,732,263 | 391,091,485 | 397,233,468 |
| Assumed conversion of Convertible Preferred Stock | — | 41,716,635 | — | 29,933,104 |
| Assumed conversion of Convertible Notes | — | — | — | — |
| Weighted average common shares from assumed conversion of Convertible Preferred Stock | Weighted average common shares from assumed conversion of Convertible Preferred Stock | 211,945,352 | — | — |
| Weighted average common shares from assumed conversion of Convertible Notes | Weighted average common shares from assumed conversion of Convertible Notes | 17,294,357 | — | — |
| Weighted average shares of common stock outstanding - diluted | Weighted average shares of common stock outstanding - diluted | 399,732,263 | 432,808,120 | 397,233,468 |
| Earnings (loss) per share - basic | Earnings (loss) per share - basic | \$ (0.27) | \$ 0.40 | \$ (0.40) |
| Earnings (loss) per share - diluted | Earnings (loss) per share - diluted | \$ (0.27) | \$ 0.38 | \$ (0.40) |
| | | 419,914,712 | 635,590,328 | 394,337,440 |
| | | | Earnings (loss) per share - basic | \$ 0.23 |
| | | | Earnings (loss) per share - diluted | \$ 0.18 |
| | | | | \$ (0.27) |
| | | | | \$ (0.27) |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Note 12. Income Taxes

While our fiscal year end for financial reporting purposes is June 30 of each year, our tax year end is August 31 of each year. The information presented in this footnote is based on our tax year end for each period presented, unless otherwise specified.

The determination of tax character of distributions was not determinable at the end of the fiscal year end. Final determination of tax character of distributions will not be final until we file our return for the tax year. For income tax purposes, dividends paid and distributions made to stockholders are reported as ordinary income, capital gains, non-taxable return of capital, or a combination thereof. The tax character of dividends paid to common stockholders during the tax years ended **August 31, 2022** **August 31, 2023**, **2021**, **2022**, and **2020** **2021** were as follows:

Tax Year Ended August 31,

| | 2022 | 2021 | 2020 |
|---|---------------------------|------------|------------|
| Ordinary income | \$ 231,984 | \$ 251,171 | \$ 169,041 |
| Capital gain | 49,719 | — | — |
| Return of capital | — | 25,784 | 96,720 |
| Total common dividends paid to stockholders | \$ 281,703 ⁽¹⁾ | \$ 276,955 | \$ 265,761 |

(1) Final determination of tax character will not be final until we file our return for the tax year ended August 31, 2022.

| | Tax Year Ended August 31, | | |
|---|---------------------------|------------|------------|
| | 2023 | 2022 | 2021 |
| Ordinary income | \$ 227,400 | \$ 231,984 | \$ 251,171 |
| Capital gain | — | 49,719 | — |
| Return of capital | 60,523 | — | 25,784 |
| Total distributions paid to common stockholders | \$ 287,923 | \$ 281,703 | \$ 276,955 |

PROSPECT CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

(in thousands, except share and per share data)

The Company began issuing shares of Preferred Stock and declaring dividends on shares Preferred Stock outstanding during the tax year ended August 31, 2021. The tax character of dividends paid to preferred stockholders during the tax years ended **August 31, 2022** **August 31, 2023**, **2022**, and **August 31, 2021** **2021** were as follows:

| | Tax Year Ended August 31, | | Tax Year Ended August 31, 2021 |
|--|---------------------------|--------------------------|--------------------------------|
| | 2022 | 2023 | |
| Ordinary income | \$ 22,551 | \$ 22,551 | \$ 2,391 |
| Capital gain | 6,476 | — | — |
| Return of capital | — | — | — |
| Total preferred dividends paid to stockholders | \$ 29,027 ⁽²⁾ | \$ 29,027 ⁽²⁾ | \$ 2,391 |

(2) Final determination of tax character will not be final until we file our return for the tax year ended August 31, 2022.

As of August 25, 2021 when our prior Form 10-K was filed for the year ended June 30, 2021, we estimated our distributions for the fiscal year then ended to be \$265,593 of distributions of ordinary income and \$12,263 of our distributions to be return of capital. Subsequent to our filing date, we obtained more information from our underlying investments as to the character of the distributions for the tax year ended August 31, 2021, which resulted in changes to distributions previously disclosed in our Form 10-K filing. As a result of the change, our total distributable loss on our *Consolidated Statement of Assets and Liabilities* for the year ended June 30, 2021 changed from \$232,659 to \$210,570, with \$22,089 being reclassified to distributions from capital. The remaining reclassification of tax distributions classified as return of capital for the tax year ended August 31, 2021 have been adjusted in the fiscal year ended June 30, 2022. This adjustment resulted in an increase to distributable earnings of \$3,695 for the three months ended September 30, 2021.

We generate certain types of income that may be exempt from U.S. withholding tax when distributed to non-U.S. stockholders. Under IRC Section 871(k), a RIC is permitted to designate distributions of qualified interest income and short-term capital gains as exempt from U.S. withholding tax when paid to non-U.S. stockholders with proper documentation. For the 2023 calendar year, 62.41% of our taxable ordinary dividends as of March 31, 2023 qualified as interest related dividends which are exempt from U.S. withholding tax applicable to non-U.S. stockholders. This percentage is based on the best estimates available at the time of this filing. The final percentage will be determined with the filing of Form 1099-DIV.

We generate income that may be beneficial to shareholders that face interest expense limitations. Under IRC Section 163(j), a RIC is permitted to designate distributions attributable to net business interest income as section 163(j) interest dividends. For the 2023 calendar year 96.07% of our taxable ordinary dividends as of March 31, 2023 qualified as section 163(j) interest dividends. This percentage is based on the best estimates available at the time of this filing. The final percentage will be determined with the filing of Form 1099-DIV.

We generate dividend income that may be beneficial to certain U.S. corporate shareholders. Under IRC Sections 243 and 854, a RIC is permitted to designate ordinary dividends as eligible for the 50% dividends received deduction. For the 2023 calendar year 1.21% of our taxable ordinary dividends as of March 31, 2023 qualified for the deduction under sections 243 and 854. This

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

percentage is based on the best estimates available at the time of this filing. The final percentage will be determined with the filing of Form 1099-DIV.

| | Tax Year Ended August 31, | | |
|-----------------|---------------------------|-----------|----------|
| | 2023 | 2022 | 2021 |
| Ordinary income | \$ 74,975 | \$ 22,551 | \$ 2,391 |
| Capital gain | — | 6,476 | — |

| | | |
|--|-----------|--------------------|
| Return of capital | — | — |
| Total distributions paid to preferred stockholders | \$ 74,975 | \$ 29,027 \$ 2,391 |

For the tax year ending **August 31, 2022** **August 31, 2023**, the tax character of **dividends** distributions paid to stockholders through **August 31, 2022** **August 31, 2023** is expected to be ordinary income and **capital gains** however **return of capital**. However, due to the difference between our fiscal and tax year ends, the final determination of the tax character of **dividends** distributions between ordinary income and **return of capital** **gains** will not be made until we file our tax return for the tax year ending **August 31, 2022** **August 31, 2023**.

Taxable income generally differs from net increase in net assets resulting from operations for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized gains or losses, as unrealized gains or losses are generally not included in taxable income until they are realized. The following reconciles the net increase in net assets resulting from operations to taxable income for the tax years ended **August 31, 2022** **August 31, 2023**, **2021**, **2022**, and **2020**: **2021**:

| | Tax Year Ended August 31, | | | Tax Year Ended August 31, | | |
|---|---|---------------------------|-------------|---|-------------|------------|
| | 2022 | | | 2023 | | |
| | 2022 | 2021 | 2020 | 2023 | 2022 | 2021 |
| Net increase (decrease) in net assets resulting from operations | Net increase (decrease) in net assets resulting from operations | | | Net increase (decrease) in net assets resulting from operations | | |
| Net increase (decrease) in net assets resulting from operations | \$ 735,343 | \$ 428,106 | \$ (78,949) | Net increase (decrease) in net assets resulting from operations | \$ (88,043) | \$ 735,337 |
| Net realized losses on investments | Net realized losses on investments | | | Net realized losses on investments | | |
| Net realized losses on investments | 22,375 | 16,173 | 10,139 | Net realized losses on investments | 40,794 | 22,375 |
| Net unrealized (gains) losses on investments | Net unrealized (gains) losses on investments | | | Net unrealized (gains) losses on investments | | |
| Net unrealized (gains) losses on investments | (405,414) | (143,654) | 328,997 | Net unrealized (gains) losses on investments | 480,916 | (405,414) |
| Other temporary book-to-tax differences ⁽¹⁾ | Other temporary book-to-tax differences ⁽¹⁾ | | | Other temporary book-to-tax differences ⁽¹⁾ | | |
| Other temporary book-to-tax differences ⁽¹⁾ | (65,664) | (47,330) | (91,368) | Other temporary book-to-tax differences ⁽¹⁾ | (162,878) | (66,363) |
| Permanent differences | Permanent differences | | | Permanent differences | | |
| Permanent differences | 30 | (20) | 57 | Permanent differences | 27 | 30 |
| Taxable income before deductions for distributions | Taxable income before deductions for distributions | | | Taxable income before deductions for distributions | | |
| Taxable income before deductions for distributions | \$ 286,670 | ⁽³⁾ \$ 253,275 | \$ 168,876 | Taxable income before deductions for distributions | \$ 270,816 | \$ 285,965 |
| ⁽³⁾ Final determination ⁽¹⁾ Temporary book-to-tax differences include timing recognition of permanent differences will not be final until we file CLO income, flow-through investment income/loss, and dividend income from portfolio companies | | | | | | |

As of our return for the most recent tax year ended **August 31, 2022** **August 31, 2023**, we had no undistributed ordinary income in excess of cumulative distributions and no capital gain in excess of cumulative distributions.

Capital losses in excess of capital gains earned in a tax year may generally be carried forward and used to offset capital gains, subject to certain limitations. As of **August 31, 2022** our most recent tax year ended **August 31, 2023**, we had no a capital loss carryforwards carryforward of \$106,659 available for use in later tax years. While our ability to utilize losses in the future depends upon a variety

| | Tax Year Ended August 31, 2023 |
|---------------------------------------|--------------------------------|
| Undistributed ordinary income | \$ — |
| Undistributed long-term capital gains | — |
| Capital loss carryforwards | \$ 106,659 |

As of factors that cannot be known in advance, some of the Company's capital loss carryforwards may become permanently unavailable due to limitations by the Code.

For the tax year ended August 31, 2022, we had \$32,134 of undistributed ordinary income in excess of cumulative distributions and no capital gain in excess of cumulative distributions.

As of March 31, 2023 September 30, 2023, the cost basis of investments for tax purposes was \$7,792,689 \$7,684,181 resulting in an estimated net unrealized loss gain of \$199,912. As \$52,636. As of March 31, 2023, the gross unrealized gains and losses were \$1,332,087 and \$1,531,999, respectively. As of June 30, 2022 June 30, 2023, the cost basis of investments for tax purposes was \$7,214,493 \$8,028,254 resulting in an estimated net unrealized gain loss of \$388,017. \$303,323. As of June 30, 2022 September 30, 2023, the gross unrealized gains and losses were \$1,506,944 \$1,333,996 and \$1,118,927. \$1,281,360, respectively. As of June 30, 2023, the gross unrealized gains and losses were \$1,334,168 and \$1,637,491, respectively. Due to the difference between our fiscal year end and tax year end, the cost basis of our investments for tax purposes as of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023 was calculated based on the book cost of investments as of March 31, 2023 September 30, 2023 and June 30, 2022 June 30, 2023, respectively, with cumulative book-to-tax adjustments for investments through August 31, 2022 August 31, 2023 and 2021, 2022, respectively.

PROSPECT CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | September 30, 2023 | June 30, 2023 |
|---|---------------------------|----------------------|
| Tax cost of Investments | \$ 7,684,181 | \$ 8,028,254 |
| Tax unrealized appreciation | 1,333,996 | 1,334,168 |
| Tax unrealized depreciation | 1,281,360 | 1,637,491 |
| Net unrealized appreciation(depreciation) | \$ 52,636 | \$ (303,323) |

In general, we may make certain adjustments to the classification of net assets as a result of permanent book-to-tax differences, which may include merger-related items, differences in the book and tax basis of certain assets and liabilities, and nondeductible federal excise taxes, among other items. During the tax year ended August 31, 2023, we increased total distributable earnings by \$27, increased accumulated realized losses by \$622, and increased capital in excess of par value by \$595. During the tax year ended August 31, 2022, we increased overdistributed net investment income total distributable earnings by \$30 and decreased capital in excess of par value by \$30. During the tax year ended August 31, 2021, we decreased overdistributed net investment income by \$20 and increased capital in excess of par value by \$20. Due to the difference between our fiscal and tax year end, the reclassifications for the taxable year ended August 31, 2022 have been August 31, 2023, once finalized, will be recorded in the fiscal year ending June 30, 2023 June 30, 2024 and the reclassifications for the taxable year ended August 31, 2021 August 31, 2022 were recorded in the fiscal year ended June 30, 2022 June 30, 2023.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Note 13. Related Party Agreements and Transactions

Investment Advisory Agreement

We have entered into an investment advisory and management agreement with the Investment Adviser (the "Investment Advisory Agreement") under which the Investment Adviser, subject to the overall supervision of our Board of Directors, manages the day-to-day operations of, and provides investment advisory services to, us. Under the terms of the Investment Advisory Agreement, the Investment Adviser: (i) determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes, (ii) identifies, evaluates and negotiates the structure of the investments we make (including performing due diligence on our prospective portfolio companies), and (iii) closes and monitors investments we make.

The Investment Adviser's services under the Investment Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. For providing these services the Investment Adviser receives a fee from us, consisting of two components: a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 2.00% on our total assets. For services currently rendered under the Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. The total gross base management fee incurred to the favor of the Investment Adviser was \$38,980 \$39,289 and \$36,426 \$38,314 during the three months ended March 31, 2023 September 30, 2023 and March 31, 2022, respectively. The total gross base management fee incurred to the favor of the Investment Advisor was \$116,176 and \$102,472 during the nine months ended March 31, 2023 and March 31, 2022 September 30, 2022, respectively.

The incentive fee has two parts. The first part, the income incentive fee, is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees and other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement described below, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income that we have not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital gains or losses. Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, is compared to a "hurdle rate" of 1.75% per quarter (7.00% annualized).

The net investment income used to calculate this part of the incentive fee is also included in the amount of the gross assets used to calculate the 2.00% base management fee. We pay the Investment Adviser an income incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- No incentive fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate;

PROSPECT CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

- 100.00% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 125.00% of the quarterly hurdle rate in any calendar quarter (8.75% annualized assuming a 7.00% annualized hurdle rate); and
- 20.00% of the amount of our pre-incentive fee net investment income, if any, that exceeds 125.00% of the quarterly hurdle rate in any calendar quarter (8.75% annualized assuming a 7.00% annualized hurdle rate).

These calculations are appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

The second part of the incentive fee, the capital gains incentive fee, is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 20.00% of our realized capital gains for the calendar year, if any, computed net of all realized capital losses and unrealized capital depreciation at the end of such year. In determining the capital gains incentive fee payable to the Investment Adviser, we calculate the aggregate realized capital gains, aggregate realized capital losses and aggregate unrealized capital depreciation, as applicable, with respect to each investment that has been in our portfolio. For the purpose of this calculation, an "investment" is defined as the total of all rights and claims which may be asserted against a portfolio company arising from our participation in the debt, equity, and other financial instruments issued by that company. Aggregate realized capital gains, if any, equal the sum of the differences between the aggregate net sales price of each investment and the aggregate amortized cost basis of such investment when sold or otherwise disposed. Aggregate realized capital losses equal the sum of the amounts by which the aggregate net sales price of each investment is less than the aggregate amortized cost basis of such investment when sold or otherwise disposed. Aggregate unrealized capital depreciation equals the sum of the differences, if negative, between the aggregate valuation of each investment and the aggregate amortized cost basis of such investment as of the applicable calendar year-end. At the end of the applicable calendar year, the amount of capital gains that serves as the basis for our calculation of the capital gains incentive fee involves netting aggregate realized capital gains against aggregate realized capital losses on a since-inception basis and then reducing this amount by the aggregate unrealized capital depreciation. If this number is positive, then the capital gains incentive fee payable is equal to 20.00% of such amount, less the aggregate amount of any capital gains incentive fees paid since inception.

The total income incentive fee incurred was **\$20,561** **\$25,617** and **\$19,967** **\$21,626** during the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022**, respectively. The fees incurred for the **nine** **three** months ended **March 31, 2023** and **March 31, 2022** were **\$64,692** and **\$59,296**, **September 30, 2022**, respectively. No capital gains incentive fee was incurred during the **nine** **three** months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**.

Administration Agreement

We have also entered into an administration agreement (the "Administration Agreement") with Prospect Administration under which Prospect Administration, among other things, provides (or arranges for the provision of) administrative services and facilities for us. For providing these services, we reimburse Prospect Administration for our allocable portion of overhead incurred by Prospect Administration in performing its obligations under the Administration Agreement, including rent and our allocable portion of the costs of our Chief Financial Officer and Chief Compliance Officer and her staff, including the internal legal staff. Under this agreement, Prospect Administration furnishes us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities. Prospect Administration also performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, Prospect Administration assists us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Under the Administration Agreement, Prospect Administration also provides on our behalf managerial assistance to certain portfolio companies (see *Managerial Assistance* section below). The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. Prospect Administration is a wholly-owned subsidiary of the Investment Adviser.

The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Prospect Administration and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Prospect Administration's services under the Administration Agreement or otherwise as administrator for us. Our payments to Prospect Administration are reviewed quarterly by our Board of Directors.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

The allocation of net overhead expense from Prospect Administration was **\$9,773** **\$2,113** and **\$4,126** **\$3,099** for the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, respectively. Prospect Administration received estimated payments of **\$918** **\$3,468** and **\$807** **\$1,554** directly from our portfolio companies and certain funds managed by the Investment Adviser for legal, tax, and other administrative services during the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, respectively. In addition, we were given a credit in the amount of **\$1,212** for legal expense incurred on behalf of our portfolio companies that were remitted to Prospect Administration during the three months ended September 30, 2022. We were given a credit for these payments as a reduction of the administrative services cost payable by us to Prospect Administration. Had Prospect Administration not received these payments, Prospect Administration's charges for its administrative services would have increased by this amount.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

The allocation of net overhead expense from Prospect Administration was **\$16,490** and **\$10,891** for the nine months ended March 31, 2023 and March 31, 2022, respectively. Prospect Administration received estimated payments of **\$1,808** and **\$4,869** directly from our portfolio companies and certain funds managed by the Investment Adviser for legal, tax, and other administrative services during the nine months ended March 31, 2023 and March 31, 2022, respectively. In addition, we were given a credit in the amount of **\$1,212** for legal expense incurred on behalf of our portfolio companies that were remitted to Prospect Administration during the nine months ended March 31, 2023.

Managerial Assistance

As a BDC, we are obligated under the 1940 Act to make available to certain of our portfolio companies significant managerial assistance. "Making available significant managerial assistance" refers to any arrangement whereby we provide significant guidance and counsel concerning the management, operations, or business objectives and policies of a portfolio company. We are also deemed to be providing managerial assistance to all portfolio companies that we control, either by ourselves or in conjunction with others. The nature and extent of significant managerial assistance provided by us to controlled and non-controlled portfolio companies will vary according to the particular needs of each portfolio company. Examples of such activities include (i) advice on recruiting, hiring, management and termination of employees, officers and directors, succession planning and other human resource matters; (ii) advice on capital raising, capital budgeting, and capital expenditures; (iii) advice on advertising, marketing, and sales; (iv) advice on fulfillment, operations, and execution; (v) advice on managing relationships with unions and other personnel organizations, financing sources, vendors, customers, lessors, lessees, lawyers, accountants, regulators and other important counterparties; (vi) evaluating acquisition and divestiture opportunities, plant expansions and closings, and market expansions; (vii) participating in audit committee, nominating committee, board and management meetings; (viii) consulting with and advising board members and officers of portfolio companies (on overall strategy and other matters); and (ix) providing other organizational, operational, managerial and financial guidance.

Prospect Administration arranges for the provision of such managerial assistance on our behalf. When doing so, Prospect Administration utilizes personnel of our Investment Adviser. We, on behalf of Prospect Administration, may invoice portfolio companies receiving and paying for managerial assistance, and we remit to Prospect Administration its cost of providing such services, including the charges deemed appropriate by our Investment Adviser for providing such managerial assistance. No income is recognized by Prospect.

During the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, we received payments of **\$2,316** **\$2,284**, and **\$2,276**, respectively, from our portfolio companies for managerial assistance and subsequently remitted these amounts to Prospect Administration. During the nine months ended **March 31, 2023** and **March 31, 2022**, we received payments of **\$7,008** and **\$5,946**, **\$1,760**, respectively, from our portfolio companies for managerial assistance and subsequently remitted these amounts to Prospect Administration.

Co-Investments

On January 13, 2020, (amended on August 2, 2022), we received an exemptive order from the SEC (the "Order"), which superseded a prior co-investment exemptive order granted on February 10, 2014, that gave us the ability to negotiate terms other than price and quantity of co-investment transactions with other funds managed by the Investment Adviser or certain affiliates, including Priority Income Fund, Inc. and Prospect Floating Rate and Alternative Income Fund, Inc. (f/k/a Prospect Sustainable Income Fund, Inc.), where co-investing would otherwise be prohibited under the 1940 Act, subject to the conditions included therein.

Under the terms of the relief permitting us to co-invest with other funds managed by our Investment Adviser or its affiliates, a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors must make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies. In certain situations where a co-investment with one or more funds managed by the Investment Adviser or its affiliates is not covered by the Order, such as when there is an opportunity to invest in different securities of the same issuer, the personnel of the Investment Adviser or its affiliates will need to decide which fund will proceed with the investment. Such personnel will make these determinations based on policies and procedures, which are designed to reasonably ensure that investment opportunities are allocated fairly and equitably among affiliated funds over time and in a manner that is consistent with applicable laws, rules and regulations. Moreover, except in certain circumstances, when

PROSPECT CAPITAL CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued) (in thousands, except share and per share data)

relying on the Order, we will be unable to invest in any issuer in which one or more funds managed by the Investment Adviser or its affiliates has previously invested.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued) (in thousands, except share and per share data)

We reimburse CLO investment valuation services fees initially incurred by Priority Income Fund, Inc. During the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, we recognized expenses that were reimbursed for valuation services of **\$22** **\$19** and **\$28**, respectively. During the nine months ended **March 31, 2023** and **March 31, 2022**, we recognized expenses that were reimbursed for valuation services of **\$67** and **\$88**, **\$21**, respectively. Conversely, Priority Income Fund, Inc. and Prospect Floating Rate and Alternative Income Fund, Inc. (f/k/a Prospect Sustainable Income Fund, Inc.) reimburse us for software fees, expenses which were initially incurred by Prospect. During the three months ended **September 30, 2023** the amount due for the software fees was **\$17**. No such fees were incurred during the three months ended **September 30, 2022**.

Note 14. Transactions with Controlled Companies

The descriptions below detail the transactions which Prospect Capital Corporation ("Prospect") has entered into with each of our controlled companies. Certain of the controlled entities discussed below were consolidated effective July 1, 2014 (see Note 1). As such, transactions with these Consolidated Holding Companies are presented on a consolidated basis.

CP Energy Services Inc.

Prospect owns 100% of the equity of CP Holdings of Delaware LLC ("CP Holdings"), a Consolidated Holding Company. CP Holdings owns 99.8% of the equity of CP Energy Services, Inc. ("CP Energy"), and the remaining equity is owned by CP Energy management. CP Energy owns directly or indirectly 100% of each of CP Well; Wright Foster Disposals, LLC; Foster Testing Co., Inc.; ProHaul Transports, LLC; and Wright Trucking, Inc. CP Energy provides oilfield flowback services and fluid hauling and disposal services through its subsidiaries. In June 2019, CP Energy purchased a controlling interest in the common equity of Spartan Energy Holdings, Inc. ("Spartan Holdings"), which owns 100% of Spartan Energy Services, LLC ("Spartan") a portfolio company of Prospect with **\$31,603** **\$32,021** in first lien term loans (the "Spartan Term Loans") due to us as of **March 31**.

2023 September 30, 2023. As a result of CP Energy's purchase, and given Prospect's controlling interest in CP Energy, our Spartan Term Loans are presented as control investments under CP Energy beginning June 30, 2019. Spartan remains the direct borrow and guarantor to Prospect for the Spartan Term Loans.

In December 2019, Wolf Energy Holdings, Inc. ("Wolf Energy Holdings"), our Consolidated Holding Company that previously owned 100% of Appalachian Energy LLC ("AEH"); Wolf Energy Services Company, LLC ("Wolf Energy Services"); and Wolf Energy, LLC (collectively our previously controlled membership interest and net profit interest investments in "Wolf Energy"), merged with and into CP Energy, with CP Energy continuing as the surviving entity. CP Energy acquired 100% of our equity investment in Wolf Energy, which is reflected in our valuation of the CP Energy common stock beginning December 31, 2019.

| | Interest Income | Three Months Ended | | Nine Months Ended | | Three Months Ended | |
|---------------------------------------|---------------------------------------|--------------------|-----------------|-------------------|-----------------|--------------------|-----------------|
| | | March 31, 2023 | | March 31, 2022 | | September 30, 2023 | |
| | | Interest Income | Interest Income | Interest Income | Interest Income | Interest Income | Interest Income |
| Interest Income from CP Energy | Interest Income from CP Energy | \$ 2,248 | \$ 1,321 | \$ 5,525 | \$ 3,901 | \$ 2,727 | \$ 1,521 |
| Interest Income from Spartan | Interest Income from Spartan | 959 | 561 | 2,459 | 1,284 | 1,134 | 700 |
| Total Interest Income | Total Interest Income | \$ 3,207 | \$ 1,882 | \$ 7,984 | \$ 5,185 | \$ 3,861 | \$ 2,221 |
| Other Income | Administrative Agent | \$ — | \$ — | \$ — | \$ 6 | | |
| Total Other Income | Legal, Tax, etc. (1) | \$ — | \$ — | \$ — | \$ 6 | | |
| Reimbursement of Legal, Tax, etc. (1) | Reimbursement of Legal, Tax, etc. (1) | 216 | — | 237 | — | — | 21 |

1) Paid from CP Energy to **PA** Prospect Administration LLC ("PA") as reimbursement for legal, tax, and portfolio level accounting services provided directly to CP Energy (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | | Three Months Ended | |
|--|--|--------------------|--------------------|
| | | September 30, 2023 | |
| | | September 30, 2023 | September 30, 2022 |
| Additions | | \$ 2,900 | \$ — |
| Interest Income Capitalized as PIK | | | |
| CP Energy | | \$ — | \$ 1,521 |
| Spartan | | 762 | 699 |
| Total Interest Income Capitalized as PIK | | \$ 762 | \$ 2,220 |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | | Three Months Ended | | Nine Months Ended | |
|--|-------------------------|--------------------|----------------|--------------------|----------------|
| | | March 31, 2023 | | March 31, 2022 | |
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Additions | | \$ 12,500 | \$ 9,681 | \$ 12,500 | \$ 9,681 |
| Interest Income Capitalized as PIK | | | | | |
| CP Energy | | \$ 3,996 | \$ 1,320 | \$ 5,517 | \$ 3,901 |
| Spartan | | 1,225 | 558 | 2,456 | 921 |
| Total Interest Income Capitalized as PIK | | \$ 5,221 | \$ 1,878 | \$ 7,973 | \$ 4,822 |
| | | As of | | As of | |
| | | March 31, 2023 | | September 30, 2023 | |
| Interest Receivable (2) | Interest Receivable (2) | \$ 38 | \$ 26 | \$ 3,140 | \$ 41 |
| Other Receivables (3) | Other Receivables (3) | 179 | 171 | 304 | 297 |

(2) Interest income recognized but not yet paid.

(3) Represents amounts due from CP Energy and Spartan to Prospect for reimbursement of expenses paid by Prospect on behalf of CP Energy and Spartan.

Credit Central Loan Company, LLC

Prospect owns 100% of the equity of Credit Central Holdings of Delaware, LLC ("Credit Central Delaware"), a Consolidated Holding Company. Credit Central Delaware owns **99.81%** **99.8%** of the equity of Credit Central Loan Company, LLC (f/k/a Credit Central Holdings, LLC) ("Credit Central"), with entities owned by Credit Central management owning the remaining equity. Credit Central owns 100% of each of Credit Central, LLC; Credit Central South, LLC; Credit Central of Texas, LLC; and Credit Central of Tennessee, LLC. Credit Central is a branch-based provider of installment loans.

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|----------------|-------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Interest Income | \$ 2,065 | \$ 3,781 | \$ 5,878 | \$ 11,182 |
| Other Income | | | | |
| Structuring Fee | \$ 62 | \$ — | \$ 123 | \$ — |
| Total Other Income | \$ 62 | \$ — | \$ 123 | \$ — |
| Managerial Assistance ⁽¹⁾ | 175 | 175 | 525 | 525 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | 12 | — | 69 | 1 |

| | Three Months Ended | |
|--------------------------------------|--------------------|--------------------|
| | September 30, 2023 | September 30, 2022 |
| Interest Income | \$ 2,004 | \$ 1,859 |
| Managerial Assistance ⁽¹⁾ | 175 | 175 |

(1) No income recognized by Prospect. **MA** Managerial Assistance ("MA") payments were paid from Credit Central to Prospect and subsequently remitted to PA.

(2) Paid from Credit Central to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to Credit Central (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA.)

| | Three Months Ended | | Nine Months Ended | | Three Months Ended | |
|-------------------------|-------------------------|----------------|-------------------|----------------|-------------------------|--------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | September 30, 2023 | September 30, 2022 |
| Additions | \$ 3,080 | \$ — | \$ 6,200 | \$ — | | |
| Accreted Original Issue | Accreted Original Issue | | | | Accreted Original Issue | |
| Discount | Discount | \$ 210 | \$ 155 | \$ 594 | Discount | \$ 250 |
| Interest Income | Interest Income | | | | Interest Income | |
| Capitalized as PIK | Capitalized as PIK | 2,457 | 3,007 | 5,303 | 6,564 | PIK |
| | | | | | 1,345 | 1,697 |

| | As of | |
|------------------------------------|--------------------|---------------|
| | September 30, 2023 | June 30, 2023 |
| Interest Receivable ⁽²⁾ | \$ 681 | \$ 22 |
| Other Receivables ⁽³⁾ | 1 | 40 |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | As of | |
|------------------------------------|----------------|---------------|
| | March 31, 2023 | June 30, 2022 |
| Interest Receivable ⁽³⁾ | \$ 21 | \$ 42 |
| Other Receivables ⁽⁴⁾ | 2 | 7 |

⁽³⁾ ⁽²⁾ Interest income recognized but not yet paid.

⁽⁴⁾ ⁽³⁾ Represents amounts due from Credit Central to Prospect for reimbursement of expenses paid by Prospect on behalf of Credit Central.

Echelon Transportation LLC (f/k/a Echelon Aviation LLC)

Prospect owns 100% of the membership interests of Echelon Transportation LLC ("Echelon"). Echelon owns 60.7% of the equity of AerLift Leasing Limited ("AerLift").

| Three Months Ended | Nine Months Ended | Three Months Ended |
|--------------------|-------------------|--------------------|
|--------------------|-------------------|--------------------|

| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | | September 30, 2023 | September 30, 2022 |
|--------------------------------------|--------------------------------------|----------------|----------------|----------------|----------------|--------------------------------------|--------------------|--------------------|
| Interest Income | Interest Income | \$ 1,099 | \$ 1,431 | \$ 2,860 | \$ 6,888 | Interest Income | \$ 781 | \$ 869 |
| Managerial Assistance (1) | Managerial Assistance (1) | 63 | 63 | 188 | 188 | Managerial Assistance (1) | 63 | 63 |
| Reimbursement of Legal, Tax, etc.(2) | Reimbursement of Legal, Tax, etc.(2) | 77 | — | 89 | 102 | Reimbursement of Legal, Tax, etc.(2) | 3 | 2 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

(1) No income recognized by Prospect. MA payments were paid from Echelon to Prospect and subsequently remitted to PA.
(2) Paid from Echelon to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to Echelon (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | | | | Nine Months Ended | | | |
|------------------------------------|-------------------------|----------------|----------------|-------------------------|-------------------|--------------------|----------------|---------------|
| | March 31, 2023 | | March 31, 2022 | | March 31, 2023 | | March 31, 2022 | |
| | \$ | 1,803 | \$ | 5,542 | \$ | 3,391 | \$ | 10,646 |
| Three Months Ended | | | | | | | | |
| Interest Income Capitalized as PIK | | | | September 30, 2023 | | September 30, 2022 | | |
| Interest Income Capitalized as PIK | | | | \$ — | | \$ 1,587 | | |
| Repayment of loan receivable | | | | \$ 1,862 | | \$ — | | |
| As of | | | | | | | | |
| | | | | | | | | |
| Interest Receivable (3) | | March 31, 2023 | | June 30, 2022 | | September 30, 2023 | | June 30, 2023 |
| Interest Receivable (3) | Interest Receivable (3) | \$ 808 | \$ 1,339 | Interest Receivable (3) | \$ 377 | \$ 2,035 | | |
| Other Receivables (4) | Other Receivables (4) | 7 | 2 | Other Receivables (4) | 2 | 10 | | |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from Echelon to Prospect for reimbursement of expenses paid by Prospect on behalf of Echelon.

Energy Solutions Holdings Inc.

Prospect owns 100% of the equity of Energy Solutions Holdings Inc. (f/k/a Gas Solutions Holdings Inc.) ("Energy Solutions"), a Consolidated Holding Company. Energy Solutions owns 100% of each of Change Clean Energy Company, LLC (f/k/a Change Clean Energy Holdings, LLC) ("Change Clean"); Freedom Marine Solutions, LLC (f/k/a Freedom Marine Services Holdings, LLC) ("Freedom Marine"); and Yatesville Coal Company, LLC (f/k/a Yatesville Coal Holdings, LLC) ("Yatesville"). Change Clean owns 100% of each of Change Clean Energy, LLC and Down East Power Company, LLC, and 50.1% of BioChips LLC. Freedom Marine owns 100% of each of Vessel Company, LLC (f/k/a Vessel Holdings, LLC) ("Vessel"); Vessel Company II, LLC (f/k/a Vessel Holdings II, LLC) ("Vessel II"); and Vessel Company III, LLC (f/k/a Vessel Holdings III, LLC) ("Vessel III"). Yatesville owns 100% of North Fork Collieries, LLC.

Energy Solutions owns interests in companies operating in the energy sector. These include companies operating offshore supply vessels, ownership of a non-operating biomass electrical generation plant and several coal mines. Energy Solutions subsidiaries formerly owned interests in gathering and processing business in east Texas.

Transactions between Prospect and Freedom Marine are separately discussed below under "Freedom Marine Solutions, LLC."

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

First Tower Finance Company LLC

Prospect owns 100% of the equity of First Tower Holdings of Delaware LLC ("First Tower Delaware"), a Consolidated Holding Company. First Tower Delaware holds 80.10% of the voting interest of First Tower Finance Company LLC ("First Tower Finance"), resulting in a 78.06% ownership of First Tower Finance. First Tower Finance owns 100% of First Tower, LLC ("First Tower"), a multiline specialty finance company.

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|----------------|-------------------|----------------|
| | March 31, 2023 | | March 31, 2022 | |
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |

| | | | | |
|---------------------------|-----------|-----------|-----------|-----------|
| Interest Income | \$ 14,273 | \$ 18,180 | \$ 48,636 | \$ 54,959 |
| Other Income | | | | |
| Structuring Fee | \$ — | \$ 664 | \$ — | \$ 7,898 |
| Total Other Income | \$ — | \$ 664 | \$ — | \$ 7,898 |
| Managerial Assistance (1) | \$ 600 | \$ 600 | \$ 1,800 | \$ 1,800 |

| | Three Months Ended | | September 30, 2022 | |
|---------------------------|--------------------|--------|--------------------|--|
| | September 30, 2023 | | | |
| | \$ 15,308 | \$ 600 | | |
| Interest Income | | | \$ 20,235 | |
| Managerial Assistance (1) | | | — | |

(1) No income recognized by Prospect. MA payments were paid from First Tower to Prospect and subsequently remitted to PA.

| | Three Months Ended | | Nine Months Ended | |
|------------------------------------|--------------------|-----------|-------------------|-----------|
| | March 31, 2023 | | March 31, 2022 | |
| | \$ — | \$ 22,123 | \$ — | \$ 22,123 |
| Additions | | | | |
| Interest Income Capitalized as PIK | \$ 14,085 | \$ 5,554 | \$ 28,847 | \$ 12,804 |
| Repayment of Loan Receivable | 987 | 9,992 | 987 | 11,151 |

| | Three Months Ended | | September 30, 2022 | |
|------------------------------------|--------------------|----------|--------------------|--|
| | September 30, 2023 | | | |
| | \$ 5,588 | \$ 9,576 | | |
| Interest Income Capitalized as PIK | | | | |

| | As of | | June 30, 2022 | |
|-------------------------|----------------|--------|---------------|--|
| | March 31, 2023 | | | |
| | \$ 160 | \$ 218 | | |
| Interest Receivable (2) | | | | |
| Other Receivables (3) | 6 | 6 | | |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | As of | | June 30, 2023 | |
|-------------------------|--------------------|--------|---------------|--|
| | September 30, 2023 | | | |
| | \$ 3,862 | \$ 165 | | |
| Interest Receivable (2) | | | | |
| Other Receivables (3) | — | 1 | | |

(2) Interest income recognized but not yet paid.

(3) Represents amounts due from First Tower to Prospect for reimbursement of expenses paid by Prospect on behalf of First Tower.

Freedom Marine Solutions, LLC

As discussed above, Prospect owns 100% of the equity of Energy Solutions, a Consolidated Holding Company. Energy Solutions owns 100% of Freedom Marine. Freedom Marine owns 100% of each of Vessel, Vessel II, and Vessel III.

| | Three Months Ended | | Nine Months Ended | |
|---------------|--------------------|------|-------------------|------|
| | March 31, 2023 | | March 31, 2022 | |
| | \$ 650 | \$ — | \$ 650 | \$ — |
| Additions (1) | | | | |

(1) During the quarter ended March 31, 2023, Prospect provided \$650 of equity funding to support growth in Freedom Marine's loan portfolio.

| | As of | | June 30, 2022 | |
|-------------------|----------------|------|---------------|--|
| | March 31, 2023 | | | |
| | \$ 4 | \$ 6 | | |
| Other Receivables | | | | |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | As of | |
|-------------------|--------------------|---------------|
| | September 30, 2023 | June 30, 2023 |
| Other Receivables | \$ 6 | \$ 6 |

InterDent, Inc.

During the year ended June 30, 2018, Prospect exercised its rights and remedies under its loan documents to exercise the shareholder voting rights in respect of the stock of InterDent, Inc. ("InterDent") and to appoint a new Board of Directors of InterDent, all the members of which are our Investment Adviser's professionals. As a result, Prospect's investment in InterDent is classified as a control investment.

| | | Three Months Ended | | Nine Months Ended | | | Three Months Ended | |
|--|--|--------------------|----------------|-------------------|----------------|--|--------------------|--------------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | | September 30, 2023 | September 30, 2022 |
| Interest Income | Interest Income | \$ 8,287 | \$ 6,604 | \$ 23,865 | \$ 19,537 | Interest Income | \$ 9,009 | \$ 7,508 |
| Other Income | | | | | | | | |
| Structuring Fee | | \$ — | \$ 200 | \$ — | \$ 200 | | | |
| Total Other Income | | \$ — | \$ 200 | \$ — | \$ 200 | | | |
| Managerial Assistance ⁽¹⁾ | Managerial Assistance ⁽¹⁾ | 366 | 366 | 1,097 | 731 | Managerial Assistance ⁽¹⁾ | 366 | 365 |
| Reimbursement of Legal, Tax, etc. ⁽²⁾ | Reimbursement of Legal, Tax, etc. ⁽²⁾ | — | — | — | 1,443 | Reimbursement of Legal, Tax, etc. ⁽²⁾ | 5 | — |

(1) No income recognized by Prospect. MA payments were paid from InterDent to Prospect and subsequently remitted to PA.

(2) Paid from InterDent to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to InterDent (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | | Three Months Ended | | Nine Months Ended | |
|------------------------------------|--|--------------------|----------------|-------------------|----------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Additions | | \$ — | \$ — | 10,000 | \$ 17,778 |
| Interest Income Capitalized as PIK | | 5,232 | 4,592 | 15,291 | 13,563 |
| Repayment of Loan Receivable | | — | — | — | 246 |

| | | Three Months Ended | |
|------------------------------------|--|--------------------|--------------------|
| | | September 30, 2023 | September 30, 2022 |
| Interest Income Capitalized as PIK | | \$ 5,554 | \$ 4,981 |

| | | As of | | As of | |
|------------------------------------|------------------------------------|----------------|---------------|--------------------|---------------|
| | | March 31, 2023 | June 30, 2022 | September 30, 2023 | June 30, 2023 |
| Interest Receivable ⁽³⁾ | Interest Receivable ⁽³⁾ | \$ 95 | \$ 80 | \$ 200 | \$ 97 |
| Other Receivables | Other Receivables | 2 | 16 | — | 3 |
| (4) | (4) | — | (4) | — | — |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from InterDent to Prospect for reimbursement of expenses paid by Prospect on behalf of InterDent.

Kickapoo Ranch Pet Resort

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Prospect owns 100% of the membership interest of Kickapoo Ranch Pet Resort ("Kickapoo"). Kickapoo is a luxury pet boarding facility.

| | Three Months Ended | | Nine Months Ended | |
|--------------------|--------------------|----------------|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Dividend Income | \$ — | \$ — | \$ 100 | \$ — |
| Three Months Ended | | | | |
| | September 30, 2023 | | September 30, 2022 | |
| Dividend Income | \$ — | \$ 80 | \$ — | \$ 50 |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

| | As of | |
|-----------------------|--------------------|---------------|
| | March 31, 2023 | June 30, 2022 |
| Other Receivables (1) | \$ 8 | \$ 8 |
| As of | | |
| | September 30, 2023 | |
| Other Receivables (1) | \$ 13 | \$ 13 |
| June 30, 2023 | | |

(1) Represents amounts due from Kickapoo to Prospect for reimbursement of expenses paid by Prospect on behalf of Kickapoo

MITY, Inc.

Prospect owns 100% of the equity of MITY Holdings of Delaware Inc. ("MITY Delaware"), a Consolidated Holding Company.

MITY Delaware owns 100% of the equity of MITY, Inc. (f/k/a MITY Enterprises, Inc.) ("MITY"). MITY owns 100% of each of MITY-Lite, Inc. ("MITY-Lite"); Broda USA, Inc. (f/k/a Broda Enterprises USA, Inc.) ("Broda USA"); and Broda Enterprises ULC ("Broda Canada"). MITY is a designer, manufacturer and seller of multipurpose room furniture and specialty healthcare seating products.

During the three months ended December 31, 2016, Prospect formed a separate legal entity, MITY FSC, Inc., ("MITY FSC") in which Prospect owns 100% of the equity. MITY FSC does not have material operations. This entity earns commission payments from MITY-Lite based on its sales to foreign customers, and distributes it to its shareholder. We recognize such commission, if any, as other income.

| | Three Months | | Nine Months | | Three Months Ended | |
|--|--------------------------------------|----------------|----------------|----------------|--------------------|--|
| | Ended | | Ended | | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | | |
| September 30, 2023, September 30, 2022 | | | | | | |
| Interest Income | Interest Income | \$ 1,935 | \$ 1,844 | \$ 5,989 | \$ 5,421 | |
| Managerial Assistance (1) | Managerial Assistance (1) | 75 | 75 | 225 | 75 | |
| Reimbursement of Legal, Tax, etc.(2) | Reimbursement of Legal, Tax, etc.(2) | — | — | 10 | 6 | |
| Realized (Loss) Gain | (1) | 4 | (2) | 10 | — | |

(1) No income recognized by Prospect. MA payments were paid from MITY to Prospect and subsequently remitted to PA.

(2) Paid from Mity to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to Mity (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | | Nine Months Ended | |
|------------------------------------|--------------------|----------------|-------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Interest Income Capitalized as PIK | \$ 1,136 | \$ 1,107 | \$ 2,166 | \$ 4,383 |

| | | | | |
|------------------------------|-------------------------|---------------------------|---------------------------|-------------------------------|
| Repayment of Loan Receivable | 666 | — | 2,269 | — |
| Three Months Ended | | | | |
| | | September 30, 2023 | September 30, 2022 | |
| Repayment of Loan Receivable | \$ | — | \$ | 573 |
| | | | | |
| | | As of | | As of |
| | | March 31, 2023 | June 30, 2022 | |
| Interest Receivable (3) | Interest Receivable (3) | \$ 24 | \$ 81 | Interest Receivable (3) \$ 50 |
| Other Receivables (4) | Other Receivables (4) | 9 | 6 | Other Receivables (4) 38 |
| | | | | |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from MITY to Prospect for reimbursement of expenses paid by Prospect on behalf of MITY.

National Property REIT Corp.

Prospect owns 100% of the equity of NPH Property Holdings, LLC ("NPH"), a consolidated holding company. NPH owns 100% of the common equity of National Property REIT Corp. ("NPRC").

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

NPRC is a Maryland corporation and a qualified REIT for federal income tax purposes. In order to qualify as a REIT, NPRC issued 125 shares of Series A Cumulative Non-Voting Preferred Stock to 125 accredited investors. The preferred stockholders are entitled to receive cumulative dividends semi-annually at an annual rate of 12.5% and do not have the ability to participate in the management or operation of NPRC.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

NPRC was formed to hold for investment, operate, finance, lease, manage, and sell a portfolio of real estate assets and engage in any and all other activities as may be necessary, incidental or convenient to carry out the foregoing. NPRC acquires real estate assets, including, but not limited to, industrial, commercial, and multi-family properties. NPRC may acquire real estate assets directly or through joint ventures by making a majority equity investment in a property-owning entity (the "JV"). Additionally, through its wholly owned subsidiaries, NPRC invests in online consumer loans and rated secured structured notes ("RSSN").

Effective June 19, 2020, we amended and restated the terms of our credit agreement with NPRC, as part of the amendment we increased our investment through a new Term Loan D first lien note in the aggregate principal amount of \$183,425 and the proceeds were returned to us as a return of capital, reducing our equity investment in NPRC. We received structuring fees of \$3,669 as a result of the amendment.

During the nine months ended March 31, 2023, we received partial repayments of \$86,852 of our loans previously outstanding with NPRC and its wholly owned subsidiaries and \$4,000 as a return of capital on our equity investment in NPRC. During the nine months ended March 31, 2023, we provided \$132,071 of debt financing and \$3,600 of equity financing to NPRC to fund purchases of real estate properties, to provide working capital, and to fund purchases of rated secured structured notes.

| | | Three Months Ended | | Nine Months Ended | | Three Months Ended | |
|---|---------------------------|--------------------|----------------|-------------------|----------------|--|--------------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | September 30, 2023 | September 30, 2022 |
| | | | | | | | |
| Interest Income | Interest Income | \$ 24,748 | \$ 13,880 | \$ 67,804 | \$ 46,441 | Interest Income \$ 29,239 | \$ 20,272 |
| Other Income | Other Income | — | — | 261 | 2,815 | Other Income \$ 15,476 | — |
| Structuring Fee | Structuring Fee | \$ — | \$ 1,593 | \$ 261 | \$ 2,815 | Structuring Fee \$ 15,476 | \$ — |
| Residual Profit Interest | | 14,540 | 23,112 | 49,474 | 43,052 | | |
| Royalty, net profit and revenue interests | | | | | | Royalty, net profit and revenue interests 13,996 | 20,665 |
| Total Other Income | Total Other Income | \$ 14,540 | \$ 24,705 | \$ 49,735 | \$ 45,867 | Total Other Income \$ 29,472 | \$ 20,665 |
| Managerial Assistance (1) | Managerial Assistance (1) | \$ 525 | \$ 525 | \$ 1,575 | \$ 1,575 | Managerial Assistance (1) \$ 525 | \$ 525 |

| | | | | | | | | |
|--------------------------------------|--------------------------------------|---|-----|-----|-------|--------------------------------------|---|-----|
| Reimbursement of Legal, Tax, etc.(2) | Reimbursement of Legal, Tax, etc.(2) | 9 | 585 | 868 | 3,296 | Reimbursement of Legal, Tax, etc.(2) | 3 | 506 |
|--------------------------------------|--------------------------------------|---|-----|-----|-------|--------------------------------------|---|-----|

(1) No income recognized by Prospect. MA payments were paid from NRPC to Prospect and subsequently remitted to PA.

(2) Paid from NRPC to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to NRPC (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | | Three Months Ended | | Nine Months Ended | | Additions | Three Months Ended | | |
|------------------------------|------------------------------|--------------------|------------|-------------------|------------|------------|--------------------|-----------|--|
| | | March 31, 2023 | | March 31, 2022 | | | March 31, 2023 | | |
| | | \$ 27,600 | \$ 164,811 | \$ 135,671 | \$ 280,167 | | \$ 63,305 | \$ 77,600 | |
| Interest Income | Interest Income | | | | | | | | |
| Capitalized as PIK | Capitalized as PIK | 232 | — | 251 | — | | 241 | — | |
| Repayment of Loan Receivable | Repayment of Loan Receivable | 14,000 | 10,000 | 86,852 | 289,882 | Receivable | 13,450 | 48,500 | |
| Return of Capital | Return of Capital | — | — | 4,000 | — | Capital | — | 4,000 | |

| | | As of | | As of | |
|-------------------------|-------------------------|----------------|-------|-------------------------|------|
| | | March 31, 2023 | | June 30, 2022 | |
| | | \$ — | \$ 83 | \$ 543 | \$ 3 |
| Interest Receivable (3) | Interest Receivable (3) | — | 83 | Interest Receivable (3) | \$ 3 |
| Other Receivables (4) | Other Receivables (4) | 5 | 7 | Other Receivables (4) | 100 |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from NRPC to Prospect for reimbursement of expenses paid by Prospect on behalf of NRPC.

PROSPECT CAPITAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

(in thousands, except share and per share data)

Nationwide Loan Company LLC

Prospect owns 100% of the membership interests of Nationwide Acceptance Holdings LLC ("Nationwide Holdings"), a Consolidated Holding Company. Nationwide Holdings owns 94.48% of the equity of Nationwide Loan Company LLC ("Nationwide"), with members of Nationwide management owning the remaining 5.52% of the equity.

On March 24, 2020, Prospect received distributions of \$1,500 that were paid from Nationwide Holdings to Prospect and were recognized as a return of capital by Prospect.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

(in thousands, except share and per share data)

| Interest Income | Dividend Income (1) | Three Months Ended | | Nine Months Ended | | Interest Income | Three Months Ended | | |
|---------------------------------------|---------------------------------------|--------------------|----------|-------------------|----------|---------------------------|--------------------|----------|--|
| | | March 31, 2023 | | March 31, 2022 | | | March 31, 2023 | | |
| | | \$ 1,073 | \$ 1,013 | \$ 3,191 | \$ 3,084 | | \$ 1,175 | \$ 1,045 | |
| Managerial Assistance (2) | Managerial Assistance (2) | — | 400 | — | 2,150 | Dividend Income (1) | — | 3 | |
| Reimbursement of Legal, Tax, etc. (3) | Reimbursement of Legal, Tax, etc. (3) | 100 | 100 | 300 | 300 | Managerial Assistance (2) | — | 100 | |

(1) All dividends were paid from earnings and profits of Nationwide.

(2) No income recognized by Prospect. MA payments were paid from Nationwide to Prospect and subsequently remitted to PA.

(3) Paid from Nationwide to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to Nationwide (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | | | |
|---|--------------------|----------------|--------------------|----------------|
| | September 30, 2023 | | September 30, 2022 | |
| | \$ | 785 | \$ | 522 |
| Interest Income Capitalized as PIK | | | | |
| | Three Months Ended | | Nine Months Ended | |
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Interest Income Capitalized as PIK | \$ 719 | \$ — | \$ 1,595 | \$ — |
| As of | | | | |
| | March 31, 2023 | June 30, 2022 | September 30, 2023 | June 30, 2023 |
| Interest Receivable (4)(3) | \$ 12 | \$ 11 | \$ 403 | \$ 13 |
| Other Receivables (5)(4) | \$ 12 | \$ 9 | \$ — | \$ — |

(4) Interest income recognized but not yet paid.

(5) Represents amounts due from Nationwide to Prospect for reimbursement of expenses paid by Prospect on behalf of Nationwide.

NMMB, Inc.

Prospect owns 100% of the equity of NMMB Holdings, Inc. ("NMMB Holdings"), a Consolidated Holding Company. NMMB Holdings owns 90.42% 92.77% and 90.42% of the fully-diluted equity of NMMB, Inc. (f/k/a NMMB Acquisition, Inc.) ("NMMB") as of March 31, September 30, 2023 and June 30, 2022, respectively, with NMMB management owning the remaining equity. NMMB owns 100% of Refuel Agency, Inc. ("Refuel Agency"). Refuel Agency owns 100% of Armed Forces Communications, Inc. ("Armed Forces"). NMMB is an advertising media buying business.

On December 30, 2019, NMMB executed a dividend recapitalization whereby Prospect invested \$15,100 of a first lien term loan to repay NMMB's existing term loan, provide a shareholder distribution, and pay fees and expenses. As part of the recapitalization, Prospect converted its Series A and Series B preferred securities into 92.42% common equity and received a dividend distribution of \$2,797.

| | | Three Months Ended | | Nine Months Ended | | Three Months Ended | |
|---------------------------------------|---------------------------|--------------------|----------------|-------------------|----------------|--------------------|--------------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | September 30, 2023 | September 30, 2022 |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Interest Income | Interest Income | \$ 983 | \$ 133 | \$ 2,727 | \$ 394 | \$ 1,064 | \$ 818 |
| Dividend Income (1) | Dividend Income (1) | 800 | 3,988 | 2,510 | 7,034 | 147 | 1,093 |
| Other Income | Structuring Fee | \$ — | \$ 450 | \$ — | \$ 450 | | |
| | Total Other Income | \$ — | \$ 450 | \$ — | \$ 450 | | |
| Managerial Assistance (2) | Managerial Assistance (2) | 100 | 100 | 300 | 300 | 100 | 100 |
| Realized Loss | Realized Loss | (799) | 5,294 | (2,510) | 5,294 | (147) | (1,093) |
| Reimbursement of Legal, Tax, etc. (3) | | — | 26 | — | 26 | | |

(1) All dividends were paid from earnings and profits of NMMB.

(2) No income recognized by Prospect. MA payments were paid from NMMB to Prospect and subsequently remitted to PA.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

| | | As of | |
|-------------------------|--|--------------------|----|
| | | September 30, 2023 | |
| | | \$ | \$ |
| Interest Receivable (3) | | 23 | 11 |
| Other Receivables (4) | | 1 | — |

(3) Paid from NMMB to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to NMMB (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | Three Months Ended | | Nine Months Ended | |
|-----------|--------------------|----------------|-------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | \$ | \$ | \$ | \$ |
| Additions | \$ — | \$ 25,000 | \$ — | \$ 25,000 |

| | | | | |
|--|------|-----------|--------|-----------|
| Repayment of loan receivable | | | | |
| Repayment from NMMB | \$ — | \$ 12,907 | \$ — | \$ 12,983 |
| Total Repayment of Loan Receivable (4) | \$ — | \$ 12,907 | \$ — 0 | \$ 12,983 |

(4) During the nine months ended March 31, 2022, Prospect received partial repayments totaling \$12,983, respectively, for our First Lien Notes outstanding with NMMB, Inc.

| | As of | |
|-------------------------|----------------|---------------|
| | March 31, 2023 | June 30, 2022 |
| Interest Receivable (5) | \$ 11 | \$ 9 |
| Other Receivables (6) | 3 | 5 |

(5) Interest income recognized but not yet paid.

(6) (4) Represents amounts due from NMMB to Prospect for reimbursement of expenses paid by Prospect on behalf of NMMB.

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

Pacific World Corporation

Prospect owns 100% of the preferred equity of Pacific World Corporation ("Pacific World"), which represents a 99.97% ownership interest of Pacific World as of March 31, September 30, 2023 and June 30, 2022, respectively. As a result, Prospect's investment in Pacific World is classified as a control investment.

| | Three Months Ended | | Nine Months Ended | |
|--------------------|--------------------|----------------|-------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Interest Income | \$ 2,251 | \$ 1,185 | \$ 5,613 | \$ 3,507 |
| Other Income | — | — | 105 | — |
| Structuring Fee | — | — | 105 | — |
| Total Other Income | — | — | 105 | — |

| | Three Months Ended | |
|-----------------|--------------------|--------------------|
| | September 30, 2023 | September 30, 2022 |
| Interest Income | \$ 2,646 | \$ 1,508 |

| | Three Months Ended | | Nine Months Ended | | Three Months Ended | |
|----------------|--------------------|----------------|-------------------|----------------|--------------------|--------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | September 30, 2023 | September 30, 2022 |
| Additions (1) | Additions (1) | \$ — | \$ — | \$ 11,000 | \$ 6,500 | Additions (1) |
| Interest | Interest | — | — | — | — | Interest |
| Income | Income | — | — | — | — | Income |
| Capitalized as | Capitalized as | — | — | — | — | Capitalized as |
| PIK | PIK | 2,014 | 1,194 | 5,315 | 3,363 | PIK |
| | | | | | | 2,327 |
| | | | | | | 1,504 |

| | As of | |
|-------------------------|--------------------|---------------|
| | September 30, 2023 | June 30, 2023 |
| Interest Receivable (1) | \$ 62 | \$ 30 |
| Other Receivables (2) | 166 | 153 |

(1) During the nine months ended March 31, 2022, Prospect provided \$4,000 of debt financing and \$2,500 of equity financing to Pacific World to fund working capital needs.

| | As of | |
|-------------------------|----------------|---------------|
| | March 31, 2023 | June 30, 2022 |
| Interest Receivable (2) | \$ 27 | \$ 16 |
| Other Receivables (3) | 126 | 109 |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

(2) Interest income recognized but not yet paid.

(3) (2) Represents amounts due from Pacific World to Prospect for reimbursement of expenses paid by Prospect on behalf of Pacific World.

R-V Industries, Inc.

Prospect owns 87.75% of the fully-diluted equity of R-V Industries, Inc. ("R-V"), with R-V management owning the remaining 12.25% of the equity. On December 15, 2020 we restructured our \$28,622 Senior Subordinated Note with R-V into a \$28,622 First Lien Note. No realized gain or loss was recorded as a result of the transaction.

| | | Three Months Ended | | Nine Months Ended | | | Three Months Ended | | |
|---|---|--------------------|-----------------|-------------------|--------|---|--------------------|----------|--|
| | | March 31, 2023 | | March 31, 2022 | | | March 31, 2023 | | |
| | | Interest Income | Interest Income | \$ 1,151 | \$ 753 | | \$ 3,265 | \$ 2,184 | |
| Interest Income | Interest Income | | | | | Interest Income | \$ 1,252 | \$ 985 | |
| Dividend Income (1) | Dividend Income (1) | — | — | — | — | 441 | — | — | |
| Other Income | Other Income | | | | | Other Income | | | |
| Advisory Fee | Advisory Fee | \$ — | \$ 125 | \$ — | \$ 125 | Advisory Fee | \$ 106 | \$ — | |
| Total Other Income | Total Other Income | \$ — | \$ 125 | \$ — | \$ 125 | Total Other Income | \$ 106 | \$ — | |
| Managerial Assistance (2) (1) | Managerial Assistance (2) (1) | 45 | 45 | 135 | 135 | Managerial Assistance (2) (1) | \$ 45 | \$ 45 | |
| Reimbursement of Legal, Tax, etc. (3) (2) | Reimbursement of Legal, Tax, etc. (3) (2) | — | 42 | — | 46 | Reimbursement of Legal, Tax, etc. (3) (2) | 17 | — | |

(1) All dividends were paid from earnings and profits of R-V.

(2) No income recognized by Prospect. MA payments were paid from R-V to Prospect and subsequently remitted to PA.

(3) (2) Paid from R-V to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to R-V (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | | Three Months Ended | | Nine Months Ended | | | |
|-------------------------|-------------------------|--------------------|------|-------------------|-------|--------------------|--|
| | | March 31, 2023 | | March 31, 2022 | | | |
| | | Additions | \$ — | \$ 5,000 | \$ — | | |
| | | | | | | Three Months Ended | |
| | | | | | | September 30, 2023 | |
| | | Additions | \$ — | \$ 3,700 | \$ — | September 30, 2022 | |
| | | | | | | | |
| | | | | | | As of | |
| | | | | | | March 31, 2023 | |
| Interest Receivable (4) | Interest Receivable (4) | \$ — | 13 | \$ — | \$ 11 | June 30, 2022 | |
| Other Receivables (5) | Other Receivables (5) | — | — | — | 2 | | |

(4)

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | | As of | | |
|-------------------------|-------------------------|--------------------|---------------|-------|
| | | September 30, 2023 | June 30, 2023 | |
| Interest Receivable (3) | Interest Receivable (3) | \$ — | 30 | \$ 13 |
| Other Receivables (4) | Other Receivables (4) | — | 6 | 5 |

(3) Interest income recognized but not yet paid.

(5) (4) Represents amounts due from R-V to Prospect for reimbursement of expenses paid by Prospect on behalf of R-V.

Universal Turbine Parts, LLC

On December 10, 2018, UTP Holdings Group, Inc. ("UTP Holdings") purchased all of the voting stock of Universal Turbine Parts, LLC ("UTP") and appointed a new Board of Directors to UTP Holdings, consisting of three employees of the Investment Advisor. At the time UTP Holdings acquired UTP, UTP Holdings (f/k/a Harbortouch Holdings of

Delaware) was a wholly-owned holding company controlled by Prospect and therefore Prospect's investment in UTP is classified as a control investment.

| | Three Months Ended | | | | Nine Months Ended | | | | Three Months Ended | | | |
|---|--------------------|--------|----------------|----------|-------------------|---------------------------------------|----------------|--------|---------------------------|---|--------------------|---|
| | March 31, 2023 | | March 31, 2022 | | March 31, 2023 | | March 31, 2022 | | September 30, 2023 | | September 30, 2022 | |
| | Interest Income | \$ 871 | \$ 580 | \$ 2,364 | \$ 1,766 | Interest Income | \$ 956 | \$ 688 | Managerial Assistance (1) | 3 | 8 | 3 |
| Reimbursement of Legal, Tax, etc. (2) | | | | | | Reimbursement of Legal, Tax, etc. (2) | | | | | 3,333 | — |
| (1) No income recognized by Prospect. MA payments were paid from UTP to Prospect and subsequently remitted to PA. | | | | | | | | | | | | |

(1) No income recognized by Prospect. MA payments were paid from UTP to Prospect and subsequently remitted to PA.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share (2) Paid from UTP to PA as reimbursement for legal, tax, and per share data)

| | Three Months Ended | | | | Nine Months Ended | | | |
|------------------------------|--------------------|---|----------------|---|-------------------|----|----------------|----|
| | March 31, 2023 | | March 31, 2022 | | March 31, 2023 | | March 31, 2022 | |
| | \$ | 8 | \$ | 8 | \$ | 24 | \$ | 24 |
| Repayment of Loan Receivable | | | | | | | | |

portfolio level accounting services provided directly to UTP (No direct income recognized by Prospect, but we were given a credit for these payments as a reduction to the administrative services payable by Prospect to PA).

| | As of | | | |
|-------------------------|----------------|----|---------------|----|
| | March 31, 2023 | | June 30, 2022 | |
| | \$ | 10 | \$ | 7 |
| Interest Receivable (2) | | | | |
| Other Receivables (3) | | — | | 17 |

| | Three Months Ended | | | |
|------------------------------|--------------------|---|--------------------|---|
| | September 30, 2023 | | September 30, 2022 | |
| | \$ | 8 | \$ | 8 |
| Repayment of Loan Receivable | | | | |

(2)

| | As of | | | |
|-------------------------|--------------------|----|---------------|----|
| | September 30, 2023 | | June 30, 2023 | |
| | \$ | 21 | \$ | 10 |
| Interest Receivable (3) | | | | |
| Other Receivables (4) | | 1 | | — |

(3) Interest income recognized but not yet paid.

(3) (4) Represents amounts due from UTP to Prospect for reimbursement of expenses paid by Prospect on behalf of UTP.

USES Corp.

On June 15, 2016, we provided additional \$1,300 debt financing to USES Corp. ("United States Environmental Services" or "USES") and its subsidiaries in the form of additional Term Loan A debt and, in connection with such Term Loan A debt financing, USES issued to us 99,900 shares of its common stock. On June 29, 2016, we provided additional \$2,200 debt financing to USES and its subsidiaries in the form of additional Term Loan A debt and, in connection with such Term Loan A debt financing, USES issued to us 169,062 shares of its common stock. As a result of such debt financing and recapitalization, as of June 29, 2016, we held 268,962 shares of USES common stock representing a 99.96% common equity ownership interest in USES. As such, USES became a controlled company on June 30, 2016.

| | Three Months Ended | | | | Nine Months Ended | | | |
|-----------------|--------------------|-----|----------------|----|-------------------|-----|----------------|-----|
| | March 31, 2023 | | March 31, 2022 | | March 31, 2023 | | March 31, 2022 | |
| | \$ | 286 | \$ | 50 | \$ | 722 | \$ | 152 |
| Interest Income | | | | | | | | |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| Interest Income | Three Months Ended | | | | | |
|-----------------|--------------------|--|-----|--|--------------------|--|
| | September 30, 2023 | | | | September 30, 2022 | |
| | \$ | | 473 | | \$ 173 | |

| Additions | Additions | Three Months Ended | | Nine Months Ended | | Three Months Ended | |
|--------------------|--------------------|--------------------|----------------|-------------------|----------------|--------------------|--------------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | September 30, 2023 | September 30, 2022 |
| | | \$ — | \$ — | \$ 6,000 | \$ — | \$ — | \$ 6,000 |
| Interest Income | Interest Income | | | | | | |
| Capitalized as PIK | Capitalized as PIK | 287 | — | 531 | — | PIK | 268 |
| | | | | | | | 114 |

| Interest Receivable (1) | Interest Receivable (1) | As of | | | | As of | | | |
|-------------------------|-------------------------|----------------|------|---------------|------|--------------------|--|---------------|--|
| | | March 31, 2023 | | June 30, 2022 | | September 30, 2023 | | June 30, 2023 | |
| | | \$ 3 | \$ 1 | \$ 135 | \$ 5 | | | | |
| Other Receivables (2) | Other Receivables (2) | 62 | 62 | (2) | | 87 | | 87 | |

(1) Interest income recognized but not yet paid.

(2) Represents amounts due from USES to Prospect for reimbursement of expenses paid by Prospect on behalf of USES.

Valley Electric Company, Inc.

Prospect owns 100% of the common stock of Valley Electric Holdings I, Inc. ("Valley Holdings I"), a Consolidated Holding Company. Valley Holdings I owns 100% of Valley Electric Holdings II, Inc. ("Valley Holdings II"), a Consolidated Holding Company. Valley Holdings II owns 94.99% of Valley Electric Company, Inc. ("Valley Electric"), with Valley Electric management owning the remaining 5.01% of the equity. Valley Electric owns 100% of the equity of VE Company, Inc., which owns 100% of the equity of Valley Electric Co. of Mt. Vernon, Inc. ("Valley"), a leading provider of specialty electrical services in the state of Washington and among the top 50 electrical contractors in the United States.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

| | Interest Income | Three Months Ended | | | | Nine Months Ended | | | | Three Months Ended | | | |
|---|---|--------------------|----------|----------------|----------|-------------------|----------|----------------|--|--------------------|--|--------------------|--|
| | | March 31, 2023 | | March 31, 2022 | | March 31, 2023 | | March 31, 2022 | | September 30, 2023 | | September 30, 2022 | |
| | | \$ 319 | \$ 274 | \$ 1,173 | \$ 834 | \$ 371 | \$ 558 | | | | | | |
| Interest Income from Valley | Interest Income from Valley | \$ 319 | \$ 274 | \$ 1,173 | \$ 834 | \$ 371 | \$ 558 | | | | | | |
| Interest Income from Valley Electric | Interest Income from Valley Electric | 1,948 | 1,505 | 5,508 | 4,502 | 2,649 | 1,627 | | | | | | |
| Total Interest Income | Total Interest Income | \$ 2,267 | \$ 1,779 | \$ 6,681 | \$ 5,336 | \$ 3,020 | \$ 2,185 | | | | | | |
| Dividend Income (1) | Dividend Income (1) | \$ — | \$ 809 | \$ 547 | \$ 2,509 | \$ — | \$ 44 | | | | | | |
| Other Income | Other Income | | | | | | | | | | | | |
| Structuring Fee | Structuring Fee | \$ — | \$ 260 | \$ — | \$ 260 | | | | | | | | |
| Residual Profit Interest | Residual Profit Interest | 167 | 167 | 500 | 500 | \$ 167 | \$ — | | | | | | |
| Royalty, net profit and revenue interests | Royalty, net profit and revenue interests | | | | | | | | | | | | |

| | | | | | | | | |
|--|---------------------------|--------|--------|--------|--------|---------------------------|--------|--------|
| Total Other Income | Total Other Income | \$ 167 | \$ 427 | \$ 500 | \$ 760 | Total Other Income | \$ 167 | \$ — |
| Managerial Assistance (2) | Managerial Assistance (2) | \$ 150 | \$ 150 | \$ 450 | \$ 450 | Managerial Assistance (2) | \$ 150 | \$ 150 |
| (1) All dividends were paid from earnings and profits. | | | | | | | | |

(2) No income recognized by Prospect. MA payments were paid from Valley Electric to Prospect and subsequently remitted to PA.

| | Three Months Ended | | | | Nine Months Ended | | | |
|------------------------------------|--------------------|-------|----------------|--------|-------------------|-------|----------------|--------|
| | March 31, 2023 | | March 31, 2022 | | March 31, 2023 | | March 31, 2022 | |
| | \$ | — | \$ | 13,000 | \$ | — | \$ | 13,000 |
| Additions | | | | | | | | |
| Interest Income Capitalized as PIK | | 1,992 | | 22 | | 1,992 | | 22 |
| Repayment of loan receivable | | — | | 15,339 | | (548) | | 15,339 |

| | Three Months Ended | | | |
|------------------------------|--------------------|---|--------------------|------|
| | September 30, 2023 | | September 30, 2022 | |
| | \$ | — | \$ | (44) |
| Repayment of loan receivable | | | | |

| | As of | | | |
|-------------------------|----------------|----|---------------|----|
| | March 31, 2023 | | June 30, 2022 | |
| | \$ | 24 | \$ | 19 |
| Interest Receivable (3) | | | | |
| Other Receivables (4) | | 8 | | 5 |

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| | As of | | | |
|-------------------------|--------------------|-------|---------------|----|
| | September 30, 2023 | | June 30, 2023 | |
| | \$ | 1,612 | \$ | 33 |
| Interest Receivable (3) | | | | |

(3) Interest income recognized but not yet paid.

(4) Represents amounts due from Valley Electric to Prospect for reimbursement of expenses paid by Prospect on behalf of Valley Electric.

Note 15. Litigation

From time to time, we may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. These matters may relate to intellectual property, employment, tax, regulation, contract or other matters. The resolution of such matters as may arise will be subject to various uncertainties and, even if such claims are without merit, could result in the expenditure of significant financial and managerial resources.

We are not aware of any material legal proceedings as of March 31, 2023 September 30, 2023 and June 30, 2023.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share and per share data)

Note 16. Financial Highlights

The following is a schedule of financial highlights for the nine three months ended March 31, 2023 September 30, 2023 and March 31, 2022 September 30, 2022:

| Per Share Data | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|-------------|-----------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net asset value per common share at beginning of period | \$ 9.94 | \$ 10.60 | \$ 10.48 | \$ 9.81 |
| Net investment income(1) | 0.26 | 0.22 | 0.78 | 0.65 |
| Net realized and change in unrealized (losses) gains(1) | (0.48) | 0.20 | (1.05) | 0.96 |
| Net increase (decrease) from operations | (0.22) | 0.42 | (0.27) | 1.61 |
| Distributions of net investment income to preferred stockholders | (0.05) | (0.01) (11) | (0.12) | (0.03) (11) |
| Distributions of capital gains to preferred stockholders | — | (0.01) (11) | — (10) | (0.01) (11) |

| | | | | |
|--|-----------------------|-------------------------|------------------------|------------------------|
| Total distributions to preferred stockholders | (0.05) | (0.02) | (0.12) | (0.04) |
| Net increase (decrease) from operations applicable to common stockholders | (0.27) | 0.40 | (0.40) ⁽⁵⁾ | 1.57 |
| Distributions of net investment income to common stockholders | (0.18) ⁽⁴⁾ | (0.13) ⁽¹¹⁾ | (0.52) ⁽⁴⁾ | (0.48) ⁽¹¹⁾ |
| Distributions of capital gains to common stockholders | — | (0.05) ⁽¹¹⁾ | (0.02) | (0.05) ⁽¹¹⁾ |
| Return of Capital to common stockholders | — ⁽⁴⁾ | — | — ⁽⁴⁾ | (0.01) |
| Total distributions to common stockholders | (0.18) | (0.18) | (0.54) | (0.54) |
| Common stock transactions ⁽²⁾ | (0.01) | (0.01) | (0.07) | (0.03) |
| Offering costs from issuance of preferred stock | — | — | — | (0.03) |
| Reclassification of preferred stock issuance costs ⁽⁶⁾ | — | — | — | 0.03 |
| Net asset value per common share at end of period | \$ 9.48 | \$ 10.81 ⁽⁵⁾ | \$ 9.48 ⁽⁵⁾ | \$ 10.81 |
| Per common share market value at end of period | \$ 6.96 | \$ 8.28 | \$ 6.96 | \$ 8.28 |
| Total return based on market value ⁽³⁾ | 2.16 % | 0.66 % | 7.53 % | 5.61 % |
| Total return based on net asset value ⁽³⁾ | (2.14 %) | 4.27 % | (2.31 %) | 17.92 % |
| Shares of common stock outstanding at end of period | 400,833,873 | 391,718,136 | 400,833,873 | 391,718,136 |
| Weighted average shares of common stock outstanding | 399,732,263 | 391,091,485 | 397,233,468 | 389,981,608 |
| Ratios/Supplemental Data | | | | |
| Net assets at end of period | \$ 3,799,294 | \$ 4,236,011 | \$ 3,799,294 | \$ 4,236,011 |
| Portfolio turnover rate | 1.19 % | 2.56 % | 4.47 % | 14.08 % |
| Annualized ratio of operating expenses to average net assets applicable to common shares ⁽⁸⁾ | 11.63 % | 9.02 % | 10.85 % | 9.01 % |
| Annualized ratio of net investment income to average net assets applicable to common shares ⁽⁸⁾ | 10.53 % | 8.31 % | 10.37 % | 8.40 % |

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)

(in thousands, except share and per share data)

| | Three Months Ended September 30, | |
|---|----------------------------------|-----------------------|
| | 2023 | 2022 |
| Per Share Data | | |
| Net asset value per common share at beginning of period | \$ 9.24 | \$ 10.48 |
| Net investment income ⁽¹⁾ | 0.31 | 0.25 |
| Net realized and change in unrealized (losses) gains ⁽¹⁾ | (0.02) | (0.48) |
| Net increase (decrease) from operations | 0.29 | (0.23) |
| Distributions of net investment income to preferred stockholders | (0.06) ⁽⁵⁾ | (0.03) ⁽⁴⁾ |
| Distributions of capital gains to preferred stockholders | — ⁽⁵⁾ | — ⁽⁴⁾ |
| Total distributions to preferred stockholders | (0.06) | (0.03) |
| Net increase (decrease) from operations applicable to common stockholders | 0.23 | (0.26) |
| Distributions of net investment income to common stockholders | (0.18) ⁽⁵⁾ | (0.16) ⁽⁴⁾ |
| Distributions of capital gains to common stockholders | — ⁽⁵⁾ | (0.02) ⁽⁴⁾ |
| Total distributions to common stockholders | (0.18) | (0.18) |
| Common stock transactions ⁽²⁾ | (0.04) | (0.03) |
| Net asset value per common share at end of period | \$ 9.25 | \$ 10.01 |
| Per common share market value at end of period | \$ 6.05 | \$ 6.20 |
| Total return based on market value ⁽³⁾ | 0.56 % | (9.06 %) |
| Total return based on net asset value ⁽³⁾ | 3.17 % | (2.07 %) |
| Shares of common stock outstanding at end of period | 408,618,704 | 396,179,053 |
| Weighted average shares of common stock outstanding | 406,350,619 | 394,337,440 |
| Ratios/Supplemental Data | | |
| Net assets at end of period | \$ 3,780,866 | \$ 3,964,422 |
| Portfolio turnover rate | 1.70 % | 1.98 % |

| | | |
|--|---------|---------|
| Annualized ratio of operating expenses to average net assets applicable to common shares ⁽⁶⁾ | 11.78 % | 10.23 % |
| Annualized ratio of net investment income to average net assets applicable to common shares ⁽⁶⁾ | 13.37 % | 9.82 % |

The following is a schedule of financial highlights for each of the five years ended in the period ended June 30, 2022:

| | Year Ended June 30, | | | | |
|---|-------------------------|------------------------|-----------------------|--------------|-----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 |
| Per Share Data | | | | | |
| Net asset value per common share at beginning of year | \$ 9.81 | \$ 8.18 | \$ 9.01 | \$ 9.35 | \$ 9.32 |
| Net investment income ⁽¹⁾ | 0.88 | 0.75 | 0.72 | 0.85 | 0.79 |
| Net realized and change in unrealized gains (losses) ⁽¹⁾ | 0.61 | 1.77 | (0.76) | (0.46) | 0.04 |
| Net increase (decrease) from operations | 1.49 | 2.51 ⁽⁵⁾ | (0.04) | 0.39 | 0.83 |
| Distributions of net investment income to preferred stockholders | (0.05) ⁽¹¹⁾ | — ⁽¹⁰⁾ | — | — | — |
| Distributions of capital gains to preferred stockholders | (0.01) ⁽¹¹⁾ | — | — | — | — |
| Total distributions to preferred stockholders | (0.06) | — | — | — | — |
| Net increase (decrease) from operations applicable to common stockholders | 1.43 | 2.51 | (0.04) | 0.39 | 0.83 |
| Distributions of net investment income to common stockholders | (0.60) ⁽¹¹⁾ | (0.63) ⁽⁹⁾ | (0.49) ⁽⁷⁾ | (0.72) | (0.77) |
| Distributions of capital gains to common stockholders | (0.11) ⁽¹¹⁾ | — | — | — | — |
| Return of capital to common stockholders | (0.01) | (0.09) ⁽⁹⁾ | (0.23) ⁽⁷⁾ | — | — |
| Total distributions to common stockholders | (0.72) | (0.72) | (0.72) | (0.72) | (0.77) |
| Common stock transactions ⁽²⁾ | (0.05) | (0.11) | (0.07) | (0.01) | (0.03) ⁽⁴⁾ |
| Offering costs from issuance of preferred stock | (0.03) | (0.04) | — | — | — |
| Reclassification of preferred stock issuance costs ⁽⁶⁾ | 0.03 | — | — | — | — |
| Net asset value per common share at end of year | \$ 10.48 ⁽⁵⁾ | \$ 9.81 ⁽⁵⁾ | \$ 8.18 | \$ 9.01 | \$ 9.35 |
| Per share market value at end of year | \$ 6.99 | \$ 8.39 | \$ 5.11 | \$ 6.53 | \$ 6.71 |
| Total return based on market value ⁽³⁾ | (8.59 %) | 85.53 % | (11.35 %) | 8.23 % | (7.42 %) |
| Total return based on net asset value ⁽³⁾ | 17.21 % | 35.52 % | 2.84 % | 7.17 % | 12.39 % |
| Shares of common stock outstanding at end of year | 393,164,437 | 388,419,573 | 373,538,499 | 367,131,025 | 364,409,938 |
| Weighted average shares of common stock outstanding | 390,571,648 | 382,705,106 | 368,094,299 | 365,984,541 | 361,456,075 |
| Ratios/Supplemental Data | | | | | |
| Net assets at end of year | \$ 4,119,123 | \$ 3,945,517 | \$ 3,055,861 | \$ 3,306,275 | \$ 3,407,047 |
| Portfolio turnover rate | 15.92 % | 14.64 % | 16.46 % | 10.86 % | 30.70 % |
| Ratio of operating expenses to average net assets applicable to common shares ⁽⁸⁾ | 9.00 % | 9.98 % | 11.37 % | 11.65 % | 11.08 % |
| Ratio of net investment income to average net assets applicable to common shares ⁽⁸⁾ | 8.44 % | 8.24 % | 8.44 % | 9.32 % | 8.57 % |

- (1) Per share data amount is based on the basic weighted average number of common shares outstanding for the year/period presented (except for dividends to stockholders which is based on actual rate per share). **Realized gains (losses) is inclusive of net realized losses (gains) on investments, realized losses (gains) from extinguishment of debt and realized gains from the repurchase of preferred stock.**
- (2) Common stock transactions include the effect of our issuance of common stock in public offerings (net of underwriting and offering costs), shares issued in connection with our common stock dividend reinvestment plan, common shares issued to acquire investments, common shares repurchased below net asset value pursuant to our Repurchase Program, and common shares issued pursuant to the Holder Optional Conversion of our 5.50% Preferred Stock and 6.50% Preferred Stock.
- (3) Total return based on market value is based on the change in market price per common share between the opening and ending market prices per share in each period and assumes that common stock dividends are reinvested in accordance with our common stock dividend reinvestment plan. Total return based on net asset value is based upon the change in net asset value per common share between the opening and ending net asset values per common share in each period and assumes that dividends are reinvested in accordance with our common stock dividend reinvestment plan. For periods less than a year, total return is not annualized.
- (4) **Not Tax character of distributions is not yet finalized for the respective fiscal period, period and will not be finalized until we file our tax return for our tax year ending August 31, 2023.** Refer to Note 12.

(5) Does Tax character of distributions is not foot due to rounding.

PROSPECT CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)(Continued)
(in thousands, except share yet finalized for the respective fiscal period and per share data)

(6) Preferred stock issuance costs include offering costs and underwriting costs related to the issuance of preferred stock. During the three months ended December 31, 2021, will not be finalized until we have reclassified all preferred stock issuance costs related to preferred stock issued as temporary equity following file our reclassification of preferred stock during the three months ended September 30, 2021 tax return for our tax year ending August 31, 2024. Refer to Note 9 within the accompanying notes to the consolidated financial statements for further discussion. 12.

(7) The amounts reflected for the respective fiscal periods were updated based on tax information received subsequent to our Form 10-K filing for the year ended June 30, 2020 and our Form 10-Q filing for September 30, 2020. Certain reclassifications have been made in the presentation of prior period amounts. See Note 2 and Note 12 within the accompanying notes to the consolidated financial statements for further discussion.

(8)(6) The amounts reflected for the respective fiscal periods do not reflect the effect of dividend payments to preferred shareholders.

(9) The amounts reflected for the respective fiscal periods were updated based on tax information received subsequent to our Form 10-K filing for the year ended June 30, 2021

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

(in thousands, except share and our Form 10-Q filing for December 31, 2021. Certain reclassifications have been made in the presentation of prior period amounts. See Note 2 and Note 12 within the accompanying notes to the consolidated financial statements for further discussion. per share data)

(10) Amount is less than \$0.01.

(11) The amounts reflected for the respective fiscal periods were updated based on tax information received subsequent to our Form 10-K filing for the year ended June 30, 2022 and our Form 10-Q filing for December 31, 2022. Certain reclassifications have been made in the presentation of prior period amounts. See Note 2 and Note 12 within the accompanying notes to the consolidated financial statements for further discussion.

Note 17. Selected Quarterly Financial Data (Unaudited)

The following table sets forth selected financial data for each quarter within the three years ended June 30, 2023 June 30, 2024:

| Quarter Ended | Quarter Ended | Net Increase (Decrease) in Net Assets from Operations | | | | | | | | | | Net Increase (Decrease) in Net Assets from Operations | | | | | | | | | |
|--------------------|--------------------|---|-----------|-----------------------|-----------|--------------------------------------|-----------|-----------------------------------|-----------|--------------------|-----------|---|------------|--------------------------------------|--------------|-----------------------------------|--------------|-----------|-----------|-------|--|
| | | Investment Income | | Net Investment Income | | Net Realized and Unrealized (Losses) | | Applicable to Common Stockholders | | Investment Income | | Net Investment Income | | Net Realized and Unrealized (Losses) | | Applicable to Common Stockholders | | | | | |
| | | Total | Per Share | Total | Per Share | Total | Per Share | Total | Per Share | Total | Per Share | Total | Per Share | Total | Per Share | Total | Per Share | Total | Per Share | Total | |
| September 30, 2020 | | \$142,880 | \$ 0.38 | \$57,545 | \$ 0.15 | \$ 110,201 | \$ 0.30 | \$ 167,746 | \$ 0.45 | | | | | | | | | | | | |
| December 31, 2020 | | 172,292 | 0.45 | 81,561 | 0.21 | 224,406 | 0.60 | 305,921 | 0.80 | | | | | | | | | | | | |
| March 31, 2021 | | 159,456 | 0.41 | 73,402 | 0.19 | 173,006 | 0.45 | 246,008 | 0.64 | | | | | | | | | | | | |
| June 30, 2021 | | 157,339 | 0.41 | 73,229 | 0.19 | 170,457 | 0.44 | 242,421 | 0.62 | | | | | | | | | | | | |
| September 30, 2021 | September 30, 2021 | \$169,474 | \$ 0.44 | \$81,369 | \$ 0.21 | \$ 130,762 | \$ 0.34 | \$ 209,724 | \$ 0.54 | September 30, 2021 | \$169,474 | \$ 0.44 | \$ 81,369 | \$ 0.21 | \$ 130,762 | \$ 0.34 | \$ 209,724 | \$ 0.54 | | | |
| December 31, 2021 | December 31, 2021 | 175,376 | 0.45 | 85,557 | 0.22 | 168,056 | 0.43 | 246,411 | 0.63 | December 31, 2021 | 175,376 | 0.45 | 85,557 | 0.22 | 168,056 | 0.43 | 246,411 | 0.63 | | | |
| March 31, 2022 | March 31, 2022 | 181,431 | 0.46 | 87,005 | 0.22 | 77,291 | 0.20 | 157,157 | 0.40 | March 31, 2022 | 181,431 | 0.46 | 87,005 | 0.22 | 77,291 | 0.20 | 157,157 | 0.40 | | | |
| June 30, 2022 | June 30, 2022 | 184,623 | 0.47 | 89,969 | 0.23 | (137,425) | (0.35) | (56,643) | (0.14) | June 30, 2022 | 184,623 | 0.47 | 89,969 | 0.23 | (137,425) | (0.35) | (56,643) | (0.14) | | | |
| September 30, 2022 | September 30, 2022 | \$202,674 | \$ 0.51 | \$99,266 | \$ 0.25 | \$ (191,705) | \$ (0.49) | \$ (105,199) | \$ (0.27) | September 30, 2022 | \$202,674 | \$ 0.51 | \$ 99,266 | \$ 0.25 | \$ (191,705) | \$ (0.49) | \$ (105,199) | \$ (0.27) | | | |
| December 31, 2022 | December 31, 2022 | 212,916 | 0.54 | 106,704 | 0.27 | (34,427) | (0.09) | 55,623 | 0.14 | December 31, 2022 | 212,916 | 0.54 | 106,704 | 0.27 | (34,427) | (0.09) | 55,623 | 0.14 | | | |
| March 31, 2023 | March 31, 2023 | 215,120 | 0.54 | 102,180 | 0.26 | (191,194) | (0.48) | (108,947) | (0.27) | March 31, 2023 | 215,120 | 0.54 | 102,180 | 0.26 | (191,194) | (0.48) | (108,947) | (0.27) | | | |
| June 30, 2023 | | | | | | | | | | June 30, 2023 | 221,503 | 0.55 | 112,779 | 0.28 | (104,923) | (0.26) | (13,950) | (0.26) | | | |
| September 30, 2023 | | | | | | | | | | September 30, 2023 | \$236,245 | \$ 0.58 | \$ 125,612 | \$ 0.31 | \$ (8,450) | \$ (0.02) | \$ 94,011 | \$ (0.02) | | | |

(1) Per share amounts are calculated using the basic weighted average number of common shares outstanding for the period presented and does not reflect the assumed conversion of dilutive securities (basic earnings per common share). The sum of the quarterly per share amounts above will not necessarily equal the per share amounts for the fiscal year.

Note 18. Subsequent Events

Management has evaluated subsequent events through the date of issuance of these consolidated financial statements and has determined that there are no subsequent events outside the ordinary scope of business that require adjustment to, or disclosure in, the consolidated financial statements other than those disclosed below.

On **May 9, 2023** November 8, 2023, we announced the declaration of monthly dividends for our 5.50% Preferred Stock for holders of record on the following dates based on an annual rate equal to 5.50% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in **July January** as a result), as follows:

| Monthly Cash 5.50% Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro ration for partial periods |
|---|-------------|-------------------------|--|
| June December 2023 | 6/21/2023 | 7/3/2023 1/2/2024 | \$0.114583 |
| July 2023 January 2024 | 7/19/2023 | 1/17/2024 8/2/2023 2024 | \$0.114583 |
| August 2023 February 2024 | 8/16/2023 | 2/21/2024 9/3/2023 2024 | \$0.114583 |

On **May 9, 2023** November 8, 2023, we announced the declaration of monthly dividends for our 6.50% Preferred Stock for holders of record on the following dates based on an annual rate equal to 6.50% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in **July January** as a result), as follows:

| Monthly Cash 6.50% Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro ration for partial periods |
|---|-------------|-------------------------|--|
| June December 2023 | 6/21/2023 | 7/3/2023 1/2/2024 | \$0.135417 |
| July 2023 January 2024 | 7/19/2023 | 1/17/2024 8/2/2023 2024 | \$0.135417 |
| August 2023 February 2024 | 8/16/2023 | 2/21/2024 9/3/2023 2024 | \$0.135417 |

On **May 9, 2023** November 8, 2023, we announced the declaration of quarterly dividends for our 5.35% Preferred Stock for holders of record on the following dates based on an annual rate equal to 5.35% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the 5.35% Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date, as follows:

PROSPECT CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(in thousands, except share and per share data)

| Quarterly Cash 5.35% Preferred Shareholder Distribution | Record Date | Payment Date | Amount (\$ per share) |
|---|-------------|-------------------------|-----------------------|
| May November 2023 - July 2023 January 2024 | 7/19/2023 | 1/17/2024 8/2/2023 2024 | \$0.334375 |

On **May 9, 2023** November 8, 2023, we announced the declaration of monthly dividends on our common stock as follows:

| Monthly Cash Common Shareholder Distribution | Record Date | Payment Date | Amount (\$ per share) |
|--|-------------|---------------------------------|-----------------------|
| May November 2023 | 5/26/2023 | 11/28/2023 6/21/2023 12/19/2023 | \$0.0600 |
| June December 2023 | 6/28/2023 | 12/27/2023 7/20/2023 1/18/2024 | \$0.0600 |
| July 2023 January 2024 | 7/27/2023 | 1/29/2024 8/22/2023 2/20/2024 | \$0.0600 |

On October 30, 2023, we initiated an offer to repurchase all of our 5,882,351 outstanding shares of 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock, for cash in an amount equal to \$15.877396 per share, plus accrued dividends, if any, commencing on October 30, 2023. The tender offer will expire at 5:00 p.m., New York City time, on November 29, 2023, or any other date and time to which the Company extends the Tender Offer, unless earlier terminated.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(All figures in this item are in thousands except share, per share and other data.)

The following discussion should be read in conjunction with our consolidated financial statements and related notes and other financial information appearing elsewhere in this Quarterly Report. In addition to historical information, the following discussion and other parts of this Quarterly Report contain forward-looking information that involves risks and uncertainties. Our actual results may differ significantly from any results expressed or implied by these forward-looking statements due to the factors discussed in Part II, "Item 1A. Risk Factors" and "Forward-Looking Statements" appearing elsewhere herein.

Overview

The terms "Prospect", "the Company", "we", "us" and "our" mean Prospect Capital Corporation and its subsidiaries unless the context specifically requires otherwise.

Prospect 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.

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 purchased small business whole loans 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 a portion of our collateralized loan obligations ("CLOs"), which we also refer to as subordinated structured notes ("SSNs"). Each of these subsidiaries have been consolidated since operations commenced.

We consolidate certain of our wholly owned and substantially wholly owned holding companies formed by us in order to facilitate our investment strategy. The following companies are included in our consolidated financial statements and are collectively referred to as the "Consolidated Holding Companies": CP Holdings of Delaware LLC ("CP Holdings"); Credit Central Holdings of Delaware, LLC ("Credit Central Delaware"); Energy Solutions Holdings Inc.; First Tower Holdings of Delaware LLC ("First Tower Delaware"); MITY Holdings of Delaware Inc. ("MITY Delaware"); Nationwide Acceptance Holdings LLC; NMMB Holdings, Inc. ("NMMB Holdings"); NPH Property Holdings, LLC ("NPH"); Prospect Opportunity Holdings I, Inc. ("POHI"); SB Forging Company, Inc. ("SB Forging"); STI Holding, Inc.; UTP Holdings Group Inc. ("UTP Holdings"); Valley Electric Holdings I, Inc. ("Valley Holdings I"); and Valley Electric Holdings II, Inc. ("Valley Holdings II").

We are externally managed by our investment adviser, Prospect Capital Management L.P. ("Prospect Capital Management" or the "Investment Adviser"). Prospect Administration LLC ("Prospect Administration"), a wholly-owned subsidiary of the Investment Adviser, provides administrative services and facilities necessary for us to operate.

Our investment objective is to generate both current income and long-term capital appreciation through debt and equity investments. We invest primarily in senior and subordinated secured debt and equity of private companies in need of capital for acquisitions, divestitures, growth, development, recapitalizations and other purposes. We work with the management teams or financial sponsors to seek investments with historical cash flows, asset collateral or contracted pro-forma cash flows.

We currently have four primary strategies that guide our origination of investment opportunities: (1) lending to companies, including companies controlled by private equity sponsors and not controlled by private equity sponsors, and including both directly-originated loans and syndicated loans, (2) lending to companies and purchasing controlling equity positions in such companies, including both operating companies and financial services companies, (3) purchasing controlling equity positions and lending to real estate companies, and (4) investing in structured credit. 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 - We make directly-originated, agented loans to companies, including companies which are controlled by private equity sponsors and companies that 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 debt can take the form of first lien, second lien, unitranche or unsecured loans. These loans typically have equity subordinate to our loan position. We may also purchase selected equity co-investments in such companies. In addition to directly-originated, agented loans, we also invest in senior and secured loans syndicated loans and high yield bonds that have been sold to a club or syndicate of buyers, both in the primary and secondary markets. 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. Historically, this strategy has comprised approximately 40%-60% of our portfolio.
- Lending to Companies and Purchasing Controlling Equity Positions in Such Companies - This strategy involves purchasing senior and secured yield-producing debt and controlling equity positions in operating companies across various industries. We believe this strategy provides enhanced certainty of closure to sellers and the opportunity for management to continue on in their current roles. These investments are often structured in tax-efficient partnerships, enhancing returns. Historically, this strategy has comprised approximately 15%-25% 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"). The real estate investments of National Property REIT Corp. ("NPRC") are in various classes of developed and occupied real estate properties that generate current yields, including multi-family properties, and student housing. 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 makes investments in rated secured structured notes (primarily debt of structured credit). NPRC also 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. Historically, this overall investment strategy has comprised approximately 10%-20% of our business.
- Investing in Structured Credit - We make investments in structured credit, often taking a significant position in subordinated structured notes (equity) and rated secured structured notes (debt). The underlying portfolio of each structured credit 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 structured credit portfolios in which we invest are managed by established collateral management teams with many years of experience in the industry. Historically, this overall strategy has comprised approximately 10%-20% of our portfolio.

We invest primarily in first and second lien secured loans and unsecured debt, which in some cases includes an equity component. First and second lien secured loans generally are senior debt instruments that rank ahead of unsecured debt of a given portfolio company. These loans also have the benefit of security interests on the assets of the portfolio company, which may rank ahead of or be junior to other security interests. Our investments in structured credit are subordinated to senior loans and are generally unsecured. We invest in debt and equity positions of structured credit which are a form of securitization in which the cash flows of a portfolio of loans are pooled and passed on to different classes of owners in various tranches. Our structured credit investments are derived from portfolios of corporate debt securities which are generally risk rated from BB to B.

We hold many of our control investments in a two-tier structure consisting of a holding company and one or more related operating companies for tax purposes. These holding companies serve various business purposes including concentration of management teams, optimization of third-party borrowing costs, improvement of supplier, customer, and insurance terms, and enhancement of co-investments by the management teams. In these cases, our investment, which is generally equity in the holding company, the holding company's equity investment in the operating company and any debt from us directly to the operating company structure represents our total exposure for the investment. As of **March 31, 2023** **September 30, 2023**, as shown in our *Consolidated Schedule of Investments*, the cost basis and fair value of our investments in controlled companies was **\$2,884,591** **\$3,060,201** and **\$3,480,094** **\$3,625,608**, respectively. This structure gives rise to several of the risks described in our public documents and highlighted elsewhere in this Quarterly Report. We consolidate all wholly owned and substantially wholly owned holding companies formed by us for the purpose of holding our controlled investments in operating companies. There is no significant effect of consolidating these holding companies as they hold minimal assets other than their investments in the controlled operating companies. Investment company accounting prohibits the consolidation of any operating companies.

On **June 10, 2022** **June 9, 2023**, at a special meeting of stockholders, our stockholders authorized us to sell shares of our common stock (during the next 12 months) at a price or prices below our net asset value per share at the time of sale in one or more offerings, subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of its outstanding common stock immediately prior to such sale).

On March 13, 2023, we filed a notice of meeting and definitive proxy statement in connection with a special meeting of our stockholders that is scheduled to be held on June 9, 2023 for the purpose of asking our stockholders to vote on a proposal to authorize us, with approval of our Board of Directors, to sell shares of our common stock (during the next 12 months) at a price or prices below our then current net asset value per share in one or more offerings subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of our outstanding common stock immediately prior to such sale).

Third First Quarter Highlights

Investment Transactions

We seek to be a long-term investor with our portfolio companies. During the three months ended **March 31, 2023**, **September 30, 2023** we acquired **\$10,000** **\$28,324** of new investments, completed follow-on investments in existing portfolio companies totaling approximately **\$33,830**, **\$72,232**, funded **\$942** **\$7,415** of revolver advances, and recorded PIK interest of **\$46,926**, **\$23,103**, resulting in gross investment originations of **\$91,698**, **\$131,074**. During the three months ended **March 31, 2023**, **September 30, 2023** we received full repayments totaling **\$29,164**, **\$39,750**, received **\$31,806** **\$3,000** in sales, received **\$1,223** **\$2,918** of revolver paydowns, and received **\$51,804** **\$47,978** in partial prepayments, scheduled principal amortization payments, and return of capital distributions, resulting in net repayments of **\$113,997**, **\$93,646**.

Debt Issuances and Redemptions

On **March 15, 2023**, we repaid the remaining outstanding principal amount of **\$282,115** of the 2023 Notes, plus interest, at maturity.

During the three months ended **March 31, 2023**, **September 30, 2023** we repaid **\$2,438** **\$3,247** aggregate principal amount of Prospect Capital InterNotes® at par in accordance with the Survivor's Option, as defined in the InterNotes® Offering prospectus. As a result of these transactions, we recorded a loss in the amount of the unamortized debt issuance costs. The net loss on the extinguishment of Prospect Capital InterNotes® in the three months ended **March 31, 2023** **September 30, 2023** was **\$58**, **\$91**.

During the three months ended **March 31, 2023**, **September 30, 2023** we issued **\$7,857** **\$3,976** aggregate principal amount of Prospect Capital InterNotes® with a weighted average stated interest rate of **5.68%** **6.17%**, to extend our borrowing base. The newly issued notes mature between **January 15, 2026** **July 15, 2026** and **March 15, 2033** **September 15, 2043** and generated net proceeds of **\$7,742**, **\$3,892**.

During the three months ended **March 31, 2023**, **September 30, 2023** we increased total commitments to the Revolving Credit Facility by **\$76,000** **\$42,000** to **\$1,777,500** **\$1,954,500** in the aggregate.

Equity Issuances

On **January 19, 2023** **July 20, 2023**, **February 16, 2023**, **August 22, 2023** and **March 22, 2023** **September 20, 2023**, we issued **458,461**, **448,326**, **507,739**, **544,283**, and **492,809** **486,236** shares of our common stock in connection with the dividend reinvestment plan, respectively.

During the three months ended **March 31, 2023** **September 30, 2023**, **65,968** 200,086 shares of our Series A1 Preferred Stock, **23,000** shares of our Series A2 Preferred Stock, **460** **32,358** shares of our Series A3 Preferred Stock, **74,400** **526,888** shares of our Series M1 Preferred Stock, and **8,705** **14,141** shares of our Series M3 Preferred Stock were converted to **581,799** **3,046,897** shares of our common stock, in connection with Holder Optional Conversions and Optional Redemptions Following Death of a Holder.

During the three months ended **March 31, 2023**, **September 30, 2023** we issued **4,871,732** **2,801,585** shares of our Series A3 Preferred Stock for net proceeds of **\$109,614** **\$63,036** and **668,104** **396,500** shares of our Series M3 Preferred Stock for net proceeds of **\$16,202**, **\$9,615**, each excluding offering costs and preferred stock dividend reinvestment.

In connection with our Preferred Stock Dividend Reinvestment Plan, we issued additional Series A1 Preferred Stock, Series A3 Preferred Stock, Series M1 Preferred Stock, and Series M3 Preferred Stock of **4,408**, **5,970**, **8,619**, **9,731**, and **6,448** **11,062** throughout July, August, and September.

Share Repurchase Program

During the three months ended **September 30, 2023** the Company repurchased 62,309 shares throughout January, February of Series A Preferred Stock for a total cost of approximately \$1,001, including fees and **March 2023** commissions paid to the broker, representing an average repurchase price of \$15.88 per share.

On March 13, 2023, we filed a notice of meeting and definitive proxy statement in connection with a special meeting of our stockholders that is scheduled to be held on June 9, 2023 for the purpose of asking our stockholders to vote on a proposal to authorize us, with approval of our Board of Directors, to sell shares of our common stock (during the next 12 months) at a price or prices below our then current net asset value per share in one or more offerings subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of our outstanding common stock immediately prior to such sale).

Investment Holdings

At **March 31, 2023** **September 30, 2023**, we have **\$7,592,777**, **\$7,736,817**, or **199.8%** **204.6%**, of our net assets applicable to common shares invested in **127** **128** long-term portfolio investments and CLOs.

Our annualized current yield was **13.4%** **12.7%** and **11.1%** **13.3%** as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, respectively, across all performing interest bearing investments, excluding equity investments and non-accrual loans. Our annualized current yield was **10.9%** **10.3%** and **8.7%** **10.7%** as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, respectively, across all investments. In many of our portfolio companies we hold equity positions, ranging from minority interests to majority stakes, which we expect over time to contribute to our investment returns. Some of these equity positions include features such as contractual minimum internal rates of returns, preferred distributions, flip structures and other features expected to generate additional investment returns, as well as contractual protections and preferences over junior equity, in addition to the yield and security offered by our cash flow and collateral debt protections.

We are a non-diversified company within the meaning of the 1940 Act. As required by the 1940 Act, we classify our investments by level of control. As defined in the 1940 Act, "Control Investments" are those where there is the ability or power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual possesses a beneficial ownership of 25% or more of the voting securities of an investee company. Under the 1940 Act, "Affiliate Investments" are defined by a lesser degree of influence and are deemed to exist through owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of another person. "Non-Control/Non-Affiliate Investments" are those that are neither Control Investments nor Affiliate Investments.

As of **March 31, 2023** **September 30, 2023**, we own controlling interests in the following portfolio companies: CP Energy Services Inc. ("CP Energy"); Credit Central Loan Company, LLC ("Credit Central"); Echelon Transportation, LLC ("Echelon"); First Tower Finance Company LLC ("First Tower Finance"); Freedom Marine Solutions, LLC ("Freedom Marine"); InterDent, Inc. ("InterDent"); Kickapoo Ranch Pet Resort ("Kickapoo"); MITY, Inc. ("MITY"); NRPC; Nationwide Loan Company LLC ("Nationwide"); NMMB, Inc. ("NMMB"); Pacific World Corporation ("Pacific World"); R-V Industries, Inc. ("R-V"); Universal Turbine Parts, LLC ("UTP"); USES Corp. ("United States Environmental Services" or "USES"); and Valley Electric Company, Inc. ("Valley Electric"). In June 2019, CP Energy purchased a controlling interest of the common equity of Spartan Energy Holdings, Inc. ("Spartan Holdings"), which owns 100% of Spartan Energy Services, LLC ("Spartan"), a portfolio company of Prospect with **\$31,603** **\$33,415** in senior secured term loans (the "Spartan Term Loan A") due to us as of **March 31, 2023** **September 30, 2023**. As a result of CP Energy's purchase, and given Prospect's controlling interest in CP Energy, we report our investments in Spartan as control investment. Spartan remains the direct borrower and guarantor to Prospect for the Spartan Term Loan A.

As of **March 31, 2023** **September 30, 2023**, we also own affiliated interests in Nixon, Inc. ("Nixon") and RGIS Services, LLC, ("RGIS").

The following shows the composition of our investment portfolio by level of control as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**:

| Level of Control | Level of Control | March 31, 2023 | | | | June 30, 2022 | | | | Level of Control | September 30, 2023 | | | | Level of Control | |
|---------------------------------------|---------------------------------------|----------------|----------------|-----------------|----------------|---------------|----------------|-----------------|----------------|---------------------------------------|--------------------|----------------|-----------------|----------------|------------------|---------|
| | | % of Cost | % of Portfolio | % of Fair Value | % of Portfolio | % of Cost | % of Portfolio | % of Fair Value | % of Portfolio | | % of Cost | % of Portfolio | % of Fair Value | % of Portfolio | | |
| Control Investments | Control Investments | \$2,884,591 | 38.1 % | \$3,480,094 | 45.8 % | \$2,732,906 | 38.0 % | \$3,438,317 | 45.2 % | Control Investments | \$3,060,201 | 40.2 % | \$3,625,608 | 46.9 % | \$2,988,496 | 38.3 % |
| Affiliate Investments | Affiliate Investments | 8,996 | 0.1 % | 7,944 | 0.1 % | 242,101 | 3.4 % | 393,264 | 5.2 % | Affiliate Investments | 10,162 | 0.1 % | 12,541 | 0.2 % | 8,855 | 0.1 % |
| Non-Control/Non-Affiliate Investments | Non-Control/Non-Affiliate Investments | 4,671,607 | 61.8 % | 4,104,739 | 54.1 % | 4,221,824 | 58.6 % | 3,770,929 | 49.6 % | Non-Control/Non-Affiliate Investments | 4,543,490 | 59.7 % | 4,098,668 | 53.1 % | 4,803,245 | 61.6 % |
| Total Investments | Total Investments | \$7,565,194 | 100.0 % | \$7,592,777 | 100.0 % | \$7,196,831 | 100.0 % | \$7,602,510 | 100.0 % | Total Investments | \$7,613,853 | 100.0 % | \$7,736,817 | 100.2 % | \$7,800,596 | 100.0 % |

The following shows the composition of our investment portfolio by type of investment as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**:

| Type of Investment | Type of Investment | March 31, 2023 | | | | June 30, 2022 | | | | Type of Investment | September 30, 2023 | | | | Type of Investment | |
|-----------------------|-----------------------|----------------|----------------|-----------------|----------------|---------------|----------------|-----------------|----------------|-----------------------|--------------------|----------------|-----------------|----------------|--------------------|--------|
| | | % of Cost | % of Portfolio | % of Fair Value | % of Portfolio | % of Cost | % of Portfolio | % of Fair Value | % of Portfolio | | % of Cost | % of Portfolio | % of Fair Value | % of Portfolio | | |
| First Lien Revolving | First Lien Revolving | | | | | | | | | First Lien Revolving | | | | | | |
| Line of Credit | Line of Credit | \$ 44,472 | 0.6 % | \$ 44,512 | 0.6 % | \$ 39,775 | 0.6 % | \$ 39,746 | 0.5 % | Line of Credit | \$ 63,638 | 0.8 % | \$ 63,751 | 0.8 % | \$ 58,139 | 0.7 % |
| First Lien Debt | First Lien Debt | 4,209,603 | 55.6 % | 4,086,362 | 53.8 % | 3,839,553 | 53.3 % | 3,757,960 | 49.4 % | Debt | 4,494,472 | 59.0 % | 4,369,228 | 56.5 % | 4,431,887 | 56.8 % |
| Second Lien Revolving | Second Lien Revolving | | | | | | | | | Second Lien Revolving | | | | | | |
| Line of Credit | Line of Credit | 5,137 | 0.1 % | 4,888 | 0.1 % | — | — % | — | — % | Line of Credit | 5,141 | 0.1 % | 4,769 | 0.1 % | 5,139 | 0.1 % |

| | | | | | | | | | | | | | | | | |
|-------------------------------|-------------------------------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------------------------|-------------|---------|-------------|---------|-------------|-------|
| Second Lien Debt | Second Lien Debt | 1,568,007 | 20.7 % | 1,327,318 | 17.5 % | 1,588,557 | 22.1 % | 1,471,336 | 19.4 % | Second Lien Debt | 1,350,150 | 17.7 % | 1,220,399 | 15.8 % | 1,586,112 | 20.3 |
| Unsecured Debt | Unsecured Debt | 12,999 | 0.2 % | 12,709 | 0.2 % | 7,200 | 0.1 % | 7,200 | 0.1 % | Unsecured Debt | 7,200 | 0.1 % | 7,200 | 0.1 % | 7,200 | 0.1 |
| Subordinated Structured Notes | Subordinated Structured Notes | 967,032 | 12.8 % | 698,423 | 9.2 % | 997,703 | 13.9 % | 711,429 | 9.4 % | Subordinated Structured Notes | 908,744 | 12.0 % | 626,746 | 8.1 % | 952,815 | 12.3 |
| Preferred Stock | Preferred Stock | 357,121 | 4.7 % | 32,533 | 0.4 % | 345,602 | 4.8 % | 47,719 | 0.6 % | Preferred Stock | 358,622 | 4.7 % | 36,335 | 0.5 % | 358,622 | 4.6 |
| Common Stock | Common Stock | 194,557 | 2.6 % | 1,053,818 | 13.9 % | 197,215 | 2.7 % | 1,187,620 | 15.6 % | Common Stock | 218,454 | 2.9 % | 1,091,948 | 14.1 % | 194,557 | 2.5 |
| Membership Interest | Membership Interest | 206,266 | 2.7 % | 275,775 | 3.6 % | 181,226 | 2.5 % | 316,970 | 4.2 % | Membership Interest | 207,432 | 2.7 % | 266,242 | 3.4 % | 206,125 | 2.6 |
| Participating Interest (1) | Participating Interest (1) | — | — % | 56,439 | 0.7 % | — | — % | 62,530 | 0.8 % | Participating Interest (1) | — | — % | 50,199 | 0.6 % | — | — |
| Total Investments | Total Investments | \$7,565,194 | 100.0 % | \$7,592,777 | 100.0 % | \$7,196,831 | 100.0 % | \$7,602,510 | 100.0 % | Total Investments | \$7,613,853 | 100.0 % | \$7,736,817 | 100.0 % | \$7,800,596 | 100.0 |

(1) Participating Interest includes our participating equity investments, such as net profits interests, net operating income interests, net revenue interests, and overriding royalty interests.

The following shows our investments in interest bearing securities by type of investment as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**:

| Type of Investment | Type of Investment | March 31, 2023 | | | | June 30, 2022 | | | | Type of Investment | September 30, 2023 | | | | Type of Investment | |
|------------------------------------|------------------------------------|----------------|----------------|-------------|----------------|---------------|----------------|-------------|----------------|------------------------------------|--------------------|----------------|-------------|----------------|-------------------------------|-------|
| | | Cost | % of Portfolio | Fair Value | % of Portfolio | Cost | % of Portfolio | Fair Value | % of Portfolio | | Cost | % of Portfolio | Fair Value | % of Portfolio | | |
| First Lien Debt | First Lien Debt | | | | | | | | | First Lien Debt | | | | | First Lien Debt | |
| Debt and First Lien | Debt and First Lien | | | | | | | | | Debt and First Lien | | | | | Debt and First Lien | |
| Revolving | Revolving | | | | | | | | | Revolving | | | | | Revolving | |
| Line of Credit | Line of Credit | \$4,254,075 | 62.5 % | \$4,130,874 | 66.9 % | \$3,879,328 | 59.9 % | \$3,797,706 | 63.4 % | Line of Credit | \$4,558,110 | 66.7 % | \$4,432,979 | 70.4 % | \$4,490,026 | 63.8 |
| Second Lien Debt | Second Lien Debt | | | | | | | | | Second Lien Debt | | | | | Second Lien Debt | |
| Second Lien Debt and | Second Lien Debt and | | | | | | | | | Second Lien Debt and | | | | | Second Lien Debt and | |
| Second Lien Revolving | Second Lien Revolving | | | | | | | | | Second Lien Revolving | | | | | Second Lien Revolving | |
| Line of Credit | Line of Credit | 1,573,144 | 23.1 % | 1,332,206 | 21.6 % | 1,588,557 | 24.5 % | 1,471,336 | 24.6 % | Line of Credit | 1,355,291 | 19.9 % | 1,225,168 | 19.5 % | 1,591,251 | 22.6 |
| Unsecured | Unsecured | 12,999 | 0.2 % | 12,709 | 0.2 % | 7,200 | 0.1 % | 7,200 | 0.1 % | Unsecured | 7,200 | 0.1 % | 7,200 | 0.1 % | 7,200 | 0.1 |
| Subordinated Structured Notes | Subordinated Structured Notes | | | | | | | | | Subordinated Structured Notes | | | | | Subordinated Structured Notes | |
| Notes | Notes | 967,032 | 14.2 % | 698,423 | 11.3 % | 997,703 | 15.5 % | 711,429 | 11.9 % | Notes | 908,744 | 13.3 % | 626,746 | 10.0 % | 952,815 | 13.5 |
| Total Interest Bearing Investments | Total Interest Bearing Investments | \$6,807,250 | 100.0 % | \$6,174,212 | 100.0 % | \$6,472,788 | 100.0 % | \$5,987,671 | 100.0 % | Total Interest Bearing Investments | \$6,829,345 | 100.0 % | \$6,292,093 | 100.0 % | \$7,041,292 | 100.0 |

The following shows the composition of our investment portfolio by industry as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**:

| Industry | Industry | March 31, 2023 | | | | June 30, 2022 | | | | Industry | September 30, 2023 | | | | June 30, 2022 | | | |
|-------------------------|-------------------------|----------------|----------------|------------|----------------|---------------|----------------|------------|----------------|-------------------------|--------------------|----------------|------------|----------------|---------------|----------------|------------|--|
| | | Cost | % of Portfolio | Fair Value | % of Portfolio | Cost | % of Portfolio | Fair Value | % of Portfolio | | Cost | % of Portfolio | Fair Value | % of Portfolio | Cost | % of Portfolio | Fair Value | |
| Aerospace & Defense | Aerospace & Defense | \$ 112,181 | 1.5 % | \$ 60,872 | 0.8 % | \$ 108,790 | 1.5 % | \$ 65,766 | 0.9 % | Aerospace & Defense | \$ 110,320 | 1.4 % | \$ 63,280 | 0.8 % | \$ 112,181 | 1.4 % | \$ 60,872 | |
| Air Freight & Logistics | Air Freight & Logistics | 187,097 | 2.5 % | 187,786 | 2.5 % | 178,077 | 2.5 % | 178,414 | 2.3 % | Air Freight & Logistics | 188,222 | 2.5 % | 187,420 | 2.4 % | 188,171 | 2.4 % | 187,097 | |
| Automobile Components | Automobile Components | 134,518 | 1.8 % | 108,707 | 1.4 % | 104,499 | 1.5 % | 103,536 | 1.4 % | Automobile Components | 134,531 | 1.8 % | 110,226 | 1.4 % | 134,581 | 1.7 % | 108,707 | |
| Building Products | Building Products | 35,000 | 0.5 % | 33,849 | 0.4 % | 35,000 | 0.5 % | 34,697 | 0.5 % | Building Products | 35,000 | 0.5 % | 32,984 | 0.4 % | 35,000 | 0.4 % | 33,849 | |
| Capital Markets | Capital Markets | 42,500 | 0.6 % | 38,265 | 0.5 % | 42,500 | 0.6 % | 41,574 | 0.5 % | Capital Markets | 42,500 | 0.6 % | 42,500 | 0.5 % | 42,500 | 0.5 % | 38,265 | |

| | | | | | | | | | | | | | | | | | |
|--|--|---------|-------|-----------|--------|---------|--------|-----------|--------|--------------------------------|---------|--------|-----------|--------|---------|-------|------|
| Commercial Services & Supplies | Commercial Services & Supplies | 480,238 | 6.2 % | 404,545 | 5.3 % | 424,795 | 5.9 % | 356,965 | 4.7 % | Commercial Services & Supplies | 531,600 | 7.0 % | 479,117 | 6.2 % | 575,882 | 7.4 % | 51 |
| Communications Equipment | Communications Equipment | 59,834 | 0.8 % | 44,155 | 0.6 % | 59,780 | 0.8 % | 57,556 | 0.8 % | Communications Equipment | 59,869 | 0.8 % | 57,236 | 0.7 % | 59,852 | 0.8 % | 5 |
| Construction & Engineering | Construction & Engineering | 70,798 | 0.9 % | 141,564 | 1.9 % | 68,259 | 0.9 % | 145,983 | 1.9 % | Engineering | 91,148 | 1.2 % | 189,492 | 2.4 % | 91,148 | 1.2 % | 16 |
| Consumer Finance | Consumer Finance | 610,288 | 8.1 % | 751,580 | 9.9 % | 568,739 | 7.9 % | 765,168 | 10.1 % | Consumer Finance | 633,000 | 8.3 % | 756,804 | 9.8 % | 625,033 | 8.0 % | 73 |
| Distributors | Distributors | 282,417 | 3.7 % | 238,057 | 3.1 % | 278,530 | 3.9 % | 180,108 | 2.4 % | Distributors | 293,863 | 3.9 % | 258,436 | 3.3 % | 288,054 | 3.7 % | 24 |
| Diversified Consumer Services | Diversified Consumer Services | 276,482 | 3.7 % | 199,710 | 2.6 % | 250,393 | 3.5 % | 365,669 | 4.8 % | Services | 110,377 | 1.4 % | 105,048 | 1.4 % | 281,274 | 3.6 % | 8 |
| Diversified Financial Services | Diversified Financial Services | 42,396 | 0.6 % | 42,106 | 0.6 % | 36,878 | 0.5 % | 36,878 | 0.5 % | Financial Services | 36,410 | 0.5 % | 36,410 | 0.5 % | 36,504 | 0.5 % | 3 |
| Diversified Telecommunication Services | Diversified Telecommunication Services | 163,070 | 2.2 % | 157,579 | 2.1 % | 165,966 | 2.3 % | 166,356 | 2.2 % | Services | 161,308 | 2.1 % | 162,155 | 2.1 % | 162,239 | 2.1 % | 16 |
| Electrical Equipment | Electrical Equipment | 64,167 | 0.8 % | 64,167 | 0.8 % | — | — % | — | — % | Equipment | 68,229 | 0.9 % | 68,292 | 0.9 % | 68,399 | 0.9 % | 6 |
| Energy Equipment & Services | Energy Equipment & Services | 321,619 | 4.2 % | 129,600 | 1.7 % | 300,496 | 4.2 % | 126,600 | 1.7 % | & Services | 328,772 | 4.3 % | 125,975 | 1.6 % | 325,110 | 4.2 % | 12 |
| Equity Real Estate Investment Trusts (REITs) | Equity Real Estate Investment Trusts (REITs) | 686,086 | 9.1 % | 1,372,493 | 18.1 % | 647,316 | 9.0 % | 1,399,857 | 18.3 % | (REITs) | 792,179 | 10.4 % | 1,408,512 | 18.2 % | 741,133 | 9.5 % | 1,43 |
| Food & Staples Retailing | Food & Staples Retailing | 27,238 | 0.4 % | 27,475 | 0.4 % | 9,262 | 0.1 % | 9,440 | 0.1 % | Retailing | 27,040 | 0.4 % | 26,824 | 0.3 % | 27,139 | 0.3 % | 2 |
| Food Products | Food Products | 135,249 | 1.8 % | 125,940 | 1.7 % | 130,998 | 1.8 % | 127,436 | 1.7 % | Food Products | 134,931 | 1.8 % | 126,168 | 1.6 % | 134,889 | 1.7 % | 12 |
| Health Care Equipment & Supplies | Health Care Equipment & Supplies | 7,487 | 0.1 % | 6,810 | 0.1 % | 7,483 | 0.1 % | 6,966 | 0.1 % | Supplies | — | — % | — | — % | 7,488 | 0.1 % | |
| Health Care Providers & Services | Health Care Providers & Services | 652,011 | 8.6 % | 762,957 | 10.0 % | 660,976 | 9.2 % | 748,591 | 9.8 % | Services | 692,554 | 9.1 % | 802,289 | 10.4 % | 687,813 | 8.8 % | 79 |
| Health Care Technology | Health Care Technology | 129,160 | 1.7 % | 128,272 | 1.7 % | 89,675 | 1.2 % | 89,675 | 1.2 % | Technology | 132,923 | 1.7 % | 133,401 | 1.7 % | 129,684 | 1.7 % | 12 |
| Hotels, Restaurants & Leisure | Hotels, Restaurants & Leisure | 22,396 | 0.3 % | 21,229 | 0.3 % | 23,359 | 0.3 % | 22,651 | 0.3 % | Leisure | 21,256 | 0.3 % | 20,098 | 0.3 % | 21,701 | 0.3 % | 2 |
| Household Durables | Household Durables | 121,468 | 1.6 % | 116,701 | 1.5 % | 123,175 | 1.7 % | 122,652 | 1.6 % | Durables | 159,112 | 2.1 % | 152,328 | 2.0 % | 159,854 | 2.0 % | 15 |
| Household Products | — | — % | — | — % | 20,936 | 0.3 % | 20,936 | 0.3 % | | | | | | | | | |
| Insurance | — | — % | — | — % | 21,966 | 0.3 % | 22,280 | 0.3 % | | | | | | | | | |
| Interactive Media & Services | Interactive Media & Services | 211,754 | 2.8 % | 211,754 | 2.8 % | 233,204 | 3.2 % | 233,204 | 3.1 % | Services | 153,131 | 2.0 % | 153,131 | 2.0 % | 160,281 | 2.1 % | 16 |
| Internet & Direct Marketing Retail | Internet & Direct Marketing Retail | 20,022 | 0.3 % | 13,880 | 0.2 % | 20,212 | 0.3 % | 17,454 | 0.2 % | Marketing Retail | 20,717 | 0.3 % | 16,531 | 0.2 % | 20,487 | 0.3 % | 1 |
| IT Services | IT Services | 359,614 | 4.8 % | 334,810 | 4.4 % | 305,311 | 4.2 % | 303,681 | 4.0 % | IT Services | 358,635 | 4.6 % | 348,869 | 4.5 % | 357,982 | 4.7 % | 34 |
| Leisure Products | Leisure Products | 59,746 | 0.8 % | 59,089 | 0.8 % | 39,015 | 0.5 % | 38,757 | 0.5 % | Leisure Products | 69,430 | 0.9 % | 69,286 | 0.9 % | 69,694 | 0.9 % | 6 |
| Machinery | Machinery | 103,563 | 1.4 % | 128,583 | 1.7 % | 108,780 | 1.5 % | 124,458 | 1.6 % | Machinery | 106,798 | 1.4 % | 167,728 | 2.2 % | 103,273 | 1.3 % | 14 |
| Media | Media | 104,693 | 1.4 % | 150,932 | 2.0 % | 108,062 | 1.5 % | 161,140 | 2.1 % | Media | 100,110 | 1.3 % | 146,078 | 1.9 % | 103,409 | 1.3 % | 13 |
| Online Lending | Online Lending | 21,580 | 0.3 % | 21,580 | 0.3 % | 29,080 | 0.4 % | 29,080 | 0.4 % | Online Lending | 20,630 | 0.3 % | 20,630 | 0.3 % | 21,580 | 0.3 % | 2 |
| Paper & Forest Products | Paper & Forest Products | — | — % | — | — % | 11,445 | 0.2 % | 4,952 | 0.1 % | Products | — | — % | — | — % | — | — % | |
| Personal Products | Personal Products | 276,711 | 3.6 % | 73,492 | 1.0 % | 260,396 | 3.6 % | 59,179 | 0.8 % | Personal Products | 281,202 | 3.7 % | 63,223 | 0.8 % | 278,875 | 3.6 % | 6 |
| Pharmaceuticals | Pharmaceuticals | 99,995 | 1.3 % | 100,005 | 1.3 % | 25,557 | 0.4 % | 25,962 | 0.3 % | Pharmaceuticals | 98,748 | 1.3 % | 99,209 | 1.3 % | 99,269 | 1.3 % | 9 |

| | | | | | | | | | | | | | | | | | |
|----------------------------------|----------------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|----------------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|---------------|
| Professional Services | Professional Services | 190,151 | 2.5 % | 176,161 | 2.3 % | 205,032 | 2.8 % | 203,256 | 2.7 % | Professional Services | 211,481 | 2.7 % | 197,827 | 2.6 % | 211,693 | 2.7 % | 20 |
| Software | Software | 52,336 | 0.7 % | 48,691 | 0.6 % | 52,295 | 0.7 % | 52,500 | 0.7 % | Software | 52,364 | 0.7 % | 52,102 | 0.7 % | 52,350 | 0.7 % | 4 |
| Technology | Technology | | | | | | | | | Technology | | | | | | | |
| Hardware, Storage & Peripherals | Hardware, Storage & Peripherals | — | — % | — | — % | 12,447 | 0.2 % | 12,398 | 0.2 % | Hardware, Storage & Peripherals | — | — % | — | — % | — | — % | |
| Textiles, Apparel & Luxury Goods | Textiles, Apparel & Luxury Goods | 168,505 | 2.2 % | 167,817 | 2.2 % | 178,428 | 2.5 % | 211,359 | 2.8 % | Textiles, Apparel & Luxury Goods | 180,944 | 2.4 % | 180,997 | 2.3 % | 167,475 | 2.1 % | 16 |
| Trading Companies & Distributors | Trading Companies & Distributors | 65,192 | 0.9 % | 42,541 | 0.6 % | 65,216 | 0.9 % | 31,147 | 0.4 % | Distributors | 65,175 | 0.9 % | 48,865 | 0.6 % | 65,184 | 0.8 % | 4 |
| Subtotal | Subtotal | 6,397,562 | 84.7 % | 6,693,754 | 88.2 % | 6,012,328 | 83.4 % | 6,704,281 | 88.3 % | Subtotal | 6,504,509 | 85.5 % | 6,909,471 | 89.2 % | 6,647,181 | 85.3 % | 6,85 |
| Structured Finance(1) | Structured Finance(1) | 1,167,632 | 15.3 % | 899,023 | 11.8 % | 1,184,503 | 16.6 % | 898,229 | 11.7 % | Finance(1) | 1,109,344 | 14.5 % | 827,346 | 10.8 % | 1,153,415 | 14.7 % | 86 |
| Total Investments | Total Investments | \$7,565,194 | 100.0 % | \$7,592,777 | 100.0 % | \$7,196,831 | 100.0 % | \$7,602,510 | 100.0 % | Total Investments | \$7,613,853 | 100.0 % | \$7,736,817 | 100.0 % | \$7,800,596 | 100.0 % | \$7,72 |

(1) Our SSN investments do not have industry concentrations and as such have been separated in the tables above. As of **March 31, 2023** September 30, 2023 and **June 30, 2022** June 30, 2023, Structured Finance includes **\$200,600** **\$236,711** and **\$186,800**, **\$236,248**, respectively, of senior secured debt investments held through our investment in NRPC and its wholly-owned subsidiary.

Portfolio Investment Activity

Our origination efforts are focused primarily on secured lending to non-control investments to reduce the risk in the portfolio by investing primarily in first lien loans and second lien loans, though we also continue to **close** invest in select equity investments. For information regarding investment activity for the **nine year ended June 30, 2022**, see the Company's Form 10-K for the fiscal year ended June 30, 2023.

Our gross investment activity for the three months ended **March 31, 2023** September 30, 2023 and **March 31, 2022** September 30, 2022 are presented below:

| Investments in portfolio companies | Investments in portfolio companies | Nine months ended March 31, | | | | Three Months Ended September 30, | | | | | | | | |
|---|---|--|---|-----------|------------------|---|-----------|----------------|---|---|---------------|----------------|------------|----------------|
| | | 2023 | | 2022 | | 2023 | | 2022 | | | | | | |
| | | Investments in new portfolio companies | Investments in new portfolio companies \$ | 348,473 | \$ 997,817 | Investments in new portfolio companies | \$ 28,324 | \$ 110,253 | Follow-on investments in existing portfolio companies (1) | Follow-on investments in existing portfolio companies (1) | 248,933 | 777,022 | 72,232 | 169,583 |
| Revolver advances | Revolver advances | | | 8,851 | 9,000 | Revolver advances | | | PIK interest (2) | PIK interest (2) | 97,952 | 61,030 | 7,415 | 500 |
| Total investments in portfolio companies | Total investments in portfolio companies | \$ | 704,209 | \$ | 1,844,869 | Total investments in portfolio companies | \$ | 131,074 | Total investments by portfolio composition | First Lien Debt | \$ | 130,849 | \$ | 250,611 |
| Investments by portfolio composition | Investments by portfolio composition | | | | | Investments by portfolio composition | | | Second Lien Debt | Second Lien Debt | 82,390 | 796,351 | 225 | 50,319 |
| First Lien Debt | First Lien Debt | \$ | 610,230 | \$ | 1,021,834 | First Lien Debt | \$ | 130,849 | Second Lien Debt | Subordinated Structured Notes | — | 9,518 | — | 250,611 |
| Second Lien Debt | Second Lien Debt | | | | | Second Lien Debt | | | Unsecured Debt | Unsecured Debt | 5,799 | — | 5,799 | 50,319 |
| Equity | Equity | | 5,790 | | 17,166 | Equity | | | Investments repaid or sold | Investments repaid or sold | | | | 3,600 |
| Total investments by portfolio composition | Total investments by portfolio composition | \$ | 704,209 | \$ | 1,844,869 | Total investments by portfolio composition | \$ | 131,074 | Investments repaid or sold | First Lien Debt | \$ | 130,849 | \$ | 304,530 |
| Investments repaid or sold | Investments repaid or sold | | | | | Investments repaid or sold | | | Second Lien Debt | Second Lien Debt | 82,390 | 796,351 | 225 | 50,319 |

| | | | | | | | | |
|--|--|------------|------------|--|--|------------------------|------------|--|
| Partial repayments | Partial repayments | | | | Partial repayments | | | |
| (3) | (3) | \$ 186,731 | \$ 401,201 | | (3) | \$ 47,978 | \$ 85,948 | |
| Full repayments | Full repayments | 103,052 | 545,333 | | Full repayments | 39,750 | 38,542 | |
| Investments sold | Investments sold | 50,056 | 4,451 | | Investments sold | 3,000 | 11,445 | |
| Revolver paydowns | Revolver paydowns | 1,352 | 1,636 | | Revolver paydowns | 2,918 | 56 | |
| Total investments repaid or sold | Total investments repaid or sold | \$ 341,191 | \$ 952,621 | | Total investments repaid or sold | \$ 93,646 | \$ 135,991 | |
| Investments repaid or sold by portfolio composition | Investments repaid or sold by portfolio composition | | | | Investments repaid or sold by portfolio composition | | | |
| First Lien Debt | First Lien Debt | \$ 240,044 | \$ 592,601 | | First Lien Debt | \$ 49,803 | \$ 85,029 | |
| 1.5 Lien Debt | | — | 18,164 | | | | | |
| Second Lien Debt | Second Lien Debt | 61,777 | 300,292 | | Second Lien Debt | 45,150 | 46,226 | |
| Third Lien Debt | | — | 3,950 | | | | | |
| Subordinated Structured Notes | Subordinated Structured Notes | 31,805 | 9,406 | | Subordinated Structured Notes | — | — | |
| Equity | Equity | 7,565 | 28,208 | | Equity | (1,307) ⁽⁵⁾ | 4,736 | |
| Total investments repaid or sold by portfolio composition | Total investments repaid or sold by portfolio composition | \$ 341,191 | \$ 952,621 | | Total investments repaid or sold by portfolio composition | \$ 93,646 | \$ 135,991 | |
| Weighted average interest rates for new investments by portfolio composition ⁽⁴⁾ | Weighted average interest rates for new investments by portfolio composition ⁽⁴⁾ | | | | Weighted average interest rates for new investments by portfolio composition ⁽⁴⁾ | | | |
| First Lien Debt | First Lien Debt | 11.34 % | 8.30 % | | First Lien Debt | 15.97 % | 8.95 % | |
| Second Lien Debt | Second Lien Debt | 13.02 % | 9.54 % | | Second Lien Debt | N/A | 11.24 % | |

(1) Includes follow-on investments in existing portfolio companies and refinancings, if any.

(2) During the ~~nine~~ three months ended ~~March 31, 2023~~ September 30, 2023, approximately ~~\$96,654~~ \$23,103 of PIK interest capitalized was accrued as interest income. During the three months ended September 30, 2022, approximately \$22,896 of PIK interest capitalized was accrued as interest income and the remaining \$1,298 was included due to the timing of interest payment dates and resulting capitalization occurring during the prior year. During the nine months ended March 31, 2022, approximately \$56,824 of PIK interest capitalized was accrued as interest income and the remaining \$4,206 was included due to the timing of interest payment dates and resulting capitalization occurring during the prior year.

(3) Includes partial prepayments of principal, scheduled amortization payments, and refinancings, if any.

(4) Weighted average interest rates for new investments by portfolio composition is calculated with the current rate at the end of the period. In addition, Revolving Line of Credit and Delayed Draw Term Loans are excluded from the calculation.

(5) Negative denotes reversal of receipts previously recorded as return of capital.

Investment Valuation

Investments for which market quotations are readily available ~~must be~~ valued at such market quotations. In order to validate market quotations, management and the independent valuation firm look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. These investments are classified as Level 1 or Level 2 in the fair value hierarchy.

The fair value of debt investments specifically classified as Level 2 in the fair value hierarchy are generally valued by an independent pricing agent or more than one principal market maker, if available, otherwise a principal market maker or a primary market dealer. We generally value over-the-counter securities by using the prevailing bid and ask prices from dealers during the relevant period end, which were provided by an independent pricing agent and screened for validity by such service.

In determining the range of values for debt instruments where market quotations are not readily available, and are therefore classified as Level 3 in the fair value hierarchy, except CLOs and debt investments in controlling portfolio companies, management and the independent valuation firm estimated corporate and security credit ratings and identified corresponding yields to maturity for each loan from relevant market data. A discounted cash flow technique was then applied using the appropriate yield to maturity as the discount rate, to determine a range of values. In determining the range of values for debt investments of controlled companies and equity investments, the enterprise value was determined by applying a market approach such as using earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples, net income and/or book value multiples for similar guideline public companies and/or similar recent investment transactions and/or an income approach, such as the discounted cash flow technique. The enterprise value technique may also be used to value debt investments which are credit impaired. For stressed debt and equity investments, asset recovery analysis was used.

In determining the range of values for our investments in CLOs, the independent valuation firm uses a discounted multi-path cash flow model. The valuations were accomplished through the analysis of the CLO deal structures to identify the risk exposures from the modeling point of view as well as to determine an appropriate call date (i.e., expected maturity). These risk factors are sensitized in the multi-path cash flow model using Monte Carlo simulations, which are simulations used to model the probability of different outcomes, to generate probability-weighted (i.e., multi-path) cash flows for the underlying assets and liabilities. These cash flows are discounted using appropriate market discount

rates, and relevant data in the CLO market and certain benchmark credit indices are considered, to determine the value of each CLO investment. In addition, we generate a single-path cash flow utilizing our best estimate of expected cash receipts, and assess the reasonableness of the implied discount rate that would be effective for the value derived from the corresponding multi-path cash flow model.

With respect to our online consumer and SME lending initiative, we invest primarily in marketplace loans through marketplace lending platforms. We do not conduct loan origination activities ourselves. Therefore, our ability to purchase consumer and SME loans, and our ability to grow our portfolio of consumer and SME loans, are directly influenced by the business performance and competitiveness of the marketplace loan origination business of the marketplace lending platforms from which we purchase consumer and SME loans. In addition, our ability to analyze the risk-return profile of consumer and SME loans is significantly dependent on the marketplace platforms' ability to effectively evaluate a borrower's credit profile and likelihood of default. If we are unable to effectively evaluate borrowers' credit profiles or the credit decisioning and scoring models implemented by each platform, we may incur unanticipated losses which could adversely impact our operating results.

The Board of Directors looked at several factors in determining where within the range to value the asset including: recent operating and financial trends for the asset, independent ratings obtained from third parties, comparable multiples for recent sales of companies within the industry and discounted cash flow models for our investments in CLOs. The composite of all these various valuation techniques, applied to each investment, was a total valuation of **\$7,592,777**, **\$7,736,817**.

Our portfolio companies are generally lower middle-market companies, outside of the financial sector, with less than \$100,000 of annual EBITDA. We believe our investment portfolio has experienced less volatility than others because we believe there are more buy and hold investors who own these less liquid investments.

Control Company Investments

Control investments offer increased risk and reward over straight debt investments. Operating results and changes in market multiples can result in dramatic changes in values from quarter to quarter. Significant downturns in operations can further result in our looking to recoveries on sales of assets rather than the enterprise value of the investment. Equity positions in our portfolio are susceptible to potentially significant changes in value, both increases as well as decreases, due to changes in operating results and market multiples. Our controlled companies discussed below experienced such changes and we recorded corresponding **fluctuations** **fluctuations** in valuations during the **nine** **three** months ended **March 31, 2023** **September 30, 2023**.

CP Energy Services, Inc.

Prospect owns 100% of the equity of CP Holdings, a Consolidated Holding Company. CP Holdings owns 99.8% of the equity of CP Energy, and the remaining equity is owned by CP Energy management. CP Energy provides oilfield flowback services and fluid hauling and disposal services through its subsidiaries.

In June 2019, CP Energy purchased a controlling interest in the common equity of Spartan Energy Holdings, Inc. ("Spartan Holdings"), which owns 100% of Spartan Energy Services, LLC ("Spartan") a portfolio company of Prospect with \$31,603 in first lien term loans (the "Spartan Term Loans") due to us as of March 31, 2023. As a result of CP Energy's purchase, and given Prospect's controlling interest in CP Energy, our Spartan Term Loans are presented as control investments under CP Energy beginning June 30, 2019. Spartan remains the direct borrow and guarantor to Prospect for the Spartan Term Loans.

The fair value of our investment in CP Energy was \$116,414 as of March 31, 2023, which is a discount of \$159,063 from its amortized cost, compared to a fair value of \$112,701 as of June 30, 2022, representing a discount of \$142,303 to its amortized cost. The increase in discount to amortized cost resulted from increased debt in the capital structure, offset by improved performance and increased activity in the oil and gas industry.

Credit Central Loan Company, LLC

Prospect owns 100% of the equity of Credit Central Delaware, a consolidated holding company. Credit Central Delaware owns 99.82% of Credit Central, with entities owned by Credit Central management owning the remaining 0.18% of the equity. Credit Central is a branch-based provider of installment loans.

The fair value of our investment in Credit Central decreased to \$76,025 as of March 31, 2023, which represents a discount of \$29,305 from its amortized cost, compared to a fair value of \$76,935 as of June 30, 2022, representing a discount of \$16,298 to its amortized cost basis. The increase in discount to amortized cost resulted from a decline in financial performance and increased cost basis from the issuance of Preferred Class P Shares in the current period.

First Tower Finance Company LLC

Prospect owns 100% of the equity of First Tower Delaware, a consolidated holding company. First Tower Delaware owns 78.06% of First Tower Finance. First Tower Finance owns 100% of First Tower, LLC ("First Tower"), a multiline specialty finance company.

The fair value of our investment in First Tower was **\$608,432** increased to **\$615,592** as of **March 31, 2023** **September 30, 2023**, representing a premium of **\$193,201** **\$182,932** to its amortized cost basis compared to a fair value of **\$607,283** **\$598,382** as of **June 30, 2022** **June 30, 2023**, a premium of **\$219,912** to its amortized cost. The decrease in premium to amortized cost resulted from a decline in financial performance and increased debt in the capital structure.

InterDent, Inc.

During the year ended June 30, 2018, Prospect exercised its rights and remedies under its loan documents to exercise the shareholder voting rights in respect of the stock of InterDent and to appoint a new Board of Directors of InterDent, all the members of which are our Investment Adviser's professionals. As a result, Prospect's investment in InterDent is classified as a control investment. InterDent is a dental support organization ("DSO"). InterDent provides business and administrative support services to a regionally-diversified set of dental practices so that dentists can focus on delivering high-quality clinical care and patient satisfaction.

The fair value of our investment in InterDent increased to \$451,752 as of March 31, 2023, a premium of \$117,895 to its amortized cost basis compared to a fair value of \$406,194 as of June 30, 2022, a premium of **\$87,628** **\$171,310** to its amortized cost. The increase in premium to amortized cost was driven by resulted from an increase in financial

performance, expansion of comparable company trading multiples.

National Property REIT Corp.

NPRC is a Maryland corporation and a qualified REIT for federal income tax purposes. NPRC is held for purposes of investing, operating, financing, leasing, managing and selling a portfolio of real estate assets and engages in any and all other activities that may be necessary, incidental, or convenient to perform the foregoing. NPRC acquires real estate assets, including, but not limited to, industrial, commercial, and multi-family properties, self-storage, and student housing properties. NPRC may acquire real estate assets directly or through joint ventures by making a majority equity investment in a property-owning entity. Additionally, through its wholly owned subsidiaries, NPRC invests in online consumer loans and RSSNs. As of **March 31, 2023** **September 30, 2023** and **June 30, 2023**, we own 100% of the fully-diluted common equity of NPRC.

During the **nine** **three** months ended **March 31, 2023** **September 30, 2023**, we provided \$63,305 of debt financing to NPRC to fund real estate capital expenditures and provide working capital.

During the **three** months ended **September 30, 2023**, we received partial repayments of \$86,852 **\$13,450** of our loans previously outstanding with NPRC and its wholly owned subsidiaries and \$4,000 as a return of capital on our equity investment in NPRC. During the **nine** months ended **March 31, 2023**, we provided \$132,071 of debt financing and \$3,600 of equity financing to NPRC to invest in real estate property, to provide working capital, and to fund purchases of rated secured structured notes. subsidiary.

The online consumer loan investments held by certain of NPRC's wholly owned subsidiaries are unsecured obligations of individual borrowers that are issued in amounts ranging from \$1 to \$50, with fixed terms ranging from 60 months to 84 months. As of **March 31, 2023** **September 30, 2023**, the outstanding investment in online consumer loans by certain of NPRC's wholly-owned subsidiaries was comprised of 106 **38** individual loans **valued** at \$125, residual interest in two securitizations **valued** at \$3,592, and one **high yield** corporate bond **and had** **valued** at \$16,733, for an aggregate fair value of \$21,181. The average outstanding individual loan balance is approximately \$3 and the loans mature on dates ranging from April 1, 2023 to April 11, 2025 with a weighted-average outstanding term of 12 months as of **March 31, 2023**. Fixed interest rates range from 9.0% to 36.0% with a weighted-average current interest rate of 17.0% **\$20,450**. As of **March 31, 2023** **September 30, 2023**, our investment in NPRC and its wholly-owned subsidiaries relating to online consumer lending had a fair value of \$21,580. **\$21,838**.

As of **March 31, 2023**, based on outstanding principal balance, 43.3% of the online consumer loan portfolio held by certain of NPRC's wholly-owned subsidiaries was invested in super prime loans (borrowers with a Fair Isaac Corporation ("FICO") score, of 720 or greater), 44.2% of the portfolio in prime loans (borrowers with a FICO score of 660 to 719) and 12.5% of the portfolio in near prime loans (borrowers with a FICO score of 580 to 659, a portion of which are considered sub-prime).

| Loan Type | Outstanding Principal Balance | Fair Value | Interest Rate Range | Weighted Average Interest Rate* |
|-------------|-------------------------------|------------|---------------------|---------------------------------|
| Super Prime | \$ 135 | \$ 132 | 9.0% - 20.5% | 12.3% |
| Prime | \$ 138 | \$ 133 | 13.5% - 25.0% | 19.1% |
| Near Prime | \$ 39 | \$ 32 | 23.3% - 36.0% | 26.1% |

*Weighted by outstanding principal balance of the online consumer loans.

The rated secured structured note investments held by certain of NPRC's wholly owned subsidiaries are subordinated debt interests in broadly syndicated loans managed by established collateral management teams with many years of experience in the industry. As of **March 31, 2023** **September 30, 2023**, the outstanding investment in rated secured structured notes by certain of NPRC's wholly owned subsidiaries was comprised of 94 investments with a fair value of \$425,903 **\$422,844** and face value of \$448,235. **\$448,390**. The average outstanding note is approximately \$4,768 **\$4,769** with an expected maturity date ranging from April 2026 to October 2033 and weighted-average expected maturity of 65 years as of **March 31, 2023** **September 30, 2023**. Coupons range from three-month LIBOR SOFR ("3ML" "3M") plus 5.20% to 9.23% with a weighted-average coupon of 3ML3M + 6.93% 6.92%. As of **March 31, 2023** **September 30, 2023**, our investment in NPRC and its wholly-owned subsidiaries relating to rated secured structured notes had a fair value of \$200,600.

\$236,711. As of **March 31, 2023**, **September 30, 2023**, based on outstanding notional balance, 12.6% 12.7% of the portfolio was invested in Single - B rated tranches and 87.4% 87.3% of the portfolio in BB rated tranches.

As of **March 31, 2023** **September 30, 2023**, our investment in NPRC and its wholly owned subsidiaries had an amortized cost of \$908,266 \$1,013,409 and a fair value of \$1,594,673, \$1,629,742, including our investment in online consumer lending and rated secured structured notes as discussed above. The As of **September 30, 2023**, our investment in NPRC and its wholly-owned subsidiaries relating to the real estate portfolio had a fair value of \$1,372,493 related to NPRC's real estate \$1,408,512 portfolio was comprised of forty-eight multi-family properties, eight student housing properties, four senior living properties, and three commercial properties. The following table shows the location, acquisition date, purchase price, and mortgage outstanding due to other parties for each of the properties held by NPRC as of **March 31, 2023**:

| No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|------------------------------|-----------------|------------------|----------------|----------------------|
| 1 | Filet of Chicken | Forest Park, GA | 10/24/2012 | \$ 7,400 | \$ — |
| 2 | Arlington Park Marietta, LLC | Marietta, GA | 5/8/2013 | 14,850 | 13,492 |
| 3 | Taco Bell, OK | Yukon, OK | 6/4/2014 | 1,719 | — |
| 4 | Taco Bell, MO | Marshall, MO | 6/4/2014 | 1,405 | — |

September 30, 2023:

| No. | No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding | No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|-----|---------------|------|------------------|----------------|----------------------|-----|---------------|------|------------------|----------------|----------------------|
| | | | | | | | | | | | | |

| | | | | | | | | | | | |
|----|----|-----------------|------------------|------------|---------|---------|------------------|------------------|------------|----------|---------|
| 1 | | | | | | 1 | Filet of Chicken | Forest Park, GA | 10/24/2012 | \$ 7,400 | \$ — |
| 2 | | | | | | 2 | Arlington Park | Marietta, GA | 5/8/2013 | 14,850 | 13,492 |
| 3 | | | | | | 3 | Marietta, LLC | Marietta, GA | 6/4/2014 | 1,719 | — |
| 4 | | | | | | 4 | Taco Bell, OK | Yukon, OK | 6/4/2014 | 1,405 | — |
| 5 | 5 | Abbie Lakes OH | Canal | | | 5 | Abbie Lakes OH | Canal | | | |
| 6 | 6 | Partners, LLC | Winchester, OH | 9/30/2014 | 12,600 | 14,877 | Partners, LLC | Winchester, OH | 9/30/2014 | 12,600 | 14,741 |
| 7 | 7 | Kengary Way | | | | | Kengary Way | | | | |
| 8 | 8 | OH Partners, | Reynoldsburg, | | | | OH Partners, | Reynoldsburg, | | | |
| 9 | 9 | Lakeview Trail | OH | 9/30/2014 | 11,500 | 15,040 | Lakeview Trail | OH | 9/30/2014 | 11,500 | 14,904 |
| 10 | 10 | OH Partners, | Canal | | | | OH Partners, | Canal | | | |
| 11 | 11 | Lakeview Trail | Winchester, OH | 9/30/2014 | 26,500 | 28,691 | Lakeview Trail | Winchester, OH | 9/30/2014 | 26,500 | 28,429 |
| 12 | 12 | Lakepoint OH | | | | | Lakepoint OH | Pickerington, | | | |
| 13 | 13 | Partners, LLC | Pickerington, OH | 9/30/2014 | 11,000 | 16,328 | Partners, LLC | OH | 9/30/2014 | 11,000 | 16,180 |
| 14 | 14 | Sunbury OH | | | | | Sunbury OH | | | | |
| 15 | 15 | Partners, LLC | Columbus, OH | 9/30/2014 | 13,000 | 16,558 | Partners, LLC | Columbus, OH | 9/30/2014 | 13,000 | 16,409 |
| 16 | 16 | Heatherbridge | | | | | Heatherbridge | | | | |
| 17 | 17 | OH Partners, | | | | | OH Partners, | | | | |
| 18 | 18 | LLC | Blacklick, OH | 9/30/2014 | 18,416 | 23,656 | LLC | Blacklick, OH | 9/30/2014 | 18,416 | 23,434 |
| 19 | 19 | Jefferson Chase | | | | | Jefferson Chase | | | | |
| 20 | 20 | OH Partners, | | | | | OH Partners, | | | | |
| 21 | 21 | LLC | Blacklick, OH | 9/30/2014 | 13,551 | 18,426 | LLC | Blacklick, OH | 9/30/2014 | 13,551 | 18,262 |
| 22 | 22 | Goldenstrand | | | | | Goldenstrand | | | | |
| 23 | 23 | OH Partners, | | | | | OH Partners, | | | | |
| 24 | 24 | LLC | Hilliard, OH | 10/29/2014 | 7,810 | 11,229 | LLC | Hilliard, OH | 10/29/2014 | 7,810 | 11,126 |
| 25 | 25 | SSIL I, LLC | Aurora, IL | 11/5/2015 | 34,500 | 25,028 | SSIL I, LLC | Aurora, IL | 11/5/2015 | 34,500 | 24,795 |
| 26 | 26 | Vesper | | | | | Vesper | | | | |
| 27 | 27 | Tuscaloosa, LLC | Tuscaloosa, AL | 9/28/2016 | 54,500 | 42,032 | LLC | Tuscaloosa, AL | 9/28/2016 | 54,500 | 41,670 |
| 28 | 28 | Vesper Iowa | | | | | Vesper Iowa | | | | |
| 29 | 29 | City, LLC | Iowa City, IA | 9/28/2016 | 32,750 | 24,239 | City, LLC | Iowa City, IA | 9/28/2016 | 32,750 | 24,029 |
| 30 | 30 | Vesper Corpus | Corpus Christi, | | | | Vesper Corpus | Corpus Christi, | | | |
| 31 | 31 | Christi, LLC | TX | 9/28/2016 | 14,250 | 10,545 | Christi, LLC | TX | 9/28/2016 | 14,250 | 10,454 |
| 32 | 32 | Vesper Campus | Corpus Christi, | | | | Vesper Campus | Corpus Christi, | | | |
| 33 | 33 | Quarters, LLC | TX | 9/28/2016 | 18,350 | 13,841 | Quarters, LLC | TX | 9/28/2016 | 18,350 | 13,721 |
| 34 | 34 | Vesper College | College Station, | | | | Vesper College | College Station, | | | |
| 35 | 35 | Station, LLC | TX | 9/28/2016 | 41,500 | 31,302 | Station, LLC | TX | 9/28/2016 | 41,500 | 31,031 |
| 36 | 36 | Vesper | | | | | Vesper | | | | |
| 37 | 37 | Kennesaw, LLC | Kennesaw, GA | 9/28/2016 | 57,900 | 49,852 | Kennesaw, LLC | Kennesaw, GA | 9/28/2016 | 57,900 | 49,420 |
| 38 | 38 | Vesper | | | | | Vesper | | | | |
| 39 | 39 | Statesboro, LLC | Statesboro, GA | 9/28/2016 | 7,500 | 7,480 | Statesboro, LLC | Statesboro, GA | 9/28/2016 | 7,500 | 7,480 |
| 40 | 40 | Vesper | | | | | Vesper | | | | |
| 41 | 41 | Manhattan KS, | | | | | Manhattan KS, | | | | |
| 42 | 42 | LLC | Manhattan, KS | 9/28/2016 | 23,250 | 14,679 | LLC | Manhattan, KS | 9/28/2016 | 23,250 | 14,679 |
| 43 | 43 | 9220 Old | | | | | 9220 Old | | | | |
| 44 | 44 | Lantern Way, | | | | | Lantern Way, | | | | |
| 45 | 45 | LLC | Laurel, MD | 1/30/2017 | 187,250 | 153,580 | LLC | Laurel, MD | 1/30/2017 | 187,250 | 153,580 |
| 46 | 46 | 7915 | | | | | 7915 | | | | |
| 47 | 47 | Baymeadows | | | | | Baymeadows | | | | |
| 48 | 48 | Circle Owner, | | | | | Circle Owner, | | | | |
| 49 | 49 | LLC | Jacksonville, FL | 10/31/2017 | 95,700 | 90,290 | LLC | Jacksonville, FL | 10/31/2017 | 95,700 | 89,610 |
| 50 | 50 | 8025 | | | | | 8025 | | | | |
| 51 | 51 | Baymeadows | | | | | Baymeadows | | | | |
| 52 | 52 | Circle Owner, | | | | | Circle Owner, | | | | |
| 53 | 53 | LLC | Jacksonville, FL | 10/31/2017 | 15,300 | 15,704 | LLC | Jacksonville, FL | 10/31/2017 | 15,300 | 15,590 |

| | | | | | | | | | | | | | |
|----|----|---|--|--|--|--|--|---|--|--|--|--|--|
| | | 23275 Riverside Drive Owner, LLC Southfield, MI 11/8/2017 52,000 54,411 25 | | | | | | 23275 Riverside Drive Owner, LLC Southfield, MI 11/8/2017 52,000 54,320 | | | | | |
| 25 | 25 | 23741 Pond Road Owner, LLC Southfield, MI 11/8/2017 16,500 18,852 26 | | | | | | 23741 Pond Road Owner, 150 Steeplechase Way Owner, LLC Largo, MD 1/10/2018 44,500 36,608 27 | | | | | |
| 26 | 26 | 150 Steeplechase Way Owner, LLC Largo, MD 1/10/2018 44,500 36,608 27 | | | | | | 150 Steeplechase Way Owner, LLC Largo, MD 1/10/2018 44,500 36,307 | | | | | |
| 27 | 27 | Oalentangy Commons Owner LLC Columbus, OH 6/1/2018 113,000 92,876 28 | | | | | | Oalentangy Commons Owner LLC Columbus, OH 6/1/2018 113,000 92,876 | | | | | |
| 28 | 28 | Villages of Wildwood Holdings LLC Fairfield, OH 7/20/2018 46,500 58,393 29 | | | | | | Villages of Wildwood Holdings LLC Fairfield, OH 7/20/2018 46,500 58,393 | | | | | |
| 29 | 29 | Falling Creek Holdings LLC Richmond, VA 8/8/2018 25,000 25,374 30 | | | | | | Falling Creek Holdings LLC Richmond, VA 8/8/2018 25,000 25,374 | | | | | |
| 30 | 30 | Crown Pointe Passthrough LLC Danbury, CT 8/30/2018 108,500 89,400 31 | | | | | | Crown Pointe Passthrough LLC Danbury, CT 8/30/2018 108,500 89,400 | | | | | |
| 31 | 31 | Loring Owner LLC Forestville, MD 10/30/2018 58,521 47,680 32 | | | | | | Loring Owner LLC Forestville, MD 10/30/2018 58,521 47,680 | | | | | |
| 32 | 32 | Hamptons Apartments Owner, LLC Beachwood, OH 1/9/2019 96,500 79,520 33 | | | | | | Hamptons Apartments Owner, LLC Beachwood, OH 1/9/2019 96,500 79,520 | | | | | |
| 33 | 33 | 5224 Long Road Holdings, LLC Orlando, FL 6/28/2019 26,500 21,200 34 | | | | | | 5224 Long Road Holdings, LLC Orlando, FL 6/28/2019 26,500 21,200 | | | | | |
| 34 | 34 | Druid Hills Holdings LLC Atlanta, GA 7/30/2019 96,000 79,104 35 | | | | | | Druid Hills Holdings LLC Atlanta, GA 7/30/2019 96,000 79,104 | | | | | |
| 35 | 35 | Bel Canto NRPC Parcstone LLC Fayetteville, NC 10/15/2019 45,000 42,793 36 | | | | | | Bel Canto NRPC Parcstone LLC Fayetteville, NC 10/15/2019 45,000 42,793 | | | | | |
| 36 | 36 | Bel Canto NRPC Stone Ridge LLC Fayetteville, NC 10/15/2019 21,900 21,545 37 | | | | | | Bel Canto NRPC Stone Ridge LLC Fayetteville, NC 10/15/2019 21,900 21,545 | | | | | |
| 37 | 37 | Sterling Place Holdings LLC Columbus, OH 10/28/2019 41,500 34,196 38 | | | | | | Sterling Place Holdings LLC Columbus, OH 10/28/2019 41,500 34,196 | | | | | |
| 38 | 38 | SPCP Hampton LLC Dallas, TX 11/2/2020 36,000 38,843 39 | | | | | | SPCP Hampton LLC Dallas, TX 11/2/2020 36,000 38,843 | | | | | |
| 39 | 39 | Palmetto Creek North Holdings LLC Charleston, SC 11/10/2020 33,182 25,865 40 | | | | | | Palmetto Creek North Holdings LLC Charleston, SC 11/10/2020 33,182 25,865 | | | | | |
| 40 | 40 | Valora at Homewood Holdings LLC Homewood, AL 11/19/2020 81,250 63,844 41 | | | | | | Valora at Homewood Holdings LLC Homewood, AL 11/19/2020 81,250 63,844 | | | | | |
| 41 | 41 | NPRC Fairburn LLC Fairburn, GA 12/14/2020 52,140 43,900 42 | | | | | | NPRC Fairburn LLC Fairburn, GA 12/14/2020 52,140 43,900 | | | | | |
| 42 | 42 | NPRC Grayson LLC Grayson, GA 12/14/2020 47,860 40,500 43 | | | | | | NPRC Grayson LLC Grayson, GA 12/14/2020 47,860 40,500 | | | | | |
| 43 | 43 | NPRC Taylors LLC Taylors, SC 1/27/2021 18,762 14,075 44 | | | | | | NPRC Taylors LLC Taylors, SC 1/27/2021 18,762 14,075 | | | | | |
| 44 | 44 | Parkside at Laurel West Owner LLC Spartanburg, SC 2/26/2021 57,005 42,025 45 | | | | | | Parkside at Laurel West Owner LLC Spartanburg, SC 2/26/2021 57,005 42,025 | | | | | |
| 45 | 45 | Willows at North End Owner LLC Spartanburg, SC 2/26/2021 23,255 19,000 46 | | | | | | Willows at North End Owner LLC Spartanburg, SC 2/26/2021 23,255 19,000 | | | | | |

| | | | | | | | | | | | | |
|----|----|---|-----------------|------------|---------|---------|----|---|---------------|------------|---------|---------|
| 47 | 47 | SPCP Edge CL Owner LLC Jackson Pear | Webster, TX | 3/12/2021 | 34,000 | 25,496 | 47 | SPCP Edge CL Owner LLC Jackson Pear | Webster, TX | 3/12/2021 | 34,000 | 25,496 |
| 48 | 48 | Orchard LLC Jackson Lakeshore | Ridgeland, MS | 6/28/2021 | 50,900 | 42,975 | 48 | Orchard LLC Jackson Lakeshore | Ridgeland, MS | 6/28/2021 | 50,900 | 42,975 |
| 49 | 49 | Landing LLC Jackson Reflection | Ridgeland, MS | 6/28/2021 | 22,600 | 17,955 | 49 | Landing LLC Jackson Reflection | Ridgeland, MS | 6/28/2021 | 22,600 | 17,955 |
| 50 | 50 | Pointe LLC Jackson Elliot Apartments | Flowood, MS | 6/28/2021 | 45,100 | 33,203 | 50 | Pointe LLC Jackson Elliot Apartments | Flowood, MS | 6/28/2021 | 45,100 | 33,203 |
| 51 | 51 | Crosswinds LLC Jackson Orlando 442 Apartments | Pearl, MS | 6/28/2021 | 41,400 | 38,601 | 51 | Crosswinds LLC Jackson Orlando 442 Apartments | Pearl, MS | 6/28/2021 | 41,400 | 38,601 |
| 52 | 52 | Norcross, LLC Orlando 442 Owner, LLC (West Vue Apartments) | Norcross, GA | 11/30/2021 | 128,000 | 102,301 | 52 | Norcross, LLC Orlando 442 Owner, LLC (West Vue Apartments) | Norcross, GA | 11/30/2021 | 128,000 | 104,908 |
| 53 | 53 | NPRC Wolfchase LLC NPRC Twin Oaks LLC | Orlando, FL | 12/30/2021 | 97,500 | 73,000 | 53 | NPRC Wolfchase LLC NPRC Twin Oaks LLC | Orlando, FL | 12/30/2021 | 97,500 | 73,000 |
| 54 | | NPRC Wolfchase LLC NPRC Twin Oaks LLC | Memphis, TN | 3/18/2022 | 82,100 | 60,000 | | | | | | |
| 55 | | NPRC Lancaster LLC | Hattiesburg, MS | 3/18/2022 | 44,850 | 34,242 | | | | | | |
| 56 | | NPRC Rutland LLC | Birmingham, AL | 3/18/2022 | 37,550 | 28,650 | | | | | | |
| 57 | | NPRC Rutland LLC | Macon, GA | 3/18/2022 | 29,750 | 22,768 | | | | | | |

| No. | No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding | No. | Property Name | City | Acquisition Date | Purchase Price | Mortgage Outstanding |
|-----|-----|--|------------------|------------------|----------------|----------------------|-----|--|------------------|------------------|----------------|----------------------|
| 54 | | NPRC Wolfchase | | | | | 54 | LLC | Memphis, TN | 3/18/2022 | 82,100 | 60,000 |
| 55 | | NPRC Twin Oaks LLC | Hattiesburg, MS | 3/18/2022 | 44,850 | 34,242 | 55 | Oaks LLC | MS | 3/18/2022 | 44,850 | 35,032 |
| 56 | | NPRC Lancaster LLC | Birmingham, AL | 3/18/2022 | 37,550 | 28,650 | 56 | LLC | Birmingham, AL | 3/18/2022 | 37,550 | 29,042 |
| 57 | | NPRC Rutland LLC | Macon, GA | 3/18/2022 | 29,750 | 22,768 | 57 | Rutland LLC | Macon, GA | 3/18/2022 | 29,750 | 23,182 |
| 58 | 58 | Southport Owner LLC (Southport Crossing) | Indianapolis, IN | 3/29/2022 | 48,100 | 36,075 | 58 | Southport Owner LLC (Southport Crossing) | Indianapolis, IN | 3/29/2022 | 48,100 | 36,075 |
| 59 | 59 | TP Cheyenne, LLC | Cheyenne, WY | 5/26/2022 | 27,500 | 17,656 | 59 | TP Cheyenne, LLC | Cheyenne, WY | 5/26/2022 | 27,500 | 17,656 |
| 60 | 60 | TP Pueblo, LLC | Pueblo, CO | 5/26/2022 | 31,500 | 20,166 | 60 | TP Pueblo, LLC | Pueblo, CO | 5/26/2022 | 31,500 | 20,166 |
| 61 | 61 | TP Stillwater, LLC | Stillwater, OK | 5/26/2022 | 26,100 | 15,328 | 61 | TP Stillwater, LLC | Stillwater, OK | 5/26/2022 | 26,100 | 15,328 |
| 62 | 62 | TP Kokomo, LLC | Kokomo, IN | 5/26/2022 | 20,500 | 12,753 | 62 | TP Kokomo, LLC | Kokomo, IN | 5/26/2022 | 20,500 | 12,753 |
| 63 | 63 | Terraces at Perkins Rowe JV LLC | Baton Rouge, LA | 11/14/2022 | 41,400 | 29,566 | 63 | Terraces at Perkins Rowe JV LLC | Baton Rouge, LA | 11/14/2022 | 41,400 | 29,566 |

| | | | |
|--------------|--------------|--------------|--------------|
| \$ 2,672,726 | \$ 2,237,608 | \$ 2,672,726 | \$ 2,237,545 |
|--------------|--------------|--------------|--------------|

The fair value of our investment in NPRC increased/decreased to \$1,594,673 \$1,629,742 as of March 31, 2023 September 30, 2023, a premium of \$686,407 \$616,333 from its amortized cost basis compared to a fair value of \$1,615,737 \$1,659,976 as of June 30, 2022 June 30, 2023, representing a premium of \$752,541 \$696,663. The decrease in premium is primarily driven by a decrease in like-for-like property values due to a rise in discount rates and terminal capitalization rates, partially offset by an increase in market interest rates and growth in net operating income in our real estate portfolio.

Universal Turbine Parts, LLC NMMB, Inc.

On December 10, 2018, UTP Holdings purchased all Prospect owns 100% of the voting stock equity of UTP and appointed NMMB Holdings, Inc. ("NMMB Holdings"), a new Board of Directors to UTP Consolidated Holding Company. NMMB Holdings consisting of three employees owns 92.77% of the Investment Advisor. At the time UTP Holdings acquired UTP, UTP Holdings fully-diluted equity of NMMB, Inc. (f/k/a Harbortouch Holdings of Delaware) was a wholly-owned holding company controlled by Prospect and therefore Prospect's investment in UTP is classified as a control investment NMMB Acquisition, Inc.) ("NMMB") as of June 30, 2019 September 30, 2023 and June 30, 2023, with NMMB management owning the remaining equity. NMMB owns 100% of Refuel Agency, Inc. ("Refuel Agency"). Refuel Agency owns 100% of Armed Forces Communications, Inc. ("Armed Forces"). NMMB is an advertising media buying business.

The fair value of our investment in UTP NMMB increased to \$42,541 \$104,747 as of March 31, 2023 September 30, 2023, representing a discount premium of \$22,651 from \$75,024 to its amortized cost basis, compared to a fair value of \$31,147 \$94,180 as of June 30, 2022 June 30, 2023, representing a discount premium of \$34,069 \$64,457 to its amortized cost basis. The decrease/increase in discount premium to amortized cost was driven by resulted from an increase in financial performance, expansion of comparable company trading multiples.

USES Corp. R-V Industries, Inc.

Prospect owns 99.96% 87.75% of the fully-diluted equity of USES Corp. as R-V Industries, Inc. ("R-V"), with R-V management owning the remaining 12.25% of March 31, 2023 the equity. R-V is a provider of engineering and June 30, 2022. USES provides industrial, environmental, manufacturing services to chemical, paper, pharmaceutical, and maritime services in the Gulf States region power industries.

The fair value of our investment in USES decreased R-V increased to \$16,267 \$104,734 as of March 31, 2023 September 30, 2023, representing a discount premium of \$58,482 from \$60,546 to its amortized cost basis, compared to a fair value of \$22,395 \$81,508 as of June 30, 2022 June 30, 2023, representing a discount premium of \$45,823 \$41,020 to its amortized cost basis. The increase in premium to amortized cost was driven by an improvement in financial performance as a result of recent acquisitions.

Valley Electric Company, Inc.

Prospect owns 100% of the common stock of Valley Holdings I, a Consolidated Holding Company. Valley Holdings I owns 100% of Valley Holdings II, a Consolidated Holding Company. Valley Holdings II owns 94.99% of Valley Electric, with Valley Electric management owning the remaining 5.01% of the equity. Valley Electric owns 100% of the equity of VE Company, Inc., which owns 100% of the equity of Valley Electric Co. of Mt. Vernon, Inc. ("Valley") and Comet Electric, Inc ("Comet"), leading providers of specialty electrical services in the states of Washington and California. Valley and Comet are amongst the top electrical contractors in the United States.

The fair value of our investment in Valley Electric increased to \$189,492 as of September 30, 2023, a premium of \$98,344 to its amortized cost, compared to a fair value of \$165,784 as of June 30, 2023, representing a \$74,636 premium to its amortized cost. The increase in discount premium to amortized cost resulted from a decline was driven by an improvement in financial performance, performance and expansion of comparable company trading multiples.

Our controlled investments, including those discussed above, are valued at \$595,503 \$565,407 above their amortized cost as of March 31, 2023 September 30, 2023.

Affiliate and Non-Control Company Investments

We hold two affiliate investments at March 31, September 30, 2023 (Nixon, Inc. and RGIS Services, LLC, ("RGIS")) with a total fair value of \$7,944, \$12,541, a discount premium of \$1,052 \$2,379 from their combined amortized cost. We held four affiliate investments at June 30, 2022 (Nixon, Inc., RGIS, Targus Cayman HoldCo Limited ("Targus"), and PGX Holdings, Inc. ("PGX")) with cost, compared to a total fair value as \$10,397 of \$393,264, June 30, 2023, representing a \$151,163 \$1,542 premium to its amortized cost. The decrease/increase in premium is primarily to amortized cost was driven by our equity sale of Targus and the restructuring of PGX, which drove a transfer of PGX's investment classification from affiliate to non-control/non-affiliate as of March 31, 2023, an improvement in RGIS's financial performance.

With the non-control/non-affiliate investments, generally, there is less volatility related to our total investments because our equity positions tend to be smaller than with our control/affiliate investments, and debt investments are generally not as susceptible to large swings in value as equity investments. For debt investments, the fair value is generally limited on the high side to each loan's par value, plus any prepayment premium that could be imposed. As of March 31, September 30, 2023, our non-control/non-affiliate portfolio is valued at a discount to amortized cost primarily due to our CLO investment portfolio, which is valued at a \$268,609 \$281,998 discount to amortized cost. Additionally, as of March 31, 2023 September 30, 2023, five of our non-control/ non-affiliate investments, United Sporting Companies, Inc. ("USC"), PGX, Engine Group, Inc. Inc ("Engine"), Curo Group Holdings Corp. ("Curo"), and K&N ("K&N Parent, Inc."), and Rising Tide Holdings, Inc. ("West Marine") are valued at discounts to amortized cost of \$82,161, \$65,969, \$28,425, \$27,626, \$81,951, \$29,056, \$28,840, \$24,253, and \$24,509, \$17,805, respectively. Of these five investments, PGX experienced a significant change in value during the current period. Leading into March 2023, PGX was undergoing a litigation process commenced by the Consumer Financial Protection Bureau regarding the legality of PGX's billing practices when using telemarketing to acquire new business. Due to recent rulings issued by the courts in these legal proceedings, PGX determined it needed to move away from a telemarketing model to an online model to attract new customers. As a result of this material change to PGX's business model (which will take time to develop) and other impacts from the court rulings, our investment in PGX decreased.

Our largest non-control/non-affiliate investment is Town & Country Holdings, Inc. ("Town & Country"), which is valued at **\$38,370** **\$47,647** above its amortized cost and represents approximately **5.9%** **6.4%** of our Net Asset Value as of **March 31, 2023** **September 30, 2023**. Town & Country is a supplier of home textiles and accessories to retailers throughout North America.

Capitalization

Our investment activities are capital intensive and the availability and cost of capital is a critical component of our business. We capitalize our business with a combination of debt and equity. Our debt as of **March 31, 2023** **September 30, 2023** consists of: a Revolving Credit Facility availing us of the ability to borrow debt subject to borrowing base determinations; Convertible Notes which we issued in March 2019; Public Notes which we issued in **March 2013**, October 2018, January 2021, May 2021 and September 2021; and Prospect Capital InterNotes® which we issue from time to time. As of **March 31, 2023** **September 30, 2023**, our equity capital is comprised of common and preferred equity.

The following table shows our outstanding debt as of **March 31, 2023** **September 30, 2023**:

| | | Unamortized Discount & | | | | | Unamortized Discount & | | | | | | | | | | | |
|------------------------------------|------------------------------------|---------------------------|---------------|--------------------------|--------------------|-------------------------------|------------------------------------|---------------------|--------------------------|--------------------|-------------------------------|------|--------|------|--------|-----------------|------------------------------------|-------------------|
| | | Principal Outstanding | Debt Costs | Net Carrying Value | Fair Value | Effective Interest Rate | Principal Outstanding | Debt Costs | Net Carrying Value | Fair Value | Effective Interest Rate | | | | | | | |
| | | | | | | | Revolving Credit Facility | 2025 Notes | Convertible Notes | 2024 | 2026 Notes | 2026 | 3.364% | 2028 | 3.437% | Public Notes | Prospect Capital InterNotes® | Total |
| Revolving Credit Facility | Revolving Credit Facility | \$ 888,405 | \$ 14,842 | \$ 888,405 | \$ 888,405 | 1M SOFR 2.05% | \$ 915,021 | \$ 14,906 | \$ 915,021 | \$ 915,021 | + | | | | | | | 1M SOFR 2.05 % |
| 2025 Notes | 2025 Notes | <u>156,168</u> | <u>1,802</u> | <u>154,366</u> | <u>153,833</u> | <u>6.63%</u> | <u>2025 Notes</u> | <u>156,168</u> | <u>1,350</u> | <u>154,818</u> | <u>155,620</u> | | | | | | | <u>6.63 %</u> |
| Convertible Notes | Convertible Notes | 156,168 | | 154,366 | 153,833 | | Convertible Notes | 156,168 | | 154,818 | 155,620 | | | | | | | |
| 6.375% | 6.375% Notes | 81,240 | 161 | 81,079 | 81,065 | 6.57% | 6.375% Notes | 81,240 | 59 | 81,181 | 80,966 | | | | | | | 6.57 % |
| 2026 Notes | 2026 Notes | 400,000 | 5,720 | 394,280 | 354,504 | 3.98% | 2026 Notes | 400,000 | 4,756 | 395,244 | 361,988 | | | | | | | 3.98 % |
| 3.364% | 3.364% Notes | 300,000 | 5,059 | 294,941 | 252,930 | 3.60% | 3.364% Notes | 300,000 | 4,399 | 295,601 | 259,665 | | | | | | | 3.60 % |
| 3.437% | 3.437% Notes | 300,000 | 7,325 | 292,675 | 230,055 | 3.64% | 3.437% Notes | 300,000 | 6,715 | 293,285 | 235,203 | | | | | | | 3.64 % |
| Public Notes | Public Notes | 1,081,240 | | 1,062,975 | 918,554 | | Public Notes | 1,081,240 | | 1,065,311 | 937,822 | | | | | | | |
| Prospect Capital InterNotes® | Prospect Capital InterNotes® | 355,464 | 6,817 | 348,647 | 314,017 | 5.76% | Prospect Capital InterNotes® | 358,834 | 6,510 | 352,324 | 299,739 | | | | | | | 5.80 % |
| Total | Total | <u>\$ 2,481,277</u> | | <u>\$2,454,393</u> | <u>\$2,274,809</u> | | Total | <u>\$ 2,511,263</u> | | <u>\$2,487,474</u> | <u>\$2,308,202</u> | | | | | | | |

The following table shows our outstanding debt as of **June 30, 2022** **June 30, 2023**:

| | | Unamortized Discount & | | | | | Unamortized Discount & | | | | | | | | | | | |
|---------------------------------|------------------------------|---------------------------|---------------|--------------------------|----------------|-------------------------------|---------------------------------|----------------|--------------------------|----------------|-------------------------------|------|--------|------|--------|-----------------|------------------------------------|---------------|
| | | Principal Outstanding | Debt Costs | Net Carrying Value | Fair Value | Effective Interest Rate | Principal Outstanding | Debt Costs | Net Carrying Value | Fair Value | Effective Interest Rate | | | | | | | |
| | | | | | | | Revolving Credit Facility | 2022 Notes | 2025 Notes | 2024 | 2026 Notes | 2026 | 3.364% | 2028 | 3.437% | Public Notes | Prospect Capital InterNotes® | Total |
| Revolving Credit Facility | Revolving Credit Facility | \$ 839,464 | \$ 10,801 | \$ 839,464 | \$ 839,464 | 1ML + 2.05 % | \$ 1,014,703 | \$ 15,569 | \$ 1,014,703 | \$ 1,014,703 | | | | | | | 1M SOFR | |
| 2022 Notes | | 60,501 | 18 | 60,483 | 60,753 | 5.63% | | | | | | | | | | | | |
| 2025 Notes | 2025 Notes | <u>156,168</u> | <u>2,459</u> | <u>153,709</u> | <u>158,094</u> | <u>6.63%</u> | <u>2025 Notes</u> | <u>156,168</u> | <u>1,577</u> | <u>154,591</u> | <u>154,107</u> | | | | | | | <u>6.63 %</u> |
| Convertible Notes | Convertible Notes | 216,669 | | 214,192 | 218,847 | | Convertible Notes | 156,168 | | 154,591 | 154,107 | | | | | | | |
| 2023 Notes | | 284,219 | 600 | 283,619 | 286,101 | 6.07% | | | | | | | | | | | | |
| 2024 | 6.375% Notes | 81,240 | 299 | 80,941 | 82,084 | 6.57% | 6.375% Notes | 81,240 | 108 | 81,132 | 80,818 | | | | | | | 6.57 % |
| 2026 Notes | 2026 Notes | 400,000 | 7,134 | 392,866 | 355,316 | 3.98% | 2026 Notes | 400,000 | 5,244 | 394,756 | 354,896 | | | | | | | 3.98 % |
| 3.364% | 3.364% Notes | 300,000 | 6,026 | 293,974 | 254,931 | 3.60% | 3.364% Notes | 300,000 | 4,730 | 295,270 | 252,282 | | | | | | | 3.60 % |
| 3.437% | 3.437% Notes | 300,000 | 8,222 | 291,778 | 229,866 | 3.64% | 3.437% Notes | 300,000 | 7,021 | 292,979 | 230,472 | | | | | | | 3.64 % |

| | | | | | | | | | | | | |
|------------------|------------------|--------------|-------|--------------|--------------|-------|------------------|--------------|-----------|--------------|--------------|--------|
| Public Notes | Public Notes | 1,365,459 | 0 | 1,343,178 | 1,208,298 | | Public Notes | 1,081,240 | 1,064,137 | 918,468 | | |
| Prospect Capital | Prospect Capital | | | | | | Prospect Capital | | | | | |
| InterNotes® | InterNotes® | 347,564 | 7,122 | 340,442 | 285,822 | 5.71% | InterNotes® | 358,105 | 6,688 | 351,417 | 313,538 | 5.77 % |
| Total | Total | \$ 2,769,156 | | \$ 2,737,276 | \$ 2,552,431 | | Total | \$ 2,610,216 | | \$ 2,584,848 | \$ 2,400,816 | |

The following table shows the contractual maturities by fiscal year of our Revolving Credit Facility, Convertible Notes, Public Notes and Prospect Capital InterNotes® as of **March 31, 2023** **September 30, 2023**:

| | | Payments Due by Fiscal Year ending June 30, | | | | | | | Payments Due by Fiscal Year ending Ju | | | | |
|-------------------------------|-------------------------------|---|------|-----------|------------|------------|------------|---------------|---------------------------------------|--------------|-----------|------------|------------|
| | | Remainder of 2023 | | 2024 | 2025 | 2026 | 2027 | After 5 Years | Remainder of 2024 | | 2025 | 2026 | 2027 |
| | | Total | | | | | | | Total | | | | |
| Revolving Credit Facility | Revolving Credit Facility | \$ 888,405 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 888,405 | Facility | \$ 915,021 | \$ — | \$ — | \$ — |
| Convertible Notes | Convertible Notes | 156,168 | — | — | 156,168 | — | — | — | Notes | 156,168 | — | 156,168 | — |
| Public Notes | Public Notes | 1,081,240 | — | 81,240 | — | 400,000 | 300,000 | 300,000 | Public Notes | 1,081,240 | 81,240 | — | 400,000 |
| Prospect Capital | Prospect Capital | 355,464 | — | 662 | 1,499 | 36,657 | 74,632 | 242,014 | InterNotes® | 358,834 | 662 | 1,499 | 38,847 |
| Total Contractual Obligations | Total Contractual Obligations | \$ 2,481,277 | \$ — | \$ 81,902 | \$ 157,667 | \$ 436,657 | \$ 374,632 | \$ 1,430,419 | Total Contractual Obligations | \$ 2,511,263 | \$ 81,902 | \$ 157,667 | \$ 438,847 |
| | | | | | | | | | | | | | \$ 375,465 |

We may from time to time seek to cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including secured debt, unsecured debt and/or debt securities convertible into common stock. Any such purchases or exchanges of outstanding debt would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors.

Historically, we have funded a portion of our cash needs through borrowings from banks, issuances of senior securities, including secured, unsecured and convertible debt securities, or issuances of common equity. For flexibility, we maintain a universal shelf registration statement that allows for the public offering and sale of our debt securities, common stock, preferred stock, subscription rights, and warrants and units to purchase such securities up to an indeterminate amount. We may from time to time issue securities pursuant to the shelf registration statement or otherwise pursuant to private offerings. The issuance of debt or equity securities will depend on future market conditions, funding needs and other factors and there can be no assurance that any such issuance will occur or be successful.

Each of our Convertible Notes, Public Notes and Prospect Capital InterNotes® (collectively, our "Unsecured Notes") are our general, unsecured obligations and rank equal in right of payment with all of our existing and future unsecured indebtedness and will be senior in right of payment to any of our subordinated indebtedness that may be issued in the future. The Unsecured Notes are effectively subordinated to our existing secured indebtedness, such as our credit facility, 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 any of our subsidiaries.

Revolving Credit Facility

On May 15, 2007, we formed our wholly owned subsidiary, **Prospect Capital Funding LLC ("PCF")**, 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. Since origination of the revolving credit facility, we have renegotiated the terms and extended the commitments of the revolving credit facility several times. Most recently, effective September 15, 2022, we completed an extension and upsizing of the revolving credit facility (the "2022 Facility" or the "Revolving Credit Facility"). The lenders have extended commitments of **\$1,777,500** **\$1,954,500** as of **March 31, 2023** **September 30, 2023**. The **2022 Revolving Credit Facility** includes an accordion feature which allows commitments to be increased up to \$2,000,000 in the aggregate. The extension and upsizing of the Revolving Credit Facility extends the maturity date to September 15, 2027 and the revolving period through September 15, 2026, followed by an additional one-year amortization period, with distributions allowed to Prospect after the completion of the revolving period. During such one-year amortization period, all principal payments on the pledged assets will be applied to reduce the balance. At the end of the one-year amortization period, the remaining balance will become due.

As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, we had **\$609,101** **\$799,833** and **\$660,536** **\$697,325**, respectively, available to us for borrowing under the Revolving Credit Facility, net of **\$888,405** **\$915,021** and **\$839,464** **\$1,014,703** outstanding borrowings as of the respective balance sheet dates. Refer to Note 4. *Revolving Credit Facility* within our consolidated financial statements for **additional** **additional** details.

Convertible Notes

On April 11, 2017, we issued \$225,000 aggregate principal amount of convertible notes that mature on July 15, 2022 (the "Original 2022 Notes"), unless previously converted or repurchased in accordance with their terms. The Original 2022 Notes bear interest at a rate of 4.95% per year, payable semi-annually on January 15 and July 15 each year, beginning July 15, 2017. Total proceeds from the issuance of the Original 2022 Notes, net of underwriting discounts and offering costs, were \$218,010. On May 18, 2018, we issued an additional \$103,500 aggregate principal amount of convertible notes that mature on July 15,

2022 (the "Additional 2022 Notes," and together with the Original 2022 Notes, the "2022 Notes"), unless previously converted or repurchased in accordance with their terms. The Additional 2022 Notes were a further issuance of, and are fully fungible and rank equally in right of payment with, the Original 2022 Notes and bear interest at a rate of 4.95% per

year, payable semi-annually on January 15 and July 15 each year, beginning July 15, 2018. Total proceeds from the issuance of the Additional 2022 Notes, net of underwriting discounts and offering costs, were \$100,749.

As of June 30, 2022, the outstanding principal amount of the 2022 Notes was \$60,501. Following maturity during the nine months ended March 31, 2023, none of the 2022 Notes remain outstanding.

On March 1, 2019, we issued \$175,000 aggregate principal amount of senior convertible notes that mature on March 1, 2025 (the "2025 Notes"), unless previously converted or repurchased in accordance with their terms. We granted the underwriters a 13-day over-allotment option to purchase up to an additional \$26,250 aggregate principal amount of the 2025 Notes. The underwriters fully exercised the over-allotment option on March 11, 2019 and we issued \$26,250 aggregate principal amount of 2025 Notes at settlement on March 13, 2019. The 2025 Notes bear interest at a rate of 6.375% per year, payable semi-annually on March 1 and September 1 each year, beginning September 1, 2019. Total proceeds from the issuance of the 2025 Notes, net of underwriting discounts and offering costs, were \$198,674.

As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the outstanding principal amount of the 2025 Notes were \$156,168 and \$156,168, respectively. Refer to Note 5. *Convertible Notes* within our consolidated financial statements for additional details.

Public Notes

On March 15, 2013, we issued \$250,000 aggregate principal amount of unsecured notes that mature on March 15, 2023 (the "Original 2023 Notes"). The Original 2023 Notes bear interest at a rate of 5.875% per year, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2013. Total proceeds from the issuance of the Original 2023 Notes, net of underwriting discounts and offering costs, were \$243,641. On June 20, 2018, we issued an additional \$70,000 aggregate principal amount of unsecured notes that mature on March 15, 2023 (the "Additional 2023 Notes", and together with the Original 2023 Notes, the "2023 Notes"). The Additional 2023 Notes were a further issuance of, and are fully fungible and rank equally in right of payment with, the Original 2023 Notes and bear interest at a rate of 5.875% per year, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2018. Total proceeds from the issuance of the Additional 2023 Notes, net of underwriting discounts, were \$69,403.

Following the maturity of the 2023 Notes during the nine months ended March 31, 2023, none of the 2023 Notes remained outstanding.

On October 1, 2018, we issued \$100,000 aggregate principal amount of unsecured notes that mature on January 15, 2024 (the "6.375% 2024 Notes"). The 6.375% 2024 Notes bear interest at a rate of 6.375% per year, payable semi-annually on January 15 and July 15 of each year, beginning January 15, 2019. Total proceeds from the issuance of the 6.375% 2024 Notes, net of underwriting discounts and offering costs, were \$98,985.

As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the outstanding aggregate principal amount of the 6.375% 2024 Notes was \$81,240 and \$81,240, respectively.

On January 22, 2021, we issued \$325,000 aggregate principal amount of unsecured notes that mature on January 22, 2026 (the "Original 2026 Notes"). The Original 2026 Notes bear interest at a rate of 3.706% per year, payable semi-annually on July 22, and January 22 of each year, beginning on July 22, 2021. Total proceeds from the issuance of the 2026 Notes, net of underwriting discounts and offering costs, were \$317,720. On February 19, 2021, we issued an additional \$75,000 aggregate principal amount of unsecured notes that mature on January 22, 2026 (the "Additional 2026 Notes", and together with the Original 2026 Notes, the "2026 Notes"). The Additional 2026 Notes were a further issuance of, and are fully fungible and rank equally in right of payment with, the Original 2026 Notes and bear interest at a rate of 3.706% per year, payable semi-annually on July 22 and January 22 of each year, beginning July 22, 2021. Total proceeds from the issuance of the Additional 2026 Notes, net of underwriting discounts and offering costs, were \$74,061.

As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the outstanding aggregate principal amount of the 2026 Notes was \$400,000 and \$400,000, respectively.

On May 27, 2021, we issued \$300,000 aggregate principal amount of unsecured notes that mature on November 15, 2026 (the "3.364% 2026 Notes"). The 3.364% 2026 Notes bear interest at a rate of 3.364% per year, payable semi-annually on November 15, and May 15 of each year, beginning on November 15, 2021. Total proceeds from the issuance of the 3.364% 2026 Notes, net of underwriting discounts and offering costs, were \$293,283.

As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the outstanding aggregate principal amount of the 3.364% 2026 Notes was \$300,000 and \$300,000, respectively.

On September 30, 2021, we issued \$300,000 aggregate principal amount of unsecured notes that mature on October 15, 2028 (the "3.437% 2028 Notes"). The 3.437% 2028 Notes bear interest at a rate of 3.437% per year, payable semi-annually on April 15 and October 15 of each year, beginning on April 15, 2022. Total proceeds from the issuance of the 3.437% 2028 Notes, net of underwriting discounts and offering costs, were \$291,798.

As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the outstanding aggregate principal amount of the 3.437% 2028 Notes was \$300,000 and \$300,000, respectively.

The 2023 Notes, the 6.375% 2024 Notes, 2026 Notes, the 3.364% 2026 Notes, and the 3.437% 2028 Notes (collectively, the "Public Notes") are direct unsecured obligations and rank equally with all of our unsecured indebtedness from time to time outstanding. Refer to Note 6. *Public Notes* within our consolidated financial statements for additional details.

Prospect Capital InterNotes®

On February 13, 2020, we entered into a new selling agent agreement with InspereX LLC (formerly known as "Incapital LLC") (the "Selling Agent Agreement"), authorizing the issuance and sale from time to time of up to \$1,000,000 of Prospect Capital InterNotes® (collectively with previously authorized selling agent agreements, the "InterNotes® Offerings"). Additional agents may be appointed by us from time to time in connection with the InterNotes® Offering and become parties to the Selling Agent Agreement.

We have, from time to time, repurchased certain notes issued through the InterNotes® Offerings and, therefore, as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, the aggregate principal amount of Prospect Capital InterNotes® outstanding were \$355,464, \$358,834 and \$347,564, \$358,105, respectively. Refer to Note 7. *Prospect Capital InterNotes®* within our consolidated financial statements for additional details.

Net Asset Value Applicable to Common Stockholders

During the **nine** three months ended **March 31, 2023** September 30, 2023, our net asset value applicable to common shares decreased shares increased by **\$319,829** **\$48,201** or **\$1.00** **\$0.01** per common common share. The decrease was net asset value increase is primarily attributable due to a decrease in income exceeding distributions to common and preferred shareholders partially offset by net realized and net change changes in unrealized losses and dilution.

During the the three months ended September 30, 2023, net realized losses of **\$417,326**, **\$207,079**, or **\$1.05** **\$0.51** per common share, were offset by net unrealized gains of **\$198,629**, or **\$0.49** per common share, resulting in a net decrease of **\$0.02** per basic weighted average common share. During the **nine** three months ended **March 31, 2023** September 30, 2023, net investment income of **\$308,150**, **\$125,612**, or **\$0.78** **\$0.31** per basic weighted average common share exceeded distributions from earnings to common and preferred stockholders of **\$264,098**, **\$96,403**, or **\$0.66** **\$0.24** per basic weighted average common share, resulting in a net **increase** **increase** of **\$0.12** **\$0.07** per basic weighted average common share. The increase was partially offset by **\$0.06** **\$0.04** of dilution per common share related to common stock issuances through our dividend reinvestment program for the **nine** three months ended **March 31, 2023** September 30, 2023. The following table shows the calculation of net asset value per common share as of **March 31, 2023** September 30, 2023 and **June 30, 2022** June 30, 2023:

| | | March 31, 2023 | June 30, 2022 | | September 30, 2023 | | June 30, 2023 |
|---|---|----------------|---------------|---|--------------------|--------------|---------------|
| Net assets available to common stockholders | Net assets available to common stockholders | \$ 3,799,294 | \$ 4,119,123 | Net assets available to common stockholders | \$ 3,780,866 | \$ 3,732,665 | |
| Shares of common stock issued and outstanding | Shares of common stock issued and outstanding | 400,833,873 | 393,164,437 | Shares of common stock issued and outstanding | 408,618,704 | 404,033,549 | |
| Net asset value per common share | Net asset value per common share | \$ 9.48 | \$ 10.48 | Net asset value per common share | \$ 9.25 | \$ 9.24 | |

Results of Operations

Operating results for the three and nine months ended **March 31, 2023** September 30, 2023 and **March 31, 2022** September 30, 2022 were as follows:

| | Investment income | Three Months Ended March 31, | | Nine Months Ended March 31, | | Three Months Ended September 30, | |
|---|---|------------------------------|------------|-----------------------------|------------|---|------------|
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Investment income | Investment income | \$ 215,120 | \$ 181,431 | \$ 630,710 | \$ 526,281 | Investment income | \$ 236,245 |
| Operating expenses | Operating expenses | 112,940 | 94,426 | 322,560 | 272,350 | Operating expenses | 110,633 |
| Net investment income | Net investment income | 102,180 | 87,005 | 308,150 | 253,931 | Net investment income | 125,612 |
| Net realized (losses) from investments | Net realized (losses) from investments | (32,213) | (2,254) | (39,092) | (12,082) | Net realized (losses) from investments | (207,489) |
| Net change in unrealized (losses) gains from investments | Net change in unrealized (losses) gains from investments | (158,923) | 80,486 | (378,096) | 398,340 | Net change in unrealized (losses) gains from investments | 198,629 |
| Net realized (losses) on extinguishment of debt | Net realized (losses) on extinguishment of debt | (58) | (941) | (138) | (10,149) | Net realized (losses) on extinguishment of debt | (91) |
| Net (decrease) increase in net assets resulting from operations | Net (decrease) increase in net assets resulting from operations | (89,014) | 164,296 | (109,176) | 630,040 | Net (decrease) increase in net assets resulting from operations | 116,661 |
| Preferred stock dividend | Preferred stock dividend | 19,933 | 7,139 | 49,347 | 16,748 | Preferred stock dividend | (23,151) |
| Net (Decrease) Increase in Net Assets Resulting from Operations applicable to Common Stockholders | | \$ (108,947) | \$ 157,157 | \$ (158,523) | \$ 613,292 | | |

| | | | |
|--|--|--|-----|
| Gain on Repurchase of Preferred Stock | | Gain on Repurchase of Preferred Stock | 501 |
| Net Increase (Decrease) in Net Assets Resulting from Operations applicable to Common Stockholders | | Net Increase (Decrease) in Net Assets Resulting from Operations applicable to Common Stockholders | |
| | | | |
| | | | |
| | | | |

While we seek to maximize gains and minimize losses, our investments in portfolio companies can expose our capital to risks greater than those we may anticipate. These companies typically do not issue securities rated investment grade, and have limited resources, limited operating history, and concentrated product lines or customers. These are generally private companies with limited operating information available and are likely to depend on a small core of management talents. Changes in any of these factors can have a significant impact on the value of the portfolio company. These changes, along with those discussed in *Investment Valuation* above, can cause significant fluctuations in our net change in unrealized gains (losses) from investments, and therefore our net increase (decrease) in net assets resulting from operations applicable to common stockholders, quarter over quarter.

Investment Income

We generate revenue in the form of interest income on the debt securities that we own, dividend income on any common or preferred stock that we own, and fees generated from the structuring of new deals. Our investments, if in the form of debt securities, will typically have a term of one to ten years and bear interest at a fixed or floating rate. To the extent achievable, we will seek to collateralize our investments by obtaining security interests in our portfolio companies' assets. We also may acquire minority or majority equity interests in our portfolio companies, which may pay cash or in-kind dividends on a recurring or otherwise negotiated basis. In addition, we may generate revenue in other forms including prepayment penalties and possibly consulting fees. Any such fees generated in connection with our investments are recognized as earned.

Investment income consists of interest income, including accretion of loan origination fees and prepayment penalty fees, dividend income and other income, including settlement of net profits interests, overriding royalty interests and structuring fees.

The following table describes the various components of investment income and the related levels of debt investments:

| | | Three Months Ended March 31, | | Nine Months Ended March 31, | | Three Months Ended September 30, | |
|---|---|------------------------------|--------------|-----------------------------|--------------|---|--------------|
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Interest income | Interest income | \$ 198,136 | \$ 142,489 | \$ 563,330 | \$ 430,933 | Interest income | \$ 202,447 |
| Dividend income | Dividend income | 1,928 | 5,306 | 7,046 | 12,277 | Dividend income | 3,059 |
| Other income | Other income | 15,056 | 33,636 | 60,334 | 83,071 | Other income | 30,739 |
| Total investment income | Total investment income | \$ 215,120 | \$ 181,431 | \$ 630,710 | \$ 526,281 | Total investment income | \$ 236,245 |
| Average debt principal of performing interest bearing investments ⁽¹⁾ | Average debt principal of performing interest bearing investments ⁽¹⁾ | \$ 7,205,384 | \$ 6,371,203 | \$ 7,114,627 | \$ 6,052,339 | Average debt principal of performing interest bearing investments ⁽¹⁾ | \$ 7,176,988 |
| Weighted average interest rate earned on performing interest bearing investments ⁽¹⁾ | Weighted average interest rate earned on performing interest bearing investments ⁽¹⁾ | 11.00 % | 8.95 % | 10.40 % | 9.35 % | Weighted average interest rate earned on performing interest bearing investments ⁽¹⁾ | 11.04 % |
| Average debt principal of all interest bearing investments ⁽²⁾ | Average debt principal of all interest bearing investments ⁽²⁾ | \$ 7,520,238 | \$ 6,658,993 | \$ 7,432,964 | \$ 6,335,575 | Average debt principal of all interest bearing investments ⁽²⁾ | \$ 7,754,286 |
| | | | | | | | \$ 7,287,336 |

| | | | | | | | | |
|--|--|---------|--------|--------|--------|--|---------|--------|
| Weighted average interest rate earned on all interest bearing investments ⁽²⁾ | Weighted average interest rate earned on all interest bearing investments ⁽²⁾ | 10.54 % | 8.56 % | 9.96 % | 8.94 % | Weighted average interest rate earned on all interest bearing investments ⁽²⁾ | 10.22 % | 9.36 % |
|--|--|---------|--------|--------|--------|--|---------|--------|

(1) Excludes equity investments and non-accrual loans.

(2) Excludes equity investments.

The average interest earned on interest bearing performing assets increased to **11.00%** **11.04%** for the three months ended **March 31, 2023** **September 30, 2023**, from **8.95%** **9.77%** for the three months ended **March 31, 2022** **September 30, 2022**. The average interest earned on all interest bearing assets increased to **10.54%** **10.22%** for the three months ended **March 31, 2023** **September 30, 2023**, from **8.56%** **9.36%** for the three months ended **March 31, 2022** **September 30, 2022**. The weighted average interest rate earned on our portfolio increased by **2.05%** **1.27%**, primarily due to an increase in the weighted average interest rate earned on our portfolio primarily due to LIBOR/SOFR rates rising above our floors amongst our interest-bearing investments, for which interest income from portfolio company investments increased to **\$172,759** **\$184,255** from **\$123,976** **\$149,386**, for the three months ended **March 31, 2023** **September 30, 2023** and 2022, respectively. The weighted average interest rate also increased for This increase was offset by a decrease in income from our structured credit investments which was due to an increase in income to **\$24,039** **\$16,687** from **\$17,612** **\$22,895**, for the three months ended **March 31, 2023** **September 30, 2023** and 2022, respectively which was caused by a decrease in the reinvestment price.

The average interest earned on interest bearing performing assets increased to **10.40%** for the nine months ended **March 31, 2023** from **9.35%** for the nine months ended **March 31, 2022**. The average interest earned on all interest bearing assets increased to **9.96%** for the nine months ended **March 31, 2023** from **8.94%** for the nine months ended **March 31, 2022**. The weighted average interest rate earned on our portfolio increased by **1.05%**, primarily due to a increase in the weighted average interest rate earned on our portfolio primarily due to LIBOR/SOFR rates rising above our floors amongst our interest-bearing investments, for which interest income increased to **\$485,563** from **\$355,077**, for the nine months ended **March 31, 2023** and 2022, respectively. This was partially offset by a decline in early repayments, which caused an increase in accelerated income and prepayment premium income in the prior year, resulting in a decline in interest income to **\$4,785** from **\$17,154**, for the nine months ended **March 31, 2023** and 2022, respectively. The weighted average interest rate also increased for our structured credit investments which was due to an increase in income to **\$72,982** from **\$58,702**, for the nine months ended **March 31, 2023** and 2022, respectively which was caused by a decrease in the reinvestment price.

Investment income is also generated from dividends and other income which is less predictable than interest income. The following table describes dividend income earned for the three and nine months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, respectively:

| Dividend income | Dividend income | Three Months Ended March 31, | | Nine Months Ended March 31, | | Three Months Ended September 30, | | |
|-------------------------------|-----------------------|------------------------------|----------|-----------------------------|-----------|----------------------------------|----------|----------|
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| RGIS Services, LLC | | | | | | | | |
| NMMB, Inc. | NMMB, Inc. | \$ 800 | \$ 3,988 | \$ 2,510 | \$ 7,034 | RGIS Services, LLC | \$ 1,307 | \$ 1,374 |
| Valley Electric Company, Inc. | | — | 809 | 547 | 2,509 | NMMB, Inc. | 147 | 1,093 |
| RGIS Services, LLC | | — | — | 1,374 | — | | | |
| Nationwide Loan Company | | | | | | | | |
| LLC | | — | 400 | — | 2,150 | | | |
| R-V Industries, Inc. | | — | — | — | 441 | | | |
| Other, net | Other, net | 1,128 | 109 | 2,615 | 143 | Other, net | 1,605 | 434 |
| Total dividend income | Total dividend income | \$ 1,928 | \$ 5,306 | \$ 7,046 | \$ 12,277 | Total dividend income | \$ 3,059 | \$ 2,901 |

Other income is comprised of structuring fees, advisory fees, amendment fees, royalty interests, settlement of receipts for residual net profits interests, settlement of residual profits profit and revenue interests, administrative agent fees and other miscellaneous and sundry cash receipts. The following table describes other income earned for the three and nine months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, respectively:

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---------------------------------------|------------------------------|------|-----------------------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Structuring and amendment fees | | | | |
| NH Kronos Buyer, Inc. | \$ — | \$ — | \$ 2,063 | \$ — |
| Faraday Buyer, LLC | — | — | 2,012 | \$ — |
| WatchGuard Technologies, Inc. | — | — | 2,275 | — |
| Burgess Point Purchaser Corporation | — | — | 1,200 | — |
| USG Intermediate, LLC | — | 687 | 600 | 687 |

| | | | | |
|--|-----------|-----------|-----------|-----------|
| PGX Holdings, Inc. | — | — | — | 3,779 |
| Magnate Worldwide, LLC | — | 666 | — | 3,516 |
| PeopleConnect Intermediate, LLC | — | — | — | 2,495 |
| Broder | — | — | — | 2,239 |
| DRI Holding Inc. | — | — | — | 2,238 |
| BCPE Osprey Buyer, Inc. | — | — | — | 1,812 |
| Belnick, LLC | — | 1,750 | — | 1,750 |
| BCPE North Star US Holdco 2, Inc. | — | — | — | 1,463 |
| National Property REIT Corp. | — | 1,593 | — | 2,815 |
| Global Tel*Link | — | 1,500 | — | 1,500 |
| SEOTownCenter, Inc. | — | 1,040 | — | 1,040 |
| First Tower Finance Company LLC | — | 664 | — | 7,898 |
| Victor Technology, LLC | — | — | — | 600 |
| Medical Solutions Holdings, Inc. | — | — | — | 530 |
| Other, net | 145 | 2,249 | 1,725 | 4,601 |
| Total structuring and amendment fees | \$ 145 | \$ 10,149 | \$ 9,875 | \$ 38,963 |
| Royalty and residual profit interests | | | | |
| National Property REIT Corp. | \$ 14,540 | \$ 23,112 | \$ 49,474 | \$ 43,052 |
| Other, net | 200 | 173 | 553 | 527 |
| Total royalty and net revenue interests | \$ 14,740 | \$ 23,285 | \$ 50,027 | \$ 43,579 |
| Administrative agent fees | | | | |
| Other, net | \$ 171 | \$ 202 | \$ 432 | \$ 529 |
| Total administrative agent fees | \$ 171 | \$ 202 | \$ 432 | \$ 529 |
| Total other income | \$ 15,056 | \$ 33,636 | \$ 60,334 | \$ 83,071 |

| | For the Three Months Ended September 30, | |
|--|--|-----------|
| | 2023 | 2022 |
| Structuring and amendment fees | | |
| National Property REIT Corp. | \$ 15,476 | \$ — |
| Julie Lindsey, Inc. | 550 | — |
| WatchGuard Technologies, Inc. | — | 2,275 |
| Burgess Point Purchaser Corporation | — | 1,200 |
| USG Intermediate, LLC | — | 600 |
| Other, net | 365 | 552 |
| Total structuring and amendment fees | \$ 16,391 | \$ 4,627 |
| Royalty, net profit and revenue interests | | |
| National Property REIT Corp. | \$ 13,996 | \$ 20,665 |
| Other, net | 171 | 13 |
| Total royalty and net revenue interests | \$ 14,167 | \$ 20,678 |
| Administrative agent fees | | |
| Other, net | \$ 181 | \$ 150 |
| Total administrative agent fees | \$ 181 | \$ 150 |
| Total other income | \$ 30,739 | \$ 25,455 |

Other income for the three months ended March 31, 2023 decreased September 30, 2023 increased by \$18,580 \$5,284 compared to the three months ended March 31, 2022 September 30, 2022 primarily due to a \$10,004 decrease \$11,764 increase in structuring and amendment fees from less origination activity primarily due to efforts to amend and transaction related services that would qualify as structuring and amendment fee income. The remaining restate the NRPC credit agreement during the current period. This increase is partially offset by a decrease in other royalty, net profit and revenue interest income during by \$6,511 compared to the three months ended March 31, 2023 is driven by September 30, 2023 due to a \$8,572 \$6,669 decline in residual profit interest from NRPC as a result of fluctuations in real estate activity.

Other income for the nine months ended March 31, 2023 decreased by \$22,737 compared to the nine months ended March 31, 2022 primarily due to a \$29,088 decrease in structuring and amendment fees from less origination activity and transaction related services that would qualify as structuring and amendment fee income. This decrease is partially

offset by a \$6,422 increase in residual profit interests from NPRC as a result of increased real estate activity during the nine months ended March 31, 2023 compared to the prior year period.

Income recognized from dividend income, prepayment premium premiums from early repayments, structuring fees and amendment fees related to specific loan positions is considered to be non-recurring income. For the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, we recognized **\$2,073** **\$19,604** and **\$15,524** **\$8,000** of non-recurring income, respectively. The **\$13,451** decrease **\$11,604** increase in non-recurring income during the three months ended **March 31, 2023** **September 30, 2023** is primarily due to the **\$10,004** decrease **\$11,764** increase in structuring and amendment fees discussed above. The remaining decline in the three months ended March 31, 2023 non-recurring income compared to the prior period is due to decreases of \$3,378 in dividend income and \$69 in prepayment premium income.

Income recognized from dividend income, prepayment premium from early repayments, structuring fees and amendment fees related to specific loan positions is considered to be non-recurring income. For the nine months ended March 31, 2023 and March 31, 2022, we recognized \$17,491 and \$56,823 of non-recurring income, respectively. The \$39,332 decrease in non-recurring income during nine months ended March 31, 2023 is primarily due to the \$29,088 decrease in structuring and amendment fees due to decreases in origination activity and transaction related services that would qualify as structuring and amendment fee income. The remaining decline in the nine months ended March 31, 2023 non-recurring income compared to the prior period is due to decreases of \$5,231 in dividend income and a decrease of \$5,013 in prepayment premium income.

Operating Expenses

Our primary operating expenses consist of investment advisory fees (base management and income incentive fees), borrowing costs, legal and professional fees, overhead-related expenses and other operating expenses. These expenses include our allocable portion of overhead under the Administration Agreement with Prospect Administration under which Prospect Administration provides administrative services and facilities for us. Our investment advisory fees compensate the Investment Adviser for its work in identifying, evaluating, negotiating, closing and monitoring our investments. We bear all other costs and expenses of our operations and transactions.

The following table describes the various components of our operating expenses:

| | Three Months Ended September 30, | |
|---|----------------------------------|-------------------|
| | 2023 | 2022 |
| Base management fee | \$ 39,289 | \$ 38,314 |
| Income incentive fee | 25,617 | 21,626 |
| Interest and credit facility expenses | 40,593 | 33,870 |
| Allocation of overhead from Prospect Administration | 2,113 | 3,099 |
| Audit, compliance and tax related fees | 1,017 | 2,301 |
| Directors' fees | 135 | 131 |
| Other general and administrative expenses | 1,869 | 4,067 |
| Total operating expenses | \$ 110,633 | \$ 103,408 |

| | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|------------------------------|------------------|-----------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Base management fee | \$ 38,980 | \$ 36,426 | \$ 116,176 | \$ 102,472 |
| Income incentive fee | 20,561 | 19,967 | 64,692 | 59,296 |
| Interest and credit facility expenses | 37,517 | 29,235 | 109,170 | 86,952 |
| Allocation of overhead from Prospect Administration | 9,773 | 4,126 | 16,490 | 10,891 |
| Audit, compliance and tax related fees | 1,495 | 994 | 4,032 | 1,940 |
| Directors' fees | 131 | 131 | 393 | 360 |
| Other general and administrative expenses | 4,483 | 3,547 | 11,607 | 10,439 |
| Total operating expenses | \$ 112,940 | \$ 94,426 | \$ 322,560 | \$ 272,350 |

Total gross and net base management fee was **\$38,980** **\$39,289** and **\$36,426** **\$38,314** for the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022**, 2022, respectively. The increase in total gross base management fee is directly related to an increase in average total assets.

Total gross base management fee was \$116,176 and \$102,472 for the nine months ended March 31, 2023 and March 31, 2022, respectively. The increase in total gross base management fee is directly related to a increase in average total assets.

For the three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022**, we incurred **\$20,561** **\$25,617** and **\$19,967** **\$21,626** of income incentive fees, respectively. This increase was driven by a corresponding increase in pre-incentive fee net investment income (net of preferred stock dividends) to **\$102,808** **\$128,078** from **\$108,132** for the three months ended **March 31, 2023** from **\$99,833** for the three months ended **March 31, 2022**. No capital gains incentive fee has yet been incurred pursuant to the Investment Advisory Agreement.

For the nine months ended March 31, 2023 September 30, 2023, and March 31, 2022, we incurred \$64,692 and \$59,296 of income incentive fees, 2022, respectively. This increase was driven by a corresponding increase in pre-incentive fee net investment income (net of preferred stock dividends) to \$323,495 for the nine months ended March 31, 2023 from \$296,479 for the nine months ended March 31, 2022. No capital gains incentive fee has yet been incurred pursuant to the Investment Advisory Agreement.

During the three months ended March 31, 2023 September 30, 2023 and March 31, 2022, 2022, we incurred \$37,517 \$40,593 and \$29,235 \$33,870 respectively, of interest and credit facility expenses related to our Revolving Credit Facility, Convertible Notes, Public Notes and Prospect Capital InterNotes® (collectively, our "Notes"). During the nine months ended March 31, 2023 and March 31, 2022, we incurred \$109,170 and \$86,952, respectively, of interest expenses related to our Notes. These expenses are related directly to the leveraging capacity put into place for each of those periods and the levels of indebtedness actually undertaken in those periods.

The table below describes the various expenses of our Notes and the related indicators of leveraging capacity and indebtedness during these years:

| | Interest on borrowings | Three Months Ended March 31, | | Nine Months Ended March 31, | | Three Months Ended September 30, | |
|---|---|------------------------------|--------------|-----------------------------|--------------|----------------------------------|--------------|
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Interest on borrowings | Interest on borrowings | \$ 33,489 | \$ 25,131 | \$ 98,555 | \$ 74,668 | \$ 36,815 | \$ 30,811 |
| Amortization of deferred financing costs | Amortization of deferred financing costs | 1,773 | 2,137 | 5,255 | 6,242 | 1,843 | 1,692 |
| Accretion of discount on unsecured debt | Accretion of discount on unsecured debt | 765 | 744 | 2,304 | 2,063 | 716 | 767 |
| Facility commitment fees | Facility commitment fees | 1,490 | 1,223 | 3,056 | 3,979 | 1,219 | 600 |
| Total interest and credit facility expenses | Total interest and credit facility expenses | \$ 37,517 | \$ 29,235 | \$ 109,170 | \$ 86,952 | \$ 40,593 | \$ 33,870 |
| Average principal debt outstanding | Average principal debt outstanding | \$ 2,658,938 | \$ 2,657,523 | \$ 2,782,599 | \$ 2,469,905 | \$ 2,697,175 | \$ 2,845,503 |
| Annualized weighted average stated interest rate on borrowings ⁽¹⁾ | Annualized weighted average stated interest rate on borrowings ⁽¹⁾ | 5.04 % | 3.78 % | 4.72 % | 4.03 % | 5.46 % | 4.33 % |
| Annualized weighted average interest rate on borrowings ⁽²⁾ | Annualized weighted average interest rate on borrowings ⁽²⁾ | 5.64 % | 4.40 % | 5.23 % | 4.69 % | 6.02 % | 4.76 % |

(1) Includes only the stated interest expense.

(2) Includes the stated interest expense, amortization of deferred financing costs, accretion of discount on Public Notes and commitment fees on the undrawn portion of our Revolving Credit Facility.

Interest expense was \$33,489 \$36,815 and \$25,131 \$30,811 for the three months ended March 31, 2023 September 30, 2023 and March 31, 2022, 2022, respectively. The weighted average stated interest rate on borrowings (excluding amortization, accretion and undrawn facility fees) was 5.04% 5.46% and 3.78% 4.33% for the three months ended March 31, 2023, September 30, 2023 and March 31, 2022, 2022, respectively. The weighted average interest rate on borrowings was 5.64% 6.02% and 4.40% 4.76% for the three months ended March 31, 2023 September 30, 2023 and March 31, 2022, 2022, respectively. Both increases are primarily due to an increase of interest expense from increased LIBOR/SOFR rates for our Revolving Credit Facility partially before offset by a decrease of interest expense from repurchases the maturity of our Convertible Notes and the 2023 Notes.

Interest expense was \$98,555 and \$74,668 for the nine months ended March 31, 2023 and March 31, 2022, respectively. The weighted average stated interest rate on borrowings (excluding amortization, accretion and undrawn facility fees) was 4.72% and 4.03% for the nine months ended March 31, 2023 and March 31, 2022, respectively. The weighted average interest rate on borrowings was 5.23% and 4.69% for the nine months ended March 31, 2023 and March 31, 2022, respectively. Both increases are primarily due to an increase of interest expense from increased LIBOR/SOFR rates for our Revolving Credit Facility partially before offset by a decrease of interest expense from redemptions of our Prospect Capital InterNotes® and issuances of these notes at lower rates, as well as repurchases of our Convertible Notes, June 2029 Baby Bond, and 2023 Notes.

The allocation of net overhead expense from Prospect Administration was \$9,773 \$2,113 and \$4,126 \$3,099 for the three months ended March 31, 2023 September 30, 2023 and March 31, 2022, 2022, respectively. Prospect Administration received estimated payments of \$918 \$3,468 and \$807 \$1,554 directly from our portfolio companies, and certain funds

managed by the Investment Adviser for legal tax, and other administrative tax services during the three months ended March 31, 2023 September 30, 2023 and March 31, 2022, respectively. We were given a credit for these payments as a reduction of the administrative services cost payable by us to Prospect Administration. Had Prospect Administration not received these payments, Prospect Administration's charges for its administrative services would have increased by this amount. The \$5,647 increase in the allocated net overhead expense for the three months ended March 31, 2023 compared to the prior year period is primarily due to increased managerial assistance and administrative allocations.

The allocation of net overhead expense from Prospect Administration was \$16,490 and \$10,891 for the nine months ended March 31, 2023 and March 31, 2022, respectively. Prospect Administration received estimated payments of \$1,808 and \$4,869 directly from our portfolio companies, and certain funds managed by the Investment Adviser for legal tax, and other administrative services during the nine months ended March 31, 2023 and March 31, 2022 September 30, 2022, respectively. In addition, we were given a credit in the amount of \$1,212 for legal expenses incurred on behalf of our portfolio companies that were remitted to Prospect Administration during the nine months ended March 31, 2023 September 30, 2022. The \$5,599 increase in the allocated net overhead expense Had Prospect Administration not received these payments, Prospect Administration's charges for the nine months ended March 31, 2023 compared to the prior year period is primarily due to its administrative services would have increased managerial assistance and administrative allocations. by this amount.

Total operating expenses, excluding investment advisory fees, interest and credit facility expenses, and allocation of overhead from Prospect Administration ("Other Operating Expenses"), net of any expense reimbursements, were \$6,109 \$3,021 and \$4,672 \$6,499 for the three months ended March 31, 2023 September 30, 2023 and March 31, 2022 September 30, 2022, respectively. The increase decrease was primarily attributable to an increase in audit, compliance and tax related fees as well as other general and administrative expenses.

Total operating expenses, excluding investment advisory fees, interest and credit facility expenses, and allocation of overhead from Prospect Administration ("Other Operating Expenses"), net of any expense reimbursements, were \$16,032 and \$12,739

for the nine months ended March 31, 2023 and March 31, 2022, respectively. The increase was primarily attributable to an increase decrease in audit, compliance and tax related fees, as well as other general and administrative expenses.

Net Realized Gains (Losses)

The following table details net realized gains (losses) from investments for the three months ended March 31, 2023 September 30, 2023 and March 31, 2022 September 30, 2022:

| Portfolio Company | Portfolio Company | Three Months Ended March 31, | | Three Months Ended September 30, | |
|---|-------------------|------------------------------|-----------------------------|---|-------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Sudbury Mill CLO, Ltd. | | | | Sudbury Mill CLO, Ltd. | \$ 306 |
| Voya CLO 2012-2, Ltd. | | | | Voya CLO 2012-2, Ltd. | 433 |
| Voya CLO 2012-3, Ltd. | | | | Voya CLO 2012-3, Ltd. | 440 |
| Dunn Paper, Inc. | | | | Dunn Paper, Inc. | (8,791) |
| Venio LLC | | | | Venio LLC | (14,472) |
| NMMB, Inc. | | | | NMMB, Inc. | (1,093) |
| Halcyon Loan Advisors Funding 2012-1 Ltd. | | | | Halcyon Loan Advisors Funding 2012-1 Ltd. | (3,704) |
| Symphony CLO XIV, Ltd. | | | | Symphony CLO XIV, Ltd. | (22,147) |
| PGX Holdings, Inc. | | | | PGX Holdings, Inc. | (181,446) |
| Other, net | | | | Other, net | (45) |
| NMMB Inc. | \$ (799) | \$ 5,294 | | | |
| Strategic Materials Holding Corp. | (82) | — | | | |
| Halcyon Loan Advisors Funding 2013-1 Ltd. | (19,979) | — | | | |
| Halcyon Loan Advisors Funding 2014-1 Ltd. | (11,425) | — | | | |
| Sudbury Mill CLO, Ltd. | — | 516 | | | |
| Brookside Mill CLO | — | (7,683) | | | |
| Dunn Paper, Inc. | — | (385) | | | |
| Other, net | 72 | 4 | | | |
| Net realized (losses) gains | \$ (32,213) | \$ (2,254) | Net realized (losses) gains | \$ (207,489) | \$ (23,177) |

The following table details net realized gains (losses) from investments for loss during the **nine** three months ended March 31, 2023 September 30, 2023 was primarily due to the restructuring of PGX Holdings, Inc. ("PGX"). On September 28, 2023, PGX underwent a corporate restructuring with the new borrower being Credit.com Holdings, LLC. As part of this transaction, our existing First Lien Term Loan was restructured into new debt, resulting in a realized loss of \$1,460. Our Second Lien Term Loan was written-off and **March 31, 2022**:

| Portfolio Company | Nine Months Ended March 31, | |
|---|-----------------------------|--------------------|
| | 2023 | 2022 |
| Venio LLC | \$ (14,472) | \$ — |
| Dunn Paper, Inc. | (8,791) | (385) |
| NMMB Inc. | (2,510) | 5,294 |
| Strategic Materials Holding Corp. | (82) | — |
| Targus Group International, Inc. | 16,143 | — |
| Halcyon Loan Advisors Funding 2013-1 Ltd. | (19,979) | — |
| Halcyon Loan Advisors Funding 2014-1 Ltd. | (11,425) | — |
| Sudbury Mill CLO, Ltd. | 1,065 | (8,890) |
| Voya CLO 2012-2, Ltd. | 433 | — |
| Voya CLO 2012-3, Ltd. | 440 | — |
| Brookside Mill CLO | — | (7,683) |
| Other, net | 86 | (418) |
| Net realized (losses) | \$ (39,092) | \$ (12,082) |

we recorded a realized loss of \$179,986, while reversing our previously recorded unrealized losses related to our investment in PGX, in the same amount.

Net Realized Loss from Extinguishment of Debt

During the three months ended **March 31, 2023** September 30, 2023 and **March 31, 2022** September 30, 2022, we recorded a net realized loss from the extinguishment of debt of **\$58** **\$91** and **\$941**, **\$28**, respectively. Refer to *Capitalization* for additional discussion.

Net Realized Gain from Repurchase of Preferred Stock

During the **nine** three months ended **March 31, 2023** September 30, 2023 and **March 31, 2022** September 30, 2022, we recorded a net realized loss/gain from the extinguishment repurchase of debt preferred Stock of **\$138** **\$501** and **\$10,149**, **\$0**, respectively. Refer to *Capitalization Financial Condition, Liquidity, and Capital Resources* for additional discussion.

Change in Unrealized Gains (Losses)

The following table details net change in unrealized (losses) gains for our portfolio for the **nine** three months ended **March 31, 2023** September 30, 2023 and **March 31, 2022** September 30, 2022, respectively:

| | | Three Months Ended March 31, | | | | Nine Months Ended March 31, | | | | Three Months Ended September 30, | | | |
|---|---|------------------------------|-----------------------|---------------------------------------|---|---|-----------------------|---------------------------------------|---|---|-----------------------|---------------------------------------|---|
| | | 2023 | | 2022 | | 2023 | | 2022 | | 2023 | | 2022 | |
| | | Control investments | Affiliate investments | Non-control/non-affiliate investments | Net change in unrealized gains (losses) | Control investments | Affiliate investments | Non-control/non-affiliate investments | Net change in unrealized gains (losses) | Control investments | Affiliate investments | Non-control/non-affiliate investments | Net change in unrealized gains (losses) |
| Control investments | Control investments | \$ (41,162) | \$ 96,162 | \$ (109,909) | \$ 352,558 | Control investments | \$ (17,794) | \$ (47,289) | — | Control investments | \$ (17,794) | \$ (47,289) | — |
| Affiliate investments | Affiliate investments | — | (11,610) | (89,034) | 26,016 | Affiliate investments | 837 | (70,786) | — | Affiliate investments | 837 | (70,786) | — |
| Non-control/non-affiliate investments | Non-control/non-affiliate investments | (117,761) | (4,066) | (179,153) | 19,766 | Non-control/non-affiliate investments | 215,586 | (50,425) | — | Non-control/non-affiliate investments | 215,586 | (50,425) | — |
| Net change in unrealized gains (losses) | Net change in unrealized gains (losses) | \$ (158,923) | \$ 80,486 | \$ (378,096) | \$ 398,340 | Net change in unrealized gains (losses) | \$ 198,629 | \$ (168,500) | — | Net change in unrealized gains (losses) | \$ 198,629 | \$ (168,500) | — |

The following table reflects net change in unrealized gains (losses) on investments for the three months ended **March 31, 2023** **September 30, 2023**:

| | Net Change in Unrealized Gains (Losses) |
|---------------------------------|--|
| Subordinated Structured Notes | \$ 28,946 |
| InterDent, Inc. | 20,534 |
| R-V Industries, Inc. | 6,520 |
| USES Corp. | (10,380) |
| CP Energy Services Inc. | (14,455) |
| National Property REIT Corp. | (17,563) |
| Other, net | (20,276) |
| First Tower Finance Company LLC | (28,034) |
| PGX Holdings, Inc. | (124,215) |
| Net change in unrealized losses | \$ (158,923) |

The following table reflects net change in unrealized gains (losses) on investments for the three months ended **March 31, 2022**:

| | Net Change in Unrealized Gains (Losses) |
|----------------------------------|--|
| National Property REIT Corp. | \$ 149,967 |
| CP Energy Services Inc. | 31,164 |
| Subordinated Structured Notes | 18,874 |
| Other, net | 4,367 |
| Curo Group Holdings Corp. | (6,254) |
| Credit Central Loan Company, LLC | (6,531) |
| K&N Parent, Inc. | (8,110) |
| Pacific World Corporation | (9,258) |
| NMMB, Inc. | (10,540) |
| PGX Holdings, Inc. | (12,636) |
| Echelon Transportation, LLC | (17,588) |
| InterDent, Inc. | (52,969) |
| Net change in unrealized gains | \$ 80,486 |

The following table reflects net change in unrealized gains (losses) on investments for the nine months ended **March 31, 2023**:

| | Net Change in Unrealized Gains (Losses) |
|---|---|
| Town & Country PGX Holdings, Inc.(1) | \$ 38,370 |
| InterDent, Inc. | 30,267 |
| Subordinated Structured Notes | 17,665 |
| United Sporting Companies, Inc. | 15,462 |
| Universal Turbine Parts, LLC | 11,418 |
| R-V Industries, Inc. | 9,726 |
| The RK Logistics Group, Inc. | 8,072 |
| Dunn Paper, Inc. | 6,493 179,986 |
| Valley Electric Company, Inc. | (6,959) 23,708 |
| Redstone Holdco 2 LP | (7,232) |
| Echelon Transportation, LLC | (8,285) |
| Research Now Group, Inc. & Survey Sampling International LLC | (10,279) |
| Rising Tide Holdings, R-V Industries, Inc. | (10,548) 19,526 |
| Precisely Software Incorporated (f/k/a Vision Solutions, Inc.) Other, net | (10,610) |
| Curo Group Holdings Corp. | (11,147) |
| USES Corp. | (12,659) |
| Credit Central Loan Company, LLC | (13,007) |
| Securus Technologies Holdings, Inc. | (13,455) |
| CP Energy Services Inc. | (16,760) |
| K&N HoldCo, LLC | (23,149) 13,063 |
| First Tower Finance Company LLC | (26,711) 11,622 |
| Targus Cayman HoldCo Limited Credit.com Holdings, LLC | (33,202) 11,612 |
| Other, net NMMB, Inc. | (64,523) 10,567 |
| Town & Country Holdings, Inc. | 8,524 |
| MITY, Inc. | 7,838 |
| Research Now Group, LLC and Dynata, LLC | (7,487) |
| National Property REIT Corp. | (66,134) |
| PGX Holdings, Inc. | (180,909) (80,330) |
| Net change in unrealized losses (losses) gains | <hr/> \$ (378,096) 198,629 |

(1) Our PGX Holdings, Inc. Second Lien Term Loan was written-off for tax purposes and we recorded a realized loss of \$179,986, while reversing our previously recorded unrealized losses related to our investment in PGX, in the same amount.

The following table reflects net change in unrealized gains (losses) on investments for the **nine** **three** months ended **March 31, 2022** **September 30, 2022**:

| | Net Change in Unrealized Gains (Losses) |
|---|---|
| The RK Logistics Group, Inc. | \$ 6,532 |
| Dunn Paper, Inc. | 6,493 |
| Universal Turbine Parts, LLC | 4,975 |
| NMMB, Inc. | 4,751 |
| Pacific World Corporation | 4,154 |
| Valley Electric Company, Inc. | (4,348) |
| Town & Country Holdings, Inc. | (4,483) |
| Echelon Transportation, LLC | (5,332) |
| Redstone Holdco 2 LP | (5,986) |
| National Property REIT Corp. | \$348,536 |
| Subordinated Structured Notes | 46,619 (8,539) |
| CP Energy Services Inc. | 32,471 (8,970) |
| Subordinated Structured Notes | (9,157) |
| K&N Parent, Inc. | (10,282) |
| Credit Central Loan Company, LLC | (11,360) |
| First Tower Finance Company LLC | 29,024 |
| NMMB, Inc. | 21,363 |
| PGX Holdings, Inc. | 14,189 (11,578) |
| Targus Cayman HoldCo Limited | 10,331 |
| MITY, Inc. | 6,432 |
| R-V Industries, Inc. | 4,062 (16,238) |
| Other, net | (5,257) (47,373) |
| USES Corp. | (7,899) |
| K&N Parent, PGX Holdings, Inc. | (8,189) |
| Curo Group Holdings Corp. | (8,565) |
| Pacific World Corporation | (24,173) |
| Echelon Transportation, LLC | (26,927) |
| InterDent, Inc. | (33,677) (51,759) |
| Net change in unrealized (losses) gains | \$ 398,340 (168,500) |

Financial Condition, Liquidity and Capital Resources

For the **nine** three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022**, **September 30, 2022**, our operating activities provided \$95,084 and used \$101,244 and \$589,727 \$76,899 of cash, respectively, respectively. The \$488,483 decrease \$171,983 increase is primarily driven by a \$1,169,850 \$168,796 decrease in originations offset by a \$638,440 decrease in repayments for the **nine** three months ended **March 31, 2023** **September 30, 2023** compared to the **nine** three months ended **March 31, 2022** **September 30, 2022**. There were no investing activities for the **nine** three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**. Financing activities used \$121,823 and provided \$130,972 and \$562,519 \$84,934 of cash during the **nine** three months ended **March 31, 2023** **September 30, 2023** and **March 31, 2022** **September 30, 2022**, respectively, which included dividend payments of \$222,123 \$92,802 and \$199,697 \$68,176, respectively. The \$431,547 \$206,757 decrease in cash provided by our financing activities is primarily driven by a \$636,051 \$188,974 decrease in net debt issuances, offset by a \$228,046 increase in issuance of preferred stock, for the **nine** three months ended **March 31, 2023** **September 30, 2023** compared to the **nine** three months ended **March 31, 2022** **September 30, 2022**.

Our primary uses of funds have been to continue to invest in portfolio companies, through both debt and equity investments, to repay outstanding borrowings and to make cash distributions to our stockholders.

Our primary sources of funds have historically been issuances of debt and common equity, and beginning with our year ended June 30, 2021, issuances of preferred equity. We have and may continue to fund a portion of our cash needs through repayments and opportunistic sales of our existing investment portfolio. We may also securitize a portion of our investments in unsecured or senior secured loans or other assets. Our objective is to put in place such borrowings in order to enable us to expand our portfolio. During the **nine** three months ended **March 31, 2023** **September 30, 2023**, we borrowed \$1,224,900 \$219,000 and we made repayments totaling \$1,175,959 \$318,682 under the Revolving Credit Facility. As of **March 31, 2023** **September 30, 2023**, our outstanding balance on the Revolving Credit Facility was \$888,405 \$915,021. As of **March 31, 2023** **September 30, 2023**, we had, net of unamortized discount and debt issuance costs, \$154,366 \$154,818 outstanding on the Convertible Notes, \$1,062,975 \$1,065,311 outstanding on the Public Notes and \$348,647 \$352,324 outstanding on the Prospect Capital InterNotes® (See "Capitalization" above).

Undrawn committed revolvers and delayed draw term loans to our portfolio companies incur commitment and unused fees ranging from 0.00% to 7.25%. As of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, we had \$54,133 \$27,316 and \$43,934 \$47,875, respectively, of undrawn revolver and delayed draw term loan

commitments to our portfolio companies. The fair value of our undrawn committed revolving and delayed draw term loans was zero as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023**, as they were all floating rate instruments that repriced frequently.

On **February 13, 2020** **February 10, 2023**, we filed a registration statement on Form N-2 (File No. **333-236415**) **333-269714**) that was effective upon filing pursuant to Rule 462(e) under the Securities Act, **as permitted** and which replaced our previously effective registration statement on Form

N-2 that had been filed on **February 13, 2020** and which was also effective upon filing pursuant to Rule 462(e) under the **Small Business Credit Availability** **Securities Act**. The registration statement permits us to issue, through one or more transactions, an indeterminate amount of securities, consisting of common stock, preferred stock, debt securities, subscription rights to purchase our securities, warrants representing rights to purchase our securities or separately tradable units combining two or more of our securities.

Preferred Stock

On August 3, 2020, we entered into a Dealer Manager Agreement with Preferred Capital Securities, LLC ("PCS"), as amended on June 9, 2022, October 7, 2022, and February 10, 2023, pursuant to which PCS has agreed to serve as the Company's agent, principal distributor and dealer manager for the Company's offering of up to 72,000,000 shares, par value \$0.001 per share, of preferred stock, with a liquidation preference of \$25.00 per share. Such preferred stock will initially be issued in multiple series, including the 5.50% Series A1 Preferred Stock ("Series A1 Preferred Stock"), the 5.50% Series M1 Preferred Stock ("Series M1 Preferred Stock"), the 5.50% Series M2 Preferred Stock ("Series M2 Preferred Stock"), the 6.50% Series A3 Preferred Stock ("Series A3 Preferred Stock"), and the 6.50% Series M3 Preferred Stock ("Series M3 Preferred Stock"). In connection with such offering, on August 3, 2020, June 9, 2022, **October 11, 2022** and **Octoehr 11, 2022**, **February 10, 2023**, we filed Articles Supplementary with the State Department of Assessments and Taxation of Maryland ("SDAT"), reclassifying and designating 120,000,000, 60,000,000, 120,000,000, and 60,000,000 shares, respectively, of the Company's authorized and unissued shares of common stock into shares of preferred stock as "Convertible Preferred Stock."

On October 30, 2020, and as amended on February 18, 2022, October 7, 2022, and **February 10, 2023**, **February 10, 2023**, we entered into a Dealer Manager Agreement with InspereX LLC, pursuant to which InspereX LLC has agreed to serve as the Company's agent and dealer manager for the Company's offering of up to 10,000,000 shares, par value \$0.001 per share, of preferred stock, with a liquidation preference of \$25.00 per share. Such preferred stock will initially be issued in multiple series, including the 5.50% Series AA1 Preferred Stock (the "Series AA1 Preferred Stock"), the 5.50% Series MM1 Preferred Stock (the "Series MM1 Preferred Stock"), the 6.50% Series AA2 Preferred Stock (the "Series AA2 Preferred Stock"), and the 6.50% Series MM2 Preferred Stock (the "Series MM2 Preferred Stock" and together with the Series M1 Preferred Stock, the Series M2 Preferred Stock, the Series M3 Preferred Stock, and the Series M3 MM1 Preferred Stock, the "Series M Preferred Stock" and the Series MM2 Preferred Stock, together with the Series AA2 Preferred Stock, the Series A3 Preferred Stock and the Series M3 Preferred Stock, the "6.50% Preferred Stock"). In connection with such offering, on October 30, 2020, February 17, 2022 and October 11, 2022, we filed Articles Supplementary with the SDAT, reclassifying and designating an additional 80,000,000 shares of the Company's authorized and unissued shares of common stock into shares of preferred stock as Convertible Preferred Stock. On May 19, 2021, we entered into an Underwriting Agreement with UBS Securities LLC, relating to the offer and sale of 187,000 shares, par value \$0.001 per share, of 5.50% Series A2 Preferred Stock, with a liquidation preference of \$25.00 per share (the "Series A2 Preferred Stock", and together with the Series A1 Preferred Stock, Series M1 Preferred Stock, Series M2 Preferred Stock, Series AA1 Preferred Stock, and Series MM1 Preferred Stock, the "5.50% Preferred Stock"). The issuance of the Series A2 Preferred Stock settled on May 26, 2021. In connection with such offering, on May 19, 2021, we filed Articles Supplementary with the SDAT, reclassifying and designating an additional 1,000,000 shares of the Company's authorized and unissued shares of common stock into shares of preferred stock as Convertible Preferred Stock.

In connection with the offerings of the 5.50% Preferred Stock and the 6.50% Preferred Stock, we adopted and amended, respectively, a preferred stock dividend reinvestment plan (the "Preferred Stock Plan" or the "Preferred Stock DRIP"), pursuant to which holders of the 5.50% Preferred Stock and the 6.50% Preferred Stock will have dividends on their 5.50% Preferred Stock and 6.50% Preferred Stock automatically reinvested in additional shares of such 5.50% Preferred Stock and 6.50% Preferred Stock, at a price per share of \$25.00, if they elect.

Each series of 5.50% Preferred Stock and 6.50% Preferred Stock ranks (with respect to the payment of dividends and rights upon liquidation, dissolution or winding up) (a) senior to our common stock, (b) on parity with each other series of our preferred stock, and (c) junior to our existing and future secured and unsecured indebtedness. See Note 8, *Fair Value and Maturity of Debt Outstanding* for further discussion on our senior securities.

At any time prior to the listing of the 5.50% Preferred Stock and **the 6.50% Preferred Stock** on a national securities exchange, shares of the 5.50% **Preferred Stock** and **6.50% Preferred Stock** are convertible, at the option of the holder of the 5.50% Preferred Stock and the 6.50% Preferred Stock (the "Holder Optional Conversion"). We will settle any Holder Optional Conversion by paying or delivering, as the case may be, (A) any portion of the Settlement Amount (as defined below) that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the Settlement Amount, minus (b) any portion of the Settlement Amount that we elect to pay in cash, divided by (2) the arithmetic average of the daily volume weighted average price of shares of our common stock over each of the five consecutive trading days ending on the Holder Conversion Exercise Date (such arithmetic average, the "5-day VWAP"). For the Series A1 Preferred Stock, the Series A3 Preferred Stock, the Series AA1 Preferred Stock, the Series AA2 Preferred Stock and the Series A2 Preferred Stock, "Settlement Amount" means (A) \$25.00 per share (the "Stated Value"), plus (B) unpaid dividends accrued to, but not including,

the Holder Conversion Exercise Date, minus (C) the applicable Holder Optional Conversion Fee for the respective Holder Conversion Deadline. For the Series M Preferred Stock, "Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the Holder Conversion Exercise Date, minus (C) the applicable Series M Clawback, if any. "Series M Clawback", if applicable, means an amount equal to the aggregate amount of all dividends, whether paid or accrued, on such share of Series M Stock in the three full months prior to the Holder Conversion Exercise Date. Subject to certain limited exceptions, we will not pay any portion of the Settlement Amount in cash (other than cash in lieu of fractional shares of our common stock) until the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock has been issued. Beginning on the five year anniversary of the date on which a share of 5.50% Preferred Stock or **6.50% Preferred Stock** is issued, we may elect to settle all or a portion of any Holder Optional Conversion in cash without limitation or restriction. The right of holders to convert a share of 5.50% Preferred Stock or 6.50% Preferred Stock will terminate upon the listing of such share on a national securities exchange.

Subject to certain limited exceptions allowing earlier redemption, beginning on the earlier of the five year anniversary of the date on which a share of 5.50% Preferred Stock or 6.50% Preferred Stock has been issued, or, for listed shares of **5.50% Preferred Stock** or **6.50% Preferred Stock**, five years from the earliest date on which any series that has been listed was first issued (the earlier of such dates, the "Redemption Eligibility Date"), such share of 5.50% Preferred Stock or 6.50% Preferred Stock may be redeemed at any time or from time to time at our option (the "Issuer Optional Redemption"), at a redemption price of 100% of the Stated Value of the shares of 5.50% Preferred Stock or 6.50% Preferred Stock to be redeemed plus unpaid dividends accrued to, but not including, the date fixed for redemption.

Subject to certain limitations, each share of 5.50% Preferred Stock or 6.50% Preferred Stock may be converted at our option (the "Issuer Optional Conversion"). We will settle any Issuer Optional Conversion by paying or delivering, as the case may be, (A) any portion of the IOC Settlement Amount (as defined below) that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the IOC Settlement Amount, minus (b) any portion of the IOC Settlement Amount that we elect to pay in cash, divided by (2) the 5-day VWAP, subject to our ability to obtain or maintain any stockholder approval that may be required under the 1940 Act to permit us to sell our common stock below net asset value if the 5-day VWAP represents a discount to our net asset value per share of common stock. For the 5.50% Preferred Stock and 6.50% Preferred Stock, "IOC Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the date fixed for conversion. In connection with an Issuer Optional Conversion, we will use commercially reasonable efforts to obtain or maintain any stockholder approval that may be required under the 1940 Act to permit us to sell our common stock below net asset value. If we do not have or obtain any required stockholder approval under the 1940 Act to sell our common stock below net asset value and the 5-day VWAP is at a discount to our net asset value per share of common stock, we will settle any conversions in connection with an Issuer Optional Conversion by paying or delivering, as the case may be, (A) any portion of the IOC Settlement Amount that we elect to pay in cash and (B) a number of shares of our common stock at a conversion rate equal to (1) (a) the IOC Settlement Amount, minus (b) any portion of the IOC Settlement Amount that we elect to pay in cash, divided by (2) the NAV per share of common stock at the close of business on the business day immediately preceding the date of conversion. We will not pay any portion of the IOC Settlement Amount from an Issuer Optional Conversion in cash (other than cash in lieu of fractional shares of our common stock) until the Redemption Eligibility Date. Beginning on the Redemption Eligibility Date, we may elect to settle any Issuer Optional Conversion in cash without limitation or restriction. In the event that we exercise an Issuer Optional Conversion with respect to any shares of 5.50% Preferred Stock or 6.50% Preferred Stock, the holder of such 5.50% Preferred Stock or 6.50% Preferred Stock may instead elect a Holder Optional Conversion with respect to such 5.50% Preferred Stock or 6.50% Preferred Stock provided that the date of conversion for such Holder Optional Conversion would occur prior to the date of conversion for an Issuer Optional Conversion.

On July 12, 2021, we entered into an underwriting agreement by and among us, Prospect Capital Management L.P., Prospect Administration LLC, and Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and UBS Securities LLC, as representatives of the underwriters, relating to the offer and sale of 6,000,000 shares, or \$150,000 in aggregate liquidation preference, of our 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock, par value \$0.001 per share (the "Series A Preferred Stock" or "5.35% Preferred Stock"), at a public offering price of \$25.00 per share. Pursuant to the Underwriting Agreement, we also granted the underwriters a 30-day option to purchase up to an additional 900,000 shares of Series A Preferred Stock solely to cover over-allotments. The offer settled on July 19, 2021, and no additional shares of the Series A Preferred Stock were issued pursuant to the option. In connection with such offering, on July 15, 2021, we filed Articles Supplementary with SDAT, reclassifying and designating 6,900,000 shares of the Company's authorized and unissued shares of Common Stock into shares of Series A Preferred Stock.

The Series A Preferred Stock ranks (with respect to the payment of dividends and rights upon liquidation, dissolution or winding up) (a) senior to our common stock, (b) on parity with each other series of our preferred stock, and (c) junior to our existing and future secured and unsecured indebtedness. See Note 8, *Fair Value and Maturity of Debt Outstanding* for further discussion on our senior securities.

We may from time to time seek to cancel or purchase our outstanding preferred stock through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. Any such purchases or exchanges of preferred stock would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. Our Board of Directors authorized us to repurchase our Series A Preferred Stock. The manner, price, volume and timing of preferred share repurchases are subject to a variety of factors, including market conditions and applicable SEC rules. During the three months ended September 30, 2023, the Company repurchased 62,309 shares of Series A Preferred Stock for a total cost of approximately \$1,001, including fees and commissions paid to the broker, representing an average repurchase price of \$15.88 per share. The difference in the consideration transferred and the net carrying value of the Series A Preferred Stock repurchased, which was \$1,469, resulted in a gain applicable to common stock holders of approximately \$501 during the three months ended September 30, 2023. The repurchased shares reverted to authorized but unissued shares of Series A Preferred Stock and thus the Company holds no treasury stock.

Subject to certain limited exceptions allowing earlier redemption, at any time after the close of business on July 19, 2026 (any such date, an "Optional Redemption Date"), at our sole option, we may redeem the Series A Preferred Stock in whole or, from time to time, in part, out of funds legally available for such redemption, at a price per share equal to the liquidation preference of \$25.00 per share, plus an amount equal to all unpaid dividends on such shares (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the date fixed for redemption. We may also redeem the Series A Preferred Stock at any time, in whole or, from time to time, in part, including prior to the Optional Redemption Date, pro rata, based on liquidation preference, with all other series of our then outstanding preferred stock, in the event that our Board determines to redeem any series of our preferred stock, in whole or, from time to time, in part, because such redemption is deemed necessary by the Board to comply with the asset coverage requirements of the 1940 Act or for us to maintain RIC status.

In the event of a Change of Control Triggering Event (as defined below), we may, at our option, exercise our special optional redemption right to redeem the Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control Triggering Event has occurred by paying the liquidation preference, plus an amount equal to all unpaid dividends on such shares (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the date fixed for such redemption. To the extent that we exercise our optional redemption right or our special optional redemption right relating to the Series A Preferred Stock, the holders of Series A Preferred Stock will not be permitted to exercise the conversion right described below in respect of their shares called for redemption.

Except to the extent that we have elected to exercise our optional redemption right or our special optional redemption right by providing notice of redemption prior to the Change of Control Conversion Date (as defined below), upon the occurrence of a Change of Control Triggering Event, each holder of Series A Preferred Stock will have the right to convert some or all of the Series A Preferred Stock held by such holder on the Change of Control Conversion Date into a number of our shares of common stock per Series A Preferred Stock to be converted equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the Liquidation Preference per share plus an amount equal to all unpaid dividends thereon (whether or not earned or declared, but excluding interest thereon) accumulated up to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a Record Date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Stock Price (as defined below); and
- 6.03865, subject to certain adjustments,

subject, in each case, to provisions for the receipt of alternative consideration upon conversion as described in the applicable prospectus supplement.

If we have provided or provide a redemption notice with respect to some or all of the Series A Preferred Stock, holders of any Series A Preferred Stock that we have called for redemption will not be permitted to exercise their Change of Control Conversion Right in respect of any of their Series A Preferred Stock that have been called for redemption, and any Series A Preferred Stock subsequently called for redemption that have been tendered for conversion will be redeemed on the applicable date of redemption instead of converted on the Change of Control Conversion Date.

For purposes of the foregoing discussion of a redemption upon the occurrence of a Change of Control Triggering Event, the following definitions are applicable:

"Change of Control Triggering Event" means the occurrence of any of the following:

- the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation and other than an Excluded Transaction) in one or a series of related transactions, of all or substantially all of the assets of the Company and its Controlled Subsidiaries taken as a whole to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than to any Permitted Holders); provided that, for the avoidance of doubt, a pledge of assets pursuant to any of our secured debt instruments or the secured debt instruments of our Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition; or
- the consummation of any transaction (including, without limitation, any merger or consolidation and other than an Excluded Transaction) the result of which is that any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding Voting Stock, measured by voting power rather than number of shares.

Notwithstanding the foregoing, the consummation of any of the transactions referred to in the bullet points above will not be deemed a Change of Control Triggering Event if we or the acquiring or surviving consolidated entity has or continues to have a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE American or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or NASDAQ, or is otherwise listed or quoted on a national securities exchange.

The "Change of Control Conversion Date" is the date the shares of Series A Preferred Stock are to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series A Preferred Stock.

The "Common Stock Price" will be (i) if the consideration to be received in the Change of Control Triggering Event by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control Triggering Event by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control Triggering Event, if our common stock is not then listed for trading on a U.S. securities exchange.

"Controlled Subsidiary" means any of our subsidiaries, 50% or more of the outstanding equity interests of which are owned by us and our direct or indirect subsidiaries and of which we possess, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

"Excluded Transaction" means (i) any transaction that does not result in any reclassification, conversion, exchange or cancellation of all or substantially all of the outstanding shares of our Voting Stock; (ii) any changes resulting from a subdivision or combination or a change solely in par value; (iii) any transaction where the shares of our Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving "person" (as that term is used in Section 13(d)(3) of the Exchange Act) or any direct or indirect parent company of the surviving "person" (as that term is used in Section 13(d)(3) of the Exchange Act) immediately after giving effect to such transaction; (iv) any transaction if (A) we become a direct or indirect wholly-owned subsidiary of a holding company and (B)(1) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction or (2) immediately following that transaction no "person" (as that term is used in Section 13(d)(3) of the Exchange Act) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company; or (v) any transaction primarily for the purpose of changing our jurisdiction of incorporation or form of organization.

"Permitted Holders" means (i) us, (ii) one or more of our Controlled Subsidiaries and (iii) Prospect Capital Management or any affiliate of Prospect Capital Management that is organized under the laws of a jurisdiction located in the United States of America and in the business of managing or advising clients.

"Voting Stocks" as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Except as provided above in connection with a Change of Control Triggering Event, the Series A Preferred Stock is not convertible into or exchangeable for any other securities or property.

For so long as the Series A Preferred Stock is outstanding, we will not exercise any option we have to convert any other series of our outstanding preferred stock to common stock, including the Issuer Optional Conversion, or any other security ranking junior to such preferred stock. As a result, if dividends on the Preferred Stock have accumulated and been unpaid for a period of two years, a possibility of redemption outside of the Company's control exists and in accordance with ASC 480, we have presented both our 5.50% Preferred Stock, 6.50% Preferred Stock, and Series A Preferred Stock within temporary equity on our *Consolidated Statement of Assets and Liabilities* as of September 30, 2022 September 30, 2023 and June 30, 2023.

We determined the estimated value as of March 31, 2023 September 30, 2023 of our 5.50% Preferred Stock and 6.50% Preferred Stock, with a \$25.00 stated value per share. We engaged a third-party valuation service to assist in our determination based on the calculation

resulting from the total equity on our *Consolidated Statements of Assets and Liabilities* in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 September 30, 2023 (the "Form 10-Q"), which was prepared in accordance with U.S. generally accepted accounting principles in the United States of America, adjusted for the fair value of our investments (i.e. from our *Consolidated Schedule of Investments*) and total liabilities, divided by the number of shares of our Preferred Stock outstanding. Based on this methodology and because the result from the calculation above is greater than the \$25.00 per share stated value of our 5.50% Preferred Stock and 6.50% Preferred Stock, the estimated value of our 5.50% Preferred Stock and 6.50% Preferred Stock as of March 31, 2023 September 30, 2023 is \$25.00 per share.

Common Stock

Our common stockholders' equity accounts as of **March 31, 2023** **September 30, 2023** and **June 30, 2022** **June 30, 2023** reflect cumulative shares issued, net of shares repurchased, as of those respective dates. Our common stock has been issued through public offerings, a registered direct offering, the exercise of over-allotment options on the part of the underwriters, our dividend reinvestment plan and in connection with the acquisition of certain controlled portfolio companies and in connection with our 5.50% and 6.50% Preferred Stock Holder Optional Conversion and Optional Redemption Following Death of a Holder. When our common stock is issued, the related offering expenses have been charged against paid-in capital in excess of par. All underwriting fees and offering expenses were borne by us.

We did not repurchase any shares of our common stock for the **nine** **three** months ended **March 31, 2023** **September 30, 2023** or **March 31, 2022** **September 30, 2022**. As of **March 31, 2023** **September 30, 2023**, the approximate dollar value of shares that may yet be purchased under the Repurchase Program is \$65,860.

On **June 10, 2022** **June 9, 2023**, at a special meeting of stockholders, our stockholders authorized us to sell shares of our common stock (during the next 12 months) at a price or prices below our net asset value per share at the time of sale in one or more offerings, subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of its outstanding common stock immediately prior to such sale).

Recent Developments

On **May 9, 2023** **November 8, 2023**, we announced the declaration of monthly dividends for our 5.50% Preferred Stock for holders of record on the following dates based on an annual rate equal to 5.50% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in **July** **January** as a result), as follows:

| Monthly Cash 5.50% Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro rata for partial periods |
|---|------------------|---------------------------------|--|
| June December 2023 | 6/21/2023 | 7/3/2023 1/2/2024 | \$0.114583 |
| July 2023 January 2024 | 7/19/2023 | 8/2/2023 2024 | \$0.114583 |
| August 2023 February 2024 | 8/16/2023 | 9/3/2023 2024 | \$0.114583 |

On **May 9, 2023** **November 8, 2023**, we announced the declaration of monthly dividends for our 6.50% Preferred Stock for holders of record on the following dates based on an annual rate equal to 6.50% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date (the first business day of the month, with no additional dividend accruing in **July** **January** as a result), as follows:

| Monthly Cash 6.50% Preferred Shareholder Distribution | Record Date | Payment Date | Monthly Amount (\$ per share), before pro rata for partial periods |
|---|------------------|---------------------------------|--|
| June December 2023 | 6/21/2023 | 7/3/2023 1/2/2024 | \$0.135417 |
| July 2023 January 2024 | 7/19/2023 | 8/2/2023 2024 | \$0.135417 |
| August 2023 February 2024 | 8/16/2023 | 9/3/2023 2024 | \$0.135417 |

On **May 9, 2023** **November 8, 2023**, we announced the declaration of quarterly dividends for our 5.35% Preferred Stock for holders of record on the following dates based on an annual rate equal to 5.35% of the Stated Value of \$25.00 per share as set forth in the Articles Supplementary for the 5.35% Preferred Stock, from the date of issuance or, if later from the most recent dividend payment date, as follows:

| Quarterly Cash 5.35% Preferred Shareholder Distribution | Record Date | Payment Date | Amount (\$ per share) |
|---|------------------|-----------------------------|-----------------------|
| May November 2023 - July 2023 January 2024 | 7/19/2023 | 8/2/2023 2024 | \$0.334375 |

On **May 9, 2023** **November 8, 2023**, we announced the declaration of monthly dividends on our common stock as follows:

| Monthly Cash Common Shareholder Distribution | Record Date | Payment Date | Amount (\$ per share) |
|--|------------------|------------------------------------|-----------------------|
| May November 2023 | 5/26/2023 | 6/21/2023 12/19/2023 | \$0.0600 |
| June December 2023 | 6/28/2023 | 7/20/2023 1/18/2024 | \$0.0600 |
| July 2023 January 2024 | 7/27/2023 | 8/22/2023 2/20/2024 | \$0.0600 |

On October 30, 2023, we initiated an offer to repurchase all of our 5,882,351 outstanding shares of 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock, for cash in an amount equal to \$15.877396 per share, plus accrued dividends, if any, commencing on October 30, 2023. The tender offer will expire at 5:00 p.m., New York City time, on November 29, 2023, or any other date and time to which the Company extends the Tender Offer, unless earlier terminated.

Critical Accounting Estimates

We prepare our Financial Statements in accordance with U.S. GAAP. In applying many of these accounting principles, we make estimates that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated financial statements. We base our estimates on historical experience and other factors that we believe are reasonable under the circumstances. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual

results to differ materially. These estimates, however, are subjective and subject to change, and actual results may differ materially from our current estimates due to the inherent nature of these estimates.

Our critical accounting policies and estimates, including those relating to the valuation of our investment portfolio, are described below. The critical accounting estimates should be read in conjunction with our risk factors as disclosed in "Item 1A. Risk Factors." See Note 2 to our Annual Report consolidated financial statements for more information on Form 10-K how fair value of our investment portfolio is determined, and Note 3 to our consolidated financial statements for information about the inputs and assumptions used to measure fair value of our investment portfolio.

Fair Value of Financial Instruments

To value our investments, we follow the guidance of ASC 820, Fair Value Measurement ("ASC 820"), that defines fair value, establishes a framework for measuring fair value in conformity with GAAP, and requires disclosures about fair value measurements. In accordance with ASC 820, the fair value of our investments is defined as the price that we would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market in which that investment is transacted.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchy:

- Level 1: Quoted prices in active markets for identical assets or liabilities, accessible by us at the measurement date.
- Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.
- Level 3: Unobservable inputs for the year ended June 30, 2022 asset or liability.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each investment. All of our investments carried at fair value are classified as Level 2 or Level 3 as of September 30, 2023 and June 30, 2023, with a significant portion of our investments classified as Level 3.

Investments

We determine the fair value of our investments on a quarterly basis, with changes in fair value reflected as a net change in unrealized gains (losses) from investments in the Consolidated Statement of Operations.

The Company applies the SEC's Rule 2a-5 in determining fair value of its investments. Rule 2a-5 establishes a consistent, principles-based framework for boards of directors to use in creating their own specific processes in order to determine fair values in good faith.

Investments for which market quotations are readily available are valued at such market quotations. In order to validate market quotations, management and the independent valuation firm look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. In determining the range of values for debt instruments where market quotations are not readily available, we perform a multiple step valuation process with our investment professionals alongside our independent valuation firms. The independent valuation firms prepare valuations for each investment which are presented by the independent valuation firms to the Audit Committee of our Board of Directors. The Audit Committee makes a recommendation to the Board of Directors of the value for each investment and the Board of Directors approves the values with the input of the Investment Adviser.

Management and the independent valuation firm may consider various factors in determining the fair value of our investments. One prominent factor is the enterprise value of a portfolio company determined by applying a market approach such as using earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples, net income and/or book value multiples for similar guideline public companies and/or similar recent investment transactions and/or an income approach, such as the discounted cash flow technique. If relevant, management and the independent valuation firms will consider the pricing indicated by external events such as a purchase or sale transaction to corroborate the valuation.

Changes in market yields, discount rates, capitalization rates or EBITDA multiples, each in isolation, may change the fair value measurement of certain of our investments. Generally, an increase in market yields, discount rates or capitalization rates, or a decrease in EBITDA (or other) multiples may result in a decrease in the fair value measurement of certain of our investments.

Our investments that are classified as Level 3 are primarily valued utilizing a discounted cash flow, enterprise value ("EV") waterfall, or asset recovery analysis. The discounted cash flow converts future cash flows or earnings to a range of fair values from which a single estimate may be derived utilizing an appropriate discount rate. The fair value measurement is based on the net present value indicated by current market expectations about those future amounts. Under the EV waterfall, the EV of a portfolio company is first determined and allocated over the portfolio company's securities in order of their preference relative to one another (i.e., "waterfall" allocation). To determine the EV, we typically use a market (multiples) valuation approach that considers relevant and applicable market trading data of guideline public companies, transaction metrics from precedent merger and acquisitions transactions, and/or a discounted cash flow. The asset recovery analysis is intended to approximate the net recovery value of an investment based on, among other things, assumptions regarding liquidation proceeds based on a hypothetical liquidation of a portfolio company's assets.

In determining the range of values for our investments in CLOs, the independent valuation firm uses a discounted multi-path cash flow model. Various risk factors are sensitized in the multi-path cash flow model using Monte Carlo simulations to generate probability-weighted (i.e., multi-path) cash flows for the underlying assets and liabilities. These cash flows are discounted using appropriate market discount rates, and relevant data in the CLO market and certain benchmark credit indices are considered, to determine the value of each CLO investment.

At September 30, 2023, \$5,081,667, \$2,586,865, and \$20,339 of our total investments were valued using the discounted cash flow, enterprise value waterfall, and asset recovery analysis, respectively, compared to \$5,192,734, \$2,503,571, and \$21,145, respectively, at June 30, 2023.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which we have recorded it.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the currently assigned valuations.

Recent Accounting Pronouncements

For discussion of recent accounting pronouncements, refer to Note 2 within the accompanying notes to the consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are subject to financial market risks, including changes in interest rates and equity price risk. Uncertainty with respect to the economic effects of rising interest rates in response to inflation, renewed hostilities in the Middle East, the war in between Russia and Ukraine, and the ongoing geopolitical uncertainty has introduced significant volatility in the financial markets, and the effects of this volatility could materially impact our market risks, including those listed below. Concerning these risks and their potential impact on our business and our operating results, see Part I, Item 1A. Risk Factors, "Risks Relating to Our Business" in our Annual Report on Form 10-K.

Interest rate sensitivity refers to the change in our earnings that may result from changes in the level of interest rates impacting some of the loans in our portfolio which have floating interest rates. Additionally, because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. See Part I, Item 1A. Risk Factors, "Risks Relating to Our Business - Changes in interest rates may affect our cost of capital and net investment income" in our Annual Report on Form 10-K.

Our debt investments may be based on floating rates or fixed rates. For our floating rate loans the rates are determined from the LIBOR, Secured Overnight Financing Rate ("SOFR"), EURO Interbank Offer Rate, the Federal Funds Rate Secured Overnight Financing Rate ("SOFR") or the Prime Rate. The floating interest rate loans may be subject to a LIBOR or SOFR floor. Our loans typically have durations of one, two, three six or twelve six months after which they reset to current market interest rates. As of **March 31, 2023** **September 30, 2023**, **83.05%** **83.44%** of the interest earning investments in our portfolio, at fair value, bore interest at floating rates.

We also have a revolving credit facility that is based on floating SOFR rates. Interest on borrowings under the Revolving Credit Facility are based on a floating rate of revolving credit facility is one-month SOFR plus 205 basis points with no minimum SOFR floor and an outstanding balance of \$888,405 there is \$915,021 as of **March 31, 2023** **September 30, 2023**. Lender fees charged on the unused portion of the Revolving Credit Facility, the The Convertible Notes, Public Notes and remaining Prospect Capital InterNotes® bear interest at fixed rates.

On March 5, 2021, the FCA announced that (i) 24 LIBOR settings would cease to exist immediately after December 31, 2021 (all seven euro LIBOR settings; all seven Swiss franc LIBOR settings; the Spot Next, 1-week, 2-month, and 12-month Japanese yen LIBOR settings; the overnight, 1-week, 2-month, and 12-month sterling LIBOR settings; and the 1-week and 2-month US dollar LIBOR settings); (ii) the overnight and 12-month US LIBOR settings would cease to exist after June 30, 2023; and (iii) the FCA would consult on whether the remaining nine LIBOR settings should continue to be published on a synthetic basis for a certain period using the FCA's proposed new powers that the UK government is legislating to grant to them.

The following table shows the approximate annual impact on net investment income of base rate changes in interest rates (considering interest rate flows for floating rate instruments, excluding our investments in Subordinated Structured Notes) to our loan portfolio and outstanding debt as of **March 31, 2023** **September 30, 2023**, assuming no changes in our investment and borrowing structure:

| (in thousands) | (in thousands) | Interest Income | (Decrease) in Interest Expense | Net Investment Income | Net Investment Income (1) | (in thousands) | Interest Income | (Decrease) in Interest Expense | Net Investment Income | Net Investment Income (1) |
|-----------------------|-----------------------|-----------------|--------------------------------|-----------------------|---------------------------|-----------------------|-----------------|--------------------------------|-----------------------|---------------------------|
| Basis Point Change | Basis Point Change | | | | | | | | | |
| Up 300 basis points | Up 300 basis points | \$ 138,268 | \$ (26,652) | \$ 111,616 | \$ 89,293 | Up 300 basis points | \$ 143,616 | \$ (27,451) | \$ 116,165 | \$ 92,932 |
| Up 200 basis points | Up 200 basis points | \$ 92,734 | \$ (17,768) | \$ 74,966 | \$ 59,973 | Up 200 basis points | \$ 96,588 | \$ (18,300) | \$ 78,288 | \$ 62,630 |
| Up 100 basis points | Up 100 basis points | \$ 47,200 | \$ (8,884) | \$ 38,316 | \$ 30,653 | Up 100 basis points | \$ 49,560 | \$ (9,150) | \$ 40,410 | \$ 32,328 |
| Down 100 basis points | Down 100 basis points | \$ (43,759) | \$ 42,643 | \$ (1,116) | \$ (893) | Down 100 basis points | \$ (44,343) | \$ 48,670 | \$ 4,327 | \$ 3,462 |
| Down 200 basis points | Down 200 basis points | \$ (89,159) | \$ 42,643 | \$ (46,516) | \$ (37,213) | Down 200 basis points | \$ (88,408) | \$ 48,670 | \$ (39,738) | \$ (31,790) |
| Down 300 basis points | Down 300 basis points | \$ (128,332) | \$ 42,643 | \$ (85,689) | \$ (68,551) | Down 300 basis points | \$ (126,396) | \$ 48,670 | \$ (77,726) | \$ (62,181) |

(1) Includes the impact of income incentive fees. See Note 13 in the accompanying *Consolidated Financial Statements* for more information on income incentive fees.

As of **March 31, 2023** **September 30, 2023**, one, three, and six month LIBOR were **4.86%** **5.43%**, **5.19%** **5.66%** and **5.31%** **5.90%**, respectively. As of **March 31, 2023** **September 30, 2023** the one, three, and six month SOFR were **4.80%** **5.32%**, **4.91%** **5.40%**, and **4.90%** **5.47%** respectively.

We may hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts subject to the requirements of the 1940 Act. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of higher interest rates with respect to our portfolio of investments. During the period ended **March 31, 2023** **September 30, 2023**, we did not engage in hedging activities.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of **March 31, 2023** **September 30, 2023**, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the 1934 Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that **due to the material weaknesses in the Company's internal control over financial reporting described in our Annual Report on Form 10-K**, our disclosure controls and procedures were not effective to provide and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. **Management recognizes** However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives.

Notwithstanding the material weaknesses, desired control objectives, and management believes that necessarily was required to apply its judgment in evaluating the financial statements included in this Quarterly Report on Form 10-Q present fairly in all material respects the Company's financial condition, results of its operations, changes in its net assets and temporary equity and its cash flows for the periods presented.

Changes in Internal Control Over Financial Reporting

We have begun the process of, and we are focused on, enhancing effective internal control measures to improve our internal control over financial reporting and remediate the material weaknesses. Our internal control remediation efforts include the following:

- Enhancing existing controls that address the completeness and accuracy of underlying data used in the performance of management review controls over the valuation of CLOs;
- Enhancing policies and procedures to retain adequate documentary evidence for certain management review controls over the valuation of CLOs, including precision of review and evidence of review procedures performed to demonstrate effective operation cost-benefit relationship of such controls;
- Enhancing policies possible controls and procedures to adequately demonstrate a commitment to improving our overall control environment and develop proper monitoring controls around timely evaluation and communication of internal control deficiencies to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

We believe our planned actions to enhance our processes and controls will address the material weaknesses, but these actions are subject to ongoing management evaluation, and we will need a period of execution to demonstrate remediation. We are committed to the continuous improvement of our internal control over financial reporting and will continue to diligently review our internal control over financial reporting procedures.

There **were** **have been** no other changes in our internal control over financial reporting during the quarter ended **March 31, 2023** **September 30, 2023**, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

(All figures in this item are in thousands except share, per share and other data.)

From time to time, we may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. These matters may relate to intellectual property, employment, tax, regulation, contract or other matters. The resolution of such matters as may arise will be subject to various uncertainties and, even if such claims are without merit, could result in the expenditure of significant financial and managerial resources.

We are not aware of any material legal proceedings as of **March 31, 2023** **September 30, 2023**.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed below and the risk factors in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended **June 30, 2022** **June 30, 2023**, which could materially affect our business, financial condition or future results. The risks described in this report and in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. *(All figures in this item are in thousands except share, per share and other data.)*

Risks Relating to Our Investments

Investments in covenant-lite loans may expose us to different and increased risks.

Although we generally expect the transaction documentation of some portion of our investments to include covenants and other structural protections, a significant portion of our investments may be composed of so-called "covenant-lite loans." Generally, covenant-lite loans do not have certain maintenance covenants that would require the issuer to maintain debt service or other financial ratios. Ownership of covenant-lite loans may expose us to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have financial maintenance covenants. As a result, our exposure to losses from these loans may be increased. In addition, in the current economic environment, the market prices of covenant-lite loans may be depressed.

Risks Relating to Our Securities

Senior securities, including debt and preferred equity, expose us to additional risks, including the typical risks associated with leverage and could adversely affect our business, financial condition and results of operations.

We use our revolving credit facility to leverage our portfolio and we expect in the future to borrow from and issue senior debt securities to banks and other lenders and may securitize certain of our portfolio investments. We also have the Unsecured Notes outstanding and have launched a convertible preferred share offering program, which are forms of leverage and are senior in payment rights to our common stock.

Business development companies are generally able to issue senior securities such that their asset coverage, as defined in the 1940 Act, equals at least 200% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. In March 2018, the Small Business Credit Availability Act added Section 61(a)(2) to the 1940 Act, a successor provision to Section 61(a)(1) referenced therein, which reduces the asset coverage requirement applicable to business development companies from 200% to 150% so long as the business development company meets certain disclosure requirements and obtains certain approvals. On May 5, 2020, the Company's stockholders voted to approve the application of the reduced asset coverage requirements in Section 61(a)(2) to the Company effective as of May 6, 2020. As a result of the stockholder approval, effective May 6, 2020, the asset coverage ratio under the 1940 Act applicable to the Company decreased to 150% from 200%. In other words, under the 1940 Act, the Company is now able to borrow \$2 for investment purposes for every \$1 of investor equity, as opposed to borrowing \$1 for investment purposes for every \$1 of investor equity. As a result, the Company will be able to incur additional indebtedness in the future and investors in the Company may face increased investment risk. In addition, the Company's management fee payable to the Investment Adviser is based on the Company's average adjusted gross assets, which includes leverage and, as a result, if the Company incurs additional leverage, management fees paid to the Investment Adviser would increase.

With certain limited exceptions, as a BDC, we are only allowed to borrow amounts or otherwise issue senior securities such that our asset coverage, as defined in the 1940 Act, is at least 150% after such borrowing or other issuance. The amount of leverage that we employ will depend on the Investment Adviser's and our Board of Directors' assessment of market conditions and other factors at the time of any proposed borrowing. There is no assurance that a leveraging strategy will be successful. Leverage involves risks and special considerations for stockholders, any of which could adversely affect our business, financial condition and results of operations, including the following:

- A likelihood of greater volatility in the net asset value and market price of our common stock;
- Diminished operating flexibility as a result of asset coverage or investment portfolio composition requirements required by lenders or investors that are more stringent than those imposed by the 1940 Act;
- The possibility that investments will have to be liquidated at less than full value or at inopportune times to comply with debt covenants or to pay interest or dividends on the leverage;
- Increased operating expenses due to the cost of leverage, including issuance and servicing costs;
- Convertible or exchangeable securities, such as the Convertible Notes outstanding or those issued in the future (including the Preferred Stock (as defined herein)), may have rights, preferences and privileges more favorable than those of our common stock including, the case of the Preferred Stock, the statutory right under the 1940 Act to vote, as a separate class, on the election of two of our directors and approval of certain fundamental transactions in certain circumstances;
- Subordination to lenders' superior claims on our assets as a result of which lenders will be able to receive proceeds available in the case of our liquidation before any proceeds will be distributed to our stockholders;
- Difficulty meeting our payment and other obligations under the Unsecured Notes and our other outstanding debt or preferred equity;
- The occurrence of an event of default if we fail to comply with the financial and/or other restrictive covenants contained in our debt agreements, including the credit agreement and each indenture governing the Unsecured Notes, which event of default could result in all or some of our debt becoming immediately due and payable;
- Reduced 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;
- The risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our amended senior credit facility; and
- Reduced 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.

For example, the amount we may borrow under our revolving credit facility is determined, in part, by the fair value of our investments. If the fair value of our investments declines, we may be forced to sell investments at a loss to maintain compliance with our borrowing limits. Other debt facilities we may enter into in the future may contain similar provisions. Any such forced sales would reduce our net asset value and also make it difficult for the net asset value to recover. The Investment Adviser and our Board of Directors in their best judgment nevertheless may determine to use leverage if they expect that the benefits to our stockholders of maintaining the leveraged position will outweigh the risks.

- In addition, our ability to meet our payment and other obligations of the Preferred Stock, the Unsecured Notes and our credit facility 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 provide assurance that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing credit facility or otherwise, in an amount sufficient to enable us to meet our payment obligations under the Preferred Stock, the Unsecured 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 and preferred equity obligations, we may need to refinance or restructure our debt or preferred equity, including the Unsecured 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 Preferred Stock, the Unsecured Notes and our other debt.

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

The below calculation assumes (i) \$8.4 billion in total assets, (ii) an average cost of funds of **5.52%** **5.63%** (including preferred dividend payments), (iii) \$2.5 billion in debt outstanding, (iv) \$0.9 billion in liquidation preference of 5.50% Preferred Stock outstanding, (v) \$0.15 billion in 5.35% Preferred Stock outstanding, (vi) \$1.2 billion in liquidation preference of 6.50% Preferred Stock outstanding, and (vi) \$3.7 billion of common stockholders' equity.

| Assumed Return on Our Portfolio (net of expenses) | Assumed Return on Our Portfolio (net of expenses) | (10)% | (5)% | 0% | 5% | 10% | Assumed Return on Our Portfolio (net of expenses) | (10)% | (5)% |
|--|--|---------|---------|--------|------|-------|--|---------|---------|
| Corresponding Return to Common Stockholder(1) | Corresponding Return to Common Stockholder(1) | (29.7)% | (18.4)% | (7.0)% | 4.3% | 15.7% | Corresponding Return to Common Stockholder(1) | (29.9)% | (18.5)% |

The below calculation assumes (i) \$8.4 billion in total assets, (ii) an average cost of funds of **5.09%** **5.29%** (including preferred dividend payments), (iii) \$2.5 billion in debt outstanding, (iv) \$0.15 billion in 5.35% Preferred Stock outstanding, and (v) \$5.8 billion of common stockholders' equity.

| Assumed Return on Our Portfolio (net of expenses) | Assumed Return on Our Portfolio (net of expenses) | (10)% | (5)% | 0% | 5% | 10% | Assumed Return on Our Portfolio (net of expenses) | (10)% | (5)% |
|--|--|---------|--------|--------|------|-------|--|---------|--------|
| Corresponding Return to Common Stockholder(2) | Corresponding Return to Common Stockholder(2) | (16.8)% | (9.5)% | (2.3)% | 5.0% | 12.2% | Corresponding Return to Common Stockholder(2) | (16.9)% | (9.7)% |

(1) Assumes no conversion of 5.50% Preferred Stock and 6.50% Preferred Stock to common stock.

(2) Assumes the conversion of \$0.9 billion in 5.50% Preferred Stock and **\$1.2 billion** **\$1.2 billion** in 6.50% Preferred Stock at a conversion rate based on the 5-day VWAP of our common stock on **March 31**.

2023 **September 30, 2023**, which was **\$6.89** **\$6.00**, and a Holder Optional Conversion Fee (as defined in the prospectus supplement relating to the applicable offering) of 9.00% on Series A1 Preferred Stock, Series A3 Preferred Stock, and Series AA2 Preferred Stock of the maximum public offering price disclosed within the applicable prospectus supplements. The actual 5-day VWAP of our common stock on a Holder Conversion Exercise Date may be more or less than **\$6.89** **\$6.00**, which may result in more or less shares of common stock issued.

The assumed portfolio return is required by regulation of the SEC and is not a prediction of, and does not represent, our projected or actual performance. Actual returns may be greater or less than those appearing in the table.

Pursuant to SEC regulations, this table is calculated as of **March 31, 2023** **September 30, 2023**. As a result, it has not been updated to take into account any changes in assets or leverage since **March 31, 2023** **September 30, 2023**.

General Risk Factors

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the level of structuring fees received, the interest or dividend rates payable on the debt or equity securities we hold, the default rate on debt securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets, and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

The U.S. and global capital markets are subject to systemic risk that could adversely affect our business, financial condition and results of operations.

Issuers, national and regional banks, financial institutions and other participants in the U.S. and global capital markets are closely interrelated as a result of credit, trading, clearing, technology and other relationships. A significant adverse development (such as a bank run, insolvency, bankruptcy or default) with one or more national or regional banks, financial institutions or other participants in the financial or capital markets may spread to others and lead to significant concentrated or market-wide problems (such as defaults, liquidity problems, impairment charges, additional bank runs and/or losses) for other participants in these markets. Future developments, including actions taken by the U.S. Department of Treasury, FDIC, Federal Reserve Board, and systemic risk in the U.S. and global banking sectors and broader economies in general, are difficult to assess and quantify, and the form and magnitude of such developments or other actions of the U.S. Department of Treasury, FDIC and Federal Reserve Board may remain unknown for significant periods of time and could have an adverse effect on the Company.

For example, in response to the rapidly declining financial condition of regional banks Silicon Valley Bank ("SVB") and Signature Bank ("Signature"), the California Department of Financial Protection and Innovation (the "CDFPI") and the New York State Department of Financial Services (the "NYSDFS") closed SVB and Signature on March 10, 2023 and March 12, 2023, respectively, and the Federal Deposit Insurance Corporation ("FDIC") was appointed as receiver for SVB and Signature. Similarly, on May 1, 2023 the FDIC announced that the CDFPI had closed First Republic Bank, the FDIC had seized its assets and JP Morgan Chase had agreed to purchase First Republic's assets at auction. Although the U.S. Department of the Treasury, the Federal Reserve and the FDIC have taken measures to stabilize the financial system, uncertainty and liquidity concerns in the broader financial services industry remain. Additionally, should there be additional systemic pressure on the financial system and capital markets, we cannot assure you of the response of any government or regulator, and any response may not be as favorable to industry participants as the measures currently being pursued. In addition, highly publicized issues related to the U.S. and global capital markets in the past have led to significant and widespread investor concerns over the integrity of the capital markets. The current situation related to SVB and Signature could in the future lead to further rules and regulations for public companies, banks, financial institutions and other participants in the U.S. and global capital markets, and complying with the requirements of any such rules or regulations may be burdensome. Even if not adopted, evaluating and responding to any such proposed rules or regulations could result in increased costs and require significant attention from our Investment Adviser.

Item 2. Unregistered Sales of Equity Securities, and Use of Proceeds, and Issuer Purchases of Equity Securities

Not applicable. Our Board of Directors authorized us to repurchase our Series A Preferred Stock. The manner, price, volume and timing of preferred share repurchases are subject to a variety of factors, including market conditions and applicable SEC rules.

During the quarter ended September 30, 2023, the Company repurchased 62,309 shares of Series A Preferred Stock for a total cost of approximately \$1,001, including fees and commissions paid to the broker, representing an average repurchase price of \$15.88 per share. The monthly breakdown of repurchases is as follows:

| Period | Total Number of 5.35% Series A Preferred Stock | Average price paid per share | Total Number 5.35% Series A Preferred Stock Shares Repurchased as Part of Publicly Announced Plans or Programs(1) | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(2)(3)(4)(5) |
|--|--|------------------------------|---|--|
| July 1, 2023 - July 31, 2023 | 38,824 | \$ 16.30 | 38,824 | \$ 1,461,176 |
| August 1, 2023 - August 31, 2023 | — | — | — | 1,461,176 |
| September 1, 2023 - September 30, 2023 | 23,485 | 15.48 | 23,485 | 1,437,691 |
| Total | 62,309 | \$ 15.88 | 62,309 | \$ 1,437,691 |

(1) The notice of the potential repurchase of shares of our outstanding preferred stock occurs in our offering documents and/or quarterly reports.

(2) Any or all shares of Series A Preferred Stock may be repurchased subject to a variety of factors, including market conditions and applicable SEC rules.

(3) Purchases of shares of Series A Preferred Stock are ongoing.

(4) Purchases of shares of Series A Preferred Stock are ongoing.

(5) Purchases of shares of Series A Preferred Stock are ongoing.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended September 30, 2023, no director or Section 16 officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Our common stock is traded on the NASDAQ Global Select Market under the symbol "PSEC."

The following table sets forth, for the quarterly reporting periods indicated, the net asset value per common share of our common stock and the high and low sales prices for our common stock, as reported on the NASDAQ Global Select Market. Our common stock historically has traded at prices both above and below its net asset value. There can be no assurance, however, that such premium or discount, as applicable, to net asset value will be maintained. See also "Item 1A. Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended **June 30, 2022** **June 30, 2023** for additional information about the risks and uncertainties we face.

| | Stock Price | | | Premium (Discount) of High to NAV | Premium (Discount) of Low to NAV | Stock Price | | | Premium (Discount) of High to NAV | Premium (Discount) of Low to NAV |
|---------------------------------|-------------|---------|---------|-----------------------------------|----------------------------------|---------------------------------|----------|---------|-----------------------------------|----------------------------------|
| | NAV(1) | High(2) | Low(2) | | | NAV(1) | High(2) | Low(2) | | |
| Year Ended June 30, 2021 | | | | | | | | | | |
| First quarter | \$ 8.40 | \$ 5.17 | \$ 4.69 | (38.5) % | (44.2) % | | | | | |
| Second quarter | 8.96 | 5.60 | 4.95 | (37.5) % | (44.8) % | | | | | |
| Third quarter | 9.38 | 7.98 | 5.51 | (14.9) % | (41.3) % | | | | | |
| Fourth quarter | 9.81 | 9.22 | 7.62 | (6.0) % | (22.3) % | | | | | |
| Year Ended June 30, 2022 | | | | | | Year Ended June 30, 2022 | | | | |
| First quarter | \$ 10.12 | \$ 8.46 | \$ 7.69 | (16.4) % | (24.0) % | First quarter | \$ 10.12 | \$ 8.46 | \$ 7.69 | (16.4) % |
| Second quarter | 10.60 | 9.00 | 7.83 | (15.1) % | (26.1) % | Second quarter | 10.60 | 9.00 | 7.83 | (15.1) % |

| | | | | | | | | | | | | |
|---|----------------|----------|---------|---------|----------|----------|----------------|----------|---------|---------|----------|----------|
| Third quarter | Third quarter | 10.81 | 8.89 | 7.86 | (17.8) % | (27.3) % | Third quarter | 10.81 | 8.89 | 7.86 | (17.8) % | (27.3) % |
| Fourth quarter | Fourth quarter | 10.48 | 8.48 | 6.68 | (19.1) % | (36.3) % | Fourth quarter | 10.48 | 8.48 | 6.68 | (19.1) % | (36.3) % |
| Twelve Months Ending June 30, 2023 | | | | | | | | | | | | |
| Year Ended June 30, 2023 | | | | | | | | | | | | |
| First quarter | | | | | | | | | | | | |
| First quarter | First quarter | \$ 10.01 | \$ 8.18 | \$ 6.11 | (18.3) % | (39.0) % | First quarter | \$ 10.01 | \$ 8.18 | \$ 6.11 | (18.3) % | (39.0) % |
| Second quarter | Second quarter | 9.94 | 7.82 | 6.39 | (21.3) % | (35.7) % | Second quarter | 9.94 | 7.82 | 6.39 | (21.3) % | (35.7) % |
| Third quarter | Third quarter | 9.48 | 7.66 | 6.67 | (19.2) % | (29.6) % | Third quarter | 9.48 | 7.66 | 6.67 | (19.2) % | (29.6) % |
| Fourth quarter | | | | | | | Fourth quarter | 9.24 | 6.94 | 6.08 | (24.9) % | (34.2) % |
| Twelve Months Ending June 30, 2024 | | | | | | | | | | | | |
| First quarter | | | | | | | | | | | | |
| | | | | | | | First quarter | \$ 9.25 | \$ 6.65 | \$ 5.94 | (28.1) % | (35.8) % |

(1) Net asset value per common share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per common share on the date of the high or low sales price. The NAVs shown are based on outstanding shares of our common stock at the end of each period.

(2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.

As of **May 8, 2023** **November 7, 2023**, we had approximately **172,177** stockholders of record.

The below table sets forth each class of our outstanding securities as of **May 8, 2023** **November 7, 2023**:

| Title of Class of Securities | Title of Class | Amount Authorized | Amount Held by Registrant or for its Account | | Title of Class of Securities | Amount Authorized | Amount Held by Registrant or for its Account | Amount Outstanding Exclusive of Amount held by Registrant or for its Account |
|------------------------------|------------------------------|-------------------|--|--------------------|------------------------------|-------------------|--|--|
| | | | Amount Outstanding | Amount Outstanding | | | | |
| Common Stock | Common Stock | 1,552,100,000 | — | 402,169,399 | Common Stock | 1,552,100,000 | — | 410,385,847 |
| Preferred Stock | Preferred Stock | 447,900,000 | — | 59,947,840 | Preferred Stock | 447,900,000 | — | 65,474,010 |
| 2025 Notes | 2025 Notes | \$ 201,250 | — | \$ 156,168 | 2025 Notes | \$ 201,250 | — | \$ 156,168 |
| 6.375% 2024 Notes | 6.375% 2024 Notes | \$ 100,000 | — | \$ 81,240 | 6.375% 2024 Notes | \$ 100,000 | — | \$ 81,240 |
| 2026 Notes | 2026 Notes | \$ 400,000 | — | \$ 400,000 | 2026 Notes | \$ 400,000 | — | \$ 400,000 |
| 3.364% 2026 Notes | 3.364% 2026 Notes | \$ 300,000 | — | \$ 300,000 | 3.364% 2026 Notes | \$ 300,000 | — | \$ 300,000 |
| 3.437% 2028 Notes | 3.437% 2028 Notes | \$ 300,000 | — | \$ 300,000 | 3.437% 2028 Notes | \$ 300,000 | — | \$ 300,000 |
| Prospect Capital InterNotes® | Prospect Capital InterNotes® | \$ 1,000,000 | — | \$ 358,099 | Prospect Capital InterNotes® | \$ 1,000,000 | — | \$ 359,175 |

Recent Sales of Common Stock Below Net Asset Value

At our 2009, 2010, 2011, 2012 and 2013 annual meeting of stockholders, and at special meetings of stockholders held on June 12, 2020, June 11, 2021, **June 10, 2022**, and **June 10, 2022** June 9, 2023 our stockholders approved our ability to sell shares of our common stock at a price or prices below our NAV per common share at the time of sale in one or more offerings. The current approval to sell shares of our common stock below our NAV per common share is valid until **June 10, 2023** June 9, 2024 and subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of our outstanding common stock immediately prior to such sale). Accordingly, we may make offerings of our common stock without any limitation on the total amount of dilution to stockholders. Our prospectus supplement and accompanying prospectus relating to this offering contains additional information about these offerings. Pursuant to the authority granted by our stockholders and the approval of our Board of Directors, we have made the following **offerings: offerings below NAV per common share:**

| Date of Offering | Price Per Share to Investors | Shares Issued | Estimated Net Asset Value per Common Share(1) | Percentage Dilution |
|-----------------------------------|------------------------------|---------------|---|---------------------|
| June 15, 2020 to June 22, 2020(2) | \$5.29 - \$5.40 | 1,158,222 | \$7.93 - 7.94 | 0.10% |

(1) The data for sales of common shares below NAV pursuant to our equity distribution agreements are estimates based on our last reported NAV prior to the respective period adjusted for capital events occurring during the period since the last calculated NAV. All amounts presented are approximations based on the best available data at the time of issuance.

(2) At the market offering. Dates of offering represent the sales dates of the stock. The settlement dates are two business days later than the sale dates.

On March 13, 2023, we filed a notice of meeting and definitive proxy statement in connection with a special meeting of our stockholders that is scheduled to be held on June 9, 2023 for the purpose of asking our stockholders to vote on a proposal to authorize us, with approval of our Board of Directors, to sell shares of our common stock (during the next 12 months) at a price or prices below our then current net asset value per share in one or more offerings subject to certain conditions as set forth in the proxy statement relating to the special meeting (including that the number of shares sold on any given date does not exceed 25% of our outstanding common stock immediately prior to such sale).

FEES AND EXPENSES

The following tables are intended to assist you in understanding the costs and expenses that an investor in shares of common stock will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. These tables are based on our assets and common stock outstanding as of **March 31, 2023** September 30, 2023, except that we assume that we have issued \$0.9 billion in 5.50% Preferred Stock paying dividends of 5.50% per annum, \$1.2 billion in 6.50% Preferred Stock paying dividends of 6.50% per annum, in addition to our \$0.15 billion of 5.35% Preferred Stock paying dividends of 5.35% per annum, and that we have borrowed **\$1.8 billion** \$1.95 billion under our credit facility, which is the maximum amount available under the credit facility with the current levels of other debt, in addition to our other indebtedness of \$1.6 billion. Except where the context suggests otherwise, any 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's common stock. 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: | Stockholder transaction expenses: | AA1 Shares, MM1 Shares, AA2 Shares, and MM2 Shares | | | Stockholder transaction expenses: | AA1 Shares, MM1 Shares, AA2 Shares, and MM2 Shares | | |
|---|---|--|------------------|------------------------|-----------------------------------|--|-----------------------|---|
| | | M1, M2, and M3 Shares | A1 and A3 Shares | Shares, and MM2 Shares | | A1 and A3 Shares | M1, M2, and M3 Shares | Shares, and MM2 Shares |
| Sales Load (as a percentage of offering price) | Sales Load (as a percentage of offering price) | 10.00% | (1) | 3.00% | (2) | 5.00% | (3) | Sales Load (as a percentage of offering price) |
| Offering expenses borne by the Company (as a percentage of offering price) | Offering expenses borne by the Company (as a percentage of offering price) | (4) | (4) | (5) | (4) | (4) | (4) | Offering expenses borne by the Company (as a percentage of offering price) |
| Preferred Stock Dividend reinvestment plan expenses (6) | Preferred Stock Dividend reinvestment plan expenses (6) | None | None | None | None | None | None | Preferred Stock Dividend reinvestment plan expenses (6) |
| Total stockholder transaction expenses (as a percentage of offering price): | Total stockholder transaction expenses (as a percentage of offering price): | 11.5% | 4.5% | 6.0% | 11.5% | 4.5% | 6.0% | Total stockholder transaction expenses (as a percentage of offering price): |
| Annual expenses (as a percentage of net assets attributable to common stock): | Annual expenses (as a percentage of net assets attributable to common stock): | | | | | | | Annual expenses (as a percentage of net assets attributable to common stock): |

| | | | | |
|---|---|--------|---|--------|
| Management fees (7) | Management fees (7) | 4.97% | Management fees (7) | 5.06% |
| Incentive fees payable under Investment Advisory Agreement (20% of realized capital gains and 20% of pre-incentive fee net investment income) (8) | Incentive fees payable under Investment Advisory Agreement (20% of realized capital gains and 20% of pre-incentive fee net investment income) (8) | 2.31% | Incentive fees payable under Investment Advisory Agreement (20% of realized capital gains and 20% of pre-incentive fee net investment income) (8) | 2.75% |
| Total advisory fees | Total advisory fees | 7.28% | Total advisory fees | 7.81% |
| Total interest expenses (9) | Total interest expenses (9) | 5.29% | Total interest expenses (9) | 5.89% |
| Other expenses (10) | Other expenses (10) | 1.17% | Other expenses (10) | 0.53% |
| Total annual expenses (8)(10) (11) | Total annual expenses (8)(10) (11) | 13.74% | Total annual expenses (8)(10) (11) | 14.23% |
| Dividends on Preferred Stock(12) | Dividends on Preferred Stock(12) | 3.57% | Dividends on Preferred Stock(12) | 3.56% |
| Total annual expenses after dividends on Preferred Stock (13) | Total annual expenses after dividends on Preferred Stock (13) | 17.31% | Total annual expenses after dividends on Preferred Stock (13) | 17.79% |

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 have issued \$0.9 billion in 5.50% Preferred Stock paying dividends of 5.50% per annum, \$1.2 billion in 6.50% Preferred Stock paying dividends of 6.50% per annum, \$0.15 billion in 5.35% Preferred Stock paying dividends of 5.35% per annum, we have borrowed **\$1.8 billion** **\$1.95 billion** available under our line of credit, in addition to our other indebtedness of \$1.6 billion, and that our 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.

| | | 1 Year | 3 Years | 5 Years | 10 Years | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--|--------|---------|---------|----------|--|---------|---------|----------|
| | | | | | | | | | |
| Ongoing Preferred Stock Offerings ⁽¹⁾ - You would pay the following expenses on a \$1,000 investment in shares of our common stock, assuming a 5% annual return on our portfolio* | Ongoing Preferred Stock Offerings ⁽¹⁾ - You would pay the following expenses on a \$1,000 investment in shares of our common stock, assuming a 5% annual return on our portfolio* | | | | | Ongoing Preferred Stock Offerings ⁽¹⁾ - You would pay the following expenses on a \$1,000 investment in shares of our common stock, assuming a 5% annual return on our portfolio* | | | |
| | | \$ 200 | \$ 442 | \$ 637 | \$ 978 | | \$ 201 | \$ 443 | \$ 638 |
| | | | | | | | | | \$ 979 |

| | | |
|--|--|--|
| Ongoing | Ongoing | Ongoing |
| Preferred | Preferred | Preferred |
| Stock | Stock | Stock |
| Offerings ⁽¹⁾ - | Offerings ⁽¹⁾ - | Offerings ⁽¹⁾ - |
| You would pay the following expenses on a \$1,000 investment in shares of our common stock, assuming a 5% annual return on our portfolio** | You would pay the following expenses on a \$1,000 investment in shares of our common stock, assuming a 5% annual return on our portfolio** | You would pay the following expenses on a \$1,000 investment in shares of our common stock, assuming a 5% annual return on our portfolio** |
| | \$ 210 | \$ 210 |
| | \$ 463 | \$ 464 |
| | \$ 663 | \$ 665 |
| | \$ 1,001 | \$ 1,002 |

(1) Represents the highest level of expenses from all ongoing Preferred Stock offerings references in the Fee and Expenses table above, assuming the maximum number of shares of Preferred Stock offered in each offering is sold. Presently a maximum of 72 million A1, A3, M1, M2, and M3 shares may be sold, and a maximum of 10 million AA1, AA2, MM1 and MM2 shares may be sold.

* Assumes that we will not realize any capital gains computed net of all realized capital losses and unrealized capital depreciation on our portfolio.

** Assumes no unrealized capital depreciation or realized capital losses and 5% annual return on our portfolio resulting entirely from net realized capital gains (and therefore subject to the capital gains incentive fee).

While the example assumes, as required by the SEC, a 5% annual return on our portfolio, our performance will vary and may result in a return greater or less than 5%. The income incentive fee under our Investment Advisory Agreement with Prospect Capital Management is unlikely to be material assuming a 5% annual return on our portfolio and is not included in the example. If we achieve sufficient returns on our portfolio, including through the realization of capital gains, to trigger an incentive fee of a material amount, our distributions to our common stockholders and our expenses would likely be higher. In addition, while the example assumes reinvestment of all dividends and other distributions at NAV, common stockholders that participate in our common stock dividend reinvestment plan will receive a number of shares of our common stock determined by dividing the total dollar amount of the distribution payable to a participant by 95% of the market price per share of our common stock at the close of trading on the valuation date for the distribution.

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.

(1) Includes up to a 7.0% selling commission on the \$25.00 per share (the "Stated Value") paid by the Company and a dealer manager fee equal to 3.0% of the Stated Value paid by the Company. Reductions in selling commissions will be reflected in reduced public offering prices as described in the "Plan of Distribution" section of the applicable prospectus supplement and the net proceeds to us will not be impacted by such reductions; therefore, we will bear a reduction in net proceeds to us up to 7.0% of the Stated Value on all **A1 and A3** Shares although the selling commission compensation paid by us to our dealer manager may represent less than 7.0% of the Stated Value. We may, through the Holder Optional Conversion Fee, recoup a portion of the Sales Load if stockholders exercise a Holder Optional Conversion (as defined in the prospectus supplement relating to the applicable offering) of their Preferred Stock prior to the 5-year anniversary of the original issue date. The Holder Optional Conversion Fee is 9.00% of the maximum public offering price disclosed herein prior to the first anniversary of the issuance of such Preferred Stock, 8.00% of the maximum public offering price disclosed herein on or after the first anniversary but prior to the second anniversary, 7.00% of the maximum public offering price disclosed herein on or after the second anniversary but prior to the third anniversary, 6.00% of the maximum public offering price disclosed herein on or after the third anniversary but prior to the fourth anniversary, 5.00% of the maximum public offering price disclosed herein on or after the fourth anniversary but prior to the fifth anniversary and 0.00% on or after the fifth anniversary.

(2) Includes a dealer manager fee equal to 3.0% of the Stated Value paid by the Company.

(3) Includes up to a 4.875% selling commission on the \$25.00 per share (the "Stated Value") paid by the Company and a dealer manager fee equal to 0.125% of the Stated Value paid by the Company. For the AA1 Shares and AA2 Shares we may, through the Holder Optional Conversion Fee, recoup a portion of the Sales Load if stockholders exercise a Holder Optional Conversion (as defined in the prospectus supplement relating to the applicable offering) of their Preferred Stock prior to the **5-year** **5** year anniversary of the original issue date. The Holder Optional Conversion Fee is 9.00% of the maximum public offering price disclosed herein prior to the first anniversary of the issuance of such Preferred Stock, 8.00% of the maximum public offering price disclosed herein on or after the first anniversary but prior to the second anniversary, 7.00% of the maximum public offering price disclosed herein on or after the second anniversary but prior to the third anniversary, 6.00% of the maximum public offering price disclosed herein on or after the third anniversary but prior to the fourth anniversary, 5.00% of the maximum public offering price disclosed herein on or after the fourth anniversary but prior to the fifth anniversary and 0.00% on or after the fifth anniversary.

(4) The selling commission and dealer manager fee, when combined with organization and offering expenses (including due diligence expenses and fees for establishing servicing arrangements for new stockholder accounts), are not expected to exceed 11.5% of the gross offering proceeds. Our Board of Directors may, in its discretion, authorize the Company to incur underwriting and other offering expenses in excess of 11.5% of the gross offering proceeds. In no event will the combined selling commission, dealer manager fee and offering expenses exceed FINRA's limit on underwriting and other offering expenses.

(5) The selling commission and dealer manager fee, when combined with organization and offering expenses (including due diligence expenses), are not expected to exceed 6.0% of the gross offering proceeds. Our Board of Directors may, in its discretion, authorize the Company to incur underwriting and other offering expenses in excess of 6.0% of the gross offering proceeds. In no event will the combined selling commission, dealer manager fee and offering expenses exceed FINRA's limit on underwriting and other offering expenses.

(6) The expenses of the Preferred DRIP are included in "other expenses." See "Capitalization" in the applicable prospectus supplement.

(7) 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 and have no intention of borrowing). Although no plans are in place to borrow the full amount under our line of credit, assuming that we borrowed \$1.8 \$1.95 billion, the 2% management fee of gross assets equals approximately 4.97% 5.06% of net assets.

(8) Based on our net investment income and realized capital gains, less realized and unrealized capital losses, earned on our portfolio for the six three months ended March 31, 2023 September 30, 2023, all of which consisted of an income incentive fee. This historical amount has been adjusted to reflect the issuance of 82,187,000 shares of combined 5.50% Preferred Stock and 6.50% Preferred Stock. 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 "Management Services-Investment Advisory Agreement" in the applicable prospectus.

(9) As of March 31, 2023 September 30, 2023, we had \$1.6 billion outstanding of Unsecured Notes (as defined below) in various maturities, ranging from January 15, 2024 to March 15, 2052, and interest rates, ranging from 1.50% to 6.625%, some of which are convertible into shares of the Company's common stock at various conversion rates.

(10) "Other expenses" are based on estimated amounts for the current fiscal year. The amount shown above represents annualized expenses during our six three months ended March 31, 2023 September 30, 2023 representing all of our estimated recurring operating expenses (except fees and expenses reported in other items of this table) that are deducted from our 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 is based on our projected allocable portion of overhead and other expenses incurred by Prospect Administration in performing its obligations under the Administration Agreement. See "Business-Management Services-Administration Agreement" in the applicable prospectus.

(11) If all 82,187,000 shares of combined 5.50% Preferred Stock and 6.50% Preferred Stock were converted into common stock and assuming all the Series A1, Series A3, and Series AA2 Preferred Stock pay a Holder Optional Conversion Fee of 9.00% and all the Series A2 Preferred Stock pay a Holder Optional Conversion Fee of 7.50% of the maximum public offering price disclosed within the applicable prospectus supplement and are converted at a conversion rate based on the 5-day VWAP of our common stock on March 31, 2023 September 30, 2023, which was \$6.89 \$6.05, then management fees would be 3.21% 3.26%, incentive fees payable under our Investment Advisory Agreement would be 1.49% 1.77%, total advisory fees would be 4.70% 5.03%, total interest expenses would be 3.41% 3.80%, other expenses would be 0.75% 0.35%, and total annual expenses would be 8.86% 9.18% of net assets attributable to our common stock. The actual 5-day VWAP of our common stock on a conversion date may be more or less than \$6.89, \$6.05, which may result in fees that are higher or lower than those described herein. These figures are based on the same assumptions described in the other notes to this fee table.

(12) Based on the 5.50% per annum dividend rate applicable to the A1 Shares, M1 Shares, M2 Shares, AA1 Shares, MM1 Shares, and A2 Shares. Also based on the 5.35% per annum dividend rate applicable to the A Shares. Also based on the 6.50% per annum dividend rate applicable to the A3 Shares, M3 Shares, AA2 Shares, and MM2 Shares. Other series of preferred stock, including other series of preferred stock being sold in different offerings, may bear different annual dividend rates. No dividend will be paid on shares of Preferred Stock after they have been converted to shares of common stock.

(13) The indirect expenses associated with the Company's investments in collateralized loan obligations are not included in the fee table presentation, but if such expenses were included in the fee table presentation then the Company's total annual expenses would have been 14.34% 14.77%, or 17.91% 18.33% after dividends on Preferred Stock.

Financial Highlights

The financial highlights for each of the five years ended in the period ended June 30, 2022 are presented within Note 16. *Financial Highlights* within our consolidated financial statements. The following is a schedule of financial highlights for each of the fiscal years ended June 30, 2017, June 30, 2016, June 30, 2015, June 30, 2014, and June 30, 2013:

| | Year Ended June 30, | | | | |
|---|---------------------|----------|-----------|----------|----------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Per Share Data | | | | | |
| Net asset value at beginning of year | \$ 9.62 | \$ 10.31 | \$ 10.56 | \$ 10.72 | \$ 10.83 |
| Net investment income(1) | 0.85 | 1.04 | 1.03 | 1.19 | 1.57 |
| Net realized and change in unrealized (losses)(1) | (0.15) | (0.75) | (0.05) | (0.13) | (0.50) |
| Net increase from operations | 0.70 | 0.29 | 0.98 | 1.06 | 1.07 |
| Distributions of net investment income | (1.00) | (1.00) | (1.19) | (1.32) | (1.28) |
| Common stock transactions(2) | — | (4) | 0.02 | (0.04) | 0.10 |
| Net asset value at end of year | \$ 9.32 | \$ 9.62 | \$ 10.31 | \$ 10.56 | \$ 10.72 |
| Per share market value at end of year | \$ 8.12 | \$ 7.82 | \$ 7.37 | \$ 10.63 | \$ 10.80 |
| Total return based on market value(3) | 16.80 % | 21.84 % | (20.84 %) | 10.88 % | 6.24 % |
| Total return based on net asset value(3) | 8.98 % | 7.15 % | 11.47 % | 10.97 % | 10.91 % |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Shares of common stock outstanding at end of year | 360,076,933 | 357,107,231 | 359,090,759 | 342,626,637 | 247,836,965 |
| Weighted average shares of common stock outstanding | 358,841,714 | 356,134,297 | 353,648,522 | 300,283,941 | 207,069,971 |
| Ratios/Supplemental Data | | | | | |
| Net assets at end of year | \$ 3,354,952 | \$ 3,435,917 | \$ 3,703,049 | \$ 3,618,182 | \$ 2,656,494 |
| Portfolio turnover rate | 23.65 % | 15.98 % | 21.89 % | 15.21 % | 29.24 % |
| Ratio of operating expenses to average net assets | 11.57 % | 11.95 % | 11.66 % | 11.11 % | 11.50 % |
| Ratio of net investment income to average net assets | 8.96 % | 10.54 % | 9.87 % | 11.18 % | 14.86 % |

(1) Per share data amount 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) Common stock transactions include the effect of our issuance of common stock in public offerings (net of underwriting and offering costs), shares issued in connection with our dividend reinvestment plan, shares issued to acquire investments and shares repurchased below net asset value pursuant to our Repurchase Program.

(3) 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 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 period and assumes that dividends are reinvested in accordance with our dividend reinvestment plan.

(4) Amount is less than \$0.01.

Item 6. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC (according to the number assigned to them in Item 601 of Regulation S-K):

Exhibit No.

3.1

[Articles of Amendment and Restatement\(1\)](#)

3.2

[Amended and Restated Bylaws\(2\)](#)

3.3 [Articles of Amendment\(3\)](#)

3.4 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation \(4\)](#)

3.5 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation \(5\)](#)

Exhibit No.

3.6 [Certificate of Correction to the Articles Supplementary of Prospect Capital Corporation\(6\)](#)

3.7 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation \(7\)](#)

3.8 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation \(8\)](#)

3.9 [Certificate of Correction to the Articles Supplementary of Prospect Capital Corporation\(9\)](#)

3.10 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(10\)](#)

3.11 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(12\) Corporation\(11\)](#)

3.12 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(15\) Corporation\(12\)](#)

3.13 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(16\) Corporation\(13\)](#)

3.14 [Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation\(25\) Corporation\(14\)](#)

4.1 [One Thousand One Two Hundred Ninety-Sixth Seventy-Fifth Supplemental Indenture dated as of January 6,](#)

2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(17).

4.2 One Thousand One Hundred Ninety-Seven Supplemental Indenture dated as of January 6, 2023 July 7, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(17) 2026(15).

4.2 One Thousand Two Hundred Seventy-Six Supplemental Indenture dated as of July 7, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(15).

4.3 One Thousand One Two Hundred Ninety-Eighti Seventy-Seventh Supplemental Indenture dated as of January 6, 2023 July 7, 2023, to the U.S. Bank Indenture, and Form of 5.950% 6.250% Prospect Capital InterNote® due 2033(17) 2033(15).

4.4 One Thousand One Two Hundred Ninety-Ninth Seventy-Eighth Supplemental Indenture dated as of January 12, 2023 July 7, 2023, to the U.S. Bank Indenture, and Form of 5.500% 6.500% Prospect Capital InterNote® due 2026(18) 2043(15).

4.5 One Thousand Two Hundredth Hundred Seventy-Ninth Supplemental Indenture dated as of January 12, 2023 July 13, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(18) 2026(16).

4.6 One Thousand Two Hundred First Eightieth Supplemental Indenture dated as of January 12, 2023 July 13, 2023, to the U.S. Bank Indenture, and Form of 5.950% 6.000% Prospect Capital InterNote® due 2033(18) 2029(16).

4.7 One Thousand Two Hundred Second Eighty-First Supplemental Indenture dated as of January 20, 2023 July 13, 2023, to the U.S. Bank Indenture, and Form of 5.500% 6.250% Prospect Capital InterNote® due 2026(19) 2033(16).

4.8 One Thousand Two Hundred Third Eighty-Second Supplemental Indenture dated as of January 20, 2023 July 13, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(16).

4.9 One Thousand Two Hundred Eighty-Third Supplemental Indenture dated as of July 20, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(19).

4.9 One Thousand Two Hundred Fourth Supplemental Indenture dated as of January 20, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(19) 2026(17).

4.10 One Thousand Two Hundred Fifth Eighty-Fourth Supplemental Indenture dated as of January 26, 2023 July 20, 2023, to the U.S. Bank Indenture, and Form of 5.500% 6.000% Prospect Capital InterNote® due 2026(20) 2029(17).

4.11 One Thousand Two Hundred Sixth Eighty-Fifth Supplemental Indenture dated as of January 26, 2023 July 20, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(17).

4.12 One Thousand Two Hundred Eighty-Sixth Supplemental Indenture dated as of July 20, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(17).

4.13 One Thousand Two Hundred Eighty-Seventh Supplemental Indenture dated as of July 27, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(20).

4.12 One Thousand Two Hundred Seventh Supplemental Indenture dated as of January 26, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(20).

4.13 One Thousand Two Hundred Eighth Supplemental Indenture dated as of February 2, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(21) 2026(18).

4.14 One Thousand Two Hundred Ninth Eighty-Eighth Supplemental Indenture dated as of February 2, 2023 July 27, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(18).

4.15 One Thousand Two Hundred Eighty-Ninth Supplemental Indenture dated as of July 27, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(18).

4.16 One Thousand Two Hundred Ninetieth Supplemental Indenture dated as of July 27, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(18).

4.17 One Thousand Two Hundred Ninety-First Supplemental Indenture dated as of August 3, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(21) 2026(19).

4.15 4.18 One Thousand Two Hundred Tenth Ninety-Second Supplemental Indenture dated as of February 2, 2023 August 3, 2023, to the U.S. Bank Indenture, and Form of 5.950% 6.000% Prospect Capital InterNote® due 2033(21) 2029(19).

4.16 4.19 One Thousand Two Hundred Eleventh Ninety-Third Supplemental Indenture dated as of February 9, 2023 August 3, 2023, to the U.S. Bank Indenture, and Form of 5.500% 6.250% Prospect Capital InterNote® due 2026(22) 2033(19).

4.17 4.2 One Thousand Two Hundred Twelfth Ninety-Fourth Supplemental Indenture dated as of February 9, 2023 August 3, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(19).

4.21 [One Thousand Two Hundred Ninety-Fifth Supplemental Indenture dated as of August 10, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029\(22\)](#)

4.18 [One Thousand Two Hundred Thirteenth Supplemental Indenture dated as of February 9, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033\(22\)](#)

4.19 [One Thousand Two Hundred Fourteenth Supplemental Indenture dated as of February 24, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026\(26\)](#)

4.2 [One Thousand Two Hundred Fifteenth Supplemental Indenture dated as of February 24, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029\(26\)](#)

4.21 [One Thousand Two Hundred Sixteenth Supplemental Indenture dated as of February 24, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033\(26\)](#)

4.22 [One Thousand Two Hundred Seventeenth Supplemental Indenture dated as of March 2, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026\(27\)](#)

4.23 [One Thousand Two Hundred Eighteenth Supplemental Indenture dated as of March 2, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029\(27\)](#)

4.24 [One Thousand Two Hundred Nineteenth Supplemental Indenture dated as of March 2, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033\(27\) 2026\(20\)](#)

Exhibit No.

4.25 4.22 [One Thousand Two Hundred Twentieth Ninety-Sixth Supplemental Indenture dated as of March 9, 2023 August 10, 2023, to the U.S. Bank Indenture, and Form of 5.500% 6.000% Prospect Capital InterNote® due 2026\(28\) 2029\(20\)](#)

4.26 4.23 [One Thousand Two Hundred Twenty-First Ninety-Seventh Supplemental Indenture dated as of March 9, 2023 August 10, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033\(20\)](#)

4.24 [One Thousand Two Hundred Ninety-Eighth Supplemental Indenture dated as of August 10, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043\(20\)](#)

4.25 [One Thousand Two Hundred Ninety-Ninth Supplemental Indenture dated as of August 17, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029\(28\) 2026\(21\)](#)

4.26 [One Thousand Three Hundred Ninth Supplemental Indenture dated as of August 17, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029\(21\)](#)

4.27 [One Thousand Two Three Hundred Twenty-Second First Supplemental Indenture dated as of March 9, 2023 August 17, 2023, to the U.S. Bank Indenture, and Form of 5.950% 6.250% Prospect Capital InterNote® due 2033\(28\) 2033\(21\)](#)

4.28 [One Thousand Two Three Hundred Twenty-Third Second Supplemental Indenture dated as of March 16, 2023 August 17, 2023, to the U.S. Bank Indenture, and Form of 5.500% 6.500% Prospect Capital InterNote® due 2026\(29\) 2043\(21\)](#)

4.29 [One Thousand Two Three Hundred Twenty-Fourth Third Supplemental Indenture dated as of March 16, 2023 August 24, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029\(29\) 2026\(22\)](#)

4.30 [One Thousand Two Three Hundred Twenty-Fifth Fourth Supplemental Indenture dated as of March 16, 2023 August 24, 2023, to the U.S. Bank Indenture, and Form of 5.950% 6.000% Prospect Capital InterNote® due 2033\(29\) 2029\(22\)](#)

4.31 [One Thousand Two Three Hundred Twenty-Sixth Fifth Supplemental Indenture dated as of March 23, 2023 August 24, 2023, to the U.S. Bank Indenture, and Form of 5.500% 6.250% Prospect Capital InterNote® due 2026\(30\) 2033\(22\)](#)

4.32 [One Thousand Two Three Hundred Twenty-Seventh Sixth Supplemental Indenture dated as of March 23, 2023 August 24, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043\(22\)](#)

4.33 [One Thousand Three Hundred Seventh Supplemental Indenture dated as of September 21, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029\(30\)](#)

4.33 [One Thousand Two Hundred Twenty-Eighth Supplemental Indenture dated as of March 23, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033\(30\) 2026\(23\)](#)

4.34 [One Thousand Two Three Hundred Twenty-Ninth Eighth Supplemental Indenture dated as of March 30, 2023 September 21, 2023, to the U.S. Bank Indenture, and Form of 5.500% 6.000% Prospect Capital InterNote® due 2026\(31\) 2029\(23\)](#)

| | |
|-----------|--|
| 4.35 | One Thousand Two Three Hundred Thirtieth Ninth Supplemental Indenture dated as of March 30, 2023 September 21, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(23) |
| 4.36 | One Thousand Three Hundred Tenth Supplemental Indenture dated as of September 21, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(23) |
| 4.37 | One Thousand Three Hundred Eleventh Supplemental Indenture dated as of September 28, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(31) 2026(24) |
| 4.36 4.38 | One Thousand Two Three Hundred Thirty-First Twelfth Supplemental Indenture dated as of March 30, 2023 September 28, 2023, to the U.S. Bank Indenture, and Form of 5.950% 6.000% Prospect Capital InterNote® due 2033(31) 2029(24) |
| 10.1 4.39 | Amendment No. 2 One Thousand Three Hundred Thirteenth Supplemental Indenture dated as of September 28, 2023, to Amended the U.S. Bank Indenture, and Restated Dealer Manager Agreement, dated October 7, 2022, between the Company, Preferred Form of 6.250% Prospect Capital Securities, LLC(13) InterNote® due 2033(24) |
| 10.2 4.40 | Amendment No. 1 One Thousand Three Hundred Fourteenth Supplemental Indenture dated as of September 28, 2023, to Amended the U.S. Bank Indenture, and Restated Dealer Manager Agreement, dated October 7, 2022, by and among the Company, Form of 6.500% Prospect Capital Management L.P., Prospect Administration LLC, InspereX LLC and the Agents named therein and added from time to time(14) |
| 10.3 | Amendment No. 3 to Amended and Restated Dealer Manager Agreement, dated February 10, 2023, between the Company, Preferred Capital Securities, LLC(24) |
| 10.4 | Amended and Restated Preferred Stock Dividend Reinvestment Plan(26) InterNote® due 2043(24) |
| 11 | Computation of Per Share Earnings (included in the notes to the financial statements contained in this report) |
| 12 | Computation of Ratios (included in the notes to the financial statements contained in this report) |
| 31.1 | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended* |
| 31.2 | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended* |
| 32.1 | Certification of Chief Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)* |
| 32.2 | Certification of Chief Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)* |
| 101.INS | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

* Filed herewith.

(1)

[Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on May 9, 2014.](#)

(2)

[Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on December 11, 2015.](#)

(3) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on August 4, 2020.](#)

(4) [Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on August 4, 2020.](#)

(5) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on November 4, 2020.](#)

(6) [Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on November 4, 2020.](#)

(7) [Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on May 26, 2021.](#)

(8) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on July 19, 2021.

(9) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on July 19, 2021.

(10) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on February 23, 2022.

(11) Incorporated by reference to Exhibit 10.1 3.1 of the Registrant's Form 8-K filed on February 23, 2022 June 9, 2022.

(12) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on June 9, 2022 October 12, 2022.

(13) Incorporated by reference to Exhibit 11.1 3.1 of the Registrant's Form 8-K, filed on October 12, 2022.

(14) Incorporated by reference to Exhibit 11.1 3.1 of the Registrant's Form 8-K, filed on October 12, 2022 February 13, 2023.

(15) Incorporated by reference from the Registrant's Post-Effective Amendment No. 20 to Exhibit 3.1 of the Registrant's Registration Statement on Form 8-K, N-2, filed on October 12, 2022 July 7, 2023.

(16) Incorporated by reference from the Registrant's Post-Effective Amendment No. 21 to Exhibit 3.1 of the Registrant's Registration Statement on Form 8-K, N-2, filed on October 12, 2022 July 13, 2023.

(17) Incorporated by reference from the Registrant's Post-Effective Amendment No. 130 22 to the Registration Statement on Form N-2, filed on December 30, 2022 July 20, 2023.

(18) Incorporated by reference from the Registrant's Post-Effective Amendment No. 131 23 to the Registration Statement on Form N-2, filed on January 6, 2023 July 27, 2023.

(19) Incorporated by reference from the Registrant's Post-Effective Amendment No. 132 24 to the Registration Statement on Form N-2, filed on January 12, 2023 August 3, 2023.

(20) Incorporated by reference from the Registrant's Post-Effective Amendment No. 133 25 to the Registration Statement on Form N-2, filed on January 20, 2023 August 10, 2023.

(21) Incorporated by reference from the Registrant's Post-Effective Amendment No. 134 26 to the Registration Statement on Form N-2, filed on January 26, 2023 August 17, 2023.

(22) Incorporated by reference from the Registrant's Post-Effective Amendment No. 135 27 to the Registration Statement on Form N-2, filed on February 2, 2023 August 24, 2023.

(23) Incorporated by reference from the Registrant's Post-Effective Amendment No. 136 28 to the Registration Statement on Form N-2, filed on February 9, 2023 September 21, 2023.

(24) Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on February 13, 2023.

(25) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on February 13, 2023.

(26) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on February 13, 2023.

(27) Incorporated by reference from the Registrant's Post-Effective Amendment No. 2 29 to the Registration Statement on Form N-2, filed on February 24, 2023.

(28) Incorporated by reference from the Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 2, 2023.

(29) Incorporated by reference from the Registrant's Post-Effective Amendment No. 4 to the Registration Statement on Form N-2, filed on March 9, 2023.

(30) Incorporated by reference from the Registrant's Post-Effective Amendment No. 5 to the Registration Statement on Form N-2, filed on March 16, 2023.

(31) Incorporated by reference from the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2, filed on March 23, 2023.

(32) Incorporated by reference from the Registrant's Post-Effective Amendment No. 7 to the Registration Statement on Form N-2, filed on March 30, 2023 September 28, 2023.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PROSPECT CAPITAL CORPORATION

May 9, November 8, 2023

Date

May 9, November 8, 2023

Date

By: /s/ JOHN F. BARRY III

John F. Barry III

Chairman of the Board and Chief Executive Officer

By: /s/ KRISTIN L. VAN DASK

Kristin L. Van Dask

Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, John F. Barry III, Chairman of the Board and Chief Executive Officer of Prospect Capital Corporation, certify that:

1. I have reviewed this quarterly report Quarterly Report on Form 10-Q of Prospect Capital Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a 15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over the financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, November 8, 2023

/s/ JOHN F. BARRY III

John F. Barry III

Chairman of the Board and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO RULE 13a-14(a)/15d-14(a)

I, Kristin L. Van Dask, Chief Financial Officer and Treasurer of Prospect Capital Corporation, certify that:

1. I have reviewed this **quarterly report** **Quarterly Report** on Form 10-Q of Prospect Capital Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a 15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over the financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 9, November 8, 2023**

/s/ KRISTIN L. VAN DASK

Kristin L. Van Dask
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the **quarterly report** **Quarterly Report** on Form 10-Q for the period ended **March 31, 2023** **September 30, 2023** (the "Report") of Prospect Capital Corporation (the "Registrant"), as filed with the Securities and Commission on the date hereof, I, John F. Barry III, Chairman of the Board and Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: **May 9, November 8, 2023**

/s/ JOHN F. BARRY III

John F. Barry III

Chairman of the Board and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Prospect Capital Corporation and will be retained by Prospect Capital Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. ss. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the **quarterly report** **Quarterly Report** on Form 10-Q for the period ended **March 31, 2023** **September 30, 2023** (the "Report") of Prospect Capital Corporation (the "Registrant"), as filed with the Securities and Commission on the date hereof, I, Kristin L. Van Dask, Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: **May 9, November 8, 2023**

/s/ KRISTIN L. VAN DASK

Kristin L. Van Dask

Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Prospect Capital Corporation and will be retained by Prospect Capital Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. ss. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2023, Refinitiv. All rights reserved. Patents Pending.