

PROSPECT CAPITAL CORP
Form 497
March 25, 2013

Prospect Capital Corporation Prospect Capital InterNotes® Floating Senior Notes due 2023 (the "Notes")

Filed under Rule 497, Registration Statement No. 333-183530

Pricing Supplement No. 76 Dated Monday, March 25, 2013 (To: Prospectus Dated October 29, 2012, and Prospectus Supplement Dated March 4, 2013)

| CUSIP Number | ISIN Number | Principal Amount | Selling Price | Gross Concession | Net Proceeds | Coupon Type | Interest Payment Frequency |
|----------------|-----------------------------|--|---|---------------------|------------------------|-----------------------------------|----------------------------|
| 74348YCZ2 | US74348YCZ25 | \$280,000.00 | 100.000% | 2.200% | \$273,840.00 | Floating | Quarterly |
| Maturity Date | 1 st Coupon Date | Base Rate | Index Maturity | Spread | Spread Multiplier | Initial Base Rate | |
| 03/15/2023 | 06/15/2013 | LIBOR | 3 months | 3.000% per annum | Not applicable | LIBOR in effect on March 26, 2013 | |
| Maximum Rate | Minimum Rate | Interest Determination Date | Interest Reset Dates* | Survivor's Option | Product Ranking | | |
| Not applicable | Not applicable | The second London business day preceding the Interest Reset Date | March 15, June 15, September 15 and December 15 of each year* | Yes | Senior Unsecured Notes | | |

*

Subject to adjustment pursuant to the following business day convention

Redemption Information: Callable at 100.000% on March 15, 2014 and every coupon date thereafter.
Trade Date: Monday, March 25, 2013 @ 12:00 PM ET
Settle Date: Thursday, March 28, 2013
Minimum Denomination/Increments: \$1,000.00/\$1,000.00
Initial trades settle flat and clear SDFS: DTC Book Entry only

The Note will be issued pursuant to the Indenture, dated as of February 16, 2012, as amended and supplemented by that certain Seventy-Sixth Supplemental Indenture, dated as of March 28, 2013.

The date from which interest shall accrue on the Notes is Thursday, March 28, 2013. The "Interest Payment Dates" for the Notes shall be March 15, June 15, September 15 and December 15 of each year, commencing June 15, 2013; the interest payable on any Interest Payment Date, will be paid to the Person in whose name the Note (or one or more predecessor Notes) is registered at the close of business on the Regular Record Date (as defined in the Indenture) for such

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interest, which shall be March 1, June 1, September 1 or December 1, as the case may be, next preceding such Interest Payment Date.

The Notes will be redeemable in whole or in part at any time or from time to time, at the option of Prospect Capital Corporation, on or after March 15, 2014 at a redemption price of \$1,000 per Note plus accrued and unpaid interest payments otherwise payable for the then-current interest period accrued to, but excluding, the date fixed for redemption and upon not less than 30 days nor more than 60 days prior notice to the noteholder and the trustee, as described in the prospectus.

Prospect Capital Corporation is a financial services company that lends to and invests in middle market, privately-held companies. We are organized as an externally-managed, non-diversified closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940. Prospect Capital Management LLC manages our investments and Prospect Administration LLC provides the administrative services necessary for us to operate.

This pricing supplement relates only to the securities described in the accompanying prospectus supplement and prospectus, is only a summary of changes and should be read together with the accompanying prospectus supplement and prospectus, including among other things the section entitled "Risk Factors" beginning on page S-8 of such prospectus supplement and page 11 of such prospectus. This pricing supplement and the accompanying prospectus supplement and prospectus contain important information you should know before investing in our securities. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission, or the "SEC." This information is available free of charge by contacting us at 10 East 40th Street, 44th Floor, New York, NY 10016 or by telephone at (212) 448-0702. The SEC maintains a website at www.sec.gov where such information is available without charge upon written or oral request. Our internet website address is www.prospectstreet.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this pricing supplement. Any representation to the contrary is a criminal offense. Obligations of Prospect Capital Corporation and any subsidiary of Prospect Capital Corporation are not guaranteed by the full faith and credit of the United States of America. Neither Prospect Capital Corporation nor any subsidiary of Prospect Capital Corporation is a government-sponsored enterprise or an instrumentality of the United States of America.

InterNotes® is a registered trademark of Incapital Holdings LLC.

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Recent Developments: On March 6, 2013, we purchased an additional \$5.0 million of secured second-lien financing in a leading global infrastructure software company.

On March 7, 2013, we made a secured second-lien follow-on investment of \$60.0 million to support the recapitalization of a national distributor of hunting, outdoor, marine and tackle products.

On March 8, 2013, we made an investment of \$40.4 million to purchase 78.60% of the subordinated notes in Halcyon Loan Advisors Funding 2013-1 Ltd.

On March 15, 2013, we provided \$12.0 million of secured second-lien financing to Apple Leisure Group, a vertically integrated travel company that focuses on providing all-inclusive vacations in Mexico and the Caribbean to the U.S. customer.

On March 15, 2013, we made an investment of \$44.1 million to purchase 95.27% of the subordinated notes in Apidos CLO XII, Ltd.

On March 15, 2013, we issued \$250.0 million in aggregate principal amount of 5.875% senior unsecured notes due 2023 (the "2023 Notes") for net proceeds following underwriting and other expenses of approximately \$243.5 million. Interest on the 2023 Notes is paid semi-annually. The 2023 Notes mature on March 15, 2023.

On March 18, 2013, we sold our \$2.0 million investment in JGWPT Holdings, LLC.

On March 19, 2013, we provided a \$197.3 million first-lien senior secured credit facility to support the refinancing of a logistics services portfolio company controlled by H.I.G. Capital. After the financing, we received repayment of the \$27.7 million loan previously outstanding.

During the period from January 4, 2013 to March 21, 2013, we issued \$31.8 million in aggregate principal amount of our Prospect Capital InterNotes® for net proceeds of \$30.8 million.

Legal Matters: In the opinion of Joseph Ferraro, General Counsel of Prospect Administration, administrator for Prospect Capital Corporation, a Maryland corporation (the "Company"), the certificate evidencing the Notes (the "Note Certificate") constitutes the valid and binding obligation of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with its terms under the laws of the State of New York subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the law of the State of New York as in effect on the date hereof. In addition, this opinion is subject to the same assumptions and qualifications stated in the letter of Skadden, Arps, Slate, Meagher & Flom, LLP dated March 8, 2012, filed as Exhibit (l)(5) to the Company's registration statement on Form N-2 (File No. 333-176637) and to the further assumptions that (i) the Note Certificate has been duly authorized by all requisite corporate action on the part of the Company and duly executed by the Company under Maryland law, and (ii) it was duly authenticated by the Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Amended and Restated Selling Agent Agreement and the Indenture. Capitalized terms used in this paragraph without definition have the meanings ascribed to them in the accompanying prospectus supplement.

Prospect Capital Corporation
10 East 40th Street, 44th Floor
New York, New York 10016

In the opinion of Venable LLP, as Maryland counsel to the Company, (i) the execution and delivery by the Company of the Indenture, dated as of February 16, 2012, as supplemented through the Seventy-Third Supplemental Indenture, between the Company and American Stock Transfer & Trust Company, the Seventy-Fourth Supplemental Indenture, between the Company and American Stock Transfer & Trust Company, the Seventy-Fifth Supplemental Indenture, between the Company and American Stock Transfer & Trust Company and the Seventy-Sixth Supplemental Indenture, between the Company and American Stock Transfer & Trust Company, and the global notes representing the Notes issued pursuant to each such Supplemental Indenture, and the performance by the Company of its obligations thereunder, have been duly authorized by the Company and (ii) the issuance of the Notes has been duly authorized by the Company. This opinion is given to the Company as of March 25, 2013 and is limited to the laws of the State of Maryland as in effect on March 25, 2013. In addition, this opinion is subject to the same assumptions, qualifications and limitations stated in the opinion letter to the Company of Venable LLP, dated March 8, 2012, filed as Exhibit (l)(4) to the Company's Registration Statement on Form N-2 (File No. 333-176637). Capitalized terms used in this paragraph without definition have the meanings ascribed to them in the accompanying prospectus supplement.

Very truly yours,

/s/ Venable LLP

PROSPECTUS SUPPLEMENT
(To Prospectus dated October 29, 2012)

Prospect Capital Corporation

Prospect Capital InterNotes®

We may offer to sell our Prospect Capital InterNotes® from time to time. The specific terms of the notes will be set prior to the time of sale and described in a pricing supplement. You should read this prospectus supplement, the accompanying prospectus and the applicable pricing supplement carefully before you invest. We may offer other debt securities from time to time other than the notes under our Registration Statement or in private placements.

We may offer the notes to or through agents for resale. The applicable pricing supplement will specify the purchase price, agent discounts and net proceeds of any particular offering of notes. The agents are not required to sell any specific amount of notes but will use their reasonable best efforts to sell the notes. We also may offer the notes directly. We have not set a date for termination of our offering.

The agents have advised us that from time to time they may purchase and sell notes in the secondary market, but they are not obligated to make a market in the notes and may suspend or completely stop that activity at any time. Unless otherwise specified in the applicable pricing supplement, we do not intend to list the notes on any stock exchange.

Investing in the notes involves certain risks, including those described in the "Risk Factors" section beginning on page S-8 of this prospectus supplement and page 11 of the accompanying prospectus.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our securities. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission, or the "SEC." This information is available free of charge by contacting us at 10 East 40th Street, 44th Floor, New York, NY 10016 or by telephone at (212) 448-0702. The SEC maintains a website at www.sec.gov where such information is available without charge upon written or oral request. Our internet website address is www.prospectstreet.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

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

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

We may sell the notes to or through one or more agents or dealers, including the agents listed below.

Incapital LLC

BofA Merrill Lynch

Prospectus Supplement dated March 4, 2013.

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FORWARD-LOOKING STATEMENTS

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

our future operating results,

our business prospects and the prospects of our portfolio companies,

the impact of investments that we expect to make,

our contractual arrangements and relationships with third parties,

the dependence of our future success on the general economy and its impact on the industries in which we invest,

the ability of our portfolio companies to achieve their objectives,

difficulty in obtaining financing or raising capital, especially in the current credit and equity environment,

the level and volatility of prevailing interest rates and credit spreads, magnified by the current turmoil in the credit markets,

adverse developments in the availability of desirable loan and investment opportunities whether they are due to competition, regulation or otherwise,

a compression of the yield on our investments and the cost of our liabilities, as well as the level of leverage available to us,

our regulatory structure and tax treatment, including our ability to operate as a business development company and a regulated investment company,

the adequacy of our cash resources and working capital,

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the timing of cash flows, if any, from the operations of our portfolio companies,

the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments,

authoritative generally accepted accounting principles or policy changes from such standard-setting bodies as the Financial Accounting Standards Board, the SEC, Internal Revenue Service,

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the NASDAQ Global Select Market, and other authorities that we are subject to, as well as their counterparts in any foreign jurisdictions where we might do business, and

the risks, uncertainties and other factors we identify in "Risk Factors" and elsewhere in this prospectus supplement and the accompanying prospectus and in our filings with the SEC.

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

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

This prospectus supplement, including any pricing supplement included hereto, supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in that prospectus.

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PROSPECTUS SUMMARY

This section summarizes the legal and financial terms of the notes that are described in more detail in "Description of Notes" beginning on page S-13. Final terms of any particular notes will be determined at the time of sale and will be contained in the pricing supplement, which will be included with this prospectus supplement, relating to those notes. The terms in that pricing supplement may vary from and supersede the terms contained in this summary and in "Description of Notes." In addition, you should read the more detailed information appearing elsewhere in this prospectus supplement, the accompanying prospectus and in that pricing supplement.

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

The Company

Prospect Capital Corporation is a financial services company that primarily lends to and invests in middle market privately-held companies. In this prospectus supplement and the accompanying prospectus, we use the term "middle-market" to refer to companies with annual revenues between \$50 million and \$2 billion. We are a closed-end investment company that has filed an election to be treated as a business development company under the Investment Company Act of 1940, or the "1940 Act." We invest primarily in senior and subordinated debt and equity of companies in need of capital for acquisitions, divestitures, growth, development and recapitalization. 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 invest primarily in first and second lien senior loans and mezzanine debt, which in some cases includes an equity component. First and second lien senior loans generally are senior debt instruments that rank ahead of subordinated 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. Mezzanine debt is subordinated to senior loans and is generally unsecured. Our investments have generally ranged between \$5 million and \$75 million each, although the investment size may be more or less than this range. Our investment sizes are expected to grow as our capital base expands.

We also acquire controlling interests in companies in conjunction with making secured debt investments in such companies. In most cases, companies in which we invest are privately held at the time we invest in them. We refer to these companies as "target" or "middle market" companies and these investments as "middle market investments."

We seek to maximize total returns to our investors, including both current yield and equity upside, by applying rigorous credit analysis and asset-based and cash-flow based lending techniques to make and monitor our investments. Many of our investments to date have been in energy-related industries, which consist of companies in the discovery, production, transportation, storage and use of energy resources as well as companies that sell products and services to, or acquire products and services from, these companies.

We are currently pursuing multiple investment opportunities, including purchases of portfolios from private and public companies, as well as originations and secondary purchases of particular securities. There can be no assurance that we will successfully consummate any investment opportunity we are currently pursuing. Motivated sellers, including commercial finance companies, hedge funds, other business development companies, total return swap counterparties, banks, collateralized loan obligation funds, and other entities, are suffering from excess leverage, and we believe we are well positioned to capitalize as potential buyers of such assets at attractive prices. If any of these

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opportunities are consummated, there can be no assurance that investors will share our view of valuation or that any assets acquired will not be subject to future write downs, each of which could have an adverse effect on our stock price.

As of December 31, 2012, we held investments in 106 portfolio companies. The aggregate fair value as of December 31, 2012 of investments in these portfolio companies held on that date is approximately \$3.0 billion. Our portfolio across all our interest bearing investments had an annualized current yield of 14.7% as of December 31, 2012.

Recent Developments

Dividends

On February 7, 2013, we announced the declaration of monthly dividends in the following amounts and with the following dates:

\$0.110050 per share for February 2013 to holders of record on February 28, 2013 with a payment date of March 21, 2013;

\$0.110075 per share for March 2013 to holders of record on March 29, 2013 with a payment date of April 18, 2013; and

\$0.110100 per share for April 2013 to holders of record on April 30, 2013 with a payment date of May 23, 2013.

Recent Investment Activity

On January 11, 2013, we provided \$27.1 million of debt financing to CHC Companies, Inc., a national provider of correctional medical and behavioral healthcare solutions.

On January 17, 2013, we made a \$30.3 million follow-on investment in APH Property Holdings, LLC, to acquire 5100 Live Oaks Blvd, LLC, a multi-family residential property located in Tampa, Florida. We invested \$2.7 million of equity and \$27.6 million of debt in APH Property Holdings, LLC.

On January 24, 2013, we made an investment of \$24.3 million to purchase 56.14% of the subordinated notes in Cent 17 CLO Limited.

On January 24, 2013, we made an investment of \$25.7 million to purchase 50.12% of the subordinated notes in Octagon Investment Partners XV, Ltd.

On January 29, 2013 we provided \$8.0 million of secured second lien financing to TGG Medical Transitory, Inc., a developer of technologies for extracorporeal photopheresis treatments.

On January 31, 2013, we funded an acquisition of the subsidiaries of Nationwide Acceptance Corporation, which operate a specialty finance business based in Chicago, Illinois, a \$25.2 million of combined debt and equity financing.

On February 4, 2013, we received a distribution of \$3.3 million related to our investment in NRG Manufacturing, Inc., for which we realized a gain of the same amount. This is a partial release of the total amounts held in escrow with a fair value of \$8.1 million as of December 31, 2012.

On February 5, 2013, we made a secured debt investment of \$2.0 million in Healogics, Inc., a provider of outpatient wound care management services located in Jacksonville, Florida. On the same day we fully exited the deal and realized a gain of \$60,000 on this investment.

On February 13, 2013, we made an investment of \$35.0 million to purchase 50.34% of the subordinated notes in Galaxy XV CLO, Ltd.

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On February 14, 2013, we made a \$2.0 million secured first-lien debt investment in JGWPT Holdings, LLC, the parent holding company of JG Wentworth, the largest purchaser of structured settlement and annuity payments in the United States.

On February 14, 2013, we provided \$15.0 million of senior secured financing to Speedy Group Holdings Corp., a leading provider of short-term loans and financial services in the United States, the United Kingdom and Canada.

On February 15, 2013, we made a \$6.0 million secured second-lien debt investment in SESAC HoldCo II LLC, a performing rights organization based in Nashville, TN.

On February 21, 2013, we provided \$47.0 million of senior secured first-lien financing to support the acquisition of a leading owner and operator of dialysis stations.

On February 25, 2013, we made a \$10.0 million secured second lien loan and a \$2.0 million secured first-lien debt investment in TNS, Inc., an international data communications company that provides networking, data communications and other value added services. On the same day we sold the \$2.0 million secured first lien debt instrument and realized a gain of \$0.020 million on this investment.

On March 1, 2013, we made a \$70.0 million secured term loan investment in a subsidiary of Cinedigm Digital Cinema Corp., the leading provider of digital cinema services, software and content marketing and distribution.

Equity Issuance

During the period from January 7, 2013 to February 5, 2013, we sold 10,248,051 shares of our common stock at an average price of \$11.25 per share, and raised \$115.3 million of gross proceeds, under the ATM Program. Net proceeds were \$114.0 million net of commissions to the broker-dealer on shares sold and offering costs.

During the period from February 11, 2013 to March 1, 2013 (with settlement dates from February 14, 2013 to March 6, 2013), we sold 5,973,913 shares of our common stock at an average price of \$11.26 per share, and raised \$67.2 million of gross proceeds, under the ATM Program. Net proceeds were \$66.4 million net of commissions to the broker-dealer on shares sold and offering costs.

Debt Issuance

During the period from January 4, 2013 to February 28, 2013, we issued \$24.1 million in aggregate principal amount of our Prospect Capital InterNotes® for net proceeds of \$23.3 million.

On March 4, 2013, we entered into a Second Amended and Restated Selling Agent Agreement which continued our issuance of Prospect Capital Internotes on substantially the same terms and provides for our issuance of floating rate notes in addition to fixed rate notes.

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The Offering

| | |
|---------------------------------|---|
| Issuer | Prospect Capital Corporation |
| Purchasing Agent | Incapital LLC |
| Agents | Merrill Lynch, Pierce, Fenner & Smith Incorporated. From time to time, we may sell the notes to or through additional agents. |
| Title of Notes | Prospect Capital InterNotes® |
| Amount | We may issue notes from time to time in various offerings up to \$500,000,000, the aggregate principal amount authorized by our board of directors for notes as well as all other publicly-offered senior debt securities of the Company. As of March 1, 2013, \$189,052,000 aggregate principal amount of notes has been issued. There are no limitations on our ability to issue additional indebtedness in the form of Prospect Capital InterNotes® or otherwise other than under the 1940 Act and the marginally more restrictive 175% asset coverage requirement under our credit facility. |
| Denominations | The notes will be issued and sold in denominations of \$1,000 and multiples of \$1,000 (unless otherwise stated in the pricing supplement). |
| Status | The notes will be our direct unsecured senior obligations and will rank equally with all of our other unsecured senior indebtedness from time to time outstanding. |
| Maturities | Each note will mature 12 months or more from its date of original issuance. |
| Interest | <p>Notes may be issued with a fixed or floating interest rate; a floating interest rate note will be based on the London Interbank Offered Rate ("LIBOR").</p> <p>Interest on each fixed or floating interest rate note will be payable either monthly, quarterly, semi-annually or annually on each interest payment date and on the stated maturity date. Interest also will be paid on the date of redemption or repayment if a note is redeemed or repaid prior to its stated maturity in accordance with its terms.</p> <p>Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months, often referred to as the 30/360 (ISDA) day count convention.</p> |
| Principal | The principal amount of each note will be payable on its stated maturity date at the corporate trust office of the paying agent or at any other place we may designate. |
| Redemption and Repayment | Unless otherwise stated in the applicable pricing supplement, a note will not be redeemable at our option or be repayable at the option of the holder prior to its stated maturity date. The notes will not be subject to any sinking fund. |

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Survivor's Option

Specific notes may contain a provision permitting the optional repayment of those notes prior to stated maturity, if requested by the authorized representative of the beneficial owner of those notes, following the death of the beneficial owner of the notes, so long as the notes were owned by the beneficial owner or his or her estate at least six months prior to the request. This feature is referred to as a "Survivor's Option." Your notes will not be repaid in this manner unless the pricing supplement for your notes provides for the Survivor's Option. If the pricing supplement for your notes provides for the Survivor's Option, your right to exercise the Survivor's Option will be subject to limits set by us on (1) the permitted dollar amount of total exercises by all holders of notes in any calendar year, and (2) the permitted dollar amount of an individual exercise by a holder of a note in any calendar year. Additional details on the Survivor's Option are described in the section entitled "Description of Notes Survivor's Option."

Sale and Clearance

We will sell notes in the United States only. Notes will be issued in book-entry only form and will clear through The Depository Trust Company. We do not intend to issue notes in certificated form.

Trustee

The trustee for the notes is U.S. Bank National Association, under an indenture dated as of February 16, 2012, as amended and as supplemented from time to time.

Selling Group

The agents and dealers comprising the selling group are broker-dealers and securities firms. Each of the Purchasing Agent and the Agent entered into a Second Amended and Restated Selling Agent Agreement with us dated March 4, 2013 (the "Selling Agent Agreement"). Additional agents appointed by us from time to time in connection with the offering of the notes contemplated by this prospectus supplement will become parties to the Selling Agent Agreement. Dealers who are members of the selling group have executed a Master Selected Dealer Agreement with the Purchasing Agent. The agents and the dealers have agreed to market and sell the notes in accordance with the terms of those respective agreements and all other applicable laws and regulations. You may contact the Purchasing Agent at info@incapital.com for a list of selling group members.

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You should read the condensed consolidated financial information below with the Consolidated Financial Statements and notes thereto included in this prospectus supplement and the accompanying prospectus. Financial information below for the years ended June 30, 2012, 2011, 2010, 2009 and 2008 has been derived from the financial statements that were audited by our independent registered public accounting firm. The selected consolidated financial data at and for the three and six months ended December 31, 2012 and 2011 has been derived from unaudited financial data. Interim results for the three and six months ended December 31, 2012 are not necessarily indicative of the results that may be expected for the year ending June 30, 2013. Certain reclassifications have been made to the prior period financial information to conform to the current period presentation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" starting on page S-25 for more information.

| | For the Three Months Ended December 31, | | For the Six Months Ended December 31, | | For the Year/Period Ended June 30, | | | | |
|---------------------------------------|---|-----------------|---|-----------------|------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2010 | 2009 | 2008 |
| | (in thousands except data relating to shares, per share and number of portfolio companies) | | | | | | | | |
| Performance Data: | | | | | | | | | |
| Interest income | \$ 116,866 | \$ 46,136 | \$ 195,176 | \$ 88,523 | \$ 219,536 | \$ 134,454 | \$ 86,518 | \$ 62,926 | \$ 59,033 |
| Dividend income | 31,955 | 19,029 | 68,163 | 26,079 | 64,881 | 15,092 | 15,366 | 22,793 | 12,033 |
| Other income | 17,214 | 2,098 | 26,332 | 8,003 | 36,493 | 19,930 | 12,675 | 14,762 | 8,336 |
| Total investment income | 166,035 | 67,263 | 289,671 | 122,605 | 320,910 | 169,476 | 114,559 | 100,481 | 79,402 |
| Interest and credit facility expenses | (16,414) | (9,759) | (29,925) | (18,719) | (38,534) | (17,598) | (8,382) | (6,161) | (6,318) |
| Investment advisory expense | (41,110) | (17,952) | (72,845) | (33,132) | (82,507) | (46,051) | (30,727) | (26,705) | (20,199) |
| Other expenses | (9,295) | (3,044) | (13,658) | (6,369) | (13,185) | (11,606) | (8,260) | (8,452) | (7,772) |
| Total expenses | (66,819) | (30,755) | (116,428) | (58,220) | (134,226) | (75,255) | (47,369) | (41,318) | (34,289) |