

PROSPECT CAPITAL CORP
Form 497AD
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We are Sole Bookrunner on a new registered convertible notes offering with the following indicative terms:

Issuer: Prospect Capital Corporation (NYSE: PSEC)
Issue: Convertible Notes due 2022
Ranking: Senior Unsecured
Offering Size: \$225mm Base Deal Size
Final Maturity: 5.25 Years (July 15, 2022)
Coupon: 4.95%
Conversion Premium: 10.0%
Re-Offer Price Range: 98.0 - 98.5
Effective Yield: 5.39 - 5.28%
Effective Premium: 7.8 - 8.4%
Issuer Call: Non-callable until 15-April-2022; callable thereafter at par plus accrued and unpaid interest and make-whole premium
Investor Redemption: None
Coupon Payment Dates: January 15th and July 15th of each year, beginning July 15, 2017
Conversion Settlement: Physical Settlement
Dividend Protection: Full dividend protection above the monthly threshold of \$0.08333
Fundamental Change: This security includes protection for investors upon a change of control, dissolution or delisting
Use of Proceeds: Repurchase from time to time a portion of the 2017 Notes and 2018 Notes. The remainder to be used to invest in high quality short term debt investments, and/or to make long term investments in accordance with our investment objective
Anticipated Pricing Date: Pre market open on Thursday, April 6th
Sole Bookrunner: Goldman Sachs

Investors are advised to carefully consider the investment objective, risks, charges and expenses of Prospect Capital Corporation ("PSEC") before investing. The preliminary prospectus supplement dated April 5, 2017, together with an accompanying prospectus dated November 3, 2016, which have been filed with the Securities and Exchange Commission, contain this and other information about PSEC and should be read carefully before investing. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the preliminary prospectus supplement and the accompanying prospectus if you request it by calling toll-free 1-866-471-2526.

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The information in the preliminary prospectus supplement and the accompanying prospectus, and in this announcement, is not complete and may be changed. The preliminary prospectus supplement, the accompanying prospectus and this announcement are not offers to sell any securities of PSEC and are not soliciting an offer to buy such securities in any state where such offer and sale is not permitted.

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