

PROSPECT CAPITAL

“We are proud of our multi-decade history of teaming up with U.S. middle-market businesses with strategic capital for growth, acquisitions, and recapitalizations.”

JOHN BARRY
Chairman and CEO

PROSPECT CAPITAL INTERNOTES®

Investment-Grade Corporate Notes Issued by a \$7.2B Business Development Company

Prospect Capital Corporation (NASDAQ: PSEC) is a \$7.2 billion publicly traded, closed-end business development company (“BDC”) with a 20-year track record that completed its IPO in 2004. Prospect makes debt and equity investments in privately held, middle-market companies in the United States. Prospect Capital InterNotes® enable individual investors to buy new issue corporate notes.

**CORPORATE CREDIT INVESTMENT
GRADE RATINGS¹**

**Moody's: Ba1
S&P: BB+**

**DBRS: BBB (low)
Egan-Jones: BBB**

WHAT IS A BUSINESS DEVELOPMENT COMPANY (BDC)?

Created in 1980, a BDC is a closed-end investment company that focuses on investing in small-sized and medium-sized private companies rather than large public companies. For companies that cannot access traditional sources of financing, BDCs provide investment capital to grow, along with managerial assistance. BDCs represent a large part of the direct lending market; there are 138 BDCs with \$274 billion³ of loans to middle market businesses. BDCs have conservative balance sheets as leverage (the ratio of debt to equity) is limited to 2.00x.

PROSPECT CAPITAL INTERNOTES® HIGHLIGHTS \$2.4 BILLION SOLD SINCE 2012

Current Offering	Up to \$1 billion
Minimum Investment	\$1,000
Tenor	Typically 3 to 30 years
Corporate Credit Ratings¹ as of 2/10/2025	Moody's Ba1 ² ; S&P BB+ ² ; Egan-Jones BBB; DBRS: BBB (low);
Ranking	Senior unsecured debt obligations ahead of preferred/ common stock
Redemption	Principal will be repaid at maturity. Notes offer a Survivor's Option for repurchase by the issuer upon death of the beneficial owner. See Prospectus for details.
Availability	Prospect Capital InterNotes® are offered on InspereX's platform. Ask your financial advisor about purchasing InterNotes® for your portfolio.
Diversified/ Laddered Maturities	Multiple forms of unsecured financing, as well as \$2.1B revolver from 48 banks

INVESTING ACROSS DIVERSE INDUSTRIES

Prospect Capital's portfolio is diversified across 33 industries with low exposure to cyclical industries like energy, retail, hotels, restaurants, and leisure. Since inception, Prospect has made more than \$21 billion in debt and equity investments in privately held, middle-market companies in the United States.

WELL DIVERSIFIED PORTFOLIO IN 114 INVESTMENTS ACROSS 33 INDUSTRIES

Holdings as of 12/31/2024

Residential Real Estate Investment Trusts (REITs)	20.0%
Consumer Finance	11.1%
Health Care Providers & Services	10.0%
Commercial Services & Supplies	7.0%
Subordinated Structured Notes	5.8%
Construction & Engineering	4.3%
Distributors	4.3%
Air Freight & Logistics	2.7%
Software	2.4%
Media	2.4%
Machinery	2.2%
Food Products	2.1%
Diversified Telecommunication Services	2.1%
Health Care Technology	1.9%
Other (Multiple Industries)	21.7%

PROSPECT HIGHLIGHTS

\$7.2B

in assets and \$5.1B
in book equity⁵ as of 12/31/2024

29%

insider ownership

<1.0x

Conservative balance sheet with
indebtedness of less than 1.0x

\$4.8B

of unencumbered assets to support
Prospect's senior unsecured debt

100%

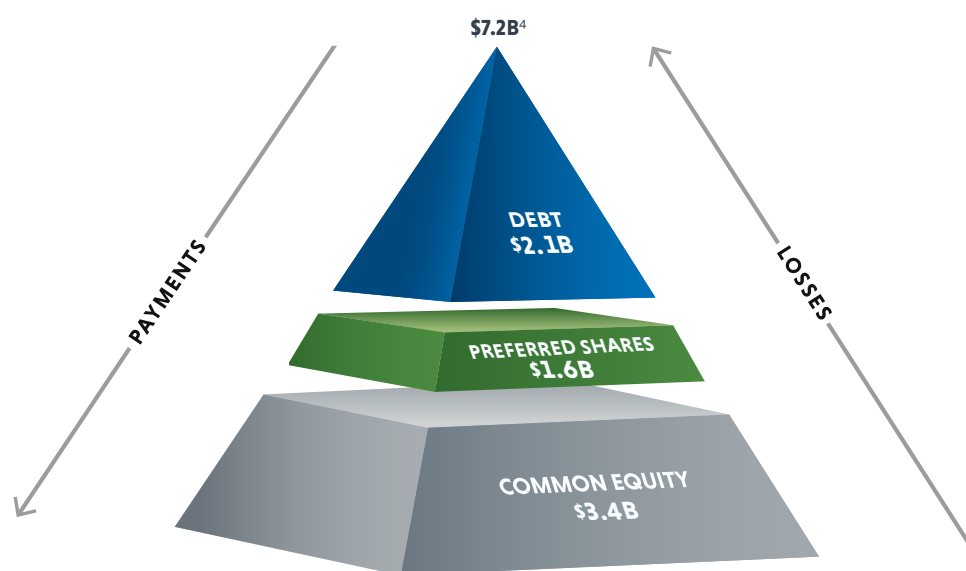
of Prospect's investments are
reviewed by independent third
parties on a quarterly basis

81%

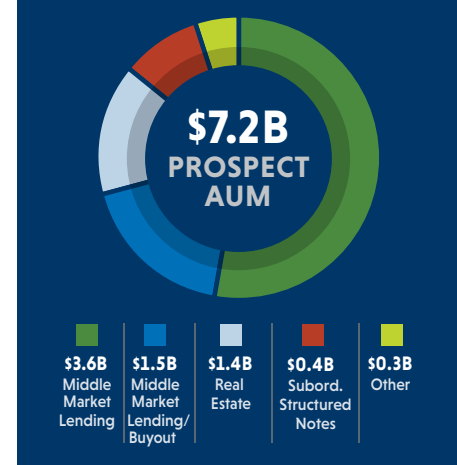
underlying secured asset mix
with 0.4% non-accrual loans⁶

PROSPECT CAPITAL INTERNOTES® ARE SENIOR DEBT

\$2.4 billion in Prospect Capital InterNotes® sold since 2012



Strategy Breakdown⁶



SPEAK WITH YOUR FINANCIAL PROFESSIONAL ABOUT THE RISKS AND SUITABILITY OF PROSPECT CAPITAL INTERNOTES® IN YOUR PORTFOLIO.

Footnotes

General: All data herein is as of 12/31/2024 except as noted.

¹ Corporate credit ratings current as of 2/10/2025. A credit rating is not a recommendation to buy, sell, or hold securities and is subject to revision or withdrawal at any time and without notice by the assigning agency. Each rating should be evaluated independently of any other rating, and investors should conduct thorough due diligence before investing.

Moody's investment-grade credit ratings range from Aaa to Baa, and its high-yield credit ratings range from Ba to C. For S&P, Egan-Jones, DBRS, and Kroll, investment-grade credit ratings range from AAA to BBB, while high-yield credit ratings range from BB to C. High-yield is another name for non-investment-grade or junk.

² Denotes also a credit rating on Prospect Capital InterNotes. Other rating agencies issue a corporate credit rating and do not rate the Prospect Capital InterNotes.

³ Source: BDC Council - <http://sbia.org/bdc-council>.

⁴ Based on balance sheet amounts.

⁵ Book equity includes preferred stock.

⁶ Investments calculated at fair value. Non-accruals calculated at fair value as a percentage of total assets. All information derived from PSEC filings and management, and is as of 12/31/2024 unless otherwise noted.

WHAT YOU SHOULD KNOW BEFORE INVESTING IN PROSPECT CAPITAL INTERNOTES®

Credit ratings

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Portfolio company credit & investment risk

BDCs invest primarily in debt and equity securities of smaller and developing companies, as well as financially troubled companies, most of which are privately held and lack publicly available information. These loans and investments may not be considered investment grade and are often illiquid and not transparent. As a result, an investment in a BDC is speculative and involves a high degree of risk.

Leverage

BDCs may employ leverage, borrowing to gain greater investment exposure. In turn, this leverage creates the opportunity to magnify investment returns, but also may magnify losses – higher highs and lower lows.

DISCLAIMER: This is not an offer to sell or a solicitation of an offer to buy any securities. Such an offer is made only by means of a current Prospectus (including any applicable Pricing Supplement) for each of the respective Notes. Such offers may be directed only to investors in jurisdictions in which the Notes are eligible for sale. Investors should consider the investment objectives, risks, and charges and expenses of the investment company carefully before investing. The Prospectus and related supplements contain this and other information about the investment company. Investors may obtain these documents at insperex.com/Products_and_Offerings/Corporate_Notes/Issuers. The Prospectus and related supplements should be read carefully before investing. No state or federal securities regulators have passed on or endorsed the merits of the offering of Notes. Any representation to the contrary is unlawful. The Notes will not be insured or guaranteed by the FDIC, SIPC or other governmental agency.